

Türk Prysmian Kablo ve Sistemleri A.Ş.

2020 ANNUAL REPORT



Parallel to constantly-increasing energy requirements, the World is rapidly turning to wind and solar power occupying a significant position amongst renewable and sustainable sources of energy. Prysmian Group has been manufacturing photovoltaic cables for nearly 20 years and achieved a sales volume of more than 1.5 billion meters worldwide. On the other hand, Turk Prysmian Kablo, the leading company of the Turkish cable industry and the supplier of leading projects overseas and Turkey; is offering cost-effective, durable and high-performance energy solutions to businesses and investors in the renewable energy industry. More than 30 million meters of solar cables supplied by Türk Prysmian Kablo for major projects to date, accommodating the energy needs of approximately 9 million households.

Being aware of its responsibility to the universe, Türk Prysmian Kablo always aims to deliver renewable industry partnership projects for the benefit of the world and the businesses and carries on contributing to the Turkish cable industry with its innovative and sustainable solutions.

Türk Prysmian Kablo ve Sistemleri A.Ş.

2020 ANNUAL REPORT

Prysmian
Group



CONTENTS

Preliminary Information

- 6-7 Message from the CEO
- 8-9 Türk Prysmian Kablo ve Sistemleri A.Ş. at a Glance
- 10 Organizational Structure
- 11 Company Boards
- 12-13 Board Members
- 14 Sales Structure
- 15 Prestigious Project References

Directors' Report

- 16 2020 Economic Overview
- 17 2021 Economic Expectations
- 18-19 2020 Industry Overview
- 20-21 Sustainability
- 22-23 Innovation
- 24 Attention! All Cables Are Not The Same...
- 25 Corporate Social Responsibility
- 26-27 Financial Analysis
- 28 The Statement of Responsibility & Dividend Distribution Proposal
- 29 Ordinary General Assembly Agenda

Auditors' Reports

- 30 Independent Auditor's Report Related to the Annual Report
- 31-77 Independent Auditor's Report on Consolidated Financial Statements

Principles

- 78-79 Sustainability Principles Compliance Statement
- 80-106 Compliance Report
- 107-110 Türk Prysmian Ethical Code

Message From The CEO



Dear Shareholders,

Inspired by our renewed mission "Linking Turkey to a Sustainable Future", since our establishment in 1964 and so throughout 2020 we continued to contribute to all major Turkish industries and sectors with our innovative products, our sustainable investments and our global competitiveness. We promoted the Turkish economy in and outside our Country and continued to lead the cable industry successfully.

In 2020, the entire world faced an unprecedented challenge. While Coronavirus pandemic affected the health and safety of people across the world, we have all experienced a new way of living and working. We, as Türk Prysmian Kablo, have continued uninterrupted our operations by prioritizing the protection of the health of our employees and our valued business and Partners, listening to local governments and following Prysmian Group's recommendations closely. Finally, we have adapted to this radical change, offering our services and staying closer to our Partners by taking advantage of all the possibilities currently offered by the digital technology.

Despite all restrictions that Covid-19 pandemic introduced, today we can proudly say that we have successfully completed the 2020 FY achieving a better performance compare to our forecast and our previous year.

"We took care about our people"

The well-being and safety of our colleagues, clients and business partners was and remains our top priority. At Türk Prysmian Kablo, the leading brand name of the Turkish cable industry, we have taken a solid and strong stance with the measures we have put in place against the Covid-19 pandemic.

The global spread of Covid-19 had its impact on peoples, communities and businesses all over the world. At Türk Prysmian Kablo, we have immediately switched to home-based working model and postponed all scheduled events. A dedicated Crisis Committee adopted from the very beginning a Company Emergency Plan Covid-19, based on a Risk Analysis updated on a weekly base. Adopting smart work, extraordinary hygiene and sanitization measures at our factories and offices, common areas and factory's guesthouses, we have taken utmost care to continuously ensure safe working conditions for our entire team. Applying extraordinary measures, including office closures, suspension of all business travel, facilitating domestic and international meetings online, a 14-day isolation rule for all visitors, we invited all subcontractors and industry players to take the same level of precautions, with the aim to reduce the spread of the pandemic.

Thanks to the high-level measures we have taken, we successfully completed all requirements of TSE Covid-19 Hygiene, Infection Prevention and Control Certification Program, being awarded the first Covid-19 Safe Production Certificate in the industry.

"We took care about the community"

The Covid-19 outbreak taught the whole world how important the existence of the health system and healthcare professionals are to our lives. In record time we provided our fire-safe cables for two important projects: Prof. Dr. Feriha Öz Emergency Hospital in Sancaktepe and Prof. Dr. Murat Dilmener Emergency Hospital in Yeşilköy, which have been realized during the pandemic.

In cooperation with the Consulate General of Italy in Istanbul and the Italian Chamber of Commerce and Industry, we have organized a thank-you dinner for our healthcare professionals at Cerrahpaşa Medical School Hospital of Istanbul University, tirelessly fighting Covid-19. Because we are aware of being one of the companies that had and will continue to play a key role in the Country.

"We took care about our business"

We took immediate actions to cope up with the uncertain business environment in 2020 and we have exceeded the expected results. But at the same time, we re-analyzed

opportunities for each and all business, to continue to grow in the Country and to serve more and more as the production hub of Prysmian Group in Europe on different specialties. Finally, we made a comprehensive plan including the necessary initiatives, also in term of investment, to re-position our Company for the future and build up the needed capabilities, in term of asset, to boost growth and increase vitality.

"We took care about the ecosystem"

In the recent years we offered our contribution to Turkey's industrialization and economy as a solution partner of Turkey's prestigious projects, such as Istanbul New Airport, Marmaray, Yavuz Sultan Selim and Osmaniye Bridges, High Speed Railway Project, Bursa, Eskisehir and Ankara Bilkent city hospitals.

Our target for 2020 has been to continue to link Turkey to the future by enabling the transition to sustainable energy, constantly reinforcing our technology offer in support of this goal, boosting empowerment and growth through diversity and fostering a system open to new perspectives, to increase the ability to innovate, but also to resist the unexpected.

Sustainability has always been a priority for our Group, an integral part of our business and a part of our culture, if we consider multiculturalism, diversity and inclusion as fundamental pillars of our Group.

As Türk Prysmian Kablo, we effectively and actively participated to this Group target, reinforcing our Business model to integrate economic, social and environmental responsibility in all aspects of our activities, making profit for the benefit of our shareholders and creating value for the community through our 10 years Sustainability Plan, built during 2020 despite the emergency agenda run by the organization.

"We took care about innovation"

As the "Top R&D Spender" in the Turkish cable industry, we continued to lead innovations and development and invested in new environment-friendly products and systems. Guided by our mission "Linking Turkey to a Sustainable Future", our biggest goal is to continue to contribute to domestic productions as well as to expand our export.

As Türk Prysmian Kablo, we will keep developing innovative products that support sustainability in telecommunication and energy infrastructures, increase the sale of "green" products, contribute to making energy and telecommunication being accessible to everyone and support the production of renewable energy and sustainable technologies.

Despite all the challenges we have gone through, we have proven to overcome the toughest adversity through our full commitment to over-achieve the forecasted results during disruption, make leadership pipelines more inclusive, shape sustainable leaders.

As the only publicly traded company in the Turkish cable industry, we have implemented all our activities within the framework of the importance it attaches to corporate governance principles since the day we were established, and updated our "Corporate Governance Rating Score" to 94,03 in 2020.

Your energy is our biggest motivation. I deeply believe that we will heal the wounds of 2020 in 2021 and have much better days.

I warmly thank you on behalf of Türk Prysmian Kablo and on my personal behalf.

Respectfully yours.

Cinzia Farisè
CEO



Ercan Gökdağ
Board Member &
MEAT Region CFO

Cinzia Farisè
Vice Chairman
& CEO

Halil İbrahim Kongur
Chairman
& Factory Director

Türk Prysmian Kablo Ve Sistemleri A.Ş.

GENERAL INFORMATION

We as Prysmian Group are worldwide leading company in energy and telecommunication cables industry. We are a multinational company, operating successfully in the markets where we're specialized for more than a century and carrying on powerfully in local markets.

Our vision is, while keeping inside alive the workforce which will help us to exhibit a creative and superior performance with our outstanding and innovative role, having an organizational structure that gives importance to openness and social responsibility, carrying on long term partnerships by providing customer satisfaction continuously, creating constant value for our shareholders and dedicating ourselves to improve the community's conditions, to be the industry leader in Turkey and in international platforms as a member of Prysmian Group.

Our mission is to add value to our shareholders and to the sector by providing high quality and safe products and services that we define innovative, high technological and appropriate to the standards.

Our annual report includes the period of 01.01.2020 and 31.12.2020.

The Trade Registry Information about Türk Prysmian Kablo ve Sistemleri A.Ş. is above mentioned:

Headquarters:

Ömerbey Mah. Bursa Asfaltı Cad. No:51 Mudanya / BURSA
Tel: +90 224 270 3000 Fax: +90 224 270 3024

Branch:

Ömer Avni Mah. İnebolu Sok. Haktan İş Merkezi No:39 K:2
Setüstü Kabataş Beyoğlu/İSTANBUL
Tel: +90 212 393 7700 Fax: +90 212 393 7762

Trade Registry Number: M0153/Bursa Merkez

Mersis No: 0876005137400023

Web Site: www.prysmiangroup.com.tr

There hasn't been any amendment to the articles of association that has been registered during the 01.01.2020 - 31.12.2020 financial. However, after the finalization of the capital increase performed within the capital ceiling in the last quarter of 2019; Article 6 titled "Registered Capital" of the Articles of Association has been amended to reflect the change on the increased capital amount of 216.733.652,00. TL; this amendment was registered on 21.01.2020 and announced Turkish Trade Registry Gazette with 24.01.2020 date and 10001 number.

The final version of our articles of association is available on <https://tr.prysmiangroup.com/tr/kurumsal-yonetim> and

<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1108-turk-prysmian-kablo-ve-sistemleri-a-s>

Prysmian Group in the world



TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AT A GLANCE

Türk Prysmian Kablo ve Sistemleri A.Ş. is Turkish operation of Prysmian Group, worldwide leading company in energy and telecommunication cables' industry with its approximately 28.000 employees and 104 factories in more than 50 countries following the merge realized globally with General Cable.

The company stands out in Prysmian Group as one of the 16 plants that can simultaneously produce energy and telecom cables with Prysmian and Draka brands. All the energy cables up to 220 kV, copper conductor communication cables up to 3.600 pairs, optical fiber cables, railway-signaling cables, studio broadcast cables and special cables are in the company's product range. Today Mudanya factory can produce 22.000 different cables. Besides all these, Türk Prysmian performs "turn key" projects for cables and systems, and provides all its customers unique and superior services.

The installed capacity of Türk Prysmian is also at a level to compete in the international markets. Türk Prysmian, with its 76% capacity saturation in 2020 and which continues to be a privileged export center within the Prysmian Group exported approximately 37% of its



EUROPE

Czech Republic
Veitke Mzinci

Estonia
Keila

Finland
Pikkala
Oulu

France
Calais
Douvrin
Sainte Genevieve
Amfreville
Paron
Charvieu
Cornimont
Gron
Chavanoz
Montreau

Germany
Wuppertal
Berlin
Nurnberg
Nordenham
Neustadt
Schwerin

Hungary
Kistelek
Balassagyarmat

Italy
Battipaglia
Giovinazzo
Livorno
Merlino
Pignataro M.
Quattordio
Arco Felice

Norway
Drammen

Portugal
Morela

Romania
Milcov
Slatina

Russia
Rybinsk

Slovakia
Presov

Spain
Abrera
Santa Perpetua
Villanueva
Santander

Sweden
Nassjo

The Netherlands
Eindhoven
Delft
Nieuw Berger
Emmen

U.K.
Washington
Wrexham
Bishopstoke
Aberdare



MEAT

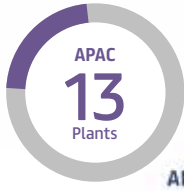
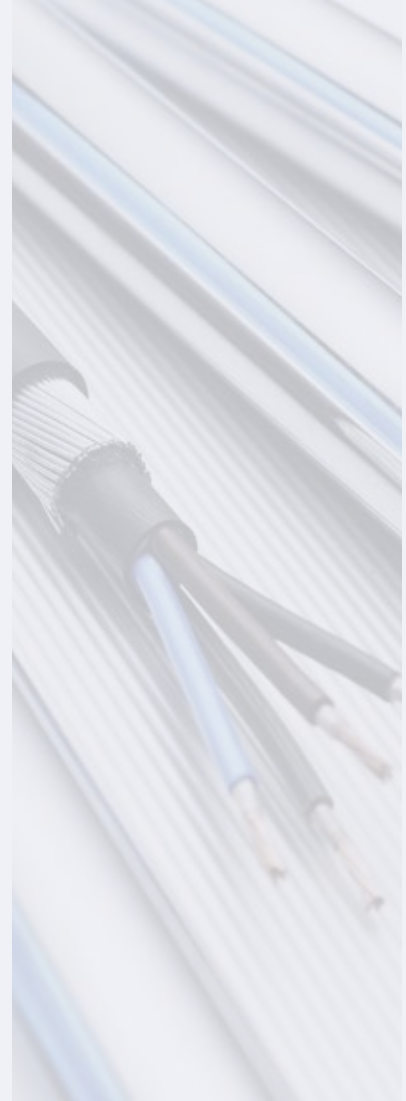
Angola
Luanda

Ivory Coast
Abidjan

Oman
Sohar
Muscat

Tunisia
Grombala
Menzel Bouzeifa

Turkey
Mudanya



APAC

Australia
Liverpool
Dee Why

China
Zhongyao
Haixun
Yiqing
Tianjin
Suzhou

India
Chiplun

Indonesia
Cikampek
Malaysia
Melaka

New Zealand
Auckland

Philippines
Cebu

Thailand
Rayong

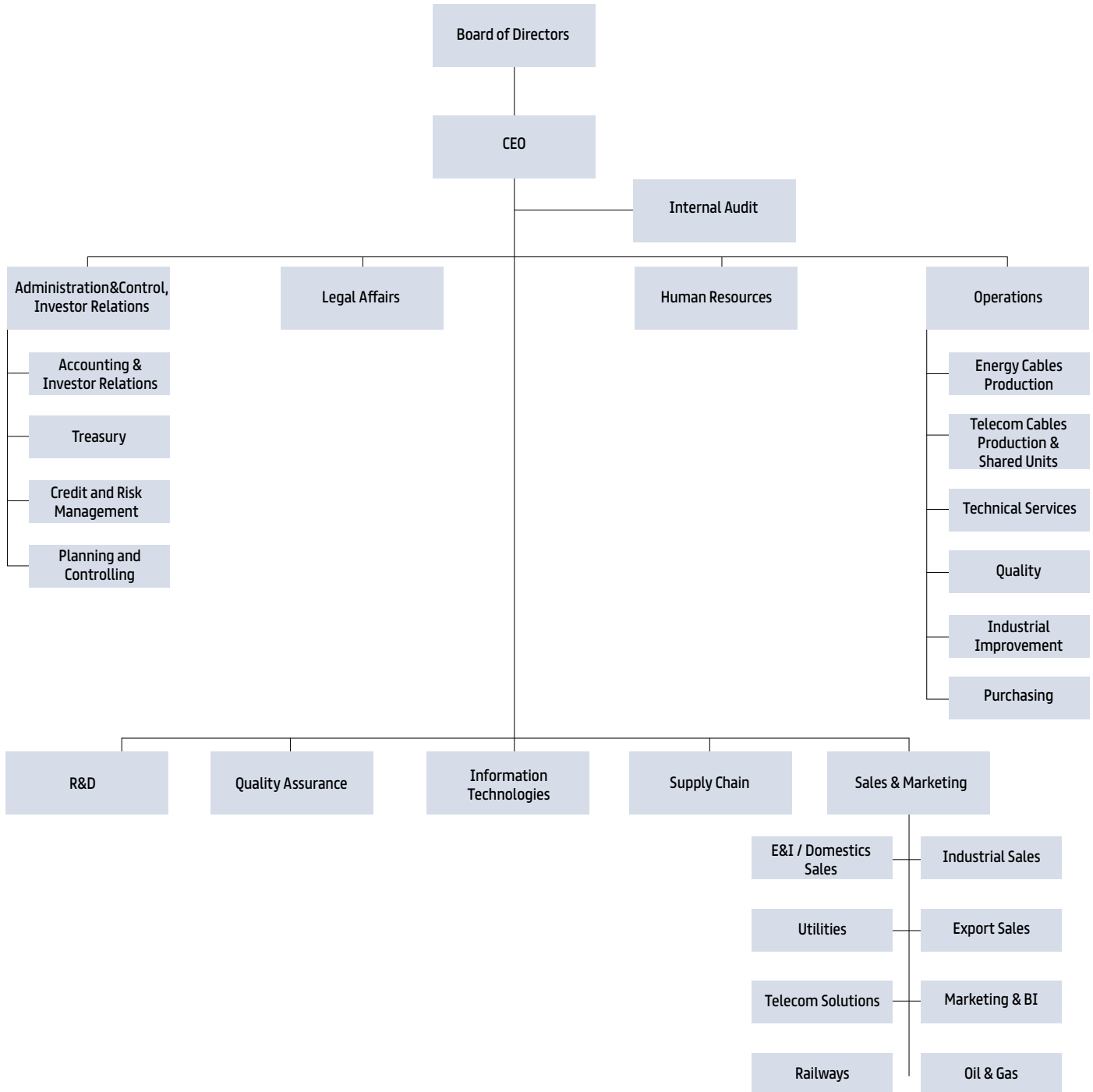


TL1,802,184,466 turnover in 2020. Türk Prysmian has sustained its leadership regarding to innovation, technology, quality and customer satisfaction in Turkey and in the international markets. Today, the company exports to more than 40 countries covering a wide geography, including but not limited to the Turkic Republics and the Middle East countries.

Prysmian Group has 25 R&D centers worldwide; one of these R&D centers is in Türk Prysmian's Mudanya factory. Material Technologies Laboratory located in this R&D center is registered by Turkish Accreditation Agency (TÜRKAK) with accreditation certificate named as TS EN ISO/IEC 17025 "General Requirements For The Competence of Testing and Calibration Laboratories". The certificate given by TÜRKAK represents that the results of "fire tests" completed in Türk Prysmian's laboratory have reliability and also an international validity.

Türk Prysmian Kablo ve Sistemleri A.Ş., listed on the Istanbul Stock Exchange, which increases the effectiveness of its products and services everyday not only in Turkey, but also in global markets has proven the value it gives to human being and to the environment by obtaining ISO/DQS 9001, and ISO 14000 certifications in its sector.

Organizational Structure



Company Boards

The Board of Directors

Chairman	Halil İbrahim KONGUR
Vice Chairman	Cinzia FARISÈ
Board Member	Ercan GÖKDAĞ
Board Member	Andrea PIRONDINI
Board Member	Maria Cristina BIFULCO
Independent Board Member	Banu UZGUR
Independent Board Member	İsmet SU
Independent Board Member	Mine AYHAN

Audit Committee

Chairman	Mine AYHAN
Committee Member	Banu UZGUR

Corporate Governance Committee

Chairman	Banu UZGUR
Committee Member	İsmet SU
Committee Member	Nevin KOCABAŞ

Early Risk Assessment and Risk Management Committee

Chairman	Mine AYHAN
Committee Member	Ercan GÖKDAĞ
Committee Member	Banu UZGUR



Board Members



Halil İbrahim Kongur **Chairman & Factory Director**

Halil İbrahim Kongur has joined the Prysmian family in 1986 and since 2003, he has been working as Factory Director. Additional to his current responsibility, he's appointed as Chairman on January 2015. Kongur, worked as Planning Engineer, Logistics Manager, Production Manager and Purchasing Director before assigned to these roles. He is graduated from Karadeniz Technical University, department of Mechanical Engineering and completed his masters degree in Berlin Technical University in Manufacturing Technologies department.



Cinzia Farisè **Vice Chairman & CEO**

Manager with 30 years of experience in national and multinational companies, both in products and in services, in the public and the private sector, she is graduated from University of Brescia (Italy), department of Business Economics. She started her career in Prysmian Group as Sales & Marketing Director of Prysmian Italy and Switzerland, becoming later CEO of Prysmian India and then Global Vice President Energy & Infrastructure at worldwide level. From September 2019 she is CEO of Türk Prysmian Kablo. She was for 4 years CEO of Trenord, the second Italian rail company, President of TILO - a Swiss company co-owned by Trenord and the Swiss Federal Railways -, Board Member and Chairman of the Nomination and Remuneration Committee of Italgas, a listed company leader in Italy and third in Europe in the distribution of gas, and Board Member of CAL Concessioni Autostradali Lombarde, a company co-owned by ANAS and Infrastrutture Lombarde for the construction of the main motorways in the north of Italy. She was co-founder of the Italian Angels for Women Association and angel partner of Doorway, the equity crowdfunding platform for business angels and investors. She is board member of IN.BRE. - an Italian listed company, active in the design, construction and management of hydroelectric plants -, of TREVI Finanziaria Industriale - an Italian listed company world leader in subsoil engineering for special foundations and tunnel excavations, construction of specialist equipment - and of 'Operazione Vivere', the Italian foundation supporting innovative oncological surgery.



Ercan Gökdağ **Board Member & MEAT Region CFO**

Ercan Gökdağ has joined Prysmian family in 2007 as Planning and Controlling Chief. Between 2011-2012, he has worked as Planning and Controlling Manager of Türk Prysmian Cables and Systems. Between 2012-2015 he went to Denmark and worked as Chief Financial Officer (CFO) of Prysmian Denmark. Gökdağ returned to Turkey in May 2015 and started to work as Planning and Controlling Manager again. He was appointed in September 2016 as CFO. Since 2017, he has been working as a CFO and a member of the Board of Directors; he has been working as MEAT Regional CFO since January 1, 2019. He started his professional career in 2004 in Ernst&Young at Audit Department after being graduated from Marmara University, department of Economics.



Maria Cristina Bifulco **Board Member**

She graduated magna cum laude in Business Administration, in 2000, at Università Commerciale "L. Bocconi" of Milan and got, in 2005, a Master in Business Administration at Kingston Business School of London. After first experiences as Consultant (Eos in Milan) and Analyst (Bloomberg Financial Services in London), in 2006 she joined, as Investor Relation Manager, IW Bank SpA, where she had the chance to follow, in May 2007, the quotation of the Bank in the market Expandi of Borsa Italiana. In 2008 she started a new professional challenge in Snam SpA, first as Head of Financial Markets Analysis and Investor Relations and then as Head of Foreign Subsidiaries, coordinating abroad M&A projects and following the acquisitions of foreign participations (Interconnector in UK, T.I.G.F. in France). In 2013 she became Head of Investor Relations in Indesit Company SpA where she was, inter alia, in charge of the due diligence process related to the divestment of controlling stake of the Company from the Holding (Fineldo) to Whirpool. In September 2014, Bifulco entered a new professional experience, that still lasts, joining the Prysmian Group SpA as Group Investor Relations Director. She reports to the CFO of the Group and carries out, beside the IR duties, Corporate Governance Activities and Special Projects (Capital Increase 2018, Bond issues prospectuses, due diligence streams for M&A).



Andrea Pirondini **Board Member**

Andrea Pirondini has been Chief Operating Officer of Prysmian Group since January 2014. He has a degree in Business Administration from the "Luigi Bocconi" University in Milan. He started his career in Pirelli Group in 1989, holding various positions in the UK, Italy, Turkey, Russia and Egypt over a 24-year period, both in the Tyres and Cables & Systems businesses, where he was involved in restructuring the manufacturing system for energy cables. In 2012 he was appointed as Chief Commercial Officer of Pirelli Tyre S.p.A, a position he held until December 2013.



Banu Uzgur **Independent Member of the Board**

After graduating from the Faculty of Economics, Istanbul University in 1995, Banu Uzgur started her career at the Accounting Department of Otak Construction, a subsidiary of Yaşar Holding, and she received her master's degree in Finance from California State University at San Bernardino between 1997-1999. Uzgur worked as senior analyst at Kent Investment between 2000-2002, at Ak Investment between 2002-2003, and at the Investor Relations Department of Turkcell starting October 2003. Managing Turkcell Group's International Media Relations starting from September 2011, Uzgur continues her professional career as a Strategic Consultant, mainly in investor relations, since May 2013 when she left Turkcell.



İsmet Su **Independent Member of the Board**

Having graduated from the Faculty of Law, Istanbul University in 1984, İsmet Su worked as an independent lawyer for many years and is a member of Bursa Bar Association. Beginning his political career in 1994, İsmet Su continued his career as one of the founders of the Ak Party in the city of Bursa serving as Chairman of the Board of Arbitration for Intra-Party Democracy, member of the Board, Deputy-Chairman for Electoral Affairs, and Deputy Chairman of the Province (Office of Political and Legal Affairs). İsmet Su was elected and served as Member of the Parliament during the 24th Parliamentary Period. Moreover, İsmet Su served as "AK Party's Vice Chairman for the Group's Disciplinary Board" and "Spokesman for the Constitutional Commission". İsmet Su is married, with three children.



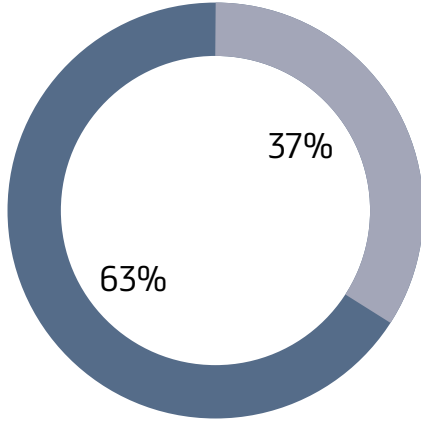
Mine Ayhan **Independent Member of the Board**

Holding a B.A. from the Department of Mathematics, Boğaziçi University, Mine Ayhan started her career in 1991 at Yapı Kredi Sigorta T.A.Ş. as a Senior Engineer at the Engineering Department and was promoted to the position of Assistant Director of the same Department in 1997. Ayhan then went on to work at Yapı Kredi Sigorta A.Ş. in 1999, serving as Engineer and Director of the Key Accounts Department at this company until October 2003, as Group Director of Yapı Kredi Sigorta Pazarlama A.Ş. in the first six months of 2004, and as Deputy General Manager of Yapı Kredi Sigorta A.Ş. in the second six months. After holding similar positions at TEB Sigorta A.Ş. and Koç Allianz Sigorta A.Ş. between 2006 and 2009, Ayhan started her new role as Deputy General Manager supervising the Technical, Claims and Reinsurance Department at Generali Türkiye in July 2009, and then served as General Manager of Generali Türkiye between 2010 to 2017. In addition to her role as Vice Chairman of Generali Türkiye, which she still is, she holds the positions of Chairman and Board Member at Europ Assistance Türkiye and the Paris-based Europ Assistance Holding and Europ Assistance SA.

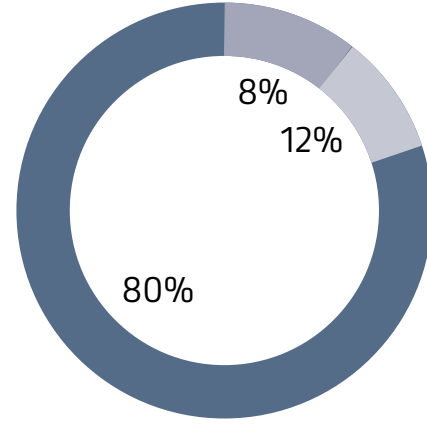


Sales Structure

Our company's sales structure in 2020 is as below:



■ Domestic Market:	TL1.137.071.146	(%63)
■ Export:	TL665.113.320	(%37)
Total:	TL1.802.184.466	



■ Energy-Cables:	TL1.433.534.966	(%80)
■ Energy-Projects:	TL153.541.128	(%12)
■ Telecom:	TL215.108.372	(%8)

Türk Prysmian's A-Team Distributors are as below:

Adnan Elektrik
Aktem Elektrik
Alfa Elektrik
Asal Elektrik
Aymeda Elektrik
Cihan Elektrik
Çağın Elektromarket
Çetin Elektrik

Delta Tema Elektrik
Derya Elektrik
Des Elektrik
Egesim
Ekay Elektrik
Elpim
Fındikkaya Elektrik
Gerilim Kablo

Güzel Ufuk Elektrik
Karadeniz Elektromarket
Kıraç Elektrik
Mefa Elektrik
Oskar Elektrik
Öztan Elektrik
Özteknik Enerji
Panosan Elektrik

Promeda Elektrik
Timur Elektrik
Tümpa Elektrik
VFA Elektrik
Yılmaz Elektrik



Prestigious Project References

Türk Prysmian Kablo ve Sistemleri A.Ş. yielded the cable infrastructure of several prestigious projects in Turkey and also worldwide.

REFERENCE PROJECTS FROM 2020

Ankara-Niğde Highway:	330 km Long 'Turkey's Most Intelligent Highway'
Galataport, İstanbul:	Port That Can Accommodate Three Cruise Ships And Approximately 15,000 Passengers Per Day
Kıvanç SPP, Mersin:	The Licensed Solar Energy Project With The Largest Capacity In Our Country With 42MW Power
Merkez Ankara Project:	Turkey's Largest Life Project Which Will Be Built On A Single Plot
Sancaktepe & Yeşilköy Field Hospital:	Hospitals That Make Significant Contributions To The Healthcare System With a 1008 Bed Capacity

REFERENCE PROJECTS FROM 2019

Ankara-Konya High Speed Train:	Turkey's Longest High Speed Railway Line
Bursa City Hospital:	Turkey's 10 th City Hospital With Turkey's Largest Physical Therapy and Rehabilitation Hospital
Cıngıllı Solar Power Plant:	Turkey's Largest Licensed Solar Power Plant
Göbeklitepe, Şanlıurfa:	UNESCO World Heritage Site With a History of 12 Thousand Years
Leonardo Da Vinci Ship:	Most Advanced Submarine Cable Laying Ship With Its 170 m. Length and 34 m. Width

REFERENCE PROJECTS FROM 2018

Ankara Bilkent Hospital:	World's Third Biggest Hospital With Inpatient Bed Availability
Eskişehir City Hospital:	Europe's Best Health Project
Gaziantep Panorama Museum:	The Museum That Sheds Light on the History of Gaziantep
İstanbul Airport:	World's Biggest Airport Built From Scratch
Marmaray, İstanbul:	The Largest Infrastructure Project Connecting Europe to Asia

REFERENCE PROJECTS FROM 2017

Gaziantep Iconova:	"Best Architecture Multiple Residence" in Turkey and Europe - European Property Awards
Kazan Soda Elektrik:	Europe's Biggest Natural Dense Soda Ash and Sodium Bicarbonate Factory in Europe
SASA Polyester:	Turkey's Unique Polyester Fiber Manufacturer
Skyland İstanbul:	The Tallest Building in Turkey After Completion
Star Refinery (SOCAR):	Turkey's First Private Sector Refinery

REFERENCE PROJECTS FROM 2016

Ilgaz 15 July Independence Tunnel:	Turkey's Tallest Tunnel Open To The Traffic
Osmangazi Bridge:	World's Fourth-Longest Suspension Bridge By Length
Şenol Güneş Stadium:	Turkey's First Sport Facility Built On The Sea
Yavuz Sultan Selim Bridge:	World's Tallest Suspension Bridge With a Railway System

REFERENCE PROJECTS FROM 2015

Antalya Arena:	Turkey's First Energy Producing Sport Complex
Ayşegül Sultan, KPS10:	Turkey's Biggest Energy Ship
Bilkent Integrated Health Complex:	Europe's Biggest Health Complex
Çamlıca Mosque:	Biggest Mosque in the history of Turkish Republic

REFERENCE PROJECTS FROM 2014

Beşiktaş Vodafone Arena, İstanbul:	Turkey's First Smart Stadium
Kayseri Organized Industrial Zone:	Turkey's Biggest Solar Panel Farm
Tema İstanbul, İstanbul:	"Best Mixed Project" from Sign of the City Awards

REFERENCE PROJECTS FROM 2013

Avrasya Tunnel, İstanbul:	The Most Modern Infrastructure Project Connecting The Continents
İstanbul Tramvayı, İstanbul:	Turkey's First Local Tram
Mercury City Tower, Rusya:	Europe's Tallest Building
Prime Mall, Gaziantep:	World's Best Project Award (Shopping Mall)

2020 Economic Overview



4th Quarter of 2020

The economic activity in our country was stronger than expected in the last quarter following the rapid recovery observed in 2020 Q3 driven by easing of pandemic restrictions and strong credit enhancement. While the restrictions introduced in early November due to rising number of cases significantly reduced mobility nationwide, it had a limited impact on economy compared to the initial periods of the pandemic.

In 2020 Q3, GDP increased 6.7% annually and 15.6% quarterly, exceeding pre-pandemic levels. Though recovery exhibited a wide sectoral spread, contribution of the services segment to the third quarter was mainly from finance-insurance operations and information-communication industries. However, recovery remained limited in tourism-related service sectors that were severely affected from the pandemic. In the third quarter, private consumption demand occurred quite above the national income growth, representing an expense item that made the highest contribution to growth, with the impact of recovery in finance conditions and postponed demand.

Overseas, the US economy shrank 3.5% in 2020 with the effect of the coronavirus pandemic, whereas Euro Zone economy slid 6.8% in the same period. In the Euro Zone where leading indicators illustrate a complex outlook regarding economic activity, uncertainties arose with the implementation of additional restrictions to prevent spread of novel type coronavirus. The Chinese economy grew 2.3%, bolstered by financial and monetary incentives that accelerated infrastructure and construction investments as well as the growth in export in 2020. International Monetary Fund (IMF) revised its global shrinkage estimate for 2020 from 4.4% to 3.5%. It is stated that this development was influenced by a stronger recovery in global economic activity than that projected in the second half of the year.

Industrial production continued to grow in October and November, recording a 4.2% pickup compared to the third quarter. Industrial production adjusted for the calendar effect climbed 11% in November on an annual basis, exhibiting the fastest growth since January 2018. Similarly, parallel to industrial production, revenue and retail sales volume indices hiked compared to the third quarter, whereas the service segments other than tourism-related segments, and the commercial sector were quite active. Retail sales volume surged 8.0% in October-November compared to the third quarter, signalling a strong consumption demand.

The re-introduction of the lockdown measures overseas, notably in Europe, because of the second wave in November posed a risk on exports. While the export of goods witnessed a short fall across regions and sectors in March-April due to restrictions on traveling and border closures in the initial phase of the pandemic, the pre-pandemic levels were reached in August owing to a fast recovery in the subsequent period. The disclosed data showed that no slowdown associated with the pandemic occurred in exports which even spiked in December, despite the re-introduction of pandemic measures abroad, including European countries, in particular, due to the second wave of the pandemic in the last quarter. It can be suggested that this positive outcome was driven by continued operations in the manufacturing industry despite the pandemic measures, unlike what was done in the first wave.

Despite the fast recovery in the export of goods, the contribution of net exports to annual growth plummeted to the lowest historical level due to the effects of weak progress in tourism, and strong progress in domestic demand and gold imports. In 2020, exports fell 6.3% and imports jumped 4.3% compared to 2019. The export/import coverage ratio declined from 86% in 2019 to 77.2% in 2020. Export of white goods exports reached a steady plateau, and automotive exports slid in 2020. Exports to the Middle East weakened due to geopolitical developments.

International food and industrial metal prices saw a marked increase in the second half. In addition, supply issues and increases in freight costs were witnessed worldwide. The barrel price of Brent crude oil that fell 21.5% in 2020 saw a 8.8% rise toward the end of the year, and closed the year at USD 51.8. Having started the year at USD 6200 per tonne, copper prices closed the year at USD 7.800 per tonne, showing a 26% increase. The gold price per ounce was up 25% in 2020, and closed year at USD 1,896.

As global risk appetite climbed in the last quarter, the emerging market currencies appreciated slightly against USD in the last quarter with the impact of global risk appetite. Subsequent to the clear statements of CBRT, since the first week of November that took into account the prevailing risks, coupled with the effective monetary tightening in November and December, positive expectations as to economy policies emerged, differentiating portfolio inflow to Turkey positively from other developing countries. In conclusion, Turkey's risk premium declined significantly, and returned to pre-pandemic levels. With the fall in country risk premium and appreciation of Turkish Lira, exchange rate volatility was reduced, and Turkish Lira significantly appreciated. However, despite the recent drop in country risk premium, a factor that directs foreign investors to TRY-denominated assets, and the marked appreciation of Turkish Lira, no significant decrease was observed in foreign currency deposits of residents.

While consumer inflation had a relatively steady course around 12% in the last ten months of 2020, it grew more than expected in the last quarter parallel to the significant increase in the core inflation and stood at 14.60% at the end of the year. Though items of goods and services the demand for which was low due to the pandemic had a limiting effect on the inflation rate, inflation was high in classes that are more sensitive to developments in credits and foreign exchange rates.

Under these circumstances, the core inflation indicators continued to rise. In the durable goods class where annual inflation reached 30 to 40%, accelerated increases occurred in the quarterly prices of sub-items in general, whereas automotive prices saw a significant rise of 11.74. In a great majority of developing countries, inflation rate which was under pressure from weak domestic and foreign demand in particular, remained low throughout 2020 and stood close to the target and/or within the tolerance range.

2021 Economic Expectations

1st Quarter of 2021

The impact of the recent lockdown measures on global economic activity was less than it had been back in 2020, not only because of the fact that measures were needed in a limited geography, but also the measures were not as strict as they had been before, allowing many workplaces and factories to continue operating. In addition, being more experienced and better prepared to deal with the pandemic conditions limited the impact of lockdown measures on the production processes. Generally speaking, whilst manufacturing industry operations continued, slowdown was rather effective on the service sector. As a matter of fact, with the exclusion of Euro Zone, global PMI index increased in the last quarter.

According to the long-term growth estimates of the International Monetary Fund (IMF), after a relatively strong growth performance subject to the base effect in 2021 and 2022, growth rates in developed and developing economies will return to their averages in the post-crisis period.

ECB, at its meeting in December, declared that it revised its economic shrinkage estimate for 2020 downward from 8% to 7.3, and its economic growth estimate for 2021 from 5% to 3.9%, also reduced its inflation rate estimate for 2020 from 0.3% to 0.2%, and kept its inflation rate estimate for 2021 at 1%.

At its meeting in December, FED did not change its monetary policy, and revised its growth estimates for the 2020-2022 period upward and kept interest rate estimates at the current levels. The recent data announced in US indicates that the country's economic activity continues to keep its modest progress. Chinese economy, on the other hand, presents a positive outlook. The central banks of developing and developed countries are all making announcements that measures designed to help the economy, which became prominent in the pandemic period, will be continued.

By virtue of its decision in December, the Banking Regulation and Supervision Authority announced that the temporary arrangements regarding the obligations to be fulfilled by the banks to facilitate finance conditions for individuals and the real sector would be extended until June 30, 2021. When the supportive measures for bank loans introduced during the pandemic were completely withdrawn effective from the fourth quarter, commercial and consumer loan growth markedly decelerated, and the slowdown in business, home and consumer loans became more profound toward the end of November. In 2021 Q1, it is expected that loan demand by companies will increase, however, the demand for home and consumer loans will continue to fall.

CBRT announced that the long-term effects of the slowdown in loans are expected to become significant in the period ahead, and due to inflationist factors on the supply-side which will be quite effective in the short-term, annual inflation may keep its upward trend for another couple of months. Despite the appreciation of Turkish Lira, the rise in commodity prices and supply limitations apparently affecting certain sectors are driving producer inflation rate higher.

Average annual price of oil was estimated to be around USD 42 in 2020 and is projected to be around USD 54.4 in 2021 considering the recent rise in oil prices and expectations of stronger recovery in global economic activities.



2020 Industry Overview



Ever-increasing industrialisation, population growth and shift to high rise buildings worldwide and the associated changes in infrastructure, transportation and communication needs play a determinant role for the cable industry. “Energy and Communication” are now indispensable for the modern life owing to technological developments, the ongoing efforts for shift to renewable energy, increased awareness on “Sustainability” as well as huge amounts of data communication, driven by digital breakthroughs, such as “Industry 4.0” and “The Internet of Things”.

However, the Covid-19 outbreak, the global effects of which were felt in Q1 2020, had a significant economic impact on the cable industry which began to appear in the same period and continued throughout the year with a negative impact on the supply chain. Following a 4.5% growth in Q1 2020, Turkish economy started to feel the impact of the pandemic in the second quarter, during which it shrank 9.9%, however, managed to grow 6.7% in the third quarter with the help of measures and normalisation steps thereafter introduced.

As the developing countries had more difficulty in combating Covid-19 than the developed countries, the Turkish cable industry was substantially affected like all other sectors. Under the new world order and the new normal brought on by Covid-19, competition became fiercer, and competitive conditions are now determined by speed, agility, innovation and digitalisation skills. In these challenging times, companies are less affected by the pandemic to the extent they are able to take prompt action, adapt to changing circumstances quickly and attach importance to digitalisation.

The cable industry which suffered shrinkage due to Covid-19 pandemic and lockdown measures is expected to enter a growth phase as the measures bear fruit and vaccination rates increase. In the same vein, global economic contraction is reported to be 4.4% in World Economic Outlook 2020, published by IMF, where also a 5.2% growth is projected for 2021.

The Turkish cable industry that has grown in line with the developments in the construction, energy and communication industries has gained a competitive edge in the global cable market and is now able to export to all countries of the world owing to its production technologies at international standards, skilled workforce, R&D studies, and ever-increasing quality awareness. According to the recent studies carried out and the statistics prepared by institutions like TURKSTAT and Turkish Exporters Assembly, the total size of domestic and international sales of the Turkish cable industry is around USD 3-4 Billion, and the top 20 companies account for approximately 80-90% of the total production and sales of the cable manufacturers in Turkey. Due to the problems experienced in Turkish economy and the construction sector in particular, the majority of the Turkish cable manufacturers sought export opportunities and thus the exports of the Turkish cable industry in 2020 reached USD 2 billion. Cable exports of Turkey that had entered a growth cycle since 2015 started to decline due to currency fluctuations as well as the Covid-19 outbreak in 2020. Today, the manufacturers in the market continue to produce in different segments including energy, communication, fibre-optic, low current cables and enamel magnet wires, and create jobs for thousands. The fact that more than half of the total cable production of our country is exported, combined by the proximity of our country to markets like Europe, Africa and Middle East, indicates how important our cable industry is for the region. On the other hand, increased incentive efforts in R&D and use of domestic products in domestic projects, and increased importance attached to localisation are making a positive impact on the domestic market.

According to TEIAS January 2021 report, Turkey’s installed power exceeded 96,270 MW. This increase was primarily driven by hydroelectric power plants, natural gas power plants, wind and solar power investments. Despite global and domestic stagnancy, use of renewable energy resources steadily increased in Turkey, making Turkey an important player of the region in energy, and ultimately supporting the development of the cable industry positively.

Sustainability is a major topic in all global sectors where eco-friendly solutions are used. Whilst renewable energy gains more importance every passing day, the world has experienced how important environmental awareness is, after witnessing the positive response of nature to temporary shutdown of factories worldwide due to the Covid-19 outbreak. On the one hand, constantly-increasing world population, and on the other, climate change and global warming reveal the importance of sustainable production. Companies will be less affected and will serve the sector for a longer period only if they stand out with technological capabilities, innovation skills and sustainable production, invest in eco-friendly new products and systems, feel responsible for the universe, focus on renewable energy projects for the benefit of the world and the industry both, maintain a sustainable standpoint, and place sustainability at the heart of all their activities.

The requirements most sought after in cables are prevention of risks to life and property, and improved performance against fire, and where data and communication cables are concerned, a design that allows to transmit more data faster and covers less space. However, in buildings where fire risk associated with urbanisation and population density is higher, fire-resistant installation cables must be used to prevent injuries and loss of property in case of fire. These cables should be low smoke, halogen-free, flame-retardant, or conductive under flame. While the Turkish cable industry keeps up with the changing regulations and conducts R&D studies for fire-resistant cables, it uses eco-friendly and new generation cable technologies that can keep pace with the transformation driven by changing technology.

Non-standard products which represent a major issue for the cable industry and frequently seen in the market recently due to increased competition have resulted in significant losses for the cable industry especially in the export markets. It has however become important to implement control over import of products mostly supplied from the Far East through e-commerce websites and to introduce measures to prevent unfair competition. The leading cable manufacturers of our country, manufacturers' associations, and the relevant official authorities and departments have launched a comprehensive struggle against non-standard cables. In order to live in a safer and much efficient world, awareness efforts have been started and are in progress to ensure that high-performance and cost-effective solutions are preferred, sector-wide awareness is raised on the use of proper cables, market supervision and inspection activities are carried out to guarantee normative compliance of the cables used in the market, and to raise awareness on non-conformity of certain cables available on the market in Turkey.

On the other hand, implementation of the EN-50575 standard that regulates the classification of cables used in the scope of the Construction Products Regulation according to their fire-resistance performances is of paramount importance for our industry. Use of cables conforming to the Regulation in all housing projects that pose fire risk, inspection of commercially-available cables for compliance with CPR by the Market Supervision and Inspection Teams of the Republic of Turkey, Ministry of Environment and Urban Planning, comprehensive inspections by the Republic of Turkey, Ministry of Industry and Technology, and inclusion of cables in the scope of focused inspections will play a major role to raise the bar for the Turkish cable sector in terms of quality and security. The recent use of class Cca and B2ca, CPR-compliant high-end products in prestigious domestic projects indicates the increased importance attached to quality and human life.

Subsequent to the Construction Products Regulation which became compulsory in our country on June 1, 2017 along with all European Union States; the publication of the communique amending the general technical specifications for construction works, construction, machinery and electrical installations by Republic of Turkey, Ministry of Environment and Urban Planning in the Turkish Official Gazette No. 31343 of December 23, 2020, and the promulgation of the "General Technical Specifications for Cables" which also include the "Chart of Relationships Between Fire Reaction Performance Classes of Cables and Structure Types and the Areas within the Structure" represent major steps for the implementation the Construction Products Regulation.



Sustainability

Linking Turkey to a Sustainable Future

Our Sustainability Commitment

We are taking firm steps towards our goal of being a sustainable company with a deep-rooted past of 56 years in Turkey as Türk Prysmian Kablo, and as part of Prysmian Group that has an experience of over 130 years globally. In line with this goal, we manage this cultural transformation process dynamically under a strong plan by integrating our economic, social and environmental responsibilities into every field of our business and into each operation we carry out.

This transformation can be achieved only through a strategic approach by planning the future in a foresighted manner, involving our stakeholders within and outside the company in the process and taking their opinions, closely following the industry and global economy, and adopting an action plan that serves both the environment and the community. Working to this end is our main path.

Our Sustainability Planning Activities

In 2020, a Sustainability Committee to serve under the sponsorship of the Türk Prysmian Kablo CEO, led by the project and coordination teams and consisting of employees of different age ranges, chosen from different backgrounds and different geographical locations and departments of the company with an eye to diversity in gender, generation and experience, was formed to the end of performing our commitment to sustainability, and bringing it to the centre of our business.

The Committee worked for approximately four months to draft Türk Prysmian Kablo's Sustainability Plan, during which a business model aimed at achieving sustainability was prepared; trends were analysed, the sustainability vision was set, an impact analysis was performed, and corresponding long-term goals were identified. Measurement methods for realising the goals were described; broad project titles were created; the implementation strategy was formed; and short, medium and long term goals were reviewed. At the same time a comprehensive communication plan was drafted, and the Sustainability Management System was created to manage the entire structure.

Our vision, principles and commitments identified for 2020 under this plan are the following:

Our Vision:

Integrating economic, environmental and social sustainability into all of our operations for all stakeholders and the planet, we aim at providing innovative energy and telecommunication solutions by means of responsible production.

As Türk Prysmian Kablo, we define our sustainability vision, which is based on the principle of 'being a responsible business by integrating economic, environmental and social sustainability into all of our operations', under four main headings:

We Are Eliminating Our Carbon Footprint

We strive to use less resources and shift our energy consumption to renewables, thereby eliminating our footprint in time. We do this by using energy and water more efficiently, consuming less of these inputs, and shifting to renewables where possible.

We Use Our Resources Circularly

We conserve and reuse our resources to prevent the depletion of natural resources and the destruction of the environment. Using regenerative inputs (materials and water) in our production, and using these inputs less, we ensure that materials and resources are kept within the life cycle.

We Improve Our Business Model

We foreground sustainability in all of our operations from production to sale by cooperating with our stakeholders in order to ensure profitability and growth, and strive to develop sustainable, innovative and progressive business models while positioning digitalisation as a facilitating element, redefining the market dynamics, and identifying stakeholder engagement as our priority.

We Work to Develop Our Employees and the Community

Attracting a talented new-generation workforce, we strive to serve our community in the best-possible manner by developing our skills day by day and acquiring skills that would carry our industry forward. Enriched by our stakeholders' diversity and ideas, we work to become a workplace that is preferred by the community and the industry, while guaranteeing workplace safety. We establish communication with local communities in order to conserve and enrich our areas of operations.



Our Principles:

Sustainability challenges are pressuring businesses to take longer-term actions. While emissions, water and chemical loads continue to harm the environment, our planet is reaching its limits.

At Türk Prysmian, we go to work every day aware of our commitment to protect our planet and fight climate change by shifting to zero-carbon energy systems, while continuing with our production operations in a responsible manner.

We improve the sustainability of our production processes while protecting the environment. We communicate with local communities to make sure that our areas of operations are being protected and to guarantee workplace safety.

We communicate with local communities. Aware of our social responsibility, we develop projects that support social and cultural life in our community.

Our Stakeholders:

Stakeholder Engagement is fundamental to Türk Prysmian's business, as creating value towards a common goal is essential for each stakeholder. We are aware of the fact that, in order to be effective and to minimise our risks, we must engage with our stakeholders by making them aware of the initiatives we take, and receiving their feedback on our actions.

Our Commitment to the United Nations Sustainable Development Goals:

The United Nations "Decade of Action" programme defines concrete solutions to all of the challenges posed by the 2030 Sustainable Development Goals.

Taking part in carrying out the goals SDG7 (Affordable and Clean Energy), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure), and SDG12 (Responsible Consumption and Production), Türk Prysmian Kablo is committed to support the attainment of the global agenda goals by contributing to the construction and improvement of infrastructure in the fields of energy transmission and distribution and telecommunication, which are the driving forces of the transition to a new development model for civil society.

Our Action Plan:

Project feasibilities were reviewed, and plans were created for selected projects, and budgets, teams, resources and project plans were formed, during the period following the Planning Work we carried out in 2020. These project works were started as of January 2021. Led by the CEO, the process is monitored on a monthly basis by the concerned teams.

- The Sustainability Operations we performed to date are:
- All of our efforts are gathered under the four main headings indicated in our Vision, and are implemented to the end of forwarding our relevant goals.
- Our project priorities identified in our priorities for 2021 are the following:
- Practices aimed at energy efficiency and the conversion of energy into renewable resources
- Practices aimed at efficiency in water and other resources
- Performing the life cycle analyses of our products
- Ensuring the functioning of our Sustainable Management System and integrating it with our current management systems
- Practices having a positive impact on our societies and communities.
- Practices aimed at employee satisfaction and efficiency

The sustainability approach forms the basis of all of our operations. In line with our environmental sustainability initiatives, we focus especially on the renewable energy products in our industrial cables product range. The cabling we supplied for solar energy projects to date has reached almost 40 million kilometres. In other words, the cabling we supplied under these projects would be long enough to surround the earth. This roughly corresponds to the monthly power demand of 9 million households.

In addition to meeting the demand in the field of renewable energy, our team has completed part of its actions within the framework of a plan that also includes the completion of a website offering detailed information on sustainability, prepared around 40 different short-, medium- and long-term sustainability projects to be implemented at the company, and performed a survey to measure its stakeholders' awareness regarding sustainability. Reviewing the social responsibility projects we have been carrying out for many years on both a corporate level and an employee volunteerism basis, we harmonised them with our sustainability vision.

We supplied the fire safety cables of the 2nd Family House opened by KAÇUV (Hope for Cancer-patient Children Foundation), which offers free accommodation to the families of children who must travel to Istanbul for cancer treatment, and who are in financial difficulty. In cooperation with the Italian Consulate-General to Istanbul, the Italian Chamber of Commerce, the Private Italian High School, and Italian companies operating in Turkey we organised an appreciation dinner for the healthcare personnel of the Istanbul Cerrahpaşa Faculty of Medicine serving in the fight against Covid -19. We supplied backup recharging devices for our citizens who had to live in tents and faced an energy problem after the earthquake that occurred at the Aegean Sea on 30 October, causing severe damage in İzmir. Also, in cooperation with ÇYDD (Association for Supporting Modern Life), we supplied computers for students to support their remote education, and made donations on behalf of our woman employees on the International Women's Day. We gave vehicle and driver support to the filiation teams working under the Mudanya District Governor's Office's Province Health Directorate. At the same time, we resumed our membership to the TEID (Ethics and Reputation Association).

Allowing time for the progress of the projects and the measurement of the respective gains, all results will be shared transparently with all of our stakeholders.

An amendment brought into force after being published in Official Gazette Issue 31262 of 2 October 2020, made through Corporate Governance Communiqué No. II-171, which was brought into force after being published in Official Gazette Issue 28871 of 3/1/2014, prescribed the inclusion, into annual reports on activities, of information on whether the sustainability principles published by the Capital Market Board are being implemented, a reasoned explanation if they are not implemented, additional explanations on the impacts that would occur in environmental and social risk management as a consequence of failing to fully comply with these principles, as well as the inclusion of any changes to these explanations that may occur during the period in interim reports on activities. In this framework, compliance with most of the principles indicated in the "Sustainability Principles Compliance Framework" is targeted in line with the CMB's "comply or explain" approach. Compliance with part of these principles has not been yet achieved due to reasons such as challenges in implementation, uncertainties in the wider national and international arena, and the fact that the principles of compliance shall be identified according to the findings to be obtained in efforts that are still underway. The implementation of the principles, to which full compliance has not yet been achieved, is targeted to contribute to our Company's goal of creating sustainable value.

Innovation



Türk Prysmian Kablo aims to improve its competitiveness by bringing its leadership in innovation and development together with the latest technology users in the energy and telecommunication cables sector and works on efficient, effective, superior and environmentally friendly product and system solutions. The Research & Development (R&D) Centre in Mudanya is one of the 25 centres of Prysmian Group R&D family that plays a leading role internationally in cable production and material technologies. Owing to its comprehensive infrastructure and operations, Mudanya R&D Centre is also the pioneer of the Turkish Cable Industry.

Established on an area of 5 thousand square meters and comprised of 6 separate sections, the R&D Centre encompasses a Material Technologies Laboratory, a Fire Testing Laboratory, an Energy Cables Testing Laboratory, a Telecommunications and Fiber Cables Testing Laboratory as well as a Design and Innovation Office and a Process Design and Prototype Development Office. The R&D Centre holds the TS EN ISO /IEC 17025 Standard "General Requirements for the Competence of Testing and Calibration Laboratories", and the Private Sector Fire Testing Laboratory has been the first lab accredited by the Turkish Accreditation Agency (TURKAK) in Turkey to possess the infrastructure prescribed by "CRP - Construction Products Regulation".

"Attention! All Cables Are Not the Same...", the most advanced initiative of the Turkish Cable Industry aimed at raising awareness in and educating users about low performance and non-standard cables, a major problem of the Turkish Cable Industry, and the Prysmian Performance Test project that examines cables in terms of standard compliance, performance, ease of use and cost-effectiveness were announced to the sector through a comprehensive communication programme in 2012. The efforts under the initiative were continued also in 2013. Upon receipt of positive feedback from the market and users, the 3rd stage of "Attention! All Cables Are Not the Same..." was implemented in 2014, and our examinations on the products in the market and our solution proposals for differentiating our products were presented to the sector. In 2015, solar cables were put under the scope, and awareness raising efforts promoting the message that "all cables are not the same" continued, and solar performance characters in solar cable selection were shared with users through seminars and simulators at the 4th stage of the initiative. Türk Prysmian Kablo completed the 5th stage of its initiative "Attention! All Cables Are Not the Same...", and is still working on this initiative.

The Construction Products Regulation (EU) No: 305/2011 that Türk Prysmian Kablo reviewed in the scope of its initiative "Attention! All Cables Are Not the Same..." and in respect of which it carried out years of comprehensive and in-depth studies, was published for the first time by the Ministry of Environment and Urban Planning of the Republic of Turkey in 2011, and was legally enacted and declared compulsory for cables effective from July 1, 2017. CPR sets out performance statements related to the technical characteristics of materials used in constructions and rules for the attachment of CE marking to materials, whereas the CPR certificate authenticates reaction to fire performances and regulatory compliance of cables. EN 50575, the standard that regulates the application of CPR in the cable sector, sets out the reaction to fire performance requirements of power, control and communication cables used in any structure, including buildings and infrastructure, and establishes the tests related to these requirements and the criteria regarding conformity assessments.

The first company in the Turkish Cable Industry to acquire the CPR certificate thanks to its research and product development activities and the pioneer of the sector with its expertise in this field, Türk Prysmian Kablo started its awareness-raising efforts regarding CPR through a campaign comprised of a series

of 8 seminars for the representatives of the sector in May 2017. In this context, representatives of project and contracting companies, A-Team distributors, sub-dealers and Chambers of Electricians were invited to the factory in Mudanya. Türk Prysmian Kablo conducted seminars specific to work subjects to approximately 650 sector representatives in May 2017, and subsequent to CPR becoming compulsory in Turkey effective from July 1, 2017, it started informative seminars where it hosted some 300 people and succeeded to reach out to a substantial audience through one-to-one contacts.

Investing more to technology and innovation with its R&D Centre in Mudanya, Türk Prysmian Kablo offers technological innovations and superior performing products to users, and aims to improve the competitive power of our country. In line with this vision, the first R&D centre of the cable sector approved by the Ministry of Science, Industry and Technology of the Republic of Turkey, has been operating since 2016. In addition to innovation and product development efforts, Türk Prysmian Kablo has established close alliances with TÜBİTAK and universities as evidenced by 7 TÜBİTAK Projects, 6 of which have been completed as of the end of 2020 and 1 is still in progress. Furthermore, it has filed 1 international patent application for special cables developed in 2020.

Türk Prysmian Kablo continues to produce high-performing innovative solutions giving priority to efficiency and safety in its R&D Centre. For energy, fibre and communication cables, innovative, competitive, state-of-the-art, user-friendly and high performing solutions are developed for various geographical, environmental and usage conditions all around the world, taking account of the needs of users and industries. These solutions include, amongst others, railway signalling cables, low voltage and fibre optic cables for the petrochemistry industry, minitube fibre optic cables, defence industry and railway car cables, fire-resistant railway - fibreoptic cables, and special cables for the petrochemistry sector. Moreover, the number of national and international tests that have been included in the scope of accreditation by Turkish Accreditation Agency (TURKAK) has risen to 29, which is an outcome of the importance accorded by Türk Prysmian Kablo to product and test reliability.

At the R&D Centre of Türk Prysmian Kablo, we will continue our efforts in the period ahead to take the Turkish Cable Industry a step further each day in line with our mission "Linking Turkey to the Future".



Attention! All Cables Are Not The Same...

Türk Prysmian Kablo ve Sistemleri A.Ş., after almost two years of market analysis and product tests and development launched the biggest awareness and educational campaign in the history of the Turkish cable market in December, 2012.

Despite an increasing number of fires (in Istanbul, +32% only in '11 vs '10), more and more multi-storey buildings (+30% between '07-'11) and a general inconsistency in terms of quality, performance, safety and ease-of-use of the cable the market research showed that the general perception is that all cables are the same in the Turkish market. This was the starting point for two years' development of this comprehensive project of Türk Prysmian Kablo that is realized in 2012 and heavily involved local and HQ R&D, marketing and sales teams.

Despite the cost of cable represents on average less than 1% of total cost of construction projects, choosing the right cable makes a significant difference. Türk Prysmian Kablo, with its belief to the need of living in a safe and more efficient world, in order to increase the awareness of Turkish cable sector, started a new initiative named "Attention! All Cables Are Not The Same...". The focus of this project is to raise the awareness that all cables are not the same and to educate all the stakeholders in the market that it is important to be careful when choosing the cable solution and brand to have a safe, good performance and importantly save on the total cost of ownership.

The project started by an in-depth investigating the current market situation and to understand in detail the work of the electricians, project companies and installers. After this, R&D team developed a comprehensive number of cable tests that do not only cover geometrical tests, electrical tests, mechanical tests and performance tests but also "usability" test that calculates the economical impact of ease and speed of installation. Throughout the period R&D team did many tests on different brands and cables and continuously improved the performance of the Prysmian Group solutions.

During "Attention! All Cables Are Not The Same..." initiative, including "Attention! All Solar (PV) Cables Are Not The Same" wave, 5 waves were completed. During the past years and 5 waves, many seminars were organized with Türk Prysmian Kablo's main target groups such as electrical engineers, project companies and contractors. Within the scope of the waves, until the end of 2018, the initiative is shared directly with approximately 4,100 people in Adana, Ankara, Antalya, Bursa, Çankırı, Eskişehir, Istanbul, İzmir, Kayseri, Konya, Mudanya, Sakarya, Trabzon and Erbil-Iraq. Moreover, 124 different point-of-sales across 14 different cities of Turkey are decorated with promotional materials, A-Team distributors' windows are branded with the initiative's posters and stickers, the initiative's communication materials are sent to the sector professionals, projects companies, contractors, installers, subdealers and many people from the sector once again.

As a following step of this initiative, Türk Prysmian Kablo accredited the reliability of the results of the fire tests realized in its laboratories to evaluate the performance of the cable under fire to Turkish Accreditation Agency. Türk Prysmian Kablo with this certificate once again putted its sign to a "first" in its sector.

Türk Prysmian Kablo Mudanya R&D center has registered as the most comprehensive design, innovation and product development infrastructure by Ministry of Science, Industry and Technology. Türk Prysmian Kablo with this certificate once again put its sign to a "first" in its sector, proving that the results of the fire tests done in Türk Prysmian Kablo's laboratories, R&D center which is one of 25 R&D Centers within Prysmian Group are appropriate and reliable.

Türk Prysmian Kablo, is proud of realizing a "first project" in Turkish cable sector with its project developed in the context of this initiative "Prysmian Performance Test" (PPT) project that keeps the same speed since 2012.

PRYSMIAN PERFORMANCE TEST

PPT results show that the Prysmian Group solutions, not only ensures you safe and higher performance but also allows you to work faster reducing the labour cost by up to 50%* and reducing the total cable cost by up to 12%*. The main advantages of the right cable decision are safety, performance and economic advantage.

SAFETY: Throughout the lifecycle of the cables, they are required to ensure that the transmission function; is one-to-one associated with the quality of the materials used, the design and production technologies. By use of a cable is not correctly selected or manufactured outside the standards, such as losing its function in a short period of time, can cause electrical leakage and fire. Projects that increase the value and safety of cables are used in this context is an essential element.

PERFORMANCE: In case of, flame retardant cables, with the spread of flame around for cables is critical to keep to a minimum. However, low toxic smoke gas extracting feature prevents poisoning. Low smoke density and increasing the visibility of vital importance in order to facilitate the evacuation process. In addition, during a fire, fire alarm, emergency exit lighting, ventilation fan, fire, water pump, fire systems, such as lift cables used to carry on the function saves lives. According to research, the main cause of fire deaths (70%), smoke and gases resulting from the combustion of materials. On the effects of the spread of fire and smoke the best-known example of a fatal, resulting in the death of 17 people in 1996, Düsseldorf Airport fire disaster. cable installed in the trays burned and as a result of the combustion of electric cables, passengers have been exposed to the deadly toxic smoke. Therefore, in order to ensure the safety of life and property in case of fire high performance cables should be preferred.

EASE OF USE: To comply with construction standards and highperformance cables, as well as in case of fire, ease of use is also important. Cables during installation, create efficiency on labor and on-time advantage. Cable workmanship, comfortable stripping of the outer sheath vessels, filling materials over the cores does not remain within the cable during installation, installing cables easily through the pipes increases the efficiency of labor.

**It is based on the reports by independent bodies.*

ALL CABLES ARE NOT THE SAME...

Corporate Social Responsibility

Türk Prysmian Kablo has been conducting corporate social responsibility projects since its foundation. The company is leading special projects notably in education, environment, and art while also working on different projects to meet social needs.

Over the years, Türk Prysmian Kablo has supported a number of schools in Istanbul and Bursa supplying them materials and equipment; donated the cable infrastructure for the "Special Education Center for Hearing Impaired Children of the Age of 0-6 and Families" located in Kadıköy, Istanbul and for the Solar Car driven by the team of Istanbul Technical University that was awarded as the "Best Newcomer Team" in the World Solar Challenge, one of the most recognized challenges in the world in this field. Moreover, together with Mimar Sinan Fine Arts University, the company organized the "Cable in My Life" Art Workshop in 2008 and 2010, contributing to students' works of art meeting the art enthusiasts.

Donating the cable infrastructure to "Sahne Hal" founded by a private theater crew named "Tiyatro Hal", Türk Prysmian Kablo has implemented many different projects over the years, based on its sense of social responsibility and support for art. Within the scope of "Ulubat Lake Management Plan, Stork Friendly Villages Project" in 2008, the electricity system of Eskikaraağaç Village in Karacabey provincial district was renovated to prevent the storks hitting the village's power lines from injuries. Within the scope of "Fire Prevention Week", Türk Prysmian Kablo organized a visit to Bursa Fire Department with the children of Mudanya plant employees and the students of Hatice İsmail Hakkı Kayan Elementary School. The event offered children fun times while training them on fire prevention and fire department. Türk Prysmian Kablo joined Bursa Marathon to offer education support for the children in Bursa Education Unit to TEGV in 2015, with its Türk Prysmian Kablo corporate running team.

In 2018, Türk Prysmian Kablo continued to support different organizations. Having donated a total of TL 120,900 to organizations including Mudanya Sports Club and Turkish Education Foundation; a total of TL 118.567 to Zeytinbağı Middle School, within the scope of Cable in My Life Art Workshop, Ömer Tunca, Mudanya Sami Evkuran Anatolian High School, Fethiye Şehit Öğretmen Şekip Akın Elementary School, Gemlik Military Veterinary School, Bursa Provincial Police Department, Mudanya Mehmet Akif Ersoy Mosque, Mudanya Police Department and Mudanya Municipality.

Türk Prysmian Kablo, within the scope of a volunteering project initiated in 2018 and continued in 2019, named "Happiness Bank", donated coats, boots, books and stationary goods to 400 students at Köselers Elementary and Middle School in Gaziantep in 2018 and 168 students at Çalıncağ Elementary School in Viranşehir, Şanlıurfa in 2019. In 2019, within the scope of the "A-Team Distributors Meeting", personal needs of 258 students at Yukarı Sarpın Elementary School located in Viranşehir, Şanlıurfa were met while making up for the several deficiencies.

CSR activities went ahead at full speed and 2019 was no exception. For The Hope Foundation for Children with Cancer, Türk Prysmian Kablo supplied fire-proof cables for the 2. Family Home which serves as an accommodation option for children who are treated for cancer and their families in need. Within the scope of March 21-26 Forestry Week and Tree Festival, the company planted trees on a 10 acres of land with the volunteer work of its employees in order to draw attention to the importance of nature and forests in our life. Within the scope of global volunteering strategy, Türk Prysmian Kablo organized blood donation event at the factory, bringing hope to those who need urgent blood need with its employees wishing to make voluntary blood donation using the blood donation of Turkish Red Crescent. In 2019, Türk Prysmian Kablo organized an event under the motto of "Blue is what matches the sea the most" to clean the coast on which the Mudanya plant is located with voluntary participation of 78 volunteers, raising awareness for cleaner seas and shores after having collected a total of 320 kg garbage including plastics, stubs, paper, glass in one day.

Türk Prysmian Kablo, in 2020 with the inspiration its takes from its mission "Linking Turkey to a Sustainable Future" continued to work, and as every year gave importance to corporate social responsibility activities. The company sent laptops to students in need through the Association for Supporting Contemporary Life (ÇYDD) due to the interruption of face-to-face education in schools during the pandemic and the new process it brings with it and also donated computers to Şanlıurfa Çalışcağ Primary School. In the same period, the company provided vehicle and driver support to the fillation teams working under the Mudanya District Governorship District Health Directorate. After the earthquake that took place in the Aegean Sea on October 30 and caused great damage in Izmir, Türk Prysmian Kablo, which sent 500 powerbanks to Izmir in order to be distributed to our citizens staying in tents and donated cables to Mudanya Coast Guard Command. Moreover the company made a cash donation of TL 213,806 to institutions including TEİAŞ Youth and Sports Club, Mudanya Police, Mudanya District Health Directorate.

Awarding scholarship to children of its employees, Türk Prysmian Kablo made donations in cash for 23 children in the academic year of 2014-2015 (valued at TL39.600), 25 children in the academic year of 2015-2016 (valued at TL51.480), 25 children in the academic year of 2016-2017 (valued at TL49.995), 22 children in the academic year of 2017-2018 (valued at TL44.055), 20 children in the academic year of 2018-2019 (valued at TL31.950), 22 children in the academic year of 2019-2020 (valued at TL45.000) and in the academic year of 2020-2021, a total of 27,000 TL support was provided.



Financial Analysis

FINANCIAL FIGURES

Financial Figures	2020	2019
Total Liabilities	1,063,022,019	887,832,021
Equities	403,565,211	370,337,907
Revenue	1,802,184,466	1,462,576,746
Gross Profit	201,809,922	163,680,055
Net Profit	42,418,644	35,971,002
EBITDA	56,526,938	76,398,574
Net Working Capital	255,254,046	265,486,191
Financial Ratios	2020	2019
Current Assets/Current Liabilities	1,40	1,53
Equities/Total Liabilities	0,38	0,42
Financial Liabilities/Equities	0,13	0,003
Financial Liabilities/Total Liabilities	0,05	0,001
ROE	%10,51	%9,71
EBITDA marg.	%3,14	%5,22
Gross Profit/Revenue	%11,20	%11,19

OVERVIEW

Another year has come and gone in which we broke important ground both in Turkey and internationally. Despite, particularly, the domestic currency fluctuations, we have successfully completed the 2020 fiscal year thanks to effective corporate policies and strategies.

Remarkable financial highlights are as follows:

- **Cash and Cash Equivalents** stood at TL146,42 Million (TL210,51 Million in the previous year).
- **Total Assets** stood at TL1,063,02 Million (TL887,83 Million in the previous year).
- **Equities** stood at TL403,57 Million (TL370,34 Million in the previous year).

- **Revenues** stood at TL1,802,18 Million (TL1,462,58 Million in the previous year).

2020 was a particularly challenging year for financial markets. Financing costs have gone up considerably, with increased collection risks. Despite the adverse circumstances, the company managed to be minimally affected, keeping the risks at the optimum level, thanks to its experience in financial management.

All such risks and the detailed balance sheet and income statement are covered in the Independent Auditors' Report for FY 2020, with the disclosures about the balance sheet and income statement summarized below.

ASSETS

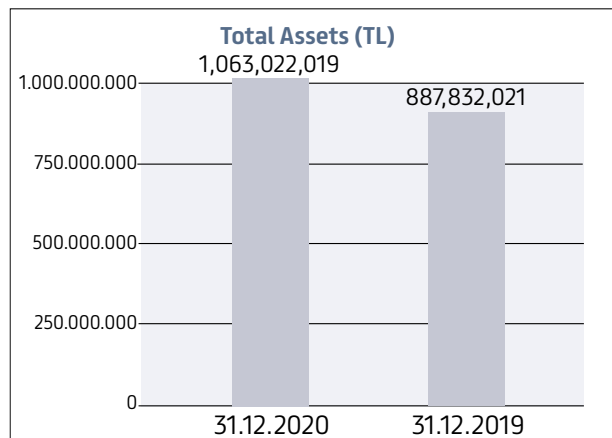
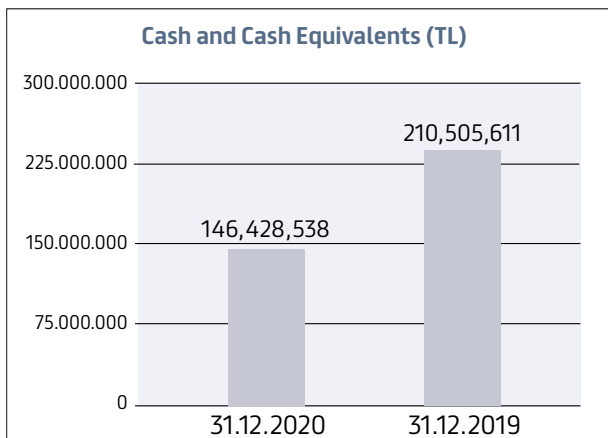
Total cash and cash equivalents are TL146,428,538 of which TL90,836,302 is in foreign currency

Short term trade receivables reached TL428,580,085 The average collection period of our receivables was 99 days.

Our inventories is amounted TL245,548,682 The total of raw materials and supplies existing in the inventories amounted to TL72,587,040, semi-finished goods to TL74,815,524, commercial goods to TL13,438,281, and finished goods to TL96,620,685. Inventory provisions totaled TL11,912,848

Other current assets totaled TL35,647,710, of which TL8,182,266 is our VAT receivables from the Tax Department, TL26,436,251 is VAT carried over, and the remainder is various current assets.

The total amount of tangible fixed assets is TL64,981,581, net, after making additions to the net values of fixed tangible assets at the beginning of the year and deducting disposals and accumulated depreciation. The total amount of intangible fixed assets is TL261,523.





LIABILITIES

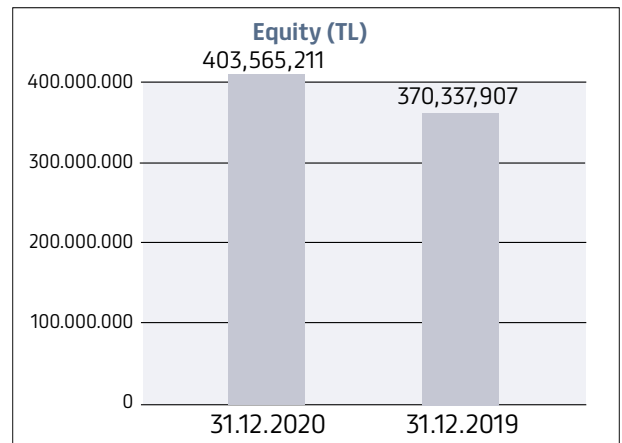
The primary financial instruments used by the Company include operating capital and bank loans.

Trade payables stood at TL470,853,794. TL387,995,760 of this amount is payables to non-affiliated domestic vendors, and TL82,858,034 is the TL amount of payables to affiliated foreign vendors.

The provision for severance pay as required under the Labor Law has been calculated at TL17,914,026 and at the highest amount at TL7,117,17 as of end of 2020 for the relevant tax year.

As regards legal reserves, first legal reserve is kept aside in proportion of 5% every year until it reaches 20% of the paid-in capital. Within this framework, the legal reserves stood at TL11,336,752 at the end of the year.

Our paid-in capital for is up from to TL216,733,652 through rights issue in 2020 and our equities became stronger at TL403,565,211.



In 2020 fiscal year, our consolidated net profit for the period has been TL42,418,644.

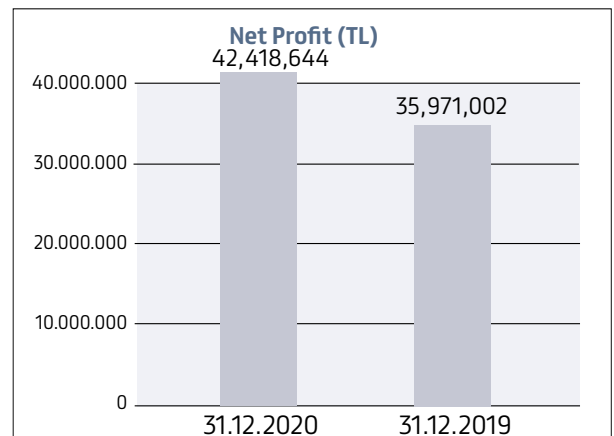
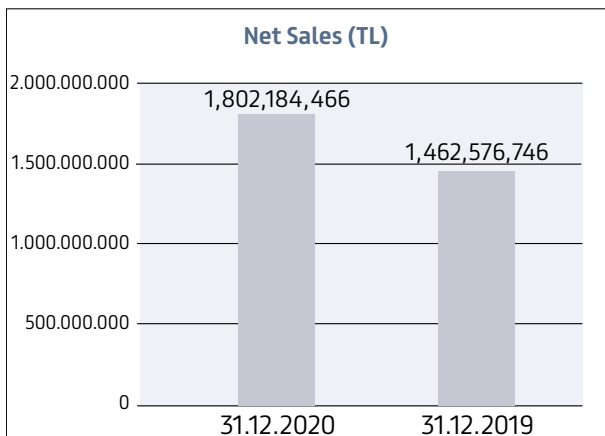
INCOME STATEMENT

Gross sales totaled TL1,802,184,466 due to the increase in currency rates and commodity prices. Domestic sales totaled TL1,725,668,663, and foreign sales stood at TL665,113,320.

The cost of the goods sold totaled TL1,600,374,544 which corresponded to 89% of our net sales. The cost of the goods sold included the cost of raw materials and auxiliary materials, direct labor, expenditures for general production, overheads and depreciation, and changes in the inventories of semi-finished and finished goods.

In 2020, we have seen a high increase in the period's net profit and core operating profit. The main reason for this increase is due to the non-payment of license and service fees. This waiver by license and service providers in order to minimize the operational and financial costs of our company was the main reason for the improvement of our profitability (Licensing and service expenses were included in "general administrative expenses" within the core operating expenses item).

As a result of these actions, our consolidated period's net profit for 2020 stood at TL42,418,644.



The Statement of Responsibility & Dividend Distribution Proposal

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş. DECLARATION OF LIABILITY PURSUANT TO ARTICLE 9 OF SECTION TWO OF THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS, SERIES II-14.1

BOARD RESOLUTION ON THE APPROVAL OF FINANCIAL STATEMENTS

DATE OF RESOLUTION: 25.02.2021

NUMBER OF RESOLUTION: 2021/1

- a) We have audited the Company's consolidated financial statements and their footnotes issued for the period between 01.01.2020 – 31.12.2020, in comparison with the previous period,
- b) Based on our duties and liabilities in the Company and the information available to us, the financial statements do not contain any misstatements on important issues or any incompleteness that may be misleading as of the date when such disclosure was made,
- c) Based on our duties and liabilities in the Company and the information available to us, the financial statement, which have been prepared in line with current financial reporting standards accurately reflect the assets, liabilities, financial status and profits and losses of the company together with potential risks and uncertainties which the company may be exposed to.

BOARD RESOLUTION ON THE ACCEPTANCE OF THE ANNUAL REPORT

DATE OF RESOLUTION: March 10, 2021

NUMBER OF RESOLUTION: 2021/05

Please be advised that the Annual Report (Financial Statements) which has been prepared in harmony with the formats set out by the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAC/TFRS) and the CMB and audited by an independent audit company and CMB's Corporate Management Communiqué no II-171 for the fiscal year ending December 31, 2020 as well as the "Corporate Governance Compliance Report" (CRF) prepared in harmony with the formats set out by the CMB and the Corporate Governance Information Form (CGIF) pursuant to the Communiqué on Principles of Financial Reporting in Capital Markets, Series II-14.1 issued by the Capital Market Board (CMB) regarding our Company's fiscal year ending December 31, 2020

- Have been audited by us in line with the CMB regulations,
- Based on our duties and liabilities in the Company and the information available to us, the financial statements do not contain any misstatements on important issues or any incompleteness that may be misleading as of the date when such disclosure was made,
- Based on our duties and liabilities in the Company and the information available to us, the financial statement, which have been prepared in line with current financial reporting standards accurately reflect the assets, liabilities, financial status and profits and losses of the company together with potential risks and uncertainties which the company may be exposed to, and we declare that we will be liable for the statements here.

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş. BOARD RESOLUTION

DIVIDEND DISTRIBUTION PROPOSAL

Date: 25.02.2021

In consideration of the provisions of Turkish Commercial Code, Capital Market Legislation, Capital Market Law, Capital Market Board ("CMB"), Regulations/Decisions/Directories, Corporate Tax Law, Income Tax Law, Tax Procedural Law and other relevant legal statutes, the relevant provisions of the Articles of Incorporation of our Company and the "Profit Distribution Policy"; it has been examined and evaluated that;

- The generated net profit of the fiscal year has been 42,418,644.-TRY according to the financial statements for the fiscal year 01.01.2020 – 31.12.2020, the submission principles of which have been defined as per the relevant decisions of the CMB and which has been subject to independent auditing and drawn up in accordance with the provisions of the "Communiqué of the Principles of Financial Reporting in the Capital Market" (II-14.1) of the CMB;
- The statutory net profit of the same fiscal year as per Turkish Commercial Code and Tax Procedural Law, has been 55,734,746.-TRY (the net profit for a fiscal year calculated in accordance with the present paragraph is hereinafter referred to as the "Statutory Net Profit").
- It has been defined within Dividend Guideline published in the Weekly Bulletin dated 27.01.2014 and no. 2014/2 of the CMB that;
i. The total amount of the dividend to be distributed is limited with the Statutory Net Profit. Accordingly, the upper limit for the distributable dividend for the fiscal year 01.01.2020 – 31.12.2020 is 42,418,644.-TRY.

Accordingly, from the distributable dividend of 42,418,644.-TRY, 2,786,737.-TL is allocated to the general legal reserves and 238,806.-TL is added to the distributable dividend, to find the net distributable profit which is 39,870,713.-TRY

Therefore, it has been unanimously resolved by the undersigned members to distribute the dividend of 7.974.143.-TRY from the net distributable profit of 39,870,713.-TRY which is also equal to 3,68 % of the issued capital of the Company, to our shareholders in cash, as of 24 May 2021; thus distributing net 0,031273508.-TRY per share with a nominal value of TRY 1.-, following of deduction of 15% tax to be calculated over gross 0,036792362.-TRY and to retain all the outstanding balance as the "Extra-Ordinary Reserve";

To submit above dividend distribution proposal to the approval of the General Assembly regarding the fiscal year 2020 and notify the shareholders.

Ordinary General Assembly Agenda

- 1- Opening of the Meeting and formation of the Meeting Council,
- 2- Authorization of the Meeting Council to sign the Minutes of the General Assembly Meeting,
- 3- Review of the Reports issued by the Board of Directors and Independent Auditing Company Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Financial Tables of the Company for the Fiscal Period between 01.01.2020 – 31.12.2020,
- 4- Discussion and approval of all the financial tables, reports and accounts of the Fiscal Period between 01.01.2020 – 31.12.2020 which are prepared by the Board of Directors and Independent Auditing Company pursuant to the CMB, TCC, TPL and all other related legislation,
- 5- Approval of the appointments to the Board of Directors by the members of the Board as per TCC article 363,
- 6- Release of each member of the Board of Directors,
- 7- Discussion and voting of the Board of Directors proposal for distribution of the profit made in the Fiscal Period between 01.01.2020 - 31.12.2020,
- 8- Due to the expiry of the mandate of the Board Members, Election of the New Board Members and determination of their term of office and compensation,
- 9- Furnishing information to the General Assembly on the donations made during the year 2020 and obtaining approval in this respect, determining the upper limit of the donations for 2021,
- 10- Furnishing information to the General Assembly pursuant the CMB legislation, on the guarantees, liens and mortgages given to the third parties,
- 11- Approval of the Independent Auditing Company to audit the activities and accounts of 2020 in frame of Capital Market Board Regulations and 6102 numbered Turkish Commercial Code which is selected by the Board of Directors based on the suggestion of Audit Committee,
- 12- Authorization to the controlling shareholders, the members of the Board, the senior officers, and their spouses, consanguinities and affinities up to second degree, to perform the transactions mentioned with the Corporate Governance Principle 1.3.6 and 1.3.7 under the CMB communique Serial No:171 and authorization of relevant persons for such transactions and their allowance to compete; furnishing information to shareholders if such transactions have already been performed during this period,
- 13- In accordance with the provision of Article 12 of the Company's Articles of Association, the approval of the transactions made until the date of the General Assembly and discussing the prior approval of the transactions to be made after this date,
- 14- Recommendation and Adjournment.



Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of Türk Prysmian Kablo ve Sistemleri Anonim Şirketi

1) Opinion

We have audited the annual report of Türk Prysmian Kablo ve Sistemleri Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2020-31/12/2020.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 25, 2021 on the full set consolidated financial statements of the Group for the period of 1/1/2020-31/12/2020.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- c) The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

1) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Cem Uçarlar.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçarlar, SMMM
Partner

March 10, 2021
Istanbul, Turkey

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2020

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries

To the General Assembly of Türk Prysmian Kablo ve Sistemleri Anonim Şirketi;

A) Independent Audit of Consolidated Financial Statements

1) Opinion

We have audited the accompanying consolidated financial statements of Türk Prysmian Kablo ve Sistemleri Anonim Şirketi (the "Company") and its Subsidiaries (the "Group"), which comprise the statement of financial position as of 31 December 2020 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2020, and the consolidated financial performance and consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

The audit was conducted in accordance with the independent auditing standards issued by the Capital Markets Board of Turkey, and Independent Auditing Standards ("IASs") that are part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We hereby declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors issued by POA ("Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the key audit matters are addressed in our audit
<p>Provision for Trade receivables impairment</p> <p>Since the trade receivables constitute 40% of total assets in the consolidated statement of financial position, it is considered to be an important balance sheet item. Collectability of trade receivables is one of the important elements for the management of the Group's credit risk and operating capital.</p> <p>As of 31 December 2020, there is a total of TRY 73.562.748 provision for impairment over trade receivables of net TRY 428.580.085 carried over the consolidated statement of financial position.</p> <p>Determining whether or not a trade receivable is collectible requires an important managerial judgment. The Group's management considers all information thereon including the aging of trade receivables, risks of pending cases based on letters obtained from corporate attorneys, guarantees received under credit risk management and the nature of such guarantees, and collection performances for the current period and in the period after the balance sheet date.</p> <p>Due to the judgment needed to determine the amount of receivables money and collectability of commercial receivables, the existence and collectability of trade receivables is considered as a key audit subject.</p> <p>Details relating to the trade receivables are given in Footnote 4.</p>	<p>The following audit procedures related to the recoverability of trade receivables were applied during our audit:</p> <ul style="list-style-type: none"> - Understanding and evaluating the follow-up process for customer and dealer receivables conducted by the Finance Department, - Making an analytical review of the accounts receivables aging reports and making a comparative analysis of the turnover rate with the previous year, - Inquiring into any disputes or litigation regarding collection of receivables and getting confirmation letter from legal counsels about pending cases in relation to the trade receivables, - Testing trade receivables by sending confirmation letters, on sample basis, - Testing, on sample basis, the collections made in the subsequent period, - Testing, on sample basis, the guarantees/collaterals received in relation to trade receivables and the ability to convert them into cash, - Evaluating, within the scope of the standard "TFRS 9 Financial Instruments, whether the key judgments and assumptions of the management, and the methods and data sources used to calculate the impairment are reasonable and relevant, - Questioning of the assumptions used in calculating the amount of impairment of trade receivables, - Evaluating the adequacy of the disclosures in the consolidated financial statements related to the recoverability of trade receivables.

4) Responsibilities of the Senior Management for the Consolidated Financial Statements

The Group Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for the supervision of the Group's financial reporting process.

5) Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As independent auditor's our responsibilities in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the independent auditing standards issued by the Capital Markets Board and IAS, is a high level of assurance, but does not guarantee that a material misstatements that exists will always be detected in an audit conducted. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and IAS, we exercise professional judgment and maintain professional skepticism through the audit. We also:

- Identify and assess the risks of "material misstatement" in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that ensures fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicated with them all relationships and other matters that may reasonably be thought to influence on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Responsibilities Arising from Regulatory Requirements

- 1) Pursuant to the subparagraph four of Article 398 of Turkish Commercial Code ("TCC") no. 6102; Auditors' Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 25 February 2021.
- 2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code and that causes us to believe that bookkeeping activities and consolidated financial statements of the Company concerning the period from 1 January to 31 December 2020 are not in compliance with TCC and the provisions of the Company's articles of association with respect to financial reporting.
- 3) In accordance with subparagraph four of Article 402 of the TCC; the Board of Directors submitted the necessary explanations to us and the documents required within the context of our audit.

Cem Uçarlar is the responsible auditor who conducted and finalized the independent audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçarlar, SMMM
Cap Auditor

February 25, 2021
Istanbul, Turkey

Financial Statements

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2020
 [All amounts are expressed in Turkish Liras (TL)]

Assets	Footnote References	Current Period	Previous Period
		Audited	Audited
		31 December 2020	31 December 2019
Current assets		892,251,480	765,701,804
Cash and cash equivalents	30	146,428,538	210,505,611
Trade Receivables		428,580,085	284,743,560
<i>Related parties</i>	3.4	47,646,328	33,524,425
<i>Third parties</i>	26	380,933,757	251,219,135
Contract assets from ongoing construction contracts	16	16,113,714	12,061,605
Other receivables		84,322	22,639
<i>Receivables due from unrelated parties</i>	5	84,322	22,639
Inventories	6	245,548,682	174,711,178
Prepaid expenses	7	18,656,234	14,665,353
Assets related to current period tax	23	1,192,195	5,395,419
Other current assets	13	35,647,710	63,596,439
Non-current assets		170,770,539	122,130,217
Tangible non-current assets	8	64,981,581	60,622,561
Right-of-use asset	9	2,680,312	3,307,298
Intangible non-current assets	9	261,523	399,557
Deferred tax asset	23	30,945,261	14,048,161
Prepaid expenses		111,629	210,600
Other non-current assets	13	71,790,233	43,542,040
Total assets		1,063,022,019	887,832,021

Attached footnotes are an integral parts of these consolidated financial statements.

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2020
 [All amounts are expressed in Turkish Liras (TL)]

		Current Period	Previous Period
		Audited	Audited
Liabilities	Footnote References	31 December 2020	31 December 2019
Short-term liabilities		636,997,434	500,215,613
Short-term loans	22	52,867,525	1,274,934
Trade payables		470,853,794	447,965,240
<i>Related parties</i>	3.4	82,858,034	39,669,174
<i>Third parties</i>		387,995,760	408,296,066
Payables within the scope of employee benefits	12	5,414,977	3,376,272
Other payables		97,062	7,930
<i>Third parties</i>	5	97,062	7,930
Derivative instruments	25	16,860,410	932,764
Deferred income	7	36,449,555	18,563,696
Period profit tax liability	23	2,878,719	-
Short-term provisions		48,646,316	26,776,587
<i>Short-term provisions for employee benefits</i>	12	11,965,931	15,761,555
<i>Other short-term provisions</i>	10	36,680,385	11,015,032
Other short-term liabilities	13	2,929,076	1,318,190
Long-term liabilities		22,459,374	17,278,501
Long-term borrowings	22	1,773,135	2,180,847
Long-term provisions		20,686,239	15,097,654
<i>Long-term provisions for employee benefits</i>	12	17,914,026	12,579,572
<i>Other long-term provisions</i>	10	2,772,213	2,518,082
Equities		403,565,211	370,337,907
Paid-in Capital	14	216,733,652	216,733,652
Reacquired shares (-)		(2,496,301)	(2,496,301)
Premiums on shares		40,654,618	40,654,618
Other comprehensive income or expenses not to be re-classified to profits or losses		(8,426,000)	(5,873,200)
<i>Gains (Losses) on Revaluation and Remeasurement</i>		(8,426,000)	(5,873,200)
Reserved on retained earnings	14	11,336,752	10,432,153
Profits from previous years		103,343,846	74,915,983
Net period profit		42,418,644	35,971,002
Total liabilities		1,063,022,019	887,832,021

Attached footnotes are an integral parts of these consolidated financial statements.

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED ON DECEMBER 31, 2020

[All amounts are expressed in Turkish Liras (TL)]

		Current Period	Previous Period
		Audited	Audited
Profit or loss	Footnote References	1 January - 31 December 2020	1 January - 31 December 2019
Revenue	15	1,802,184,466	1,462,576,746
Costs of sales	15	(1,600,374,544)	(1,298,896,691)
Gross profit		201,809,922	163,680,055
General administrative expenses	17	(54,263,398)	(21,588,143)
Marketing expenses	17	(86,315,711)	(61,913,603)
Research and development expenses	17	(4,651,103)	(4,067,179)
Other income from main activities	19	61,882,471	50,700,170
Other expenses from main activities	19	(66,174,884)	(84,626,991)
Operating profit		52,287,297	42,184,309
Income from investment activities	20	204,791	5,483
Operating profit before financing income		52,492,088	42,189,792
Financing income	21	3,706,828	3,993,768
Financing expenses	21	(11,048,915)	(3,034,705)
Profit before tax		45,150,001	43,148,855
Tax (income)/expense	23	(2,731,357)	(7,177,853)
Tax expense for the current period	23	(18,990,257)	-
Deferred tax income/(expense)	23	16,258,900	(7,177,853)
Profit for the period		42,418,644	35,971,002
Other comprehensive income			
Items not to be reclassified to profit or loss		(2,552,800)	(3,975,200)
Gains/(losses) on remeasurements of defined benefit plans	12	(3,191,000)	(4,969,000)
Taxes relating to Gains/(losses) on remeasurements of defined benefit plans	23	638,200	993,800
Total comprehensive income		39,865,844	31,995,802
Earnings per share	24	0.1957	0.2502

Attached footnotes are an integral parts of these consolidated financial statements.

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON DECEMBER 31, 2020
[All amounts are expressed in Turkish Liras (TL)]

	Paid-in Capital	Reacquired shares	Share issue premiums	Gains/losses on remeasurements of defined benefit plans	Reserved on retained earnings	Profits from previous years	Net period profit	Total equities
Balances as of 1 January 2019	141,733,652	(2,496,301)	40,871,090	(1,898,000)	8,940,789	43,549,227	38,538,543	269,239,000
Transfers	-	-	-	-	1,491,364	37,047,179	(38,538,543)	-
Capital Increase (Footnote 14)	75,000,000	-	(216,472)	-	-	-	-	74,783,528
Dividends (Footnote 14)	-	-	-	-	-	(5,680,423)	-	(5,680,423)
Total comprehensive income	-	-	-	(3,975,200)	-	-	35,971,002	31,995,802
- <i>Net period profit</i>	-	-	-	-	-	-	35,971,002	35,971,002
- <i>Other comprehensive income/(expense)</i>	-	-	-	(3,975,200)	-	-	-	(3,975,200)
Balances as of 31 December 2019	216,733,652	(2,496,301)	40,654,618	(5,875,200)	10,432,153	74,915,983	35,971,002	370,337,907
Transfers	-	-	-	-	904,599	35,066,403	(35,971,002)	-
Dividends (Footnote 14)	-	-	-	-	-	(6,638,540)	-	(6,638,540)
Total comprehensive income	-	-	-	(2,552,800)	-	-	42,418,644	39,865,844
- <i>Net period profit</i>	-	-	-	-	-	-	42,418,644	42,418,644
- <i>Other comprehensive income/(expense)</i>	-	-	-	(2,552,800)	-	-	-	(2,552,800)
Balances as of 31 December 2020	216,733,652	(2,496,301)	40,654,618	(8,426,000)	11,336,752	103,343,846	42,418,644	403,565,211

Attached footnotes are an integral parts of these consolidated financial statements.

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON DECEMBER 31, 2020

[All amounts are expressed in Turkish Liras (TL)]

		Current Period	Previous Period
	Footnote	(audited)	(audited)
	References	1 January -	(Re-classified Note 2.6)
		31 December 2020	1 January -
			31 December 2019
A. OPERATING CASH FLOW		(85,646,612)	(20,141,338)
Profit for the period		42,418,644	35,971,002
Adjustments on Period Net Profit (Loss) Reconciliation		75,280,123	(10,817,610)
Adjustments for Depreciation and Amortization Expenses	8.9	8,153,848	7,266,591
Adjustments for Impairment Loss/(Reversal of Impairment Loss)	4	8,206,619	6,979,148
Adjustments for Inventory Impairment Loss/(Reversal of Impairment Loss)	6	4,610,062	(5,257,251)
Adjustments for Employee Benefit Provisions/(Reversal)		(877,589)	4,890,306
Adjustments for Claims and/or Penalty Provisions/(Reversal)	10	(462,092)	424,066
Adjustments for Warranty Provisions/(Reversal)	10	716,223	101,176
Adjustments for Other Provisions/(Reversal)		25,491,318	3,048,953
Adjustments for Interest (Income) and Expenses		7,342,087	(1,060,943)
Adjustments for Fair Value Losses (Gains) on Derivative Financial Instruments	19	15,927,646	(30,381,271)
Adjustments for Tax (Income) Expense		2,731,357	7,177,853
Adjustments for Losses (Gains) on disposal of non-current assets	20	(204,791)	(5,483)
Other adjustments for non-cash items		3,645,435	(4,000,755)
Changes in working capital		(194,735,761)	(38,591,768)
Adjustments on decrease (increase) in trade receivables	4	(152,043,144)	53,090,223
Decrease (Increase) in contract assets from ongoing construction contracts		(4,052,109)	(20,955,977)
Adjustments for Decrease (Increase) in Inventories	6	(75,447,566)	(20,817,564)
Adjustments for decrease/increase in other receivables related to activities		(4,060,643)	(30,945,674)
Increase/(Decrease) in Trade Payables		19,243,119	(14,296,971)
Adjustments for decrease/increase in other payables related to activities		21,624,582	(4,665,805)
Cash Flow from Operating Activities		(77,036,994)	(13,438,376)
Tax returns (Payments)		(11,908,314)	(9,693,181)
Payments made under Provisions relating to Employee Benefits	12	(600,546)	(1,105,429)
Interest Received		3,899,242	4,095,648
B. CASH FLOWS FROM INVESTING ACTIVITIES		(11,543,057)	(15,343,641)
Cash inflow from sale of tangible and intangible non-current assets	8.9	251,879	65,031
Cash outflow from purchasing of tangible and intangible non-current assets	8.9	(11,794,936)	(15,408,672)
C. CASH FLOW FROM FINANCING ACTIVITIES		33,305,010	16,550,240
Cash inflow from issuance of shares		-	74,783,528
Cash inflows from loans		422,489,000	-
Cash outflows from loans		(372,489,000)	(48,243,226)
Dividend paid	14	(6,638,540)	(5,680,423)
Interest paid		(9,564,246)	(3,034,705)
Cash Outflow arising from Payables under Rental Contracts		(492,204)	(1,274,934)
Net increase/(decrease) in cash and cash equivalents		(63,884,659)	(18,934,739)
Cash and cash equivalents at the beginning of the period	30	210,313,197	229,247,936
Cash and cash equivalents at the end of the period	30	146,428,538	210,313,197

Attached footnotes are an integral parts of these consolidated financial statements.

Footnotes

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries

FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDING DECEMBER 31, 2020

[All amounts are expressed in Turkish Liras (TL)]

1. Group's organization and line of business

Türk Prysmian Kablo ve Sistemleri A.Ş. ("Company") and its subsidiaries (hereinafter collectively referred as "Group") established and operating in Turkey is specialized in manufacturing, export, import and trading of all kinds of cables, conductors, machines, apparatuses, tools and equipment as well as their spare parts and accessories. The Company was founded in 1964 and currently operates as a joint-stock company under the parent company Draka Holding B.V. (83.75%). The ultimate parent company is Prysmian S.P.A.. The Group shares are listed in Borsa Istanbul A.Ş. since 1986.

The other subsidiary of the Group, Türk Prysmian - Prysmian Powerlink Ordinary Partnership-2 was established in 2014 in the direction of the opinion presented by Revenue Administration regarding the taxation of the work within the scope of DB.KAB.9 Lapseki - Sütluce 380kV Submarine Cable Project. Türk Prysmian Kablo ve Sistemleri A.Ş. holds hold 99.99% and Prysmian Powerlink S.r.l. holds 0.01% shares of the ordinary partnership established.

The Group is publicly traded and operates in a single business line (cable manufacturing and sales) and in one geographical region. The Group's product range includes all power cables up to 220 kVolt, copper-conductive communication cables up to 3,600 pairs and fiber optic cables. The Group's factory is located in Mudanya, Bursa, including a thermal, mechanical, chemical and electrical scientific research and testing laboratory with high level technology and holds TSE certificates.

The Group's registered address is Ömerbey Mahallesi, Bursa Asfaltı Caddesi, No:51, 16941, Mudanya, Bursa with an Istanbul branch registered on 20 December 2012 and located the address of Ömer Avni Mah. İnebolu Sok. Haktan İş Merkezi No:39 K:2 Setüstü Kabataş Beyoğlu Istanbul. As of 31 December 2020 the Group employs on average 520 personnel in a year (31 December 2019: 510).

The Group's subsidiaries are detailed below:

Subsidiaries	Activity	Core activity
Türk Prysmian-Prysmian Powerlink Ordinary Partnership-2	Sales	Sale of Power Cables

2. Basis of Presentation of the Consolidated Financial Statements

2.1 Basis of presentation

Statement of Compliance with TFRS

The Company and its subsidiaries established in Turkey maintain and prepare their legal books and legal financial statements in accordance with the accounting principles stipulated in the Turkish Commercial Code ("TCC") and tax legislation.

The attached consolidated financial statements have been prepared in compliance with the provisions of the "Communiqué on the Principles of Financial Reporting in Capital Market" Series II, Numbered 14.1 published in the Official Gazette dated 13 June 2013 numbered 28676, by the Capital Market Board ("CMB"), and based on the Turkish Financial Reporting Systems and appendices and interpretations thereof ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") with reference to Article 5 of the Communiqué.

The consolidated statements and footnotes have been presented in accordance with 2019 TFRS Taxonomy announced by POA on 15 April 2019.

The consolidated financial statements have been prepared on the basis of historical costs except for the derivative financial instruments presented at fair values. The historical cost is typically determined on the basis of the actual value of amounts paid for assets.

Applicable and reporting currency

The financial statements of each business within the Group are presented in the currency applicable to the respective fundamental financial environment they operate (functional currency). The financial status and operational results for each business are indicated in TRY, which is the currency applicable for the Group and used in the consolidated financial statements.

Comparative Information

The Group's financial statements are prepared to include comparisons with the previous period in order to enable determining the financial status and performance trends. The Company issued the financial statement of position prepared as of 31 December 2020 comparatively with the financial statement of position prepared as of 31 December 2019, and the profit and loss statement, other comprehensive statement of income, cash flow statement and statement of change in equities for the period from 1 January to 31 December 2020 comparatively with the loss and profit statements, other comprehensive statement of income, cash flow statement and statement of change in equities for the period 1 January to 31 December 2019.

Going concern

The Group prepared its financial statements based on the principle of going concern.

Ratification of consolidated statements:

The Board of Directors ratified the consolidated financial statements on 25 February 2021 and granted authorization for its publication. The General Assembly and some other regulatory agencies and authorities are authorized to amend the financial statements.

2. Basis of Presentation of the Consolidated Financial Statements

2.1 Basis of presentation

Guidelines on consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries. Control is achieved when the Company meets the following conditions:

- **has power over the group invested in;**
- **the group invested in is open or entitled to variable return that will be generated; and**
- **has the ability to exercise its power in a way to have an effect on returns.**

In the event that a situation or event arises which may cause any change in at least one of the criteria listed hereabove, it shall be reevaluated whether the Group has controlling power over its investment or not.

In cases where the Company does not hold the majority votes over the company invested in, it shall be considered as having controlling power over the company invested in if it has sufficient voting rights to direct/manage the activities of said investments on its own. The Group shall take into account all relevant events and conditions regarding the matter, including the ones listed below, when evaluating whether the vote majority on said investment is sufficient for the Group to exercise controlling power over the party invested in:

- **Comparison of the voting rights of the Group with the voting rights of other shareholders;**
- **Potential voting rights of the Group and other shareholders;**
- **Rights arising from other agreements in connection with the Agreement and**
- **Other events and conditions which may demonstrate whether the Company currently has power to manage the relevant activities in cases where a decision needs to be made (including votings taken in general assembly meetings in previous periods).**

A subsidiary is included within the scope of consolidation when the Group obtains control of the subsidiary and ceases from the date the Group loses control of the subsidiary. Income and expenses of subsidiaries acquired or disposed within the year shall be included under the consolidated profit and loss and other comprehensive income statement starting from the date acquired until the subsidiary is disposed. Profit or loss item and each component of other comprehensive income are attributed to parent company shareholders and non-controlling shares. Even if non-controlling shares were to result in a deficit balance, total comprehensive income of subsidiaries will be attributed to parent company shareholders and non-controlling shares. All intra-group assets and liabilities, equities, incomes and losses and cash flow relating to transactions between Group companies shall be eliminated in consolidation.

2.2 Amendments in accounting policies

The accounting policies applied in preparation of the consolidated financial statements for the period 1 January - 31 December 2020 are consistent with those applied in preparation of the consolidated financial statements as of 31 December 2019.

2.3 Changes in accounting estimates and errors

Changes in accounting estimates that are related to only one period shall be applied in the period when changes are applied; however if changes are related to future periods, they shall be applied both in the period where the change is made, and in future periods prospectively. Within the current year, there have not been any substantial changes in accounting estimates of the Group.

2.4 New and revised standards and interpretations

Accounting policies implemented while preparing consolidated financial statements for the year that ended as of 31 December 2020 are consistent with those applied in the previous years, except for the adoption of the new and amended TFRS standards and interpretations effective as of 1 January 2020. Effects of these standards and interpretations on the Group's financial status and performance are disclosed in the relevant paragraphs.

i) New standards, amendments and interpretations effective as of 1 January 2020

Definition of a Business (TFRS 3 Amendment)

On May 2019 POA published amendments to the definition of a business given in TFRS 3 "Business Combinations" standard. The purpose of the required change is to help the companies remove the confusion as to the definition of an enterprise

The amendments are as follows:

- *Clarifying the minimum requirements to be a business;*
- *Removing the assessment of a market participant's ability to replace missing elements;*
- *Adding guidance to assess whether an acquired process is substantive;*
- *Restricting definition of enterprise and output; and*
- *Implementing optional fair value test.*

The amendment shall be applied for annual periods beginning on or after 1 January 2020. This had no impact on financial position or performance of the Group.

Interest Rate Benchmark Reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

Effective from Annual periods beginning on or after 1 January 2020, practical expedients were brought to ensure hedge accounting is continues in relation with TFRS 9 and TAS 39 interest rate benchmark reform. These practical expedients involve the assumption that interest rate benchmark reform did not lead to any change in the interest rate benchmark taken as basis in hedged cash flows or hedged risks or cash flows related to hedging instruments.

The aim is to clarify the exemptions with respect to amendments to TFRS 9 and TAS 39 under the financial statements as set forth under TFRS 7.

The amendments did not have a significant impact on the financial position or performance of the Group.

Definition of Material (Amendments to TAS 1 and TAS 8)

In June 2019, POA issued amendments to "TAS 1 Presentation of Financial Statements" and "TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" standards to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The purpose of these changes is to harmonize the definition of "material" between standards and to clarify certain parts of the definition. According to the new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements. The amendments clarify that materiality of an information will depend on the or magnitude of information, or both. Companies are required to assess whether the information, used either individually or in combination with other information, is material in the context of the financial statements.

The amendment shall be applied for annual periods beginning on or after 1 January 2020. Early application of the amendment is permitted. The amendments did not have a significant impact on the financial position or performance of the Group.

Covid-19 Related Rent Concessions (Amendments to TFRS 16)

On 5 June 2020 Public Oversight, Accounting and Auditing Standards Authority has published an amendment to TFRS 16 standard relating to rent for the purpose of assessing whether a rent concession related to COVID-19 pandemic is a lease modification. Lessees who choose to benefit from rent concessions are required to account for any change in lease payments resulting from the rent concession in the same way that it would account for the change if the change was not a lease modification.

The practical expedient only applies to lessees' rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Early application of the amendment is permitted. The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

The standards, interpretations and amendments issued but not yet effective up to the date the consolidated financial statements are ratified are as follows. The Group will make the necessary changes that will impact its consolidated financial statements and footnotes when the new standards and interpretations become effective.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment

In December 2017, POA postponed the effective date of the amendments to TFRS 10 and TAS 28 indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 – The New Standard for Insurance Contracts

The POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will be effective for annual periods starting from 1 January 2023 and on. Early application of the amendment is permitted. The standard is not applicable to the Group and shall have no impact on the Group's financial position or performance.

Classification of Liabilities as Current or Non-current (Amendment to TAS 1)

On 12 March 2020 Public Oversight, Accounting and Auditing Standards Authority has amended "TAS 1 Presentation of Financial Statements". These amendments effective from annual periods beginning on or after 1 January 2023 clarify criteria with respect to classifying liabilities as current and non-current liabilities. Amendments made should be applied retrospectively for TAS 8 "Accounting Policies, changes in accounting estimates and errors". Early application of the amendment is permitted. The impact of the amendment on Group's financial status and performance is being assessed.

Amendments to TFRS - Amendments to Reference to the Conceptual Framework

Public Oversight, Accounting and Auditing Standards Authority has published an amendment to TFRS Business Combinations in July 2020. The amendment intends to replace a reference made to the former version of Conceptual Framework (issued in 1989) with a reference to the updated version (Conceptual Framework) published in 2018, without significantly changing its requirements. In addition, the Board added a new paragraph to the recognition principle of TFRS 3 to clarify that contingent assets that do not qualify for recognition at the acquisition date. The amendment shall be applied for annual periods beginning on or after 1 January 2022. If the enterprise applies all the amendments in TFRS standards making reference to Conceptual Framework (March 2018) on the same date or earlier, then early application will be permitted. The impact of the amendment on Group's financial status and performance is being assessed.

Amendments to TAS 16 - Proceeds before Intended Use

In July 2020, Public Oversight, Accounting and Auditing Standards Authority has published an amendment to TAS 16 Non-current Assets Standard. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the Company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022. Amendments may be applied retrospectively only for non-current assets made available at the start of or after the most recent period including comparisons with the first account period that the company has implemented the amendment. No relief is provided to those who will apply TFRS for the first time. The impact of these amendments on Group's financial status and performance is being assessed.

Amendments to TAS 37 - Onerous Contracts - Cost of fulfilling a contract

In July 2020 POA has published amendments to TAS 37 Standard "Provisions, Contingent Liabilities and Contingent Assets". Amendments to TAS 37, which shall be effective for annual periods beginning on or after 1 January 2020, is issued to determine the costs that will be taken into consideration in the assessment of whether a contract is "disadvantageous" in economic terms or results in "loss", and comprises the method of including 'the costs that directly relate to a contract'. Amendments should be applied retrospectively for contracts where the company has not fulfilled all the liabilities thereunder at the beginning of the reporting period where amendments will be applied for the first time. Early application of the amendment is permitted. The impact of the amendment on Group's financial status and performance is being assessed.

Interest Rate Benchmark Reform – Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020 POA has published Interest Rate Benchmark Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 that sets forth the temporary reliefs provided to eliminate the effects on a company's financial statements of replacing interest rate benchmark with alternative benchmark rate. The companies shall apply these amendments for annual reporting periods beginning on or after 1 June 2020. Early application of the amendment is permitted. Amendments cover the following:

Practical expedients relating to changes in the basis for determining contractual cash flows as a consequence of the IBOR reform

Amendments require, as a practical expedient, for contractual changes or changes to cash flows that relate directly to the reform to be treated as changes to a floating interest rate as akin to a movement in the market rate of interest. Within the scope of this practical expedient, it is stipulated that changes in interest rates applicable for financial instruments that related directly to the reform should not be treated as a contractual change or should not result in derecognition and that cash flows should continue to be determined using the original effective interest rate of the financial instrument.

Practical expedient provides relief from TFRS 9 Financial Instruments (and therefore TAS 39 Financial Instruments: Classification and Measurement) standard and companies applying the TFRS 4 Insurance Contracts standard and lease modifications related to IBOR Reform must apply TFRS 16 Leases.

Concessions relating to Discontinuation of Hedge Accounting

- *Amendments allow changes in hedge accounting and documentation required as the result of IBOR reform to be made before hedging relationship is discontinued.*
- *The amounts accumulated in the cash flow hedge reserve are deemed to be based on alternative reference interest rate.*
- *During transition to alternative reference rates, companies might choose to reset the accumulated amounts for each hedging relationship in fair value to zero in retrospective effectiveness assessment as per TAS 39.*
- *Amendments provide reliefs for items within a designated group of items (such as those forming part of a macro hedging strategies) that are amended for modifications directly required by the IBOR reform. Relevant reliefs allow the hedging strategy to remain and not to be discontinued.*
- *In transition to alternative reference interest rate, hedging relationship can be modified more than once. Phase 2 reliefs shall be applied for all modifications made in hedging relationships related to IBOR reform.*

Designation of risk components

Amendments provide temporary relief to companies from having to meet the separately identifiable requirement, when an alternative reference interest rate is designated as a hedge of a risk component in a hedge relationship.

Additional Remarks

Amendments require additional footnotes to be added within the scope of TFRS 7 Financial Instruments Disclosure Requirements standard regarding how the company manages the transition to alternative reference interest rates and risks arising therefrom, quantitative data about financial instruments that will be effected from IBOR transition phase, even if the transition has not occurred yet, and explanation of the change in hedging strategies resulting from IBOR reform.

These amendments are mandatory and early application is permitted. Although application is retrospective it is not necessary for companies to make adjustment in past periods. Group does not expect any significant impact on the balance sheet and equity of the Group.

Annual Improvements - 2018-2020 Cycle

POA has published in July 2020 "Annual Improvements to TFRS standards / 2018-2020" with the following amendments:

- **TFRS 1- First-time Adoption of International Financial Reporting Standards:** Amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by its parent company. The amendment is also applicable for affiliates or business partnerships.
- **TFRS 9 Financial Instruments- Fees in the '10 percent' test for derecognition of financial liabilities:** The amendment clarifies which fees an entity includes in assessing whether new or modified financial liabilities of an entity is significantly different than the original financial liabilities. These fees include fees paid or received between only the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- **TAS 41 Agricultural Activities – Taxation in fair value measurements:** The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of an asset within the scope of TAS 41, using a present value technique.

Improvements made are effective for annual periods beginning on or after 1 January 2022. Early application of the amendment is permitted. The impact of these amendments/improvements on Group's financial status and performance is being assessed.

2.5 Summary of significant accounting policies

Related parties

Related parties are persons or entities in relation to the entity preparing the financial statements (reporting entity).

a) person or a member of a person's immediate family shall be deemed as related to the reporting entity in the following situations: In the event that said person,

- (i) has control or joint control over the reporting entity,*
- (ii) has significant influence over the reporting entity; or,*
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).*
- (ii) One entity is an affiliate or joint venture of the other entity (or an affiliate or joint venture of a member of a group of which the other entity is a member.*
- (iii) Both entities are joint ventures of the same third party.*
- (iv) One entity is a joint venture of a third entity and the other entity is an affiliate of the third entity.*
- (v) The entity has a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.*

(c) An entity is related to a reporting entity if any of the following conditions applies:

If the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.

The entity is controlled or jointly controlled by a person identified in (a).

A person identified in (a) subclause (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or liabilities between a reporting entity and a related party, regardless of whether a price is charged.

Income and expenses

The accrual basis is applied in determining the income and expense items. Accordingly, revenue, income and profits are recognized in comparison with the cost, expenses and losses of the same period.

Sale of goods and services

The Group has started to use the following five-stage model in recognizing revenues in accordance with TFRS 15 effective as of 1 January 2020.

- **Identification of contracts with customers**
- **Identification of contractual performance obligations**
- **Determining the transaction fee under contracts**
- **Distribution of transaction fee to performance obligations**
- **Recognition of revenue**

According to this model, the goods or services undertaken in each contract with the customers are evaluated and each commitment made for transfer goods or services is regarded as a separate performance obligation. This is followed by determining whether the performance obligations will be fulfilled in time or within a certain period of time. If the Group transfers the control of a good or service over time and accordingly fulfills its performance obligations related to the related sales over time, then it measures the progress of the fulfillment of the performance obligations in full and reflects the revenues into the consolidated financial statements over time. Revenue related to performance obligations in the form of goods or services transfer commitments, is recognized when the control of the goods or services is fully transferred to the customers.

The Group recognizes a contract with a customer as revenue when all of the following conditions are met:

- a) The parties to the contract have ratified the contract (in writing, orally or as per other customary business practices) and are committed to perform their respective obligations,*
- b) Group can identify each party's rights regarding the goods or services to be transferred,*
- c) Group can identify the payment terms for the goods or services to be transferred,*
- d) The contract has commercial substance,*
- e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.*

Within the scope of TFRS 15, if, at the commencement of the contracts concluded with the customer, the Company expects the period between the transfer of goods or services and the customer's payment thereof to be one year or less, the Company has the option not to make adjustments in the transaction price on the assumption that there isn't any significant financing component that has effect on the transaction price. In the event that there is an important financing element in the revenue from forward sale contracts, the transaction price is determined by discounting the future collections with the interest rate in the financing component. If there is any interest income arising from the forward sale transactions these are recognized as "other operating income from core activities" in the relevant periods.

Interest Income

Interest income is recorded on accrual basis using the effective interest rate. In case unpaid interest is accrued on a security carrying interest before acquisition thereof; the collected interest is divided into two parts as pre-acquisition and post-acquisition interest and only the portion of the interest income for the period after its acquisition is recognized as income in the financial statements.

Construction contracts

In case the result of construction contracts can not be predicted in a reliable way, income to be obtained from the contract shall be recognized for the claimable part of the realized contract expenses. Contract expenses are recognized when they occur.

Contract revenue is recognized throughout the contract period in cases the outcomes of the construction contracts can be securely estimated and it is possible to make profit from the contract. The alteration in the contracts, requested payments and incentive payments are added to the contract revenue, in the rate agreed by the customer, and if they can be securely calculated.

In cases where it is possible for total contract costs to exceed the total contract revenue, expected loss is immediately recognized as cost.

The Group applies "percentage of completion" method to determine the portion of the total contract revenue to be recognized in the relevant period. For each contract, the stage of completion of the contract is measured according to contract expenses which may arise until the balance sheet date, as a percentage of estimated total expenses. Expenditures arising within the term relating to a future activity within the scope of the contract are entered under contract expenses when determining the completion phase. Progress amounts not paid by customers and amounts held as security with regards to progress are added to the "trade receivables".

The Group shall submit gross amounts due from customers for ongoing contractual works as liability in case the progress amount exceeds the sum calculated by adding to the costs, the profit (deducting losses) reflected on operating accounts.

Inventories

Inventories are valued at lower of cost or net realizable value. Process costing is used to determine the production cost and the first in first out (FIFO) cost method is applied aside from valuable metal inventory (copper, aluminum). Precious metals inventory is valued by weighted average cost method. Finished and semi-finished goods' costs include costs of raw materials, direct labor, other direct costs and relevant general production costs, but does not include costs of borrowing. Net realizable value is the expected selling price of an asset in the ordinary course of business less the costs of completion and a reasonable estimate of the costs associated with the eventual sale of the asset. When an inventory's cost exceeds its net realizable value, the balance of inventory is adjusted downward to its net realizable value and is recorded as loss in the income statement of the period of impairment. In the event that conditions which cause the inventory to be adjusted downward to its net realizable value ceases or because of the changing economical conditions it is proved that net realizable value has improved, the impairment reserves shall be reversed. Reversed amounts are limited to impairment amount reserved.

Tangible non-current assets

Tangible non-current assets are shown in net value calculated as the difference between its acquisition cost and accumulated depreciation value.

Cost method

Tangible non-current assets are shown as the amount calculated by deducting accumulated depreciation and accrued impairment value from its costs. Lands and parcels are not depreciated and shall be shown in the value calculated after deducting accrued impairment value from its costs.

Assets under construction for administrative purposes or other purposes not yet determined, are shown in the accounts as cost less impairment loss, if any. Legal fees shall also be included in the cost. These assets shall be classified under relevant tangible non-current assets after construction is completed and they are ready for use. Such assets, as it is with the depreciation method used for other fixed assets, shall be depreciated when they are ready for use.

Except for lands and ongoing investments, costs of tangible non-current assets shall be depreciated using straight-line method of depreciation according to the expected useful life assets. Expected useful life, residual value and depreciation methods are reviewed every year to monitor possible effects of changes in predictions, and if there is any change in predictions, shall be recognized prospectively.

Carrying amount of a tangible non-current asset is derecognised from statement of financial position on disposal or when no future economic benefits are expected from the use or disposal of the asset. The gain or loss that arises when a tangible non-current asset is disposed or decommissioned is the difference between sales proceeds and carrying value of the asset and is included in statement of income.

Depreciation periods for tangible non-current assets are as below:

	Economic life
Buildings	20-50 years
Facilities, machinery and equipment	5-15 years
Vehicles	5 years
Fixtures	2-5 years
Special costs	5-10 years

Intangible non-current assets

Acquired intangible non-current assets

Acquired intangible non-current assets with limited life are carried at cost less accumulated depreciation and impairment. These assets are amortised using straight-line method of depreciation based on their expected useful life assets. Expected useful life and amortization methods are reviewed every year to determine any possible effects of changes in the estimates, and the changes in estimates are accounted for prospectively. Acquired intangible non-current assets with indefinite life are stated at their cost net of impairment losses.

Computer software

Costs associated with purchased computer software are recognized as costs incurred to acquire and to make the software ready for use. These costs are amortized over their useful life.

Amortization periods for intangible non-current assets are as below:

	Economic life
Rights	8-20 years

Impairment of tangible non-current assets and intangible assets excluding goodwill

At each financial statement date, the Group analyzes the reported values of tangible and intangible non-current assets to determine if there is any indication that these assets have decreased in value. If so, the asset's recoverable amount is calculated in order to determine the value of any impairment. Where it is not possible to calculate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent principle for allocation is determined, Group assets shall be distributed among cash-generating units. Where this is not possible, Group assets shall be distributed among smallest cash-generating units in order to determine a reasonable and consistent principle of allocation.

The recoverable amount is the higher of fair value of an asset or a cash-generating unit less cost of sale and value in use. Fair value is the current value of future cash flow expected to be received from an asset or a cash generating unit. When calculating the value in use, discount rate before tax reflecting current market assessment of the money's time value, and the risks associated with the asset is used, which are not taken into consideration for future cash flow estimations.

If the recoverable amount of an asset (or cash-generating unit) is determined at a lower value than the carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to the recoverable amount. When the amount of an asset is not determined with the re-valued amount, the impairment loss is recognized immediately in the profit/loss. In such cases impairment losses are taken into account as re-valuation depreciation.

When impairment losses are to be reversed at a later period, the asset's (or the relevant cash generating unit's) carrying amount shall be increased to correspond to approximate value re-updated for the recoverable amount. The increased carrying amount must not exceed the carrying amount that would be determined if no impairment of the asset (cash-generating unit) has been made in previous years. Unless the asset is carried at a re-valued amount, reversal of an impairment loss is reported directly under profit/loss. Reversal of a re-valued asset's impairment loss is taken into account as a re-valuation increase.

Financial Instruments

Financial assets

Classification

The Group recognizes its financials assets in two classes: "financial assets recognized using the depreciated cost amount" and "financial assets at fair value through profit or loss". The classification is based on the business model the enterprise uses for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets at the date of their purchase. Financial assets are not reclassified after initial recognition, except where the business model that the Group uses in the management of financial assets has changed; in case of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

"Financial assets recognized using the depreciated cost amount" are financial assets, which are non-derivative instruments, that are held within the scope of a business model intending to collect contractual cash flows and where the contractual terms include only the cash flows resulting from the principal and principal balance on certain dates. The Group's financial assets recognized over its depreciated cost are "cash and cash equivalent", "trade receivables" and "other receivables" items. The related assets are measured at their fair values in the initial recognition of financial assets, and in subsequent accounts they are measured at their discounted values calculated using the effective interest rate method. Gains and losses resulting from the valuation of nonderivative financial assets measured at depreciated cost are recognized in the consolidated statement of profit or loss.

"Financial assets at fair value through other comprehensive income" are financial assets, which are non-derivative instruments, that are held within the scope of a business model intending to collect contractual cash flows and where the contractual terms include only the cash flows resulting from the principal and principal balance on certain dates. Gains or losses arising from the related financial assets are recognized in other comprehensive income excluding impairment losses or gains and exchange difference gains or losses. For investments in equity-based financial assets, the Group may, at the first time when entering the investment in the financial statements, irrevocably elect to use the method of reflecting the subsequent changes in the fair value to other comprehensive income. If so elected, dividends received from related investments are recognized in the consolidated statement of profit or loss. "Financial assets at fair value through profit or loss" include financial assets other than the financial assets measured over their depreciated cost and at fair value through other comprehensive income. Gains and losses arising from the valuation of such assets are recognized in the consolidated statement of profit or loss.

Derecognition of Financial Assets

The Group derecognizes a financial asset when its rights to cash flows in accordance with the contract for financial assets cease or, when the related rights to ownership of all risks and rewards of the financial asset are transferred by a trading transaction. Any rights created or held by the Group in respect of the financial assets transferred by the Group are recognized as a separate asset or liability.

Impairment

Impairment on financial assets and contractual assets is calculated by using a method called Expected Loan Loss (ELL). This impairment model is applied to amortised cost financial assets and contractual assets.

Provisions for losses were measured on the following basis;

- **12 month ELLs; are the ELLs resulting from potential default events within 12 months after the reporting date.**
- **Lifetime ECLs; are ECLs resulting from all default events throughout the expected lifetime of a financial instrument.**

Measurement of lifetime ECL is applicable in the event that at the reporting date, the credit risk relating to a financial asset significantly increase after its initial recognition. In all other cases where no increase is observed, 12-month ECL calculation shall be applied.

The Group may determine that the credit risk of the financial asset did not increase significantly if the credit risk of the financial asset is low-risk at the reporting date. Nevertheless although it is not a significant financing element, lifetime ECL measurement (simplified approach) is always applicable to trade receivables and contractual assets.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, as well as other short-term liquid investments with a term of 3 months or shorter, that can easily be converted into cash and does not bear a significant impairment risk.

Trade Receivables

Trade receivables include current accounts receivables, forward notes and checks. Trade receivables are entered at carrying amount deducting impairment according to ECL from the invoiced amount, and when the impact is significant, at amortized cost using the effective interest method.

The "simplified approach" is applied within the scope of the impairment calculations of the trade receivables recognized at amortized cost in the financial statements. In cases where trade receivables is not impaired due to certain reasons (except for the realized impairment losses), provisions for trade receivables losses are measured at an amount equal the "lifetime expected credit losses". In accordance with the simplified approach, the Company recognizes the provision for impairment in accordance with the ECL model taking into account the guarantees received from its customers.

Following the provision for impairment, in case the impaired receivable is collected in full or in part, the amount collected is deducted from provision for impairment and is recognized under "the other income (expenses) from core activities" items (Footnote 22).

Foreign exchange gains and losses arising from business transactions are recognized under "the other income (expenses) from core activities" items in the consolidated statement of profit or loss (Footnote 22).

It is assumed that the amortized cost values of the trade receivables after the provision for impairment are close to the fair value of the assets.

Financial Liabilities

A financial liability shall be measured at its fair value at initial recognition. At the initial recognition of financial liabilities whose fair value is not reflected through profit or loss, transaction costs which can be directly associated with the undertaking of the relevant financial liability shall also be added to said fair value. In subsequent terms financial liabilities shall be recognized, along with interest expense to be calculated based on effective interest rate, based on the cost amount depreciated by using the effective interest method.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method (Note 7, 29).

Derivative financial instruments

The entity is basically exposed to financial risks based on changes in foreign exchange and interest rate due to Group's activities. To protect itself against financial risks associated with foreign currency exchange rate fluctuations in connection to certain binding undertakings and future transactions projected, the Group uses derivative financial instruments (mainly foreign currency exchange rate forward contracts).

The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments shall be calculated based on fair value on the date of agreement, and in subsequent reporting periods, recalculation shall be made based on fair value.

Effective interest method

This is the method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Effects of change in foreign currency

Foreign currency transactions and balances

The financial statements of each business within the Group are presented in the currency applicable to the respective fundamental financial environment they operate (functional currency). The financial status and operational results for each business are indicated in TRY, which is the currency applicable for the Group and used in the consolidated financial statements.

During preparation of financial statements of each business, transactions made in foreign currency (any currency except TRY) are recorded based on the exchange rates on the date of transaction. Foreign exchange indexed monetary assets and liabilities recorded in the financial statement of position shall be exchanged into Turkish Lira by using the rates valid on date of balance sheet. Out of non-monetary items accounted at fair value, the ones recorded in foreign currency shall be converted into TRY based on the exchange rates on the date when the fair value was determined. Non-monetary items in foreign currency carried at historical cost shall not be subject to re-conversion.

Earnings per share

Earnings per share stated in the consolidated statement of profit and loss is determined by dividing the net profit through weighted average number of shares outstanding during the related period in the market throughout the year.

In Turkey, companies are able to increase their capitals through a pro-rata distribution of "bonus shares" to existing their shareholders from retained earnings. When calculating earnings per share, "bonus shares" to be distributed are valued like issued shares. Accordingly, the weighted average number of shares used in these calculations were found by taking into account retroactive effects of said share distributions.

Events after reporting period

Events after reporting, even if they emerge after any announcement is made regarding profit or other selected financial information is disclosed to public, shall include all events that emerge between the balance sheet date and the authorization date for the issue of the statement of financial position.

In case any event arises which require adjustment after the balance sheet date, the Group adjusts the amounts recorded in consolidated financial statements based on the new status.

Provisions, contingent assets and liabilities

Provisions shall be allocated in financial statements when there a present obligation resulting from a past event, and it is probable that the obligation will be settled and a reliable estimate of the obligation amount can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties related with the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow.

If a part or the all of the economic benefit required to settle a provision are expected to be recovered from a third party, the amount to be collected is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Liabilities arising from onerous (loss-making) contracts shall be recognized with a corresponding provision. A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are considered as onerous contracts.

Warranties

Provisions for warranty costs are recognized according to costs estimated by the management to meet the obligations of the Group, on the date of said products are sold.

Government incentives and grants

Government incentives shall not be carried at financial statements unless there is reasonable assurance that the entity shall fulfill the conditions required to obtain such incentive and that the incentive shall be obtained.

Government incentives are recognized as profits or losses in the relevant period where the costs to be covered with these incentives are recognized. As a financing instrument government incentives should be recognized as deferred revenue in the financial statement of position and transferred to profit or loss on a systematic basis over the useful lives of related assets instead of being recognized under statement of profit or losses to clarify the expense item they finance.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognized in profit or loss in the period in which they become receivable.

Taxes calculated on the basis of the Company's earnings

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In such case, the tax is also recognised in shareholders' equity.

Current corporate tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Corporate tax rate in Turkey is 20%. However pursuant to the provisional article 10 incorporated into the Corporate Tax Law, the corporate tax rate of 22% shall be applied as 22% for the profit of the company for 2018, 2019 and 2020 fiscal years (for corporate defined accounting years, in account periods starting within the relevant years). This corporate tax rate is applicable to the net corporation profit derived upon adding non-deductible expenses to the commercial revenue of the companies less exemptions and deductions stated in the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the related period and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 20% (will be applied as 22% for 2018, 2019 and 2020 tax periods) to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends paid by resident corporations domiciled in Turkey to ones real persons who are not liable and held exempt to pay income and corporation tax, and to real persons who are residents and non-residents, and to non-resident corporations.

Dividends paid by resident corporations, which have a place of business in Turkey to resident corporations are not subject to withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis included within the scope of consolidation. Taxes payable under financial statement of position dated 31 December 2020 and 31 December 2019, have been offset for each Subsidiary but such amounts have been classified in gross basis in the consolidated financial statements.

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from value reported in its financial statements and value reported for its statutory tax financial statements according to balance sheet method by taking into account legalized tax rates of tax effects. While deferred tax liabilities are calculated for all taxable temporary differences, deferred taxes comprising of deductible temporary differences are calculated on the condition that it is highly likely to benefit from said differences in the future by earning taxable profits. Said asset and liabilities shall not be recognized if the temporary difference regarding the transaction that does not affect trade or financial profit/loss, originates from goodwill or initial recognition of other asset and liabilities (except for business combinations).

Since the applicable tax rate applicable for 3 years has been changed to 22% starting from 1 January 2018, when calculating deferred tax as of 31 December 2020, a tax rate of 22% has been used in calculation of deferred taxes for the temporary differences expected to be realized / reversed within 3 years (in the years 2018, 2019 and 2020). However, since the applicable corporate tax rate for the period after 2020 is 20%, 20% tax rate used for the differences expected to be realized/reversed after 2020.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable to benefit from said differences through future taxable profits and that such difference shall be reversed in the future.

Carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Carrying amount of deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (tax regulation) that have been enacted or substantively enacted at the balance sheet date. While calculating deferred tax assets and liabilities, tax results of the methods predicted by the Group in order to recover book value of its assets or undertake its liabilities as of the balance sheet date are taken into account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off the recognized amounts or such assets and liabilities are associated with the income tax collected by the same tax authority or the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In such case, the tax is also recognised in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Group and investments valued by equity method operate. Under the Turkish Tax Code, companies having head office or place of business in Turkey are subject to corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

Furthermore, provisional corporate taxes are paid at 22% (will be applied as 22% for 2018, 2019 and 2020 tax periods) over profits declared for interim periods in order to be deducted from the final corporate tax.

As of 31 December 2020 and 2019, income tax provisions have been accrued in accordance with the prevailing tax legislation.

75% of the income derived by the Company from the sale of participation shares and founder's shares, redeemed shares and preferential rights and 50% of the income derived by the Company from the sale of immovable property which are carried in assets for at least for two years is exempt from corporate tax with the condition that the relevant income should be added to the share capital or kept under a special reserve account under equity for 5 years in accordance with the Corporate Tax Law.

Employee benefits

Severance payments:

Under Turkish law and union agreements, severance payment are made in the case of retirement or dismissal of the employee. Such payments are considered as defined retirement benefit as per updated TAS 19 Employee Benefits Standard ("TAS 19").

The severance payment obligations recognised in the financial statement of position is calculated and stated in the financial statements as per the current net present value of the future liabilities expected to accrue due to the retirement of all employees. All actuarial gains and losses calculated are recognized under other comprehensive income.

Provision for accumulated leaves:

The liabilities arising from unused leave rights provided to employees, identified as the long-term provisions, were accrued and recognized in relevant periods employee is entitled to such rights.

Cash flow statement

In statement of cash flow, cash flows are classified as from operating, investment and finance activities.

Cash flows resulting from operational (core) activities indicate the Group's cash flows relating to its core line of business transactions.

The cash flows relating to investment activities indicate the cash flows attained and used by the Group in investment activities (tangible and intangible non-current assets).

The cash flows relating to financing activities indicate the resources used by the Group for financing activities and reimbursement thereof.

Share capital and dividends

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recognised less any retained earnings in the period in which they are announced.

Reacquired shares

Where the Company acquires its own shares, cost of such shares, including the portion exceeding the nominal prices of such shares, are deducted from the equity and entered as "Reacquired shares." Any such profits or losses that the Group made in relation to the shares acquired in this manner are also recognized under equities.

Share issue premiums

Share issue premium represents the difference between the nominal values and actual values of shares issued by the Group.

Critical judgments made by the Group in applying accounting policies

The process of preparing the consolidated financial statements requires making estimates and assumptions that affect amounts of assets and liabilities, contingent assets and liabilities as of the financial statement of position date and income and expense amounts through the account period. Although these estimations and assumptions are based on the best knowledge of the Group's management regarding current events and transactions, actual results differ from these estimates.

- a) The Group applies the percentage completion rate method in accounting of the construction contracts. According to this method, the ratio between agreement expenses up to a certain date and estimated total cost of the contract shall be calculated. For the recognition of fixed price contracts entered into in order for the purpose of providing project services, the Group uses the "Percentage of completion" method. Percent completion method requires the prediction of the service rendered by comparing it to the total services to be provided. (Footnote 16)
- b) The Group recognizes deferred tax asset and liability for temporary timing differences arising of differences between taxable legal financial statements and financial statements prepared in accordance with TFRS. The Group has unused financial losses which may be deducted from future profits, and deferred tax assets consisting of other deductible temporary differences. Partial or complete recoverable amount of deferred tax assets were estimated under current conditions. The main factors which are considered include future earnings potential, expiration dates of loss-carry forwards and other tax assets and tax planning strategies that would, if necessary, be implemented. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be sufficient to utilize all of these deferred tax assets, then provision is set for some portion of or all of the deferred tax asset (Footnote 23).
- c) The Group's severance pay liabilities are determined through actuarial calculations based on certain estimations that involve discount rates, future salary increases and employee turnover rate. As these are long-term plans, said estimations carry significant uncertainties. Details on provisions regarding employee benefits are given in Footnote 12.
- d) The Group management has made significant assumptions on useful lives of tangible and intangible assets in line with the experience of its technical team (Footnote 8 and 9).
- e) Impairment loss of trade receivables are measured ECL model following the simplified approach. According to this model the Group follows-up its customers based on their payment performance history and aging of accounts receivables. Net risk is calculated to determine impairment loss, taking into consideration the collaterals received on customers basis in relevant groups and uses expected credit loss rates determined according to experiences in past period (Footnote 4).
- f) In determining of provision for litigations, the Group considers the probability of legal cases to be resulted against the Group and in case it is resulted against the Group considers its consequences based on the assessments of legal advisor. The Group management makes its best estimates using the available data and explanations regarding provisions are provided in Note 10.
- g) With respect to inventory impairment losses, inventories are checked physically, their availability is determined taking opinions from technical personnel and provisions are allocated for items that will probably not be used. Provision is allocated for inventory that's net realizable value is less than its cost.

2.6 Comparative Information and restatement of prior period consolidated statements

In order to determine the financial position and performance trends, the Group's consolidated financial statements are presented comparatively with the previous period. For the purpose of having consistency with the current term's presentation of consolidated financial statements, comparative information is reclassified and significant differences are explained if necessary.

Classifications under consolidated statement of cash flow for the year that ended as of 31 December 2019:

Trade liability expense accrual (TRY 4,000,755) in changes in working capital is recognised in the adjustments on period net profit (Loss) Reconciliation and other adjustments for non-cash items are recognized as increase/decrease.

2.7 Major changes in the current period

Group management has taken necessary actions to minimize the possible impacts on Group's activities and financial position, of COVID-19 outbreak that has taken the world by storm as well as the developments/slowing down of the activities in both the industry the Group operates and in economy in general. Although we cannot project with any certainty how long COVID-19 will last and spread in the world and in Turkey, it will be possible to make a better assessment for the medium and long term as we continue to gain more insights to the severity and duration of its impact. Along with this, when preparing the consolidated financial statements dated 31 December 2020, potential impact of COVID-19 outbreak were taken into consideration and projections and assumptions used when preparing financial statements reviewed. Within this context no impairment is determined on consolidated financial statements dated 31 December 2020.

3. Related Party Disclosures

Draka Holding B.V. holds 83,75% of shares of Türk Prysmian Cable and Systems Inc. Prysmian Cavi e S.R.L. owns 100% of the shares of Draka Holding B.V., which is completely owned by Prysmian S.P.A. (ultimate parent company).

Since the transactions between the Group and the Group's related party, affiliated company are eliminated during consolidation, these were not disclosed under this note.

Summary of receivables from affiliated parties, balances payable to related parties and transactions made with the related parties, as of the end of term, are summarized below:

Balances with related parties	31 December 2020		31 December 2019	
	Receivables Short-term Trading	Payables Short-term Trading	Receivables Short-term Trading	Payables Short-term Trading
Prysmian Cavi e Sistemi Italia S.r.l.	13,020,091	16,838,606	13,283,170	7,514,009
Prysmian Hong Kong Holding Ltd	9,894,904	-	3,985,394	-
Prysmian Group Baltics AS	6,381,738	-	97,828	-
Prysmian Cables & Systems Limited	5,866,918	-	3,260,155	-
Prysmian Group Norge AS	4,110,167	-	2,718,479	-
Oman Cables Industry (SAOG)	1,409,868	-	-	19,863,040
Singapore Cables Manufacturers Pte	996,694	-	98,489	-
LLC Rybinskelektrokabel	877,207	-	-	-
Prysmian S.P.A.	590,082	55,932,782	995,733	9,984,011
Draka Comteq UK Limited	421,710	74,606	749,484	648,275
Prysmian Australia Pty Ltd	187,706	-	91,349	-
Prysmian Power Link Srl	56,185	-	54,393	-
Draka Comteq Germany GmbH & Co KG	54,412	25,338	140,146	-
Prysmian Communication Cables	51,265	-	48,267	-
Prysmian Kabel und Systeme GmbH	48,928	4,956,103	175,315	265,914
Branch Singapore	39,354	-	1,848,682	-
Pt. Prysmian Cables Indonesia	5,320	-	-	-
Draka Kabel Sverige AB	4,691	-	126,150	88,345
Prysmian Kablo s.r.o.	2,011	-	-	-
Prysmian Cavi e Sistemi S.r.l.	-	-	271,699	-
Prysmian Cables y Sistemas S.A.	-	-	2,505,760	576,519
Prysmian MKM Magyar Kabel	-	-	66,506	-
Prysmian Electronics S.r.l.	-	-	19,016	-
Prysmian Cables and Systems OY/FINLAND	-	2,036,583	-	-
Draka Kabely SRO	-	-	18,838	18,872
P.O.R. Prysmian Ocean Racing	-	-	1,496,172	-
General Cable Celcat, Energia	-	-	246,480	-
Prysmian Netherlands B.V.	-	-	-	281,690
Other related companies	3,627,077	2,994,016	1,226,920	428,499
Toplam	47,646,328	82,858,034	33,524,425	39,669,174

(*) Enterprises controlled by ultimate parent company

Transactions with related parties(*)	1 January - 31 December 2020 Sales of goods	1 January - 31 December 2019 Sales of goods
Prysmian Cavi e Sistemi Italia S.r.l.	89,160,324	60,492,690
Prysmian Group Norge AS	64,240,539	15,194,474
Prysmian Hong Kong Holding Ltd	23,080,747	6,227,134
Prysmian Cables & Systems Ltd.	16,037,152	24,257,920
Oman Cables Industry S.A.O.G.	15,532,044	1,407,545
General Cable Peru S.A.C.	11,957,753	-
Prysmian Group Baltics AS	10,686,368	273,204
Prysmian Cables et Systemes France SAS	9,727,496	3,693,107
Prysmian Cabluri si Sisteme S.A.	9,161,319	8,879,526
Prysmian Spain, S.A.	7,835,427	7,430,123
Draka Kabel Sverige AB	7,168,915	544,297
Cobre Cerrillos S.A.	5,094,416	-
Singapore Cables Manufacturers Pte Ltd	3,961,776	363,239
Branch Singapore	3,418,086	1,781,850
Draka Comteq UK Limited	2,923,319	3,390,326
Prysmian Kabel und Systeme GmbH	2,854,461	65,706
LLC Rybinskelektrokabel	1,754,196	45,634
Prysmian Cables and Systems OY/FINLAND	1,126,012	1,058,361
Sindutch Cable Manufacturer Sd	1,039,850	-
Draka Comteq Berlin GmbH & Co. KG	419,288	-
Prysmian Power Link Srl	376,537	192,368
Prysmian Netherlands B.V.	358,071	1,244,997
Prysmian Australia Pty Ltd	357,296	267,386
GK Technologies, Inc.	321,165	-
Prysmian Kablo S.R.O.	220,895	240,060
Draka Comteq Germany GmbH & Co	186,988	201,878
MCI-Draka Cable Co. Ltd	16,753	-
P.T. Prysmian Cables Indonesia	7,321	-
Prysmian MKM Magyar Kabel Muve	-	94,549
Prysmian Communications Cables	-	-
Prysmian Electronics S.r.l	-	-
Prysmian Spa	-	917,925
General Cable Celcat, Energia	-	1,864,704
Prysmian Cavi e Sistemi Srl	-	536,545
Draka Denmark Optical Cable AS	-	278,812
Draka Comteq France SAS	-	160,204
Draka Comteq Berlin GmbH & Co. KG	-	112,077
Draka Kabely S.R.O.	-	18,204
Prysmian Wuxi Cable Company Ltd	-	10,836
	289,024,514	141,245,681

(*) Enterprises controlled by ultimate parent company

Transactions with related parties (*)	1 January - 31 December 2020 Purchase of goods	1 January - 31 December 2019 Purchase of goods
Prysmian S.p.A.	183,096,873	29,941,302
Prysmian Cavi e Sistemi Italia S.r.l.	44,065,020	31,404,008
Prysmian Kabel und System GmbH	38,345,445	18,400,750
Prysmian Cabluri Si Sisteme S.	25,065,200	6,553,695
Fibre Ottiche Sud - F.O.S. S.r.l.	19,089,332	4,551,509
Oman Cables Industry (SAOG)	16,557,304	19,164,656
Draka Comteq UK Limited	6,023,112	8,844,874
Prysmian Cables and Systems OY/FINLAND	5,002,469	4,033,730
Prysmian Spain, S.A.	4,715,869	1,609,592
Prysmian Netherlands B.V.	4,469,685	814,350
Draka Comteq Germany GmbH	2,385,110	6,103,429
Prysmian Cables et Systemes France	1,557,642	-
Draka Comteq Fibre BV	987,301	10,481,998
Prysmian MKM Magyar Kabel	566,285	986,197
Draka Kabel Sverige AB	278,035	221,498
Grupo General Cable Sistemas,	259,038	120,103
Prysmian Cables & Systems Limited	192,199	-
MCI-Draka Cable Co. Ltd	172,064	-
General Cable Industries, Inc.	80,128	-
General Cable Peru S.A.C.	65,223	-
Prysmian Group Norge AS	36,451	-
SG Singapore Cables Manufacturers Pte Ltd	17,223	128,366
Prysmian Tianjin Cables Co. Lt	13,853	-
Draka Kabely SRO	12,803	156,217
Draka Comteq Berlin GmbH & Co. KG	2,333	708
Prysmian Wuxi Cable Company Lt	2,009	922,910
Draka Cable Wuppertal GmbH	-	1,498,611
Prysmian Communications Cables	-	479,366
Prysmian Cables & Systems Ltd.	-	179,970
Sindutch Cable Manufacturer Sd	-	53,839
LLC Rybinskelektrokabel	-	47,409
Others	1	7,163
	353,058,007	146,706,250

(*) Enterprises controlled by ultimate parent company

Total of license and contract expenses related to Group companies:

	1 January - 31 December 2020	1 January - 31 December 2019
Prysmian S.p.a.	16,301,290	-
Prysmian Cavi e Sistemi S.r.l.	9,373,717	-
	25,675,007	-

Service fees for group companies are recognized under the general administrative expenses and cover three types of service fees. These are: These are;

TAF (Technical Assistance Fees) license agreement:

License fee is calculated as 1.25% on net production sales and invoiced by relevant companies.

SAG (Service Agreement) service agreement:

Share of expenses for all group companies in Prysmian Group Holding headquarters are invoiced based on various expense sharing criteria on company basis such as legal, sales support, R&D and consultancy.

IT (IT Service Agreement) information technologies service agreement:

All information technologies expenses made on behalf of group companies are calculated by the Prysmian Group Holding headquarters. Every group company's share of expenses is determined according to certain expense-sharing criteria and are invoiced accordingly.

Fee for the IT service provided by Prysmian S.P.A. is related to the SAP system revised in the year 2011. This covers technical assistance, consultancy received and all expenses incurred in accordance with system revision.

The Group has announced to the stakeholders on 26 July 2019 that Prysmian Group central management reached the decision that on condition the promised three-year targets set as part of Prysmian Turkey R&D activities are achieved, the license rate of 2% would be revised as 1.25% (to be effective as from 1 January 2018). Afterwards another announcement has been made on 24 December 2019 and it was announced that due to macroeconomic developments in Turkey in August Prysmian Group companies licensor Prysmian SpA, a Prysmian Group subsidiary, and service provider Prysmian Cavi e Sistemi Srl. have reached a set of decision in an effort to keep the costs relating to the above mentioned contracts at minimum.

- For the year 2020: At the end of each quarter, the quarterly average of the Turkish Central Bank "1 week repurchase" interest rate for the period ending will be taken and in the event that the average is 12% or above, all rights to receivables resulting from the relevant contracts will be waived.

Contracts shall stay in force with the same terms as of 1 January 2021.

Since central bank interest rates has fallen below 12 percent, which is the rate specified in the contract, as of 30 June 2020, terms of the waiver contract executed by Prysmian Group were not fulfilled and therefore the license, service and information processing fees in the amounts shown above are reflected on financial statements dated 31 December 2020.

Benefits to senior management:

Benefits provided to senior management during the term are as follows:

	1 January -31 December 2020	1 January -31 December 2019
Wages and other short term benefits	6,067,462	3,367,939
Other long-term benefits	11,308	26,982
	6,078,770	3,394,921

Chargeout income

	31 December 2020	31 December 2019
Prysmian S.p.A.	889,466	917,925
Prysmian Cavi e Sistemi S.r.l.	515,560	536,545
Singapore Cables Manufacturers Pte Ltd.	406,554	270,091
Oman Cables Industry (SAOG)	249,936	199,569
Prysmian Cables Spain, S.A	220,580	320,974
Prysmian Mkm Magyar Kábel Művek	186,763	159,691
Prysmian Romania Cabluri Si Sisteme	131,204	107,755
Prysmian Group Baltics AS	116,617	-
Prysmian Power Link Srl	115,224	100,413
Prysmian Kabel und System GmbH	109,669	181,026
Prysmian Communications Cables	104,937	194,977
Prysmian Netherlands B.V.	97,484	-
Prysmian Finland OY	-	88,600
Other related companies	113,928	97,476
	3,257,922	3,175,042

The Group continues to pay Social Security premiums and other expenses of those in the Company who are designated as senior executives to foreign related companies to avoid forfeiture of their legal rights. Such payments made are then charged to relevant group companies. Accordingly no net effect arises on the Group's profit or loss or other comprehensive income statement.

4. Trade receivables and payables

a) Trade receivables:

Short-term trade receivables	31 December 2020	31 December 2019
Trade receivables and accrued income	266,501,265	212,620,434
related parties	47,646,328	33,524,425
Notes receivable	187,995,240	103,954,830
Provision for doubtful trade receivables (-)	(73,562,748)	(65,356,129)
	428,580,085	284,743,560

Standard deferral period applied by the Group to trade receivables is between 0 to 90 days (31 December 2019: 30 to 90 days). The effective annual interest rate applied to the Group's trade receivables in TRY, Euro and US Dollars as of 31 December 2020 are 15%, 2% and 4%, respectively.

The Group's statement regarding doubtful trade receivable provisions are as follows:

	2020	2019
Opening balance, 1 January	(65,356,129)	(58,376,981)
Expenses for the current period	(8,206,619)	(6,979,148)
Closing balance, 31 December	(73,562,748)	(65,356,129)

b) Trade payables

Details of the Group's trade payables as of date of balance sheet are as follows:

Short-term trade payables	31 December 2020	31 December 2019
Trade payables	380,552,347	404,498,088
related parties	82,858,034	39,669,174
Expense accruals	7,443,413	3,797,978
	470,853,794	447,965,240

Average payment term for the Group's trade payables are 99 days (31 December 2019: 125 days). The effective annual interest rate applied to the Group's trade payables is 4% as of 31 December 2020).

The Group has financial risk management policies put into effect in order to ensure that all its payables are to be paid within the loaning period.

Group's LC trade liability is TRY 137,949,839 (USD 15,815,722 and EUR 2,426,152 EUR) as of 31 December 2020. (31 December 2019: TRY 158,452,447 (USD 23,284,752 and EUR3,027,752)).

5. Other receivables and payables

a) Other receivables

Other short-term receivables	31 December 2020	31 December 2019
Deposits and guarantees given	84,322	22,639
Other doubtful receivables	28,195	28,195
Provision for other doubtful receivables (-)	(28,195)	(28,195)
	84,322	22,639

b) Other payables

Other short-term payables	31 December 2020	31 December 2019
Other payables	97,062	7,930
	97,062	7,930

6. Inventory

	31 December 2020	31 December 2019
Raw materials and supplies	72,587,040	51,226,363
Semi-finished goods	74,815,524	40,364,765
Finished Goods	96,620,685	84,982,947
Commercial goods	13,438,281	5,439,889
Provisions for inventory impairment (-)	(11,912,848)	(7,302,786)
	245,548,682	174,711,178

Inventory impairment movements of the Group are as follows:

	2020	2019
Opening balance, 1 January	(7,302,786)	(12,560,037)
Provisions for the period, net	(4,610,062)	5,257,251
Closing balance, 31 December	(11,912,848)	(7,302,786)

Impact of provisions for impairment and provisions no longer required are recognized as net in cost of sales.

7. Pre-paid expenses and deferred income

	31 December 2020	31 December 2019
Order advances given for projects	16,369,349	12,755,748
Pre-paid expenses	2,286,885	1,909,605
	18,656,234	14,665,353

	31 December 2020	31 December 2019
Deferred income		
Order advances received	36,449,555	18,563,696
	36,449,555	18,563,696

8. Tangible non-current assets

	1 January 2020			31 December 2020
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Land and plots	3,164,360	-	-	3,164,360
Buildings	61,477,644	1,412,709	-	62,890,353
Facilities, machinery and equipment	232,195,086	8,651,512	(136,446)	240,710,152
Vehicles, furnishing and fixtures	29,519,900	1,272,504	(45,890)	30,746,514
Special costs	77,543	-	-	77,543
On-going investments	53,604	-	-	53,604
	326,488,137	11,336,725	(182,336)	337,642,526
Accumulated depreciation				
Buildings	(30,783,568)	(1,271,481)	-	(32,055,049)
Facilities, machinery and equipment	(209,083,672)	(4,113,854)	89,358	(213,108,168)
Vehicles, furnishing and fixtures	(25,920,821)	(1,545,282)	45,890	(27,420,213)
Special costs	(77,515)	-	-	(77,515)
	(265,865,576)	(6,930,617)	135,248	(272,660,945)
	60,622,561			64,981,581

As of 31 December 2020, the Group has amortization expenses in the amount of total TRY 8,153,548 comprised of; TRY 6,930,617 for tangible non-current assets and TRY 138,034 for intangible non-current assets and TRY1,085,197 for right-of-use assets. Out of said current term amortization expenses, a portion of TRY6,087,124 was reflected on production costs, TRY1,908,396 on general administrative expenses, TRY153,556 on marketing expenses and TRY4,772 on research and development expenses.

	1 January 2019			31 December 2019
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Land and plots	3,164,360	-	-	3,164,360
Buildings	53,219,984	8,257,660	-	61,477,644
Facilities, machinery and equipment	227,350,612	4,844,474	-	232,195,086
Vehicles, furnishing and fixtures	28,329,512	1,419,960	(229,572)	29,519,900
Special costs	77,543	-	-	77,543
On-going investments	53,604	-	-	53,604
	312,195,615	14,522,094	(229,572)	326,488,137
Accumulated depreciation				
Buildings	(29,723,076)	(1,060,492)	-	(30,783,568)
Facilities, machinery and equipment	(205,030,672)	(4,053,000)	-	(209,083,672)
Vehicles, furnishing and fixtures	(24,935,966)	(1,154,879)	170,024	(25,920,821)
Special costs	(77,515)	-	-	(77,515)
	(259,767,229)	(6,268,371)	170,024	(265,865,576)
	52,428,386			60,622,561

As of 31 December 2019, the Group has amortization expenses in the amount of total TRY 7,266,591 comprised of; TRY 6,268,371 for tangible non-current assets and TRY 128,159 for intangible non-current assets and TRY 870,061 for right-of-use assets. Out of said current term amortization expenses, a portion of TRY5,700,856 was reflected on production costs, TRY1,240,757 on general administrative expenses, TRY251,802 on marketing expenses and TRY 73,176 on research and development expenses.

9. Intangible non-current assets and right-of-use assets

	1 January 2020			31 December 2020
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Rights	1,874,814	-	-	1,874,814
	1,874,814	-	-	1,874,814
Accumulated depreciation				
Rights	(1,475,257)	(138,034)	-	(1,613,291)
	(1,475,257)	(138,034)	-	(1,613,291)
	399,557			261,523

	1 January 2019		31 December 2019	
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Rights	1,709,814	165,000	-	1,874,814
	1,709,814	165,000	-	1,874,814
Accumulated depreciation				
Rights	(1,347,098)	(128,159)	-	(1,475,257)
	(1,347,098)	(128,159)		(1,475,257)
	362,716			399,557

Intangible non-current assets, include software used within the Group.

Right-of-use asset

	1 January 2020		31 December 2020	
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Buildings	3,628,060	357,955	(83,355)	3,902,660
Vehicles, furnishing and fixtures	549,299	100,256	(47,864)	601,691
	4,177,359	458,211	(131,219)	4,504,351
Accumulated depreciation				
Buildings	(690,260)	(836,217)	83,355	(1,443,122)
Vehicles, furnishing and fixtures	(179,801)	(248,980)	47,864	(380,917)
	(870,061)	(1,085,197)	131,219	(1,824,039)
Net book value	3,307,298			2,680,312

	1 January 2019		31 December 2019		
	Opening Balance	Effect of change in accounting policies	Additions	Disposals	Closing Balance
Cost					
Buildings	-	3,556,097	71,963	-	3,628,060
Vehicles, furnishing and fixtures	-	434,709	114,590	-	549,299
	-	3,990,806	186,553	-	4,177,359
Accumulated depreciation					
Buildings	-	-	(690,260)	-	(690,260)
Vehicles, furnishing and fixtures	-	-	(179,801)	-	(179,801)
	-	-	(870,061)	-	(870,061)
Net book value	-				3,307,298

10. Provisions, contingent assets and liabilities

Other short-term provisions

Short-term provisions	31 December 2020	31 December 2019
Miscellaneous provisions for projects (**)	10,448,078	6,759,890
Expense accruals regarding overseas service agreements	7,172,871	-
Provisions for commissions	7,151,477	-
Provisions arising from purchase contracts (*)	3,762,817	1,108,272
Provisions for repair maintenance expenses	2,525,451	-
Others	5,619,691	3,146,870
	36,680,385	11,015,032

(*) Provisions which include shipping, product range problems and additional costs related to the projects.

(**) Reserves arising of purchase contracts entered into by the Group for pending Project orders.

Statements of short-term provisions as of 31 December 2020 and 2019 are as follows:

	Misc. provisions related to projects	Provisions arising from purchase contracts	Expense accruals regarding overseas service agreements	Provisions for commissions	Provisions for repair maintenance expenses	Others	Total
1 January 2020	6,759,890	1,108,272	-	-	-	3,146,870	11,015,032
Change, net	3,688,188	2,654,545	7,172,871	7,151,477	2,525,451	2,472,821	25,665,353
31 December 2020	10,448,078	3,762,817	7,172,871	7,151,477	2,525,451	5,619,691	36,680,385

	Misc. provisions related to projects	Provisions arising from purchase contracts	Expense accruals regarding overseas service agreements	Others	Total
1 January 2019	3,574,410	3,004,712	1,800,373	1,309,370	9,688,865
Change, net	3,185,480	(1,896,440)	(1,800,373)	1,837,500	1,326,167
31 December 2019	6,759,890	1,108,272	-	3,146,870	11,015,032

Long-term provisions

	31 December 2020	31 December 2019
Warranty provisions	1,903,937	1,187,714
Provision for litigations (*)	868,276	1,330,368
	2,772,213	2,518,082

(*) The aforementioned amount means provisions allocated for lawsuits filed against the Group by various parties. Provisions are recognized as a general administrative expense in the statement of profit or loss. It is not expected for the balance dated 31 December 2020 to be used within one year. Administration is in the opinion that, after having obtained proper legal opinion, said lawsuits will not result in a major loss aside from the provisions allocated as of 31 December 2020.

Statements of warranty and litigation provisions as of 31 December 2020 and 2019 are as follows:

Provisions for warranty	2020	2019
Opening balance, 1 January	1,187,714	1,086,538
Additions	716,223	101,176
Closing balance, 31 December	1,903,937	1,187,714

Provisions for litigation	2020	2019
Opening balance, 1 January	1,330,368	906,302
Charge for the period, net	(462,092)	424,066
Closing balance, 31 December	868,276	1,330,368

11. Undertakings

Guarantees-Pledges-Mortgages("TRI")

As of 31 December 2020 and 31 December 2019, the Group's position on guarantees/pledges/mortgages (GPM) position is given in the below table.

All letters of guarantee listed in paragraph A consist of performance letters extended by the Group to customs, various bidding authorities and customers due to sales contracts. Letters of Guarantee listed in paragraph B are in the amount of TRY 26,169,890 (Eur 2,900,000), given in accordance with the consortium partnership of the Group with Prysmian Power link Srl.

As of the date of 31 December 2020, the Group has no outstanding export loan commitment debts. (31 December 2019: None).

	31 December 2020	31 December 2019
A. Total amount of guarantees given on behalf of the legal entity:	205,803,400	124,435,793
B. Total amount of GPM given on behalf of the subsidiaries included in full consolidation:	-	-
C. Total amount of GPM given to maintain ordinary operations and collect payables from third parties:	-	-
D. Total amount of other GPM given	26,122,910	-
i. Total amount of GPM given on behalf of the principal partner	-	-
ii. Total amount of GPM given on behalf of other group companies that do not cover B and C	26,122,910	-
	231,926,310	124,435,793

Ratio of other GMLs given by the Company to the Company's equities is 57% as of the date of 31 December 2020.

12. Employee Benefits

Payables within the scope of employee benefits

	31 December 2020	31 December 2019
Social security premiums payable	2,040,422	1,368,276
Dues to personnel	1,878,117	1,075,893
Taxes and funds payable	1,496,438	932,103
	5,414,977	3,376,272

Short-term provisions for employee benefits

	31 December 2020	31 December 2019
Provision for personnel	4,477,722	3,121,185
Provision for personnel bonuses	3,705,228	7,148,177
Provision for unused leaves	3,382,981	3,561,621
Provision personnel wages	400,000	1,930,572
	11,965,931	15,761,555

Statements regarding personnel bonus and provisions for leaves as of 31 December 2020 and 2019 are as follows:

Provision for personnel bonuses:

	2020	2019
Opening balance, 1 January	7,148,177	5,142,905
Paid/reversed provision, net	(3,442,949)	2,005,272
Closing balance, 31 December	3,705,228	7,148,177

Provision for unused leaves;

	2020	2019
Opening balance, 1 January	3,561,621	2,545,587
Paid/reversed provision, net	(178,640)	1,016,034
Closing balance, 31 December	3,382,981	3,561,621

Provisions for personnel;

	2020	2019
Opening balance, 1 January	3,121,185	3,328,970
Paid/reversed provision, net	1,356,537	(207,785)
Closing balance, 31 December	4,477,722	3,121,185

	31 December 2020	31 December 2019
Provision for severance pay	17,914,026	12,579,572
	17,914,026	12,579,572

According to the Turkish Labour Code, the Group is obligated to pay severance pay to every employee who after having completed at least one year of service, retires from 25 years of employment (ages 58 for women, 60 for men), whose work contract is terminated, who was called up for military service or has passed away.

No funding is stipulated under laws for severance pay liability. Provisions for severance pay are calculated by predicting the current value of Group's future liability amount arising from retirement of its employees. TAS 19 Employee Benefits stipulates that Group's liabilities within the scope of described benefit plans should be developed through actuarial valuation methods. In this respect actuarial assumptions used in calculation of total liabilities are specified below:

The main assumption is that for each service year, the maximum liability amount shall increase parallel to inflation. Accordingly, applied discount rate represents the expected real rate after future effects of inflation are adjusted. Therefore, as of the date of 31 December 2020, provisions in the attached consolidated financial statements are calculated for the future by estimating the current value of potential liabilities arising of employee's retirement. Provisions on the relevant balance sheet dates were calculated according to predictions of annual inflation of 10.50% and 13.50% interest rates, reaching the real discount rate approximately as 2.71% (31 December 2019: 3.94%). Estimated rates of severance pays which shall not be paid and maintained by Group because of employees who voluntarily leave the Group is accepted as 98% (31 December 2019: 98%). Severance pay cap is revised every six months and cap taken into consideration when calculating the Group's provisions for severance pay was TRY 7,117.17 that is valid as of 1 January 2020. (1 January 2019: TRY 6,379.86)

Significant assumptions used in calculation of severance pay liabilities are discount rates and voluntary leave potential.

Provision for severance pay	2020	2019
Provision as of 1 January	12,579,572	6,847,001
Service cost	1,225,000	644,000
Interest cost	1,519,000	1,225,000
Severance pays paid	(600,546)	(1,105,429)
Actuarial (gains)/losses	3,191,000	4,969,000
Closing balance, 31 December	17,914,026	12,579,572

13. Other assets and liabilities

Other current assets	31 December 2020	31 December 2019
VAT carried forward	26,436,251	38,605,539
Receivables from Tax Office (**)	8,182,266	23,471,447
Other miscellaneous current assets	1,029,193	1,519,453
	35,647,710	63,596,439

Other non-current assets	31 December 2020	31 December 2019
VAT carried forward (*)	71,790,233	43,542,040
	71,790,233	43,542,040

(*) Comprised of long-term portion of the value added taxes that could not be offset due to amendment of the communiqué on export-listed sales, the return process has started.

(**) SCT and other VAT receivables from tax office.

Other short-term liabilities	31 December 2020	31 December 2019
Tax, fees and other deductions payable	2,661,240	1,050,355
Other miscellaneous payables and liabilities	267,836	267,835
	2,929,076	1,318,190

14. Capital, reserves and other equity items

a) Capital

Paid-in capital structure of the Group as of 31 December 2020 and 2019 is as follows:

Shareholders	%	31 December 2020	%	31 December 2019
Draka Holding B.V.	83.75	181,506,654	83.75	181,506,654
Publicly held (*)	16.25	35,226,998	16.25	35,226,998
Capital	100	216,733,652	100	216,733,652

(*) Shares acquired is 0.46%.

As of 31 December 2020, the Group's capital comprises of 216,733,652 shares (31 December 2019: 216,733,652 shares). Nominal value of shares are TRY 1 per share (31 December 2019: TRY 1 per share). All shares issued were paid in cash.

b) Reserves on retained earnings

	31 December 2020	31 December 2019
Legal reserves	11,336,752	10,432,153
	11,336,752	10,432,153

As per Turkish Commercial Code ("TCC"), legal reserves will be generated by 5% of income until it reaches 20% of paid-in share capital. After the 5% of the dividend is paid to shareholders, 10% of the total amount to be distributed is set aside as other legal reserve. Under the TCC, the legal reserves can be used only to offset losses, for the going concern of the company or to take measures to prevent or minimize consequences of unemployment as long as the amount does not exceed 50 percent of the paid-in capital.

Profit Distribution:

Publicly traded companies perform dividend distribution in accordance with Capital Markets Board's Communiqué Serial II No: 19.1 "Share of Profit", effective as of 1 February 2019.

Partnerships, distribute dividend with general assembly decision, within the context of profit distribution policies set by general assembly and related regulations. As part of the communiqué, no specific minimum distribution ratio is indicated. Companies pay dividend as defined in their articles of association or dividend distribution policies.

On 17 April 2020 the Company management decided to pay out dividends.

The amount of dividend TRY 6,669,020 (2019: TRY 5,720,786) paid out in 2020 per share is gross TRY 0.0308 (2019: TRY 0.0404) and net TRY 0.0262 (2019: TRY 0.0343).

Reacquired shares

When shares recorded as paid capital are reacquired, the amount paid shall be deducted from equities in a way to cover the amount net of tax effect of costs attributable to reacquisition. When shares are reacquired this is recognized in equities as decrease.

Within the frame of "Repurchase Programme" agreed in Türk Prysmian Kablo ve Sistemleri A.Ş. Board of Directors meeting dated 03 August 2016, the company has reacquired 1,000,000 Türk Prysmian Kablo ve Sistemleri A.Ş. shares at a value of TRY 2,496,301 (0.46%).

15. Sales and cost of sales

	1 January - 31 December 2020	1 January -31 December 2019
Domestic sales	1,725,668,663	1,492,023,655
Export sales	665,113,320	513,316,440
Return on sales (-)	(2,423,535)	(4,629,205)
Sales discounts (-)	(586,173,982)	(538,134,144)
	1,802,184,466	1,462,576,746

	1 January - 31 December 2020	1 January - 31 December 2019
Raw material and supply expenses	(1,330,992,634)	(1,066,591,709)
Cost of commercial goods sold	(120,207,898)	(91,206,131)
Production overheads	(73,236,846)	(59,899,923)
Direct labor cost	(39,348,914)	(32,325,357)
Cost of services sold	(30,501,128)	(43,172,715)
Depreciation expenses (Footnote 8)	(6,087,124)	(5,700,856)
	(1,600,374,544)	(1,298,896,691)

16. Construction contracts

The Group records income and expenses from said construction works in financial statements following the percentage completion method. Contracts signed by the Group / related to works completed or ongoing are as follows;

	31 December 2020	31 December 2019
Costs related with ongoing works	717,559,990	652,267,292
Recognized profits less losses (net)	155,501,750	133,009,583
	873,061,740	785,276,875
Less: Progress payments realized (-)	(856,948,026)	(773,215,270)
Receivables/(payables) from construction contracts	16,113,714	12,061,605

a) Oskar - ITM.180 Dudullu Subway GIS S/S Construction Work

The Company has signed the contracts for the related construction works on 27 July 2016. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 96%.

b) TKABÇ4 Ataşehir Project

The Company has signed the contracts for the related construction works on 2 August 2016. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

c) TEİAŞ - TKABY.47 Ref. Ambarlı S/S- Sultanmurat GIS S/S 154 kV Project

The Company has signed the contracts for the related construction works on 16 August 2017. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100% as of the current period.

d) DB.KAB.13 Karabağlar - Buca Project

The Company has signed the contracts for the related construction works on 1 November 2017. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

e) DB.KAB.14 Atışalanı - Aksaray Project

The Company has signed the contracts for the related construction works on 10 July 2018. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

f) İTM 214 Akköprü GIS Project

The Company has signed the contracts for the related construction works on 13 February 2018. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

g) İTM 199 Bursa DGKÇS Project

The Company has signed the contracts for the related construction works on 13 February 2018. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

h) Taşoluk New Airport

The Company has signed the contracts for the related construction works on 22 July 2019. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

i) DB.KAB.18_Çiğdem Balgat Project

The Company has signed the contracts for the related construction works on 8 January 2020. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 100%.

j) TKABY.50, Çağlayan GIS TM – Altintepe Project

The Company has signed the contracts for the related construction works on 6 August 2020. Income and expenses for the referred construction works calculated on basis of percentage completion rate were recorded in financial statements at a completion rate of 63%.

17. Marketing expenses, general administrative expenses and research and development expenses

General administrative expenses, marketing expenses and research and development expenses for the years ending on 31 December 2020 and 2019 are as follows:

a) General administrative expenses

	1 January - 31 December 2020	1 January - 31 December 2019
License and service expenses (Footnote:3)	(25,675,007)	-
Personnel expenses	(16,934,438)	(13,309,099)
Depreciation expenses (Footnote 8.9)	(1,908,396)	(1,240,757)
Consultancy expenses	(948,188)	(508,218)
Memberships and grants	(823,680)	(750,794)
Insurance expenses	(515,448)	(420,724)
Outsourced service expenses	(308,779)	(41,580)
Other general administrative expenses	(7,149,462)	(5,316,971)
	(54,263,398)	(21,588,143)

b) Marketing expenses

	1 January - 31 December 2020	1 January - 31 December 2019
Logistics expenses commissions of sales and letter of guarantees	(69,718,764)	(44,127,718)
Personnel expenses	(14,671,611)	(13,314,270)
Outsourced service expenses	(21,562)	(320,536)
Amortization expenses (Footnote 8.9)	(153,556)	(251,802)
Other sales and distribution expenses	(1,750,218)	(3,899,277)
	(86,315,711)	(61,913,603)

c) Research and development expenses

	1 January - 31 December 2020	1 January - 31 December 2020
Personnel expenses	(2,910,599)	(2,062,303)
Depreciation expenses (Footnote 8.9)	(4,772)	(73,176)
Other expenses	(1,735,732)	(1,931,700)
	(4,651,103)	(4,067,179)

18. Expenses by nature

	1 January - 31 December 2020	1 January - 31 December 2019
Raw material and supply expenses	(1,330,992,634)	(1,066,591,709)
Cost of commercial goods sold	(120,207,898)	(91,206,131)
Products costs	(73,236,846)	(59,899,923)
Logistics expenses commissions of sales and letter of guarantees	(63,706,643)	(44,127,718)
Direct labor cost	(39,348,914)	(32,325,357)
Personnel expenses	(34,516,648)	(27,689,951)
License and service expenses (Footnote:3)	(25,675,007)	-
Depreciation expenses (Footnote 8.9)	(8,153,848)	(7,266,591)
Outsourced service expenses	(330,341)	(305,588)
Other expenses	(43,423,856)	(57,052,648)
	(1,739,592,635)	(1,386,465,616)

19. Other operating income and expenses

Details of other operating income for the years that have ended on the dates of 31 December 2020 and 2019 are as follows:

Other operating income	1 January - 31 December 2020	1 January - 31 December 2019
Derivative financial instruments realized income	26,420,546	1,773,886
Exchange rate income from trade activities, net	19,016,163	-
Derivative financial instruments valuation income	7,823,844	30,381,271
Chargeout income (Footnote 3)	3,257,922	3,175,043
Delay interest income of trade receivables	1,828,418	5,466,144
Other income	3,535,578	9,903,826
	61,882,471	50,700,170

Other operating expenses	1 January - 31 December 2020	1 January - 31 December 2019
Derivative financial instruments realized expenses	(29,469,624)	(55,513,894)
Derivative financial instruments valuation expenses	(23,751,490)	-
Allowance for doubtful receivables (Footnote 4)	(8,206,619)	(6,979,148)
Exchange rate expenses from trade activities, net	-	(20,211,715)
Other expenses	(4,747,151)	(1,922,234)
	(66,174,884)	(84,626,991)

20. Other income from investment activities

Details of other income from investment activities for the years that have ended on the dates of 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Fixed asset sale income	204,791	5,483
	204,791	5,483

21. Financing income / (expense)

Details of financing income/(expenses) for the years that have ended on the dates of 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Interest income	3,706,828	3,993,768
	3,706,828	3,993,768

	31 December 2020	31 December 2019
Financing expenses	(11,048,915)	(3,034,705)
	(11,048,915)	(3,034,705)

22. Short and long term loans

	31 December 2020	31 December 2019
Short-term		
Short term bank loans	51,677,083	-
Leasing payables	1,190,442	1,274,934
Total short-term loans	52,867,525	1,274,934

Foreign exchange and interest details of bank loans are given below:

	31 December 2019		
	Interest rate	Original Currency	TRY equivalent
Short-term			
Credits in TRY	6.9%	51,677,083	51,677,083
Total short term bank loans			51,677,083

	31 December 2020	31 December 2019
Long-term		
Leasing payables	1,773,135	2,180,847
Total long-term loans	1,773,135	2,180,847

23. Tax assets and liabilities (inc. deferred tax assets and liabilities)

Assets related to current period tax

	31 December 2020	31 December 2019
Withholding paid for construction repair works extending to years	1,192,195	4,727,430
Bank withholdings	-	667,989
	1,192,195	5,395,419

Period profit tax liability

Tax expense	1 January - 31 December 2020	1 January - 31 December 2019
Current tax expense	(18,990,257)	-
Deferred tax (income)/expense	16,258,900	(7,177,853)
Total tax (income)/expense	(2,731,357)	(7,177,853)

	Total temp. differences 31 December 2020	Deferred tax (asset) / liability 31 December 2020	Total temp. differences 31 December 2019	Deferred tax (asset) / liability 31 December 2019
Tangible and intangible non-current assets	21,033,806	(4,244,614)	19,435,863	(3,925,026)
Provisions for severance pay	17,914,025	(3,582,805)	12,579,571	(2,515,914)
Construction projects spread over years	(13,497,971)	2,699,594	(25,300,851)	5,566,187
Inventories	12,437,450	(2,585,882)	1,512,020	(332,644)
Trade Receivables	16,554,351	(4,628,501)	22,105,544	(5,440,932)
Trade payables	14,280,736	(3,141,762)	4,486,853	(987,108)
Provision for litigations	868,276	(173,655)	1,330,368	(292,681)
Provisions for leaves	3,382,981	(676,596)	3,561,621	(783,557)
Derivative instruments	16,860,410	(3,372,082)	932,764	(205,208)
Provisions	34,166,420	(6,833,284)	12,771,791	(2,809,794)
Financial loss	-	-	10,822,968	(2,381,053)
Investment Incentive	10,387,765	(2,077,553)	-	-
Others	11,640,598	(2,328,121)	(270,765)	59,569
	146,028,847	(30,945,261)	63,967,747	(14,048,161)

Activity of deferred tax (assets)/liabilities as of the year ended on 31 December 2020 is shown below:

Deferred tax (asset)/liability movement	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance as of 1 January	(14,048,161)	(20,232,214)
Recognized in statement of profit and loss	(16,258,900)	7,177,853
Recognized in equities	(638,200)	(993,800)
Closing balance as of January 31	(30,945,261)	(14,048,161)

Reconciliation of tax expense and profit of the period.

Tax provision reconciliation	1 January - 31 December 2020	1 January - 31 December 2019
Profit before tax from operations	45,150,001	43,148,855
Income tax rate 22% (2019:22%)	(9,933,000)	(9,492,748)
Tax effect:		
Non-deductible expenses	(238,114)	(329,015)
R&D rebate	3,914,481	2,336,548
Capital Increase rebate	3,858,126	585,074
Rebates and other	(332,850)	(277,712)
Tax provision expense on statement of profit or loss	(2,731,357)	(7,177,853)

24. Earnings per share

Earnings/loss per share is calculated by dividing net profit of the period as of the end of year to weighted average of shares.

There is no ordinary share issued to be issued as of the date of preparation of financial statements and prior to completion of these consolidated financial statements.

	31 December 2020	31 December 2019
Average number of current shares throughout the period (full value)	216,733,652	143,788,447
Net period profit of parent company shareholders	42,418,644	35,971,002
Earnings per share	0.1957	0.2502

25. Derivative instruments

	31 December 2020		31 December 2019	
	Assets	Liabilities	Assets	Liabilities
Short-term foreign currency transactions	-	(16,860,410)	-	(932,764)
	-	(16,860,410)	-	(932,764)

The group uses foreign currency derivative tools in order to protect future significant transactions and cash flows against financial risks. The Group is a party to certain foreign currency forward contracts based on management of fluctuations in foreign currency exchange rates. Purchased derivative financial instruments are mainly of kinds of foreign currency available in the market where the Group operates.

Below are the total nominal value of forward exchange contracts undue and which the Group is obligated to realize, as of the date of balance sheet:

	31 December 2020	31 December 2019
Forward exchange contracts	155,562,720	168,656,424
	155,562,720	168,656,424

Referred agreements are related to foreign currency risks in 2020 and are renewed when necessary.

Changes in fair value of foreign exchange derivative transactions with no hedging purposes is recorded during the period in the statement of income.

All Forward Foreign Exchange transactions detailed above are forward contracts. As of 31 December 2020 the Group has forward purchase contracts in the amount of USD 18,200,000 and EUR 1,000,000 (2019: USD 27,780,000 and EUR 504,550 purchase, EUR 500,000 forward sale contract.).

26. Nature and Level of Risks Related to Financial Instruments

a) Capital risk management

The Group manages its capital risk to ensure going concern of its activities while maximizing the return through the optimization of debt and equity.

The Group may change the amount of dividend paid to shareholders, return capital to shareholders, issue new shares and sell-off its assets to decrease its borrowing with the aim to preserve or restructure its capital.

To ensure consistency with the other companies in the industry, the Group analyzes its capital based on leverage ratio. Leverage ratio is the proportion of net debts to equity. Net debt is the total loans (including current and non-current loans as shown in the financial statement of position) less cash and cash equivalents. Total capital is calculated as the sum of "equity" and net debt item in the consolidated statement of position.

As of the dates of 31 December 2020 and 2019, the ratio of equity to debts is as follows:

	31 December 2020	31 December 2019
Total liabilities (*)	470,950,856	447,973,170
Less: Cash and cash equivalents	146,428,538	210,505,611
Net debt	324,522,318	237,467,559
Total equity	403,565,211	370,337,907
Liabilities/(liabilities+equity)	45%	39%

(*) Includes trade payables, payables from construction contracts and other liabilities.

b) Financial risk factors

The Group has exposure to the market risk (foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative instruments in order to be protected from various financial risks.

Risk management is carried out by a central treasury department in accordance with the policies approved by the Board of Directors. With regards to risk policies, the Group's treasury department defines and evaluates the financial risk and uses instruments to decrease the risk by working together with the Group's operation units. Regarding risk management, the Board of Directors creates both a written general legislation, as well as written procedures which involve various risk types such as foreign currency exchange rate risk, interest risk, credit risk and usage of derivative instruments and other non derivative financial instruments and how to evaluate excess liquidity.

Credit risk management

Credit risks exposed to based on types of financial instruments

31 December 2020	Trade Receivables		Other receivables		Bank Deposits
	Related Parties	Third Party	Related Parties	Third Party	
Maximum credit risk as of the reporting date (*)	47,646,328	380,933,757	-	84,322	92,056,439
- The part of maximum risk under guarantee with collateral etc. (**)	-	123,117,880	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	45,005,326	371,715,639	-	-	-
B. Net book value of assets, conditions of which have been renegotiated, which would otherwise be overdue or impaired	-	-	-	-	-
C. Net book value of financial assets that are neither past due but not impaired	2,641,002	8,523,567	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-
D. Net book value of impaired assets	-	694,551	-	-	-
- Overdue (gross carrying amount)	-	74,257,299	-	-	-
- Impairment (-)	-	(73,562,748)	-	-	-
- The part of net value under guarantee with collateral etc.	-	694,551	-	-	-
- Undue (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Factors that include off balance sheet credit risk	-	-	-	-	-

(*) While determining the amount, components which increase credit reliability, like guarantees received, are not taken into consideration.

(**) The guarantees consist of DBS, collaterals, checks received from customers and mortgages.

Credit risks exposed to based on types of financial instruments

31 December 2019	Trade Receivables		Other receivables		Bank Deposits
	Related Parties	Third Party	Related Parties	Third Party	
Maximum credit risk as of the reporting date (*)	33,524,425	251,219,135	-	22,639	187,422,752
- The part of maximum risk under guarantee with collateral etc. (**)	-	107,448,727	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	29,314,486	247,247,690	-	-	-
B. Net book value of assets, conditions of which have been renegotiated, which would otherwise be overdue or impaired	-	-	-	-	-
C. Net book value of financial assets that are neither past due but not impaired	4,209,939	1,020,849	-	-	-
- The part of net value under guarantee with collateral	4,209,939	484,546	-	-	-
D. Net book value of impaired assets	-	2,950,596	-	-	-
- Overdue (gross carrying amount)	-	68,306,725	-	-	-
- Impairment (-)	-	(65,356,129)	-	-	-
- The part of net value under guarantee with collateral etc.	-	2,950,596	-	-	-
- Undue (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Factors that include off balance sheet credit risk	-	-	-	-	-

(*) While determining the amount, components which increase credit reliability, like guarantees received, are not taken into consideration.

(**) The guarantees consist of collaterals, checks received from customers and mortgages.

Credit risk refers to the risk that counterparty of the financial instrument will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the credit risk. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee monthly.

Trade receivables are due from multiple customers in different sectors and geographical areas. Credit rating of customers are continuously monitored over their trade receivable balances receivables are insured when deemed necessary.

The aging of the overdue receivables is as follows:

	31 December 2020	31 December 2019
Overdue by 1-30 days	9,492,277	2,525,546
Overdue by 1-3 months	1,596,626	2,057,885
Overdue by 3-12 months	75,666	564,447
Overdue by 12 months	-	82,910
Total overdue receivables	11,164,569	5,230,788
- Amount guaranteed with collaterals etc.	7,758,187	7,645,081

As of balance sheet date, guarantees obtained regarding overdue trade receivables for which provision is allocated are as follows:

	31 December 2020	31 December 2019
Guarantees received	694,551	2,950,596
	694,551	2,950,596

Liquidity risk management

Liquidity risk is the probability of the Group's inability to fulfill its net funding liabilities. The Group administration manages the liquidity risk by distributing fund resources and maintaining adequate cash and cash equivalents enough to fulfill its current and potential liabilities.

Liquidity risk statement:

31 December 2020						
Contractual maturity	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1-5 years (II)	more than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	54,640,660	54,814,962	307,928	52,457,511	2,049,523	-
Trade payables	470,853,794	470,853,794	334,542,393	136,311,401	-	-
Other liabilities (Footnote 5)	97,062	97,062	97,062	-	-	-
Total liabilities	525,591,516	525,765,818	334,947,383	188,768,912	2,049,523	-

Since expected maturity are similar to contractual maturities, a separate statement is not prepared for expected maturities.

Contractual maturity	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1-5 years (II)	more than 5 years (IV)
Derivative financial liabilities						
Derivative cash flows, net	16,860,410	16,860,410	16,860,410	-	-	-

31 December 2019

Contractual maturity	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1-5 years (II)	more than 5 years (IV)
Non-derivative financial liabilities						
Trade payables	447,965,240	447,965,240	288,936,394	159,028,846	-	-
Other liabilities (Footnote 5)	7,930	7,930	7,930	-	-	-
Total liabilities	447,973,170	447,973,170	288,944,324	159,028,846	-	-

Since expected maturity are similar to contractual maturities, a separate statement is not prepared for expected maturities.

Contractual maturity	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1-5 years (II)	more than 5 years (IV)
Derivative financial liabilities						
	(932,764)	(932,764)	(594,623)	(338,141)	-	-

Market risk management

The Group's activities, as detailed below, are exposed primarily to the financial risks from changes in foreign currency exchange rates and interest rates. In order to keep risks associated to foreign currency exchange rate and interest rate and to be protected from foreign currency exchange rate risks arising of exports, the Group enters into forward exchange purchase/sale contracts.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk in the current year compared to prior year.

Foreign currency risk management

Foreign currency denominated transactions arises foreign currency risk. Exchange rate risk is managed through forward foreign currency purchase/sale contracts entered into according to approved policies.

Group's tangible and non-tangible assets in foreign currency and tangible and non-tangible liabilities as of the date of balance are as follows:

31 December 2020				
	TRY equivalent	US Dollars	EURO	GBP
1. Trade Receivables	233,511,898	18,326,761	10,988,611	-
2a. Monetary financial assets (including cash, bank)	87,428,073	2,548,765	7,628,733	-
2b. Non-monetary financial assets	-	-	-	-
3. Other	15,214,497	-	1,689,017	-
4. Current assets (1+2+3)	336,154,468	20,875,526	20,306,361	-
5. Trade Receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Long-term assets (5+6+7)	-	-	-	-
9. Total assets (5+8)	336,154,468	20,875,526	20,306,361	-
10. Trade payables	401,935,311	34,862,662	16,210,345	480
11. Financial liabilities	-	-	-	-
12a. Other monetary financial liabilities	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-
13. Short-term liabilities (10+11+12)	401,935,311	34,862,662	16,210,345	480
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16 a. Other monetary financial liabilities	87,930,750	3,662,354	6,777,078	-
16 b. Other non-monetary financial liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	87,930,750	3,662,354	6,777,078	-
18. Total liabilities (13+17)	489,866,061	38,525,016	22,987,423	480
19. Net asset / (liability) position of off-balance sheet derivative financial instruments in foreign currency (19a-19b)	142,605,000	18,200,000	1,000,000	-
19a. Asset position of off balance sheet derivative instruments denominated in foreign currency	142,605,000	18,200,000	1,000,000	-
19b. Liability position of off balance sheet derivative instruments denominated in foreign currency	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(11,106,593)	550,510	(1,681,062)	(480)
21. Monetary items net foreign currency asset/(liabilities) (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16a)*	(168,926,089)	(17,649,490)	(4,370,079)	(480)
22. Fair value of the financial instruments used in foreign currency hedging	142,605,000	18,200,000	1,000,000	-
23. Hedged part of foreign currency assets**	142,605,000	18,200,000	1,000,000	-
24. Hedged part of foreign currency liabilities***	-	-	-	-
25. Total export	665,113,320	-	-	-
26. Total import	642,493,488	-	-	-

31 December 2019				
	TRY equivalent	US Dollars	EURO	GBP
1. Trade Receivables	203,503,605	21,759,277	11,164,278	-
2a. Monetary financial assets (including cash, bank)	107,412,040	10,789,183	6,514,019	-
2b. Non-monetary financial assets	-	-	-	-
3. Other	1,486,834	955	222,711	-
4. Current assets (1+2+3)	312,402,479	32,549,415	17,901,008	-
5. Trade Receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Long-term assets (5+6+7)	-	-	-	-
9. Total assets (5+8)	312,402,479	32,549,415	17,901,008	-
10. Trade payables	413,028,397	53,687,264	14,148,828	2,201
11. Financial liabilities	-	-	-	-
12a. Other monetary financial liabilities	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-
13. Short-term liabilities (10+11+12)	413,028,397	53,687,264	14,148,828	2,201
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16 a. Other monetary financial liabilities	38,681,195	3,169,527	2,985,230	-
16 b. Other non-monetary financial liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	38,681,195	3,169,527	2,985,230	-
18. Total liabilities (13+17)	451,709,592	56,856,791	17,134,058	2,201
19. Net asset / (liability) position of off-balance sheet derivative financial instruments in foreign currency (19a-19b)	165,079,276	27,780,000	9,100	-
19a. Asset position of off balance sheet derivative instruments denominated in foreign currency	175,056,388	28,340,000	1,009,100	-
19b. Liability position of off balance sheet derivative instruments denominated in foreign currency	9,977,112	560,000	1,000,000	-
20. Net foreign currency asset/(liability) position (9-18+19)	25,741,903	3,472,624	771,500	(2,201)
21. Monetary items net foreign currency asset/(liabilities) (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16a)*	(140,793,948)	(24,308,331)	544,239	(2,201)
22. Fair value of the financial instruments used in foreign currency hedging	165,079,276	27,780,000	9,100	-
23. Hedged part of foreign currency assets**	175,056,388	28,340,000	1,009,100	-
24. Hedged part of foreign currency liabilities***	9,977,112	560,000	1,000,000	-
25. Total export	513,316,439	-	-	-
26. Total import	402,309,903	-	-	-

Foreign currency sensitivity

The Group is exposed to foreign currency risk with respect to mainly USD and EURO.

As of 31 December 2020 and 31 December 2019, under the condition that all other variables remain stable against 10% increase or decrease in foreign exchange rates, profit and equities before tax shall change in the rates shown below.

Foreign currency sensitivity (continued)

31 December 2020				
	Profit/Loss		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
If US Dollars exchange rate changes by 10%:				
US Dollar net asset/liability	(12,955,608)	12,955,608	-	-
2- Amount protected against US Dollar risk (-)	13,359,710	(13,359,710)	-	-
3 - US Dollar net effect	404,102	(404,102)	-	-
If EURO exchange rate changes by 10%:				
4- Euro net asset/liability	(2,415,074)	2,415,074	-	-
5- Amount protected against Euro (-)	900,790	(900,790)	-	-
6 - Euro net effect	(1,514,284)	1,514,284	-	-
If other currencies change by 10% in average:				
7- Other foreign currency net asset/liability	(477)	477	-	-
8- Amount protected against other currency risk (-)	-	-	-	-
9- Other currency net effect (7+8)	(477)	477	-	-
TOTAL (3+6+9)	(1,110,659)	1,110,659		

The Group values foreign currency assets using the "buying" rate and foreign currency liabilities using the "selling" rate.

31 December 2019				
	Profit/Loss		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
If US Dollars exchange rate changes by 10%:				
US Dollar net asset/liability	(14,439,067)	14,439,067	-	-
2- Amount protected against US Dollar risk (-)	16,501,875	(16,501,875)	-	-
3 - US Dollar net effect	2,062,808	(2,062,808)	-	-
If EURO exchange rate changes by 10%:				
4- Euro net asset/liability	510,068	(510,068)	-	-
5- Amount protected against Euro (-)	6,052	(6,052)	-	-
6 - Euro net effect	516,120	(516,120)	-	-
If other currencies change by 10% in average:				
7- Other foreign currency net asset/liability	(1,712)	1,712	-	-
8- Amount protected against other currency risk (-)	-	-	-	-
9- Other currency net effect (7+8)	(1,712)	1,712	-	-
TOTAL (3+6+9)	2,577,216	(2,577,216)	-	-

Forward foreign exchange purchase/sale contracts

The following table gives details forward foreign exchange purchase/sale contracts not entered into force yet as of the date of report:

	Average exchange rate		Foreign currency		Contract value		Fair value asset / (liability)	
	2020	2019	2020	2019	2020	2019	2020	2019
Non-executed purchase/sale contracts:	TRY	TRY	TRY	TRY	TRY	TRY	TRY	TRY
US Dollars Purchase								
Less than 3 months	8.3108	6.0747	133,597,100	159,078,556	151,257,450	162,680,755	(14,895,132)	(1,123,391)
3-6 months	-	5.9793	-	5,940,200	-	5,979,300	-	160,160
US Dollars Sales								
Less than 3 months	-	-	-	-	-	-	-	-
EURO sales								
Less than 3 months	-	6.6506	-	(3,325,300)	-	(3,325,300)	-	(23,641)
EURO Purchase								
Less than 3 months	9.6735	-	9,007,900	-	9,673,500	-	(536,694)	-
EURO Purchase								
3-6 months	-	6.5834	-	3,355,560	-	3,321,669	-	54,078
			142,605,000	165,049,016	160,930,950	168,656,424	(15,431,826)	(932,794)

In order to be protected against financial risks associated to foreign currency exchange rate fluctuations associated with future transactions, the Group issues forward purchase/sales contracts.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate balance between fixed and floating rate borrowings through interest rate swap agreements and forward rate agreements. Hedging strategies are constantly being monitored to ensure consistency with interest rate expectation and the defined risk. Accordingly the objective is to create an optimal hedging strategy, and to both review the financial status position and to keep interest expenditures under control with different interest rates..

27. Financial instruments (fair value disclosures and explanations on hedge accounting)

Categories and fair value of financial instruments (*)

31 December 2020	Loand and receivables (inc. cash and cash equivalents)	Financial assets at fair value	Financial assets at amortized cost	Carrying value	Footnote
Financial assets					
Cash and cash equivalents	146,428,538	-	-	146,428,538	29
Trade Receivables	428,580,085	-	-	428,580,085	4
Financial liabilities					
Trade payables	-	-	470,853,794	470,853,794	4
Derivative instruments	-	16,860,410	-	16,860,410	24
Financial Liabilities	54,640,660	-	-	54,640,660	6

31 December 2019	Loand and receivables (inc. cash and cash equivalents)	Financial assets at fair value	Financial assets at amortized cost	Carrying value	Footnote
Financial assets					
Cash and cash equivalents	210,505,611	-	-	210,505,611	29
Trade Receivables	284,743,560	-	-	284,743,560	4
Financial liabilities					
Trade payables	-	-	447,965,240	447,965,240	4
Derivative instruments	-	932,764	-	932,764	24
Financial Liabilities	1,274,934	-	-	1,274,934	6

(*) Group administration is in the opinion that carrying value reflects the fair value of financial instruments.

Fair value of financial instruments:

The fair values of financial assets and financial liabilities are determined as follows:

- Level two: The fair value of financial assets and financial liabilities are determined in accordance with data which can be observed by directly or indirectly in the market and which excludes the registered prices described in Level 1.

Fair value hierarchy of financial assets that are measured at fair value:

Certain financial assets and financial liabilities of the Group are reflected onto financial statements at each balance sheet date based on their fair values. The following table provides the information on how the fair values of said financial assets and liabilities are determined:

Financial assets/ Financial liabilities	Fair value		Level of authenticity	Valuation technique	Significant input not based on observable data	Correlation between input not based on observation and fair value
	31 December 2020	31 December 2019				
Foreign exchange forward contracts	(16,860,410)	(932,764)	Level 2	Future cash flows predicted by using forward exchange rates (forward exchange rates observable at the end of reporting period) and contract rates are discounted by using a rate which reflects credit risk of various parties.	-	-

28. Events after reporting period

None.

29. Other matters that significantly effect financial statements and that needs to be disclosed to ensure financial statements are clear, comprehensible or interpretable

None. (31 December 2019: None).

30. Cash and cash equivalents

	31 December 2020	31 December 2019
Cash - TRY	1,073	651
Cash – Foreign currency	28,210	18,801
Bank – Demand account	217,702	177,487
Bank – TRY – Saving account	1,030,645	79,762,384
Bank – Foreign currency exchange accounts	12,204,299	2,271,408
Bank – US Dollars - savings account	11,294,277	62,069,557
Bank – Euro – Saving account	67,309,516	43,141,916
Checks received	6,437,243	2,751,194
Credit card receivables	47,905,573	20,312,213
	146,428,538	210,505,611

Credit card receivables have less than 3 month terms.

Term dates and interest rates of savings accounts are as follows:

	31 December 2020		31 December 2019	
	Term	Interest rate (%)	Term	Interest rate (%)
Savings account TRY	Overnight	16.75	Overnight	10.75
Savings account TRY	Monthly	-	Monthly	12
FC savings account US Dollars	Overnight	1.95	Overnight	1.85
FC savings account US Dollars	Monthly	-	Monthly	2.20
FC savings account EURO	Overnight	0.75	Overnight	0.10

Nature and level of risks on cash and cash equivalents are explained under Footnote 25.

Cash and cash equivalent values shown in the consolidated cash flow statements as of the dates of 31 December 2020 and 2019 are shown below:

	31 December 2020	31 December 2019
Cash and cash equivalents	146,428,538	210,505,611
Interest accrued (-)	-	(192,414)
	146,428,538	210,313,197

Sustainability Principles Compliance Statement

Türk Prysmian complies with the Sustainability Principles Compliance Statement announced by CMB with an amendment dated October 2, 2020 to its Corporate Governance Communique ("Communique") No. II-17.1 which entered into effect on January 3, 2014.

Principle Title		Compliance Status	Application	Link	
"A General Principles"	"A1. Strategy, Policies, Objectives"	Full Compliance	"Quality, Health, Safety and Environment Policy Customer Satisfaction Policy Laboratory Quality Policy"	https://tr.prysmiangroup.com/tr/politikalar	
			"Zero and Beyond Vision"	https://tr.prysmiangroup.com/tr/sifir-ve-otesi	
			Ethical Guidelines Booklet	https://tr.prysmiangroup.com/sites/default/files/atoms/files/9-Etik-Bildirim.pdf	
			Anti-Bribery and Anti-Corruption Program	https://www.prysmiangroup.com/en/company/ethics-integrity/human-rights/human-rights-in-prysmian-group/ethics-and-integrity	
	"A2. Application / Monitoring"	Partial Compliance	Türk Prysmian Sustainability Studies	https://tr.prysmiangroup.com/tr/surdurulebilirlik	
				It forms implementation and action plans in line with the determined short and long term goals and makes them public.	Studies with short and long-term goals set for sustainability are ongoing.
				ESG determines the Key Performance Indicators (KPI) and explains them on a yearly basis. In the presence of verifiable data, it presents KPGs with local and international sector comparisons.	We have certificates and policies regarding ESG.
				Explain the innovation activities that improve the sustainability performance for business processes or products and services.	Studies continue within the scope of sustainability.
	A3. Reporting	Full Compliance	<ul style="list-style-type: none"> - It reports its sustainability performance, goals and actions at least once a year and makes it public. Explains the information on sustainability activities within the scope of the annual report. - It is essential to share information that is important for stakeholders to understand the position, performance and development of the partnership, with a direct and concise expression. It can also explain detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders. - Takes utmost care in terms of transparency and reliability. It objectively explains all kinds of developments on material issues in disclosures and reporting within the scope of the balanced approach. Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to. - Makes an explanation of the lawsuits filed and / or concluded against environmental, social and corporate governance issues. 	Sustainability activities are ongoing, and we have no lawsuits filed or concluded against environmental, social and corporate governance issues. https://tr.prysmiangroup.com/tr/surdurulebilirlik	
	B Environmental Principles		Partial Uyum	"TSE Covid-19 Safe Production Certificate"	https://tr.prysmiangroup.com/tr/turk-prysmian-kablo-sektorunun-ilk-covid-19-guvenli-uretim-belgesi-ni-aldi
Zero Waste Certificate				https://tr.prysmiangroup.com/tr/belgelerimiz	
"Türk Prysmian Certificate of Certificates ISO 9001 Quality Management System Certificate ISO 14001 Environmental Management System Certificate ISO 16949 Automotive Management System Certificate ISO 10002 Customer Satisfaction Management System Certificate ISO 50001 Energy Management System Certificate ISO 27001 Information Secure Management System"				https://tr.prysmiangroup.com/tr/sistem-belgeleri	
ISO 17025 Laboratory Competency Certificate				https://tr.prysmiangroup.com/tr/sistem-belgeleri	

Principle Title		Compliance Status	Application	Link
B Environmental Principles		Partial Uyum	TSE Covid-19 Safe Production Certificate	https://tr.prysmiangroup.com/tr/turk-prysmian-kablo-sektorunun-ilk-covid-19-guvenli-uretim-belgesi-ni-aldi
			Zero Waste Certificate	https://tr.prysmiangroup.com/tr/sifir-ve-otesi
			"Türk Prysmian Certificate of Certificates ISO 9001 Quality Management System Certificate ISO 14001 Environmental Management System Certificate ISO 16949 Automotive Management System Certificate ISO 10002 Customer Satisfaction Management System Certificate ISO 50001 Energy Management System Certificate ISO 27001 Information Secure Management System"	https://tr.prysmiangroup.com/tr/sistem-belgeleri
			ISO 17025 Laboratory Competency Certificate	https://tr.prysmiangroup.com/tr/sistem-belgeleri
"C Social Principles"	"C1. Human Rights and Employee Rights"	Partial Uyum	Human Resources Policy	https://tr.prysmiangroup.com/sites/default/files/atoms/files/Prysmian-Group-InsanKaynaklariPolitikasi.pdf
			"Ethical Guidelines Booklet Supplier Business Ethics and Code of Conduct Quality, Health, Safety and Environment Policy Social Responsibility Projects"	https://tr.prysmiangroup.com/sites/default/files/atoms/files/9-Etik-Bildirim.pdf
	"C2. Stakeholders, International Standards and Initiatives"	Partial Uyum	Studies continue within the scope of sustainability.	https://tr.prysmiangroup.com/tr/yatirimci-iliskileri-iletisim https://www.prysmiangroup.com/en/contact-us https://tr.prysmiangroup.com/tr/iletisim https://tr.prysmiangroup.com/tr/medya
D. Corporate Governance Principles		Full Compliance	Corporate Governance Principles Compliance Report	https://tr.prysmiangroup.com/sites/default/files/atoms/files/9-Etik-Bildirim.pdf
			Anti-Bribery and Anti-Corruption Program	https://www.prysmiangroup.com/en/company/ethics-integrity/human-rights/human-rights-in-prysmian-group/ethics-and-integrity
			Since the first day of its establishment, Türk Prysmian Kablo demonstrates the importance it attaches to future generations, society and nature with its projects. Türk Prysmian, which carries out special projects on different subjects every year, especially on education, environment and arts, has attracted attention especially with its volunteering projects in recent years. In addition, it continues to train future managers at the Production Academy located in the Mudanya factory. Türk Prysmian defines the most valuable asset of its employees, training more than 20,000 hours per year, regular improvements in Company policies and processes, and projects carried out with Red Crescent outside the Company, schools in need or different third parties, Within the scope of sustainability perspective, it continues to work to make more and more contributions.	https://tr.prysmiangroup.com/tr/sosyal-surdurulebilirlik

Compliance Report

Türk Prysmian Kablo ve Sistemleri A.Ş. COMPLIANCE REPORT REGARDING INSTITUTIONAL MANAGEMENT PRINCIPLES

Corporate Governance Compliance Report ("CRF") and Corporate Governance Information Note (CGIF) is disclosed to the public through Public Disclosure Platform ("KAP") at least three weeks prior to the date of the General Assembly meeting. CRF template is used for the purpose of reporting the status of "compliance with voluntary principles" and CGIF template is used for the purposes of providing information on existing corporate governance practices.

Corporate Governance Compliance Report below is prepared as indicated in Capital Markets Board (the "CMB") Decision dated January 10, 2019 and in the format specified in Communiqué on Corporate Governance Principles II-171

Sections marked with (x) represent company's compliance status and required explanation is given practices not marked under column "Yes".

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.					X	Right to request appointment of a special auditor not provided as individual right in the company's articles. There was no request during the period for the appointment of a private auditor.
1.3. GENERAL ASSEMBLY						
1.3.2 - The Company ensures the clarity of the General Assembly agenda, and that an individual item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.			X			No transaction has been conducted within the year.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				There is a separate agenda item, but summary given as there are many donations and beneficiaries.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				No media attendance in the meetings.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction and practice preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have any shares with privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Incorporation extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Articles of Incorporation does not include any rights regarding expanding the scope of the minority rights.

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is disclosed to the public on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that shareholders can foresee the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and how retained earnings shall be allocated, are stated in the relevant agenda item.					X	No dividend is distributed.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders with those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.			X			There is no beneficial owner who holds more than 5% of the issued share capital.
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				The company website is prepared in English and relevant information are updated as needed.
2.2. 2017 ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.		X				Clause 2.2.2./e The company has no conflict of interest with the corporation institutions that it purchases services from on matters such as investment consulting and rating and there is no information available about the measures taken to avoid these conflicts of interest.
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Incorporation, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				Internal regulations have been issued and relevant requirements are not regulated under the Articles of Incorporation.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY OF THE COMPANY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared in detail for all employees, and announced to them and taken into account in determination of the employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment in the corporation.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling of their requests concerning products and services they purchased.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The BoD of the corporation has adopted a code of ethics, and disclosed it on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors ensures strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved the strategy of the company, ensured resources were adequately allocated, and monitored the performance of the management.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer (general manager) are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively and the board works closely therewith when communicating and settling disputes with shareholders.			X			
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					Manager liability insurance made but does not exceed 25% of the capital.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Although there are no written internal regulations issued by the Board of Directors, 4 out of 8 members of the Board are women and accordingly the 50% minimal target is fulfilled.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS						
4.4.1 - Each board member attended the majority of the board meetings in person.		X				"Residing abroad Board members "" teleconference "to meetings participates with. In 2020 made board of directors meetings all over the world covid-19 showing its effect due to skype and teams made over. "
4.4.2 - The board has formally approved a minimum time by which information and documents pertaining to the items on the agenda should be supplied to all board members.		X				No minimum time is determined. However required information and documents are provided to all members in sufficient time prior to the meeting.
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the Board has one vote.	X					
4.4.5 - The board has written internal rules setting forth the operating principles of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions, if any.		X				No board resolution is issued as no member of the Board cast a dissenting vote.
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				No limit was set in respect to external commitments of independent board members. Other members of the Board apart from independent members can take other duties in affiliated companies outside the group. Information on shareholders is presented in the Annual Report.

4.5. COMMITTEES FORMED UNDER THE BOARD OF DIRECTORS	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5.5 - Board members serve in only one of the Board's committees.			X			Independent members serve in more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - The independence of any person/firm the company seeks consultancy services from, is stated in the annual report.		X				The committee received no important consultancy services except for the independent audit service.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.		X				The evaluation in question is conducted by the Chairman and Vice Chairman of the Board of Directors and stated under the annual report, no performance evaluation is included in the board of directors' minutes.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or improved conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report, on individual basis.			X			The total amount is disclosed by categories rather than by any specific identity pursuant to the Law No 6698 on Personal Data Protection.

CORPORATE GOVERNANCE FACT SHEET

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholder Rights	
Number of investor meetings and conferences organized by the company during the year	Three webcasts and one physical meeting were held in 2020, where end-of-year 2019 financial results and the financial results of first three quarters of 2020 were shared.
1.2. Right To Obtain And Review Information	
Number of request(s) for appointment of special auditors	No request was received during the period for the appointment of special auditors.
Number of special auditor requests that were accepted in the General Shareholders Meeting	No special auditor is requested in the General Shareholders Assembly meeting.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/824878
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Materials for General Shareholders' Meeting are not also provided in English.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no transaction made within the context of Principle 1.3.9
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	All related party transactions carried out during the year 2020, and principles in respect thereof are presented to the Board of Directors. There was no related party transaction or any significant transaction in the year 2020 that needed to be submitted to the approval of the General Assembly as disapproved by independent members earlier.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/833055
The name of the section on the corporate website that demonstrates the donation policy of the company	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Our Policies".
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/833503
The number of the provisions of the articles of incorporation that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 11
Information on stakeholders that participated in the General Shareholders' Meeting, if any	Company employees, representatives, shareholders and independent auditors are invited to General Assembly meetings. The link to the list of attendants of the General Assembly: www.kap.org.tr/tr/Bildirim/833503
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	None.
The percentage of ownership of the largest shareholder	83.75%
1.5. Minority Rights	
Whether the scope of minority rights are broadened (in terms of content or the ratio) in the articles of incorporation	No
If yes, specify the relevant provision of the articles of incorporation.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Our Policies".
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to the use of the dividend	Board of Directors did not propose not to distribute dividends.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Board of Directors did not propose not to distribute dividends.

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Name of the page of the corporate website that contains all questions asked in the general assembly meeting and all Responses given to them	The number of the relevant item or paragraph of GSM minutes in relation to related party	The number of declarations by insiders received by the board of directors (list of insiders)	The link to the related PDP general shareholder meeting notification
30/03/2020	0	83.75%	83.75%	83.75%	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "General Assembly".	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "General Assembly".	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "General Assembly".	23	https://www.kap.org.tr/tr/Bildirim/833503

2. PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Consistently updated under section "Investor Relations" on our corporate website at URL www.prysmiangroup.com.tr as stipulated by CMB Corporate Governance Principles, for the purpose of maintaining the relationship of our Company with its stakeholders in a much more efficient manner and to be in contact with our shareholders at all times.
If applicable, specify the name of the sections of the website providing the list of shareholders who directly or indirectly own more than 5% of the shares.	Based on the most recent list of shareholders submitted by Central Securities Depository, it is seen that there is no natural person shareholder holding more than 5% of the shares.
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Footnote no. 2 under the Independent Auditors Report
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Footnote no. 10 under the Independent Auditors Report

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid these conflicts of interest	None.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	None.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Explained under "Corporate Social Responsibility" section of the Annual Report.

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee severance policy	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Our Policies".
The number of definitive convictions the company was subject to in relation to breach of employee rights	2
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Whistleblowing mechanism initiated by our internal audit department is in force.
The contact detail of the company alert mechanism	https://www.prysmiangroup.com/en/about-us/ethics-integrity/whistleblowing
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Not available
Corporate bodies where employees are actually represented	The fundamental approach adopted here was to keep open all communication channels, and to eliminate all obstacles that may arise, in order for the employees to participate in the management of the Company. Our workers are a member of United Metal Workers Union. We have a suggestion box where we collect from workers their suggestion about company activities and convey these to the top management, without making any distinction between blue collar and white collar workers.
3.3. Human Resources Policy Of The Company	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Board of Directors develops required succession plans.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles or summary of relevant parts of the human resource policy	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Our Policies".
Whether the company provides an employee stock ownership program	There is an employee stock ownership program
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them or summary of relevant provisions of the human resource policy	Not available.
The number of definitive convictions the company is subject to in relation to health and safety measures	There has been 1 finalized court order in 2020. The impact of the case on the financial statements was limited only to the release of the relevant provision, since the payment was made pursuant to the contract made between our Company and the other defendant, which was also responsible for the outcome of this court order.
3.5. Ethical Rules And Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	It is under the heading "Ethical Values & Integrity" in the "About Us" menu item of our company's corporate website at www.prysmiangroup.com.tr .
The name of the section on the corporate website where the corporate social responsibility report of the company is presented. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Corporate Governance" and the heading "Corporate Social Responsibility Report".
Any measures combating any kind of corruption including embezzlement and bribery	The link to the measures: https://tr.prysmiangroup.com/tr/etik-degerler

4. BOARD OF DIRECTORS-I

4.2. Activities Of The Board Of Directors	
Date of the last board evaluation conducted	Not available.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	The Board of Directors transferred unlimited individual powers to Ms. Cinzia Farisè, Vice Chairman, and unlimited joint powers to Mr. Halil İbrahim Kongur, Chairman, and Mr. Ercan Gökdağ, Board Member.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Explained under section "Compliance with Corporate Governance Principles Report" of the Annual Report.
Name of the Chairman	Halil İbrahim Kongur
Name of the CEO	Cinzia Farisè
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	No, they are separate individuals
Link to the PDP notification stating that the company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital	Our Company has taken out a "Directors and Officers Liability Insurance" for any damages that may be caused by the members of the Board of Directors and senior executives during the discharge of their duties. However no PDF notification has been made in this respect.
The name of the section on the corporate website that demonstrates current diversity policy aiming to increase participation of women directors	Not available.
Number of women board members is two and its ratio is 25%.	4 - 50%

Composition of Board of Directors

Name-Surname	Whether Executive Director or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
Halil İbrahim Kongur	Executive	Not independent director	30/03/2012	-	-	-	Yes
Cinzia Farisè	Executive	Not independent director	02/09/2019	-	-	-	Yes
Ercan Gökdağ	Executive	Not independent director	31/03/2017	-	-	-	Yes
Maria Cristina Bifulco	Non-executive	Not independent director	08/07/2020	-	-	-	Yes
Andrea Pirondini	Non-executive	Not independent director	03/03/2016	-	-	-	Yes
Mine Ayhan	Non-executive	Independent director	30/03/2020	-	Considered	No	Yes
Banu Uzgur	Non-executive	Independent director	30/03/2018	https://www.kap.org.tr/tr/Bildirim/832228	Considered	No	Yes
İsmet Su	Non-executive	Independent director	30/03/2018	https://www.kap.org.tr/tr/Bildirim/832228	Considered	No	No

4. BOARD OF DIRECTORS-II

4.4. Board Meeting Procedures	
Number of board meetings convened in person during the reporting period	1
Directors' average attendance rate at board meetings	82%
Whether the board uses an electronic portal to support its work or not	Yes.
Number of minimum days in advance of the board meeting the information and documents are provided to the directors, as per the board charter	Information and documents about the items on the agenda of the Board meeting are provided to the Boards members for their review, in sufficient time prior to the meeting, ensuring balanced flow of information. No definite time is indicated.
The name of the section on the corporate website that demonstrates information about the board charter that regulates the meeting procedures of the board	Specified under article 8 and 9 of "Articles of Incorporation" posted on www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Corporate Governance".
Number of maximum external commitments for board members determined as per the policy covering the number of external duties held by directors	Not available.
4.5. Committees Formed Under The Board Of Directors	
Page numbers or section names of the annual report where information about the board committees are presented	Explained under section "Compliance with Corporate Governance Principles Report" of the Annual Report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/258320

Board Committees-I

Names of the Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether there is a Committee Chairman Or Not	Whether there are any Board Members Or Not
Audit Committee	-	Mine Ayhan	Yes	Board member
Audit Committee	-	Banu Uzgur	No	Board member
Corporate Governance Committee	-	Banu Uzgur	Yes	Board member
Corporate Governance Committee	-	İsmet Su	No	Board member
Corporate Governance Committee	-	Nevin Kocabaş	No	Not board member
Committee of Early Detection of Risk	-	Mine Ayhan	Yes	Board member
Committee of Early Detection of Risk	-	Banu Uzgur	No	Board member
Committee of Early Detection of Risk	-	Ercan Gökdağ	No	Board member

4. BOARD OF DIRECTORS-III

4.5. Committees Formed Under The Board Of Directors-II	
Specify where the activities of the audit committee are presented in your annual report or corporate website (Page number or section name)	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name)	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name)	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name)	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
Specify where the activities of the remuneration committee are presented in your annual report or corporate website (Page number or section name)	Explained under section "Compliance with Corporate Governance Compliance with Corporate Governance Principles Report" of the Annual Report.
4.6. Financial Rights Provided To Members Of The Board Of Directors And Senior Executives Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name)	Stated under the "CEO Message" section of the Annual Report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented	Published on our corporate web site at URL www.prysmiangroup.com.tr , under section "Investor Relations", sub-section "Our Policies".
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name)	Presented in the "benefits and services provided to senior executives" section of the Annual Report and Footnote 3 under the Independent Auditor's Report with the remark "Related Party".

Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Of Independent Directors Members In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	100%	100%	5	5
Corporate Governance Committee	-	100%	66.66%	4	4
Committee of Early Detection of Risk	-	66.66%	66.66%	6	6

DUTIES AND WORK PRINCIPLES OF THE EARLY RISK ASSESSMENT COMMITTEE

1. PURPOSE

To ensure early detection and assessment of risks that may endanger the assets, development and continuity of the Company, to take and implement preventive measures regarding such risks and to carry out works regarding risk management and to review the risk management systems at least annually.

2. AUTHORITIES AND SCOPE

Early Risk Assessment Committee shall;

- a) Implement and arrange effective internal control systems and mechanisms to ensure risks that may prevent the Company from achieving its goals and targets and may put the Company at risk are defined according to the effects and possibilities of such risks are monitored and managed,
- b) Ensure that risk management and internal audit and control systems are integrated into the corporate structure of the Company and monitor the effectiveness of such systems,
- c) Ensure that the risk management and internal audit and control systems of the Company monitor and assess the risk elements, report and use the right decision mechanisms,
- d) Review the work principles of the committee on a periodical basis and if necessary, shall submit its opinions for the approval of the Board of Directors. The Board of Directors shall be responsible for the final decisions in this regards.

3. STRUCTURE OF THE COMMITTEE

- a) The Early Risk Assessment Committee shall be set up in accordance with the provisions of the Articles of Association.
- b) The Committee shall consist of at least two members. The chairman for the Committee shall be elected amongst the independent members. The Chief Executive Officer / General Manager cannot serve on this committee.
- c) The Committee shall seek professional opinion if and when necessary.
- d) The Committee shall hold meetings with the presence of one more than half the number of members and shall pass decisions with the majority of the votes.
- e) The secretariat of the Board of Directors shall also act as the secretariat for the Committee.

4. COMMITTEE MEETINGS AND REPORTING

- a) The Committee shall hold meetings at least quarterly and shall report the results of the meeting to the Board of Directors.
- b) The Committee shall ensure that the Board of Directors are informed of the authorities, duties and responsibilities of the Committee.
- c) The decisions passed during Committee meetings shall be reported in writing by the Secretariat of the Board of Directors and shall be archived.

5. DUTIES AND RESPONSIBILITIES

- a) To define, measure, assess, analyse, monitor and report the risks the Company may encounter, to issue warnings and take measures to minimise controllable and uncontrollable risks.
- b) To determine the risk management policies and application principles in line with the suggestions and views of the Board of Directors based on the risk management strategies of the Company and to implement and ensure compliance to such policies.
- c) To design, select, implement and to participate in the preapproval of risk assessment models, which are a fundamental tool of risk management and to constantly review such models, to carry out analysis of scenarios and to make the necessary revisions.
- d) To request information, feedback, suggestions and reports from related departments in order to implement risk monitoring.

DUTIES AND WORK PRINCIPLES OF CORPORATE GOVERNANCE COMMITTEE

1. PURPOSE

To determine whether corporate management policies are applied within the Company, if not, to detect the reasons thereof and evaluate the conflicts that may arise and to carry out improvement works in this regard, to submit suggestions related to corporate management to the Board of Directors and to protect the benefits of Shareholders and supervise the works of the Shareholders Relations Department.

2. AUTHORITIES AND SCOPE

The Corporate Management Committee shall,

- a) Develop a Corporate Management Policy and make sure such policies are adopted and implemented within the Company.
- b) Carry out the annual corporate management review of the Board of Directors and to submit such review to the approval of the Board of Directors.
- c) Supervise the operations of departments related with shareholders.
- d) Provide suggestions on the operation, structure and efficiency of the Board of Directors and committees operating under the supervision of the Board of Directors.
- e) Review the work principles of the committee periodically and if any, submit any revisions deemed as necessary to the approval of the Board (the Board of Directors shall be responsible for the final decisions passed).

3. STRUCTURE OF THE COMMITTEE

- a) The Remuneration Committee shall be set up in accordance with the provisions of the Articles of Association.
- b) The Committee shall consist of at least two members.
- c) The chairman for the Committee shall be elected amongst the independent members.
- d) If the Committee consists of only two members, both members; if the committee consists of more than two members, then the majority of the members shall be elected from amongst candidates that do not hold an executive position. The Chief Executive Officer / General Manager and Assistant Chairman in charge of Financial Affairs cannot serve on this committee.
- e) The Committee shall seek professional opinion if and when necessary.
- f) The Committee shall hold meetings with the presence of one more than half the number of members and shall pass decisions with the majority of the votes.
- a) The secretariat of the Board of Directors shall also act as the secretariat for the Committee.

4. COMMITTEE MEETINGS AND REPORTING

- a) The Committee shall hold meetings at least quarterly and shall report the results of the meeting to the Board of Directors.
- b) The Committee shall ensure that the Board of Directors are informed of the authorities, duties and responsibilities of the Committee.
- c) The decisions passed during Committee meetings shall be reported in writing by the Secretariat of the Board of Directors and shall be archived.

5. DUTIES AND RESPONSIBILITIES

a. Compliance with the Corporate Management Principles

- To develop the Corporate Management Policies and ensures that such policies are implemented at all levels of the Company.
- To determine whether corporate management policies are applied within the Company, if not, to detect the reasons thereof and evaluate the conflicts of interest that may arise and to submit improvement suggestions in this regards to the Board of Directors.
- To examine and evaluate complaints submitted regarding shareholders, to resolve such complaints and to ensure that feedback of employees is reported to the management in line with the confidentiality principles.
- To perform other duties required in terms of corporate management requested by the Board of Directors.

b. Performing the Responsibilities of Nomination and Remuneration Committees

- Committee has the purpose, authorization and responsibilities of the Nomination and Remuneration Committee.
- Implements a transparent system for determining, assessing and training nominees for the Board of Directors and to set up policies and strategies in this regards. Regularly assesses the structure and efficiency of the Board of Directors and submits its opinions and suggestions regarding any revisions it deems as necessary in this regard to the approval of the Board of Directors, develops suggestions regarding the number of the members of the Board of Directors and executives, set up a nominee pool for the members of the Board of Directors and considers the suggestions and opinions of the shareholders in this regards.
- Periodically reviews and approve the appointment and promotion philosophy, principles and procedures of the Company, determines and periodically reviews nomination criteria and to submit the nominees to the approval of the Board of Directors. Performs the processes related to the evaluation of the independency of the independent board members according to the CMB regulations.
- Determines the principles and procedures regarding performance evaluation, career planning and remuneration of the members of the Board of Directors and top level executives, monitors and tracks such matters and to ensure that such principles and procedures are reported in writing.
- Determines the criteria for setting salaries based on the performance of the Company and the employee, submits its suggestions regarding salaries of the members of the Board of Directors and executives based on meeting such performance criteria to the approval of the Board of Directors, takes the necessary measures to prevent the Board of Directors' members and top level executives from determining and setting their own fees and salaries.
- Periodically reviews and approves the remuneration principles, procedures and applications of the Company.
- Ensures that remuneration principles applied for the members of the Board of Directors and the top management executives are in line with risk management approach and principles of the Company.
- Ensures that the remuneration policy of the Company is also in line with the benefits and interests of the shareholders.
- Takes the necessary measures to prevent the Board of Directors' members and top level executives from determining and setting their own fees and salaries.

c. Public Announcements

The Committee shall review the public announcements report.

The Committee shall review the public announcements and analyst reports, mainly check whether they are in conformity with the codes and other applicable regulations and shall develop suggestions regarding the "disclosure policy" of the company.

d. Investor Relations

The "Shareholders Relation Department" has been set up to monitor the relations between the shareholders and investor and to ensure that the right of the investor to receive accurate information is reserved.

The Shareholders Relations Department,

- Consists of an adequate number of competent, expert staff.
- Carries out the notification and information requests of the shareholders and the investors in accordance with the codes, the Articles of Association, the corporate management principles and the disclosure policy of the Company.
- Organizes periodic investor information meetings within the country and in foreign countries or participates in such meetings organised in conformity with the related codes, the Articles of Association, the corporate management principles and the information policy of the Company.
- Ensures that active communication and contact is set up with local and foreign investor through the website.
- Supervises the public disclosure and transparency policy and ensures that related works are carried out in line with the requirements of the related codes.
- Ensures that records related with the shareholders are safely, securely kept up to date.
- Ensures that activity reports are maintained in line with the requirements of the codes and the Corporate Management Principles of the Capital Markets Board.
- Monitors that the General Assembly meetings are carried out accordingly.
- Issues documents to be presented to shareholders at General Assembly meetings.
- Ensures that the minutes of the meetings are kept and maintained accordingly.

e. Reporting Responsibility

- The Committee ensures that the Board of Directors is informed of the authorities and responsibilities of the committee.
- The Committee shall record all its operations and works in writing.
- The Committee shall issue a report consisting of its works, operations and suggestions and submit it to the approval of the Board of Directors.

DUTIES AND WORK PRINCIPLES OF AUDIT COMMITTEE

1. PURPOSE

The Audit Committee shall supervise the execution and the efficiency of the accounting system of the company, the disclosure of the financial information to the public and the internal control system and controls the financial information.

2. AUTHORITIES AND SCOPE

Audit committee;

- a) Controls the accuracy, transparency of the financial statements and its footnotes and other financial information and whether they are in line with the current legislation and applicable international accounting standards and declare its opinion to the board in a documented manner upon receiving the opinion of the external audit firm.
- b) Examines whether or not there exist any issues that may jeopardize independence of the audit company on behalf of the board.
- c) Supervise the execution and the efficiency of the accounting system of the company, the disclosure of the financial information to the public, the independent audit procedure and the internal control system.
- d) Monitors the appointment of the external audit firm, preparation of audit agreements and initiation of audit process and all activities of the external audit firm.
- e) Evaluate and resolve any issues pertaining to the internal and external complaints regarding the accounting practices, internal control system and external auditing as in accordance with confidentiality principle.
- f) Scrutinize full compliance with the current legislation and company's internal regulations and policies.
- g) The Audit Committee reviews the duties and work principles periodically and recommends the Board of Directors any necessary amendments to be approved, final decision is always at Board's discretion.

3. STRUCTURE OF THE COMMITTEE

- a) Committee shall be set up in accordance with the provisions of the Articles of Association.
- b) The Audit Committee is composed of at least two independent members.
- c) Executive Chairman /General Manager and The Vice Chairman of Finance shall not hold any responsibility in the Committee.
- d) The people who have been in a consultancy duty for the company shall not be chosen as a member to the Committee.
- e) The Audit Committee is entitled to obtain opinions of the independent experts, as it deems necessary regarding its operations.
- f) The Committee shall hold meetings with the presence of one more than half the number of members and shall pass decisions with the majority of the votes.
- g) The secretariat of the Board of Directors shall also act as the secretariat for the Committee.

4. COMMITTEE MEETINGS AND REPORTING

- a) The Committee shall hold meetings at least quarterly and shall report the results of the meeting to the Board of Directors.
- b) The Committee shall ensure that the Board of Directors is informed of the authorities, duties and responsibilities of the Committee.
- c) The decisions passed during Committee meetings shall be reported in writing by the Secretariat of the Board of Directors and shall be archived.

5. RESPONSIBILITIES

a) Financial Tables and Announcements

- The Audit Committee should supervise whether or not periodic financial statements and its footnotes which will be disclosed to the public are accurate and prepared in accordance with the Company's accounting principles and the reality. The Committee should also declare its opinion to the board in a documented manner upon receiving the opinion of the external audit.
- The Audit Committee shall review the annual report which will be disclosed to the public and checks whether the information in the reports is reflecting the information the committee has.
- The Audit Committee reports the amendments in the current legislation, accounting policies and internal control systems which could affect the preparation of the financial tables of the company considerably.
- The Audit Committee monitors the legal issues and important accounting and reporting issues and provides their effects onto the financial tables are researched.
- The Audit Committee evaluates and resolves the complaints of the shareholders and stakeholders which may affect the financial tables.
- The Audit Committee monitors the transactions regarding the valuation of the assets and resources, guarantees and warranties, performing social responsibilities, lawsuit provisions, other liabilities and conditional cases which are evaluated and decided by the company's management.

b) Independent Audit Corporation

- Appointment of the external audit firm, preparation of audit agreements and initiation of audit process and all activities of the external audit firm should be made under the surveillance of the Audit Committee.
- The Audit Committee periodically reviews with the suggestions of independent auditors regarding the content of the audit and audit process, informs the board about the important difficulties which prevents the work of independent auditors.
- The Audit Committee conducts a performance and independence assessment relative to the independent auditors.
- The Audit Committee ensures that the important problems determined by the independent auditors and the solution suggestions are reached to the committee, discussed and solved in time.
- The Audit Committee examines and approves the payment and compensations of independent audit corporation.

c) Internal Audit and Internal Control

- The Audit Committee evaluates the execution and the efficiency of the internal control system and reports to the board.
- The Audit committee takes the necessary precautions to provide transparency in the internal control.
- The Audit Committee periodically reviews with the Works and organizational structure, the duties and principles of the Management of Internal Audit, informs the board about the difficulties preventing the work and operating effectiveness of the Management of Internal Audit and presents suggestions.
- The Audit Committee ensures that the important problems stated in the report of Management of Internal Audit problems and the solution suggestions are reached to the committee, discussed and solved in time.

d) Conformity with The Current Legislation

- The Audit Committee monitors whether the Company's activities are conducted in accordance with the legislation and internal regulations and also determines the rules which shall be applied in case of act in contrary to the regulations.
- Evaluate and resolve any issues pertaining to the complaints regarding the accounting, internal control system and independent auditing as in accordance with confidentiality principle.

CORPORATE GOVERNANCE (ADDITIONAL INFORMATION)

1. Statement of Compliance to Institutional Management Principles

With half a century of experience in Turkey, Türk Prysmian Kablo ve Sistemleri A.Ş., is one of the leading and most experienced companies within its sector. Since its foundation, the Board of Directors and Executive Management have adopted basic institutional structure and management principles for the relations with the Company shareholders and all the relevant stakeholders. The established structure and management style is tried to be fashioned after the outline of the Institutional Management Principles of the Capital Market Board. Furthermore, since Türk Prysmian Kablo ve Sistemleri A.Ş. is a part of the Prysmian Group with a worldwide network system and company activities, Türk Prysmian is subject to the company governance principles of Prysmian Group.

The company always conducts its activities in a manner aware of its social responsibilities in the relationships with the public, customers and suppliers. It levels up its improvement activities and studies in this regard while never losing sight of the ethical values of the business world.

As a result of the rating studies conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (www.saharating.com) based on the Institutional Management Principles of the Capital Market Board, Türk Prysmian Kablo, the leader of the Turkish cable sector, was listed as the 23rd company with an Institutional Management score of 7.76 on a 10 score basis (77.58%) in 2009 at the Institutional Management Index of Borsa İstanbul A.Ş. ("Istanbul Stock Exchange") that contributes to the development of the Turkish capital markets and Turkish economy since its foundation and that reflects the institutional values held by companies.

Istanbul Stock Exchange Institutional Management Score		
Main Sections	Weight	Score (%)
Shareholders:	25%	95,36%
Public Disclosure and Transparency:	25%	97,66%
Stakeholders:	15%	92,92%
Board of Directors:	35%	90,97%
Total:	100%	94,03%

In 2020 Türk Prysmian Kablo has documented that the company corresponds to and is adequate with related values, by getting 9.40 points out of 10 (94.03%) by achieving 0.74 point increase according to the results of the evaluation done by SAHA Corporate Management and Credit Rating Services INC. who operates in the field of corporate management rating with the Capital Market Board license, in accordance with notice about the changes which may be done in Serial NO: IV No: 63 numbered Notification About Determination and Execution of Corporate Management Principles that is published on 22.02.2013 dated 28567 numbered Official Gazette of Capital Market Board, under the main titles of "Allotters, Disclosure and Transparency, Stakeholders and Board of Management" whose summary is presented above. While this evaluation is taking place, related evaluation company has operated within the context of the methodology that is determined by Capital Market Board and is changed in accordance with the new regulations. While the ceiling point of fulfilling the elements, which are necessary to comply with in management principles was 100 before, within the new methodology this ceiling point is limited to 85 points. In accordance with this change, the companies who fulfill the necessary elements and also achieve some developments could get scores higher than 85. Türk Prysmian Kablo Sistemleri A.Ş. (Turkish Prysmian Cable Systems INC.) maintained its ongoing increase trend since 2009 with the 93.29 points it gets from the evaluation while living the justified proud of being one of these companies.

You can find the full text of the Institutional Management Rating Report under the title of "Institutional Management" at the "Investment Relations" web page of our company (www.prysmiangroup.com.tr).

In the activity period ending on 31st of December 2019, the company is complying to and implementing the Institutional Management Principles issued by SPK in addition to the items indicated herewith below:

- Representation of Minority Shares at the Board of Directors
- Method of Using Accumulative Voting

The features and justifications of the noncompliant issues are explained in the relevant chapters of the report.

Governance Structure: Considering the main chapters of the Company Governance Principles determined by SPK, the studies conducted by the Company within the period related to compliance to the Institutional Management Principles, current applications and efforts are described below;

CHAPTER I – SHAREHOLDERS

2. Department of Shareholders Relations

To ensure the facilitation of monitoring the shareholder rights, "General Accounting and Investor Relations Department" was established under the structure of "Company Financial and Administrative Affairs Directorate". The contact information of the managers responsible from the Investors Relations are given below:

Name	Title	Tel:	E-mail
Ercan Gökdağ	Board Member & CFO & Early Risk Assessment and Risk Management Committee Member	(224) 270 3000	tpks@prysmiangroup.com
Nevin Kocabaş	Accounting and Investor Relations Manager & Corporate Governance Committee Member	(224) 270 3000	tpks@prysmiangroup.com

The basic purpose of this department is to ensure the compliance to the effective legislation, Articles of Association and other inter-corporate regulations in the utilization of shareholder rights and to ensure that any kind of measure is taken to enable the use of such rights. The primary duties of the department in this framework are as follows:

- Ensuring that the records on the shareholders are kept in a sound, safe and current manner.
- Save for publicly undisclosed, confidential and commercial secret type of company information, responding to the written information requests of the shareholders related to the company.
- Ensuring that the General Assembly meeting is held as per the effective legislation, Articles of Association and other inter-corporate regulations.
- Preparing documentation that the shareholders can benefit at the General Assembly meeting.
- Ensuring that the voting results are recorded and reports related to the results are forwarded to the shareholders.
- Observing and monitoring any kind of matter related to public disclosure including legislation and the information policy of the company.
- Ensuring the execution of capital market compliance activities.
- Ensuring the execution of investor relations activities.

The verbal and written questions sent to this department are being responded as soon as possible, save for confidential and commercial secret type of company information, observing equality principle, within the limitations specified at the information policy and according to SPK Regulations and Rules.

During 2020, there is no written/verbal complaint transmitted to our Company related to the utilization of shareholder rights or any administrative/legal proceeding filed against our Company in this regard.

3. Utilization of the Information Obtaining Rights of the Shareholders

During the period, information requests were received from the shareholders related to attendance to the general assembly, dividend payment and other miscellaneous matters. Since most of these requests were received by phone, the information request and response numbers could not be followed statistically. Utmost effort was shown in meeting the information requests received by our company in 2020 from the shareholders in accordance with SPK Regulations and Rules.

In all its relationships with the shareholders and the finance community in general, the Company is continually exerting effort to be in an active and transparent dialogue with its shareholders and corporate investors with the awareness of mutual roles.

The investors are able to obtain information on our Company from our web page at www.prysmiangroup.com.tr and can forward their other questions to the following e-mail address, telephone and fax numbers.

E-mail: tpks@prysmiangroup.com Tel: (0224) 270 30 00 Fax: (0224) 270 30 24

The Company articles of association do not contain a reference permit related to the assignment of an individual auditor and there was a request for the assignment of a private auditor within the activity period, and the court rejected the request.

4. General Assembly Information

The General Assembly convenes ordinarily and extraordinarily. The Ordinary General Assembly can convene at the company headquarters (Mudanya) or Istanbul within 3 months after the company accounting period. The meetings can be viewed by the stakeholders or media.

Within 2020, one ordinary general assembly meeting (March 30, 2020) and one extraordinary general assembly meeting were held at the company headquarters. Shareholders representing over 83.75% of the shares attended this meeting.

The shareholders are invited to General Assemblies by notifying and announcing the time, venue and agenda of the meeting. The invitation is sent at least 3 weeks in advance considering the regulations of the Capital Market Board. The date of the invitation and the date of the meeting are not taken into account in this calculation. Furthermore, the agenda related to the invitation, sample power of attorney and any amendments to the articles of association shall be announced at the Turkish Trade Registry Gazette, a newspaper with a Turkey-wide circulation and a local newspaper.

The shareholders can attend to the General Assembly meeting physically or electronically in person or they can attend via their representatives. Attendance to the General Assembly in an electronic environment is only possible with the secure electronic signatures of the shareholders and the representatives thereof. Thus, the shareholders to work on EGKS (Electronic General Board System) first need to register at the e-MKK Information Portal of Merkezi Kayıt Kuruluşu A.Ş. (MKK), enter their communication information and they also need to have a secure electronic signature.

The shareholders are granted the right to express their opinions and ask questions under equal terms. The shareholders or other related parties wishing to take the floor regarding currently discussed agenda item notify this situation to the chairman of the meeting. The chairmanship discloses the persons to take the stand to the general assembly and these persons are recognized in accordance with the order of application. If the person whose turn it is to speak is not present at the meeting venue, he/she loses that right to speak. The speeches are given from the allocated place as addressed to the general assembly. The persons can interchange their order of speaking. If the duration of speech is limited, a person coming and giving a speech can continue doing so within the speech duration of another person if the latter, being the next to speak to the general assembly, grants his/her right to speak to the former. Otherwise, the duration of speech cannot be extended.

The chairman of the meeting can recognize any member of the Board of Directors or the auditor wishing to provide an explanation on the discussed topics without paying regard to the order of speaking.

The speech duration shall be determined by the general assembly based on the suggestion of the chairman or the shareholders, depending on the intensity of the agenda, abundance and importance of the topics that need to be discussed and the number of persons wishing to take the floor. In such situations, the general assembly shall decide, with separate voting, first as to whether the speech duration should be limited or not and then, what this duration should be.

The chairman of the meeting ensures that every question asked by the shareholders at the general assembly meeting and that do not comprise a commercial secret are responded directly at the general assembly meeting. Should the asked question be irrelevant to the agenda or sufficiently comprehensive that it cannot be responded right away, the asked question shall be responded in writing by the Investor Relations Department within at most 30 work days. In such a case, the Chairman of the Meeting explains that shareholder this possibility and that the response would be given later.

The General Assembly is authorized to take decisions in the following matters as also indicated at the Articles of Association;

- Adopting the reports of the Board of Directors and Auditing Board,
- Review and certification of balance sheets, profit and loss accounts, using the net profit, determining the company profit policy and the determination of the profit distribution as per the quoted policy,
- Determination of the number, election, export, release and re-assignment of members of Board of Directors and determination of their remuneration,
- Determination of the number of auditors, election and remuneration determination thereof.

The performance of the following activities depends on the certification and acceptance of the General Assembly in advance or, afterwards as required:

- Annual investment and financing schedule prepared by the Board of Directors,
- Purchase and sales of real estate; establishment of mortgage on company real estate,
- Foundation of branches and partnerships (secondary branches), adopting or selling affiliates,
- Passing on to new production sites,
- Other works and activities determined by the Turkish Code of Commerce.

The shareholders can access the General Assembly minutes of meetings and Attendance Sheets of each year from the company headquarters, the relevant section under the title of "Investor Relations" at the company web site (www.prysmiangroup.com.tr), the web page (www.kap.gov.tr) in the scope of KAP (Public Disclosure Platform) and also from the Trade Registry Gazette archive of Bursa Trade Registry Office.

5. Voting Rights and Minority Rights

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. hold a preferred or privileged voting right and all votes are of equal value. The Minority Rights are regulated as per the related articles of the Turkish Code of Commerce.

The shareholders can represent themselves at the General Assembly via other shareholders or third parties; furthermore, the regulations of SPK concerning voting by proxy are reserved.

To ensure that the minority shareholders can send representative to the Board of Directors, accumulative voting method is not used. Since currently there is no general trend for accumulative voting in the company implementations, it has not been possible to observe the drawbacks or benefits of this method.

6. Dividend Distribution Policy and Period of Distribution

There are no privileges regarding participation in the Company's profit and the **Dividend Policy** of the Company approved in the Ordinary General Assembly dated 30.03.2020 is given below.

"The decision for Dividend Distribution is reached within the framework of Turkish Commercial Code, Capital Markets Law, Tax Legislation and other related regulations, and according to the related provisions under Articles of Incorporation; in line with long term strategies, investment and financing needs of the Company and by taking into consideration market insights. Shareholders expectations and needs of the Company are balanced in a consistent manner.

The period and method of distribution of the dividend agreed to be distributed is determined by the General Assembly pursuant to the Board of Director's proposal in this respect submitted in line with Capital Market Legislation.

There is no real person receiving privileged shares from Company profit available for distribution."

7. Transfer of Shares

There is no provision in the articles of association that restricts transfer of shares and thus, if any shareholder wishes to transfer his/her own shares partially or wholly to another party, the share transfer and registration process shall be conducted as per the provisions of articles 490-491 of the Turkish Code of Commerce.

CHAPTER II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Policy

The communication made with external sources related to the documents and information on the Company shall be made – always obtaining the consent of the General Manager – by the Public Relations function in terms of press relations and by the Investor Relations Management in terms of corporate investors, authorized bodies and shareholders.

The Company commits to provide equal treatment to shareholders from all categories by avoiding any preferential treatment. Save for the ones classified as commercial secret, the Company responds to all the questions as per justice and impartiality principles and establishes a continual communication between the management and shareholders in accordance with the legislation.

The Company **Information Policy** was first disclosed to the public in 2004 together with the Institutional Management Compliance Report. In 2010, “*Commercial Secret*” term has been added and the updated **Information Policy**, approved by the General Assembly and revised in 2014, is being disclosed to the public under the title of “Investor Relations” at the Company web site.

9. Special Situation Disclosures

The number of Special Situation Disclosures in 2020: **35**

The Number of Additional Disclosure Request received from SPK or Istanbul Stock Exchange within the same period: **None**

There is no sanction applied due to the failure of timely disclosure of special situations as requested by SPK or Istanbul Stock Exchange.

As the share certificates of the Company is not quoted internationally, no special situation disclosures have been made at a stock exchange other than Istanbul Stock Exchange.

10. Company Web Site and Content

The Investors can access the published documents of the Company such as Annual Report and Code of Ethics at our web page (www.prysmiangroup.com.tr) both in Turkish and in English. With the aim of continuing the shareholder relations in a more effective and fast manner and to be in continual communication with the shareholders, the Company actively uses its Corporate Web Page as stipulated by the Institutional Management Principles of SPK. The information on this web site is updated continuously under the responsibility of the Investor Relations Department. The information at the Corporate Web Site of the Company have the same content as the disclosures made in the framework of the related legislative provisions and does not contain and conflicting or deficient information.

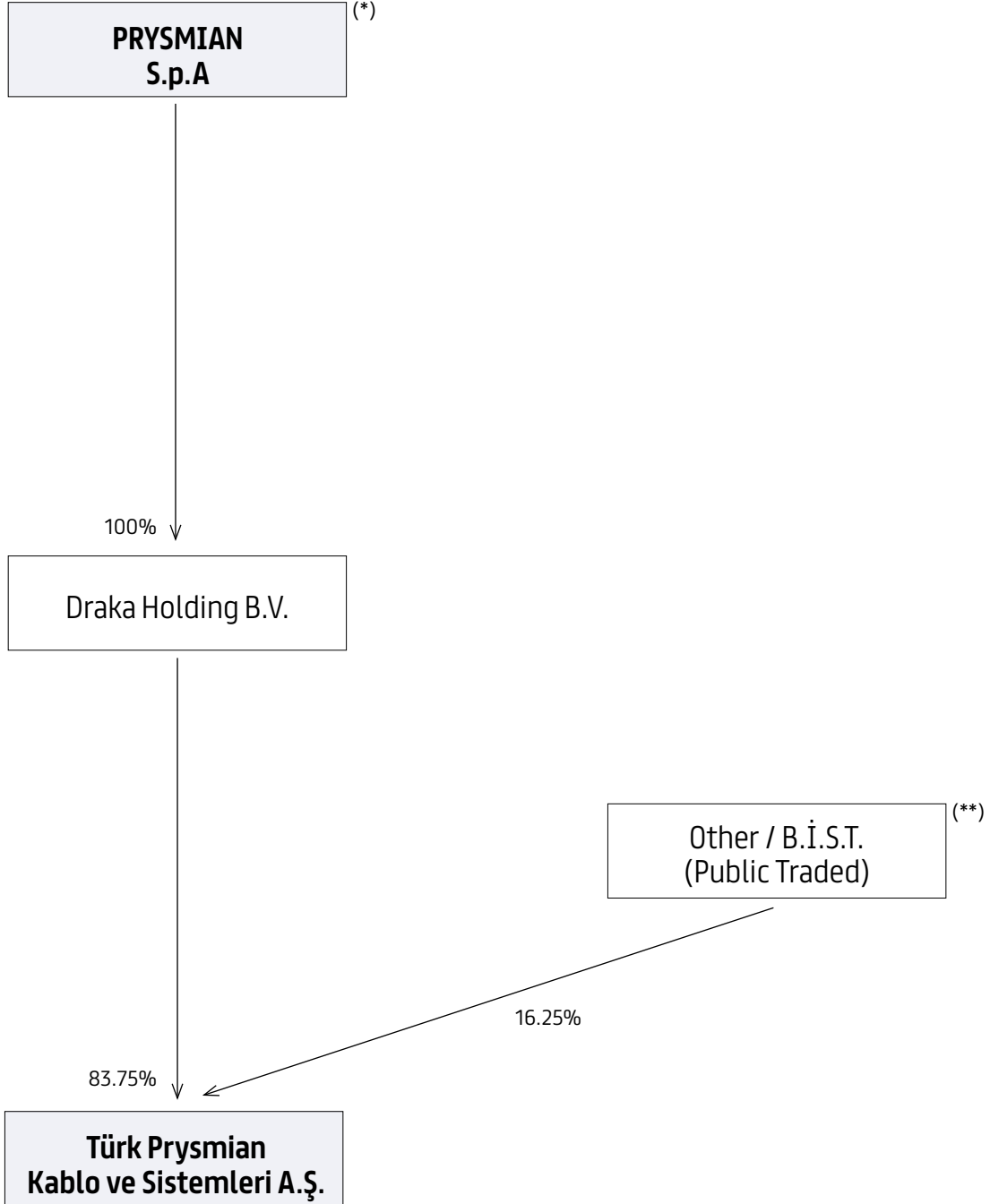
At the Corporate Web Page of the Company, in addition to the obligatory information that needs to be disclosed as per the legislation, the following information minimally for the last five years are also submitted to the attention of the investors:

- Trade registry information, current final partnership structure,
- The most recent members of the Board of Directors and top level managers,
- The date and numbers of the trade registry gazettes where the amendments have been published and the final form of the Company Articles of Association,
- Decisions of the Board of Directors,
- Committees of the Board of Directors,
- Activity reports,
- Special situation disclosures,
- Institutional Management Compliance Report,
- Code of ethics,
- Attendance sheets, minutes of meetings, agendas, forms of voting with proxy related to the conducted general assembly meetings,
- Periodical financial statements and independent auditor reports,
- Company policies,
- Explanation notes and public offering circulars,
- News and frequently asked questions.

11. Disclosure of Real Person and Final Dominant Shareholder(s)

There is no special situation that might affect the investors in disclosing the real person and other shareholders of the Company and thus the table containing detailed information in this regard has been provided herewith below.

Final Partnership Structure of Türk Prysmian Kablo ve Sistemleri A.Ş. as of 31st of December 2020



(*) Prysmian S.P.A. is a listed company and 100% traded on the Milano Stock Exchange in Italy.

(**) There is no shareholders that held the 5% of the shares of public traded part.

12. Public Disclosure of the Persons that can Obtain Insider Information

No employee of Türk Prysmian Kablo ve Sistemleri A.Ş. can conduct activities to obtain gains with the purchase and sales of share certificates of Türk Prysmian Kablo ve Sistemleri A.Ş. based on insider information obtained owing to his/her position in the Company.

CHAPTER III - STAKEHOLDERS

13. Informing the Stakeholders

The basic management principles regulating the relations among the Executive Management of the Company, shareholders, officers and third parties (customers, suppliers and any other person or institution that the Company associates with) are provided herewith below.

Honesty: We are strictly bound to honesty principles with utmost effort in all our commercial activities, in our relations with our customers, employees, shareholders, and other companies, institutions and agencies.

Reliability: We are supplying open, rational and accurate information to our customers, shareholders and employees and we provide all our services as necessitated by our commitments.

Impartiality: We do not act with prejudice based on gender, religion, language, race and ethnic origin towards our customers, suppliers, employees and shareholders, and we never make discrimination under whatsoever circumstance.

Compliance: We are respecting all the laws, legislation and standards.

Confidentiality: We do not share the information related to the details of our transactions with our shareholders, customers, suppliers, employees and business partners with any person or institution save for the legally permitted authorities.

Transparency: Save for the information deemed as commercial secret and that have not yet been disclosed to the public, we disclose the financial and non-financial information on the Company to the public as necessary, in an accurate, honest, full, rational, interpretable and accessible manner and as per the related legislative provisions.

Social Responsibility: We take into consideration matters such as the social benefits in the activity sector of the Company, sector improvement and preservation of reliability in the sector, the image and possible benefit of the Company, and in all our efforts, applications and investments, we respect the regulations related to the environment, consumers and public health. The stakeholders are made informed via the company web site and via Istanbul Stock Exchange with special situation disclosure notification. Moreover, the agenda of the shareholders meeting is notified to the attendants and the decisions takes are disclosure clearly at the Trade Registry Gazette. SPK, Ministry of Industry and Treasury Undersecretariat are also informed and the relevant permits are obtained by the company from the mentioned authorities. The public notifications related to the General Assembly meeting are again announced via one of the local newspapers and one of the nationwide newspapers. Furthermore, the company employees are kept informed with the intranet system, general notification sent by e-mail and annual informative meetings.

Please see. Article 8 – Company Information Policy

Please see. Prysmian Group Values and Code of Ethics / Article 9 – Information

14. Participation of the Stakeholders to the Management

The participation of the stakeholders to the management is realized at the following meetings and by receiving their feedbacks; at the general assembly meeting for the shareholders provided that SPK legislation scope is not exceeded, at the supplier meetings for the suppliers, at the customer visits or dealer meetings for the customers, and at the meetings organized at least twice a year to assess the company activities and where company goals and strategies are shared for the employees. Furthermore, team work is encouraged and project groups are formed with the aim of developing the present work performance methods and work processes for the company employees.

15. Human Resources Policy

The Human Resources Policy has been disclosed to the public under the “Investor Relations” title in the web site. In scope of social facilities, all of employees take advantage of our canteen, personnel transportation service. Also, all white-collar employees have health insurance policy covering themselves and family members.

Please see. Prysmian Group Values and Code of Ethics / Article 6 – Human Resources

16. Information on Customer and Supplier Relations

Please see. Prysmian Group Values and Code of Ethics / Article 4 - Customers

17. Social Responsibility

Türk Prysmian Kablo ve Sistemleri A.Ş. holds an ISO 14001 Environmental Management System certificate since 1997. In the framework of ISO 14001 Environmental Management System, the environmental impacts of all the services received and activities conducted by our Company are identified and continuous studies are undertaken to eliminate or minimize these impacts. All these studies are undertaken in line with the Environmental and Work Safety Policy of Türk Prysmian Kablo ve Sistemleri A.Ş. determined by the top management and with a continuous improvement philosophy.

Legal obligations related to the environment are closely monitored and fulfilled. Türk Prysmian Kablo ve Sistemleri A.Ş. holds all the legal permits related to the environment. These permits are Emission Permit, Wastewater Quality Control License, Opening License for 1st Class Non-Sanitary Enterprises and Temporary Storage Permit for hazardous wastes. The activities being performed by Türk Prysmian Kablo ve Sistemleri A.Ş. are not within the scope of the Environmental Impact Assessment (EIA) Regulation. There is an official letter, affirming the fact that our Company is not subject to EIA preliminary investigation, received from the Provincial Environment and Forestry Directorate of Bursa Governorship being the authorized body on this matter. Our company has "0" adjustments after the audit process of ISO 27001: 2013 Information Security Management System Certification in 2015.

There is no lawsuit filed against our Company due to environmental pollution. Our Company ensures that all its wastes are recycled when possible or disposed of properly when recycling is not applicable as per the related regulations of the Environmental Legislation.

Our Company fulfills its duties in the framework of social responsibility by supporting social, cultural and certain sports activities in the scope of Prysmian Group principles and also by providing occasional in kind and in cash donations and contributions to public institutions and establishments.

Please see. Article 13 – Informing the Stakeholders / Social Responsibility

Please see. Prysmian Group Values and Code of Ethics / Article 5 – Society and Article 7 - Environment

CHAPTER IV - BOARD OF DIRECTORS

18. Structure, Formation and Independent Members of the Board of Directors

At the Company Articles of Association, it has been stated that the duties and responsibilities of the Board of Directors are subject to the basic provisions determined as per the Turkish Code of Commerce and the arrangements at the Articles of Association. The assignment, re-election, evaluation and dismissal of the members of the Board of Directors are performed as per the Company Articles of Association and the provisions of the Turkish Code of Commerce.

Structure of the Board of Directors

POSITION	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Chairman	Halil İbrahim Kongur	X		
Vice Chairman	Cinzia Farisè	X		
Member	Ercan Gökdağ	X		
Member	Maria Cristina Bifulco		X	
Member	Andrea Pirondini		X	
Member	Banu Uzgur			X
Member	İsmet Su			X
Member	Mine Ayhan			X

19. External Commitments of Board of Directors

Name-Surname	Position	Current Positions held outside the company
Halil İbrahim Kongur	Chairman of the Board	Türk Prysmian Kablo ("TPK") Factory Director and TPK Chairman of the Board
Cinzia Farisè	Vice Chairman of the Board	TPK CEO & Vice President of the Board, Prysmian Group as Sales & Marketing Director of Prysmian Italy and Switzerland, CEO of Prysmian India, Global Vice President Energy & Infrastructure
Ercan Gökdağ	Member of the Board	MEAT Region CFO & TPK Chief Operating and Administrative Officer (CFO) and Member of the Board, Planning and Controlling Chief, and Prysmian Denmark Chief Financial Officer & TPK Planning and Controlling Chief
Maria Cristina Bifulco	Member of the Board	Prysmian S.p.A Member of the Board Prysmian S.p.A Group Investor Relations Director
Andrea Pirondini	Member of the Board	Prysmian Group Chief Operating Officer (COO) & Pirelli Tyre S.p.A Chief Commercial Officer
Banu Uzgur	Independent Member of the Board	Strategic Consultant
İsmet Su	Independent Member of the Board	Spokesperson of the Constitutional Commission and Deputy President of the Disciplinary Committee of the AK Party Group
Mine Ayhan	Independent Member of the Board	Chairman and Board Member at Europ Assistance Türkiye and the Paris-based Europ Assistance Holding and Europ Assistance SA. and Vice Chairman of Generali Türkiye

The Board of Directors is comprised of members possessing the knowledge and abilities to interpret and analyze financial statements, legal knowledge required to execute the day-to-day businesses and long-term activities of the company, and the knowledge and abilities to give opinion on different areas of expertise related to company management. The members of the Board of Directors are well-informed regarding the field of activity and management of the Company, experienced in working at private sector and have graduated from higher education.

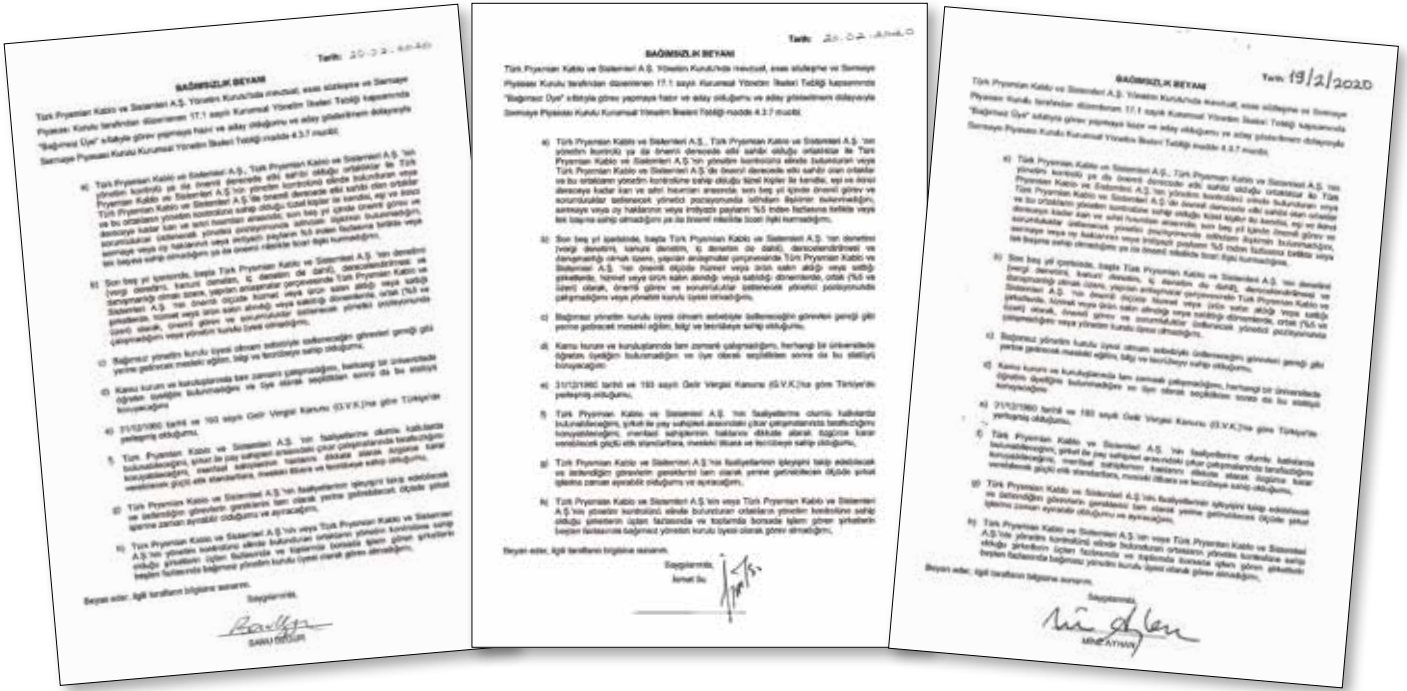
The number and properties of the independent members to take charge in the Board of Directors have been determined as per the regulations of the Capital Market Board related to institutional management. The members of the Board of Directors are elected by the company General Assembly as per the provisions of the Capital Market Legislation, Turkish Code of Commerce and Company Articles of Association. All of the independent members of the Board of Directors are comprised of persons residing in Turkey in accordance with the Income Tax Law.

Moreover, the declaration of the independent members of the Board of Directors related to their independency is as follows:

Declaration of Independence

Due to my election as an **"Independent Member"** to the Board of Directors of Türk Prysmian Kablo ve Sistemleri A.Ş., as per the Institutional Management Principles of the Capital Market Board, I hereby certify the following for the information of the relevant parties:

- There has not been any direct or indirect, employment-related, capital-related or material commercial relationship established within the last five years between me, my wife and my blood and marriage relatives up to third degree AND Türk Prysmian Kablo ve Sistemleri A.Ş., any affiliate of Türk Prysmian Kablo ve Sistemleri A.Ş. or judicial entities with whom the shareholders (with a direct or indirect share in Türk Prysmian Kablo ve Sistemleri A.Ş. at 5% and above) are associated in terms of management or capital,
- Within the last five years, I have not been employed in companies that conduct all or a part of the activities and organization of Türk Prysmian Kablo ve Sistemleri A.Ş. in the framework of the concluded agreements, especially the companies that perform the auditing, rating and consultancy of Türk Prysmian Kablo ve Sistemleri A.Ş.; and I have not taken charge as a member of the Board of Directors,
- Within the last five years, I have not acted as a partner, employee or a member of the Board of Directors in any of the firms that significantly provide service and products to Türk Prysmian Kablo ve Sistemleri A.Ş.,
- I do not hold a share at the capital of Türk Prysmian Kablo ve Sistemleri A.Ş. above 1% and these shares are not privileged,
- I possess the occupational education / training, knowledge and experience to duly fulfill the duties I will undertake owing to my position as an independent member of the Board of Directors,
- I am not employed full-time at public institutions and agencies,
- I reside in Turkey as per the Income Tax Law,
- I have sound ethical standards, occupational dignity and experience to provide positive contribution to the activities of Türk Prysmian Kablo ve Sistemleri A.Ş., preserve my impartiality in the disputes that may arise among the partners and to freely make decisions duly considering the rights of the stakeholders.



Banu Uzgur
Independent Board Member

İsmet Su
Independent Board Member

Mine Ayhan
Independent Board Member

20. Company Mission, Vision and Strategic Goals

Company Mission: To provide added value to our shareholders and the sectors alike by supplying products and services, compliant to standards, having top quality, reliable, innovative and state-of-the-art features to our customers, business partners and the society as a whole.

Company Vision: Located within Prysmian Group and as the oldest, rooted and pioneering company of the sector in its region; the Company vision is to become a company:

- Accommodating a creative workforce open to development with its distinguished and innovative role, and that can present top performance,
- With an organizational structure valuing transparency and social responsibility,
- Undersigning long-term partnerships by ensuring continual satisfaction to its customers,
- Always creating value for its shareholders,
- Committed to improve the social conditions,
- Preserving sector leadership in Turkey and in the international platform alike.

Please see. Prysmian Group Values and Code of Ethics / Article 2 – Goals and Values

21. Risk Management and Internal Control Mechanism

To ensure an effective use of risk management, the Risk Management Department has been conducting activities since 2002. This department has developed and commenced the implementation of processes for effective risk management for the Company as well as the Prysmian Cables and Systems. In this scope, it is aimed for the risks to be monitored with daily reports and collect the receivables on time.

The internal control system of the Company has been organized to ensure an adequate control system and that can enable all the Company activities to be explained in a proper manner. The responsibility related to the internal control system belongs to the Board of Directors and in addition to determining the relevant outline, the Board of Directors also confirms the sufficiency of the control and whether it works in an effective manner or not.

The Auditing Committee is comprised of two members of the Board of Directors. Both of these persons are members of the Board of Directors that do not have a direct contribution to the activities and management of the Company. The Auditing Committee gathers regularly as indicated at the relevant communiqué of SPK and a representative of the external auditing company of the Company can also be invited to these meetings.

The aim of the Auditing Committee is to aid the Board of Directors in fulfilling its long term responsibilities regarding the quality and risk assessment of the accounting and financial reporting applications, policies and procedures and the internal control systems of the Company.

Internal auditing and periodic auditing activities also provide the necessary controls in terms of verifying compliance to the procedures, policies and strategies. Other than for the audits aimed at auditing the Internal Auditing Department, the Internal Auditing Department of Prysmian Cables and Systems Group also performs internal auditing inspections at Türk Prysmian Kablo ve Sistemleri A.Ş. in addition to the regular audits arranged by the external auditing company.

Furthermore, Planning and Control Department is also present and this department submits monthly detailed reports to the Delegate Member and Executive Management, and also provides useful and comprehensive information for the monitoring of specific activities.

Information related to the independent auditing company Ernst & Young Global Limited: <http://www.ey.com/tr/tr>

And information related to the tax auditing company MAZARS-DENGE: <http://www.mazarsdenge.com.tr>

22. Authorities and Responsibilities of the Members and Managers of the Board of Directors

The Board of Directors performs the following activities:

- Inspection and approval of the strategic, institutional/corporate, industrial and financial plans of the Company,
- Granting and withdrawing authority delegation to the Delegate Member, determination of the limits, method of use and duration of such authorities,
- Comparing the results with regular budgets and monitoring the general performance of the studies conducted by paying due regard to conflict of interests and by taking into consideration the information received from the Internal Control Committee and the Delegate Member,
- Taking decisions related to the same for Real Estate,
- Issuing share certificates and bonds,
- Becoming a partner to companies and enterprises to be newly founded or participating to the ones already present,
- Inspection and approval of transactions with a specific economic, equity or financial impact, by paying due care to the related partner processes,
- Verifying the competency of the overall organization and administrative structure of the Company as organized by the Delegate Member,
- Informing the shareholders regarding shareholders meetings.

The authorities and responsibilities of the members of the Board of Directors have been clearly specified at article 10 of the articles of association. Since the authorities and responsibilities of the managers can change any time due to the dynamic structure of the Company and business life, the authorities and the relevant responsibilities are indicated in detail at the signatory circular.

23. The Activity Fundamentals of the Board of Directors

The Board of Directors meeting is held at least quarterly. Save for exceptional situations, the members of the Board of Directors are equipped with the necessary documents and information a reasonable time in advance to enable them to state an informed opinion regarding the inspected matters.

There is a Board of Directors secretariat formed to enable notification and communication of the members of the Board of Directors. If a differing opinion is expressed at the meeting and/or there is opposition to a decision taken by the Board of Directors, reasonable and detailed vote justifications in this regard need to be recorded at the decision minutes, forwarded to the company auditors in writing and notified to the public. Although our Company does not have any reservations in this regard, such an application has not been made up to this date since such a situation has not yet been encountered.

Due attention is paid to ensure active participation to the Board of Directors meetings related to the matters taking place at Part IV article 2.17.4 of SPK Institutional Management Principles. The questions asked by the members of the Board of Directors during the meeting are recorded on the minutes of the meeting. No member of the Board of Directors has been granted a weighted vote right and/or negative veto right to ensure equality among the members.

Board members residing abroad attend the meetings via "teleconference". The board meetings held in 2020 were physically held once, and the other meetings were held over Skype and Teams, due to the Covid-19, which had an impact all over the world. 82% of the members of the board of directors attended these meetings.

24. Prohibition of Transacting and Competing with the Company

Our members of the Board of Directors are set free by our shareholders in the framework of articles 334 and 335 of the Turkish Code of Commerce at the Ordinary General Assembly convened each year.

25. Code of Ethics

There is a pyramid system related to the principles and procedures. This system can be summarized as follows:

Code of Ethics: These rules cover the general principles – transparency, fairness and devotion – forming the business relations at each and every level within the Company. With the belief that business ethics should go hand in hand with success at work, the Company conducts its internal and external processes as per the principles stated in these rules.

Internal Control System: This system is a group of "instruments" aimed at assuring operation yield and effectiveness, reliability of financial and management data, obeying laws and legislation and even the protection of Company assets against a possible fraud within reasonable limits. Internal control systems based on and defined by these general applications are implemented at all corporate levels.

Behavioral Pattern: Behavioral pattern puts forth special rules in the relations with the representatives of Public Administration and identifies the main operational applications indicated at the Code of Ethics, by classifying a proper behavioral pattern as "to do" and improper behavioral patterns as "not to do".

Internal Executive Procedures and Policies of the Company: These elements, as a natural extension of the internal control system, comprise the main fields of business. Thus, they specify the internal rulers related to the main fields of activity of the Company.

Türk Prysmian identifies the internal rules and structure related to the main fields for its officers and managers alike via regulations and policies such as Recruitment, Purchasing, Investment, Environmental Protection, Information Systems, Stock Assessment and Intellectual Property Rights Regulations.

All the regulations and policies are presented to the officers in an updated manner from the intranet page of the Company.

Furthermore, **Please see**. Prysmian Group Values and Code of Ethics

26. Number, Structure and Independence of the Committees Comprised at the Board of Directors

Name of Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Auditing Committee	5	2	2

Members of the Auditing Committee: Mine Ayhan, Banu Uzgur

Name of Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Early Risk Assessment and Risk Management Committee	6	3	2

Members of the Early Risk Assessment and Risk Management Committee: Mine Ayhan, Ercan Gökdağ, Banu Uzgur

Name of Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Corporate Governance Committee	4	3	2

Members of the Corporate Governance Committee: Banu Uzgur, İsmet Su, Nevin Kocabaş

Investor Relations: Department manager informed about the activity of investor relations and prepare a report related to the Corporate Governance Communique item 11 and presented this report to the Board of Directors.

As per Article 4.5.1 of the Communiqué of the Capital Market Board Serial IV no. 56 regarding the Determination and Implementation of Institutional Management Principles, the duties of the Institutional Management Committee comprise the establishment of **Nomination and Charging Committees**; however it has been decided for the duties of such committees to be executed by the Institutional Management Committee again as per the same article, and thus the Working Principles of the Institutional Management Committee has been determined as to cover the fields of duty and working principles of that former committees as well.

All committees are properly working according to the working principles and according to the legislations.

Detailed information related to the working principles of all the committees have been disclosed to the public under the "Investor Relations" section at the Company web site.

Assessment of the Functioning of Internal Audit, Internal Control and Risk Management Systems during 2020 Activity Period

Working in the cable sector, Prysmian Group has established adequate Internal Control, Internal Audit and Risk Management systems (internal systems), suitable to its activity and business branches. In the formation of the internal systems, both the local legislation and the requirements of Prysmian Group have been taken as basis for monitoring and managing risks integrated with the activities. The internal systems are in compliance to independency, objectivity, effectiveness, adequacy and division of powers within the organization. All our activities and business processes target customer satisfaction, sustainable income generation and risk-sensitive capital management and elevating the economical values of the shareholders. Prysmian Group Board of Directors is responsible to ensure that the internal systems are established and administered in compliance with the legislation, and the activities of this responsibility related to financial control and audit is conducted by the hand of the Committee responsible from Audit. In performance of this function, the Auditing Committee reviews, evaluates in detail the reports received by the Audit Department founded to review, audit and report on the effectiveness of our processes on financial terms; give the necessary instructions to the Company management and submits to the information and approval to the Board of Directors as necessary. The Board of Directors conducts its activities under the structure and coordination of the Auditing Committee. The Auditing Directorate reviews the financial effectiveness of all the business processes of the Company, tests the suitability, efficiency and implementation level of the relevant audit mechanisms, identifies the measures to be taken to eliminate the deficiencies if any together with the operational departments and reports the results thereof to the Auditing Committee.

27. Financial Rights Granted to the Board of Directors

The rights granted to the members of the Board of Directors are decided at the General Assembly and there is no rewarding mechanism reflecting the Company performance of that is based on the performance of the members of the Board of Directors in determining the financial rights thereof.

During 2020, TL396,000 before-tax attendance fee was paid to the independent members of the Board of Directors. Other than this, there is no payment that has accrued for 2019 and paid to the members of the Board of Directors and to the other executive management. Furthermore, no loan was given to any member of the Board of Directors or Senior Manager of the Company within the period, no credit was made utilized, benefit was not obtained under the title of a credit through the mediation of a third party and securities were not given on their behalf such as bails.

28. Miscellaneous

The Report's conclusion covering the company's relationship with the parent company and subsidiaries as per the provisions of the Turkish Commercial Code no 6102 and the Capital Markets legislation;

- That the transactions with our affiliates were carried out, by way of making counter promises measuring up with its peers, in line with the group transfer pricing directives and in conformity with Transfer Pricing rules with no distinction of countries or companies
- The audits and assessments found that, according to the known circumstances and conditions relating to Affiliated Party Transactions; in each legal transaction between our Company Türk Prysmian Kablo ve Sistemleri A.Ş. and the parent company and subsidiaries mention in article 199 of the Turkish Commercial Code, a suitable counter promise was ensured in each legal transaction in 2020, with no taken or avoided measures or the Company suffered no losses because a certain measure was aken or avoided.

As there were no losses, there was no need for loss offsetting.

Legal Basis of the Annual Report:

The Annual Report for the Group's Fiscal Year 01.01.2020 - 31.12.2020 was drafted as per paragraph three of article 516 of the Turkish Commercial Code, and article 518 based on the provisions of the "Regulations Covering the Determination of the Minimal Contents of Annual Corporate Reports" of the Ministry of Customs and Trade and "Directives on Financial Reports in the Capital Markets" of the Capital Markets Board.

Principles for the Drafting of Annual Report:

The annual report correctly, completely, honestly and accurately reflects the flow of businesses and transactions of the company for the related fiscal year, its financial situation in all aspects, in a manner also protecting the company's rights and interests. The annual report contains no misleading, exaggerated and misunderstandable, and incorrect statements. Pains were taken to make sure the annual report would completely and accurately detail all information about the company's activities accessible to corporate shareholders.

Endorsement of the Annual Report:

The Group's annual report for the 01.01.2020 - 31.12.2020 fiscal year was signed and endorsed by the Board Members on March 10, 2021.

Chairman of the Board of Directors

Halil İbrahim KONGUR

Türk Prysmian Ethical Code

Ethical business conduct is critical to our business and a shared responsibility of all members of the Prysmian Group. Each employee is responsible for protecting our most valuable asset: our reputation.

This Code of Ethics (the "Code") applies to anyone conducting business on behalf of Prysmian or any of its subsidiaries, including all managers, officers, employees, agents, representatives, lobbyists, interns, contractors, suppliers, and consultants ("Covered Parties"), and seeks to guide our legal and ethical responsibilities, to deter wrongdoing, and to promote:

- compliance with applicable laws, rules and regulations;
- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- the integrity of our financial information, which influences the decisions of management and our Board of Directors, as well as the way in which the outside world perceives and evaluates us;
- full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to government authorities and in other public communications; and
- accountability for adherence to this Code, including prompt internal reporting of any suspected violations.

To meet these objectives, this Code encourages Covered Parties to express any concerns they may have relating to corporate accountability. No discrimination or retaliation against any person who, in good faith, reports such concerns will be tolerated. Anyone who retaliates against an individual under such circumstances will be subject to disciplinary action, up to and including termination of employment.

All Covered Parties must read, understand, and adhere to this Code and all other applicable company policies. Violations of law, this Code or other Company policies or procedures can lead to disciplinary action, up to and including termination of employment and/or termination of business relations.

ARTICLE 1: INTRODUCTION

The Prysmian Group structures its own internal and external activities according to the principles set forth in this Code, with the conviction that ethics in the conduct of business activities must be pursued at the same time and with equal emphasis as the economic success of the business.

The Prysmian Group is committed to conducting its business in accordance with the highest ethical standards, complying with all applicable legislation and regulations, so as to prevent all unethical or illegal conduct.

The Prysmian Group, in the conduct of its business, stands up for the respect and protection of human rights, safeguarding the dignity, freedom and equality of human beings. The Prysmian Group repudiates all forms of discrimination and illegal conduct and activities, such as corruption, forced or child labor.

In this respect, the Prysmian Group operates within the general reference framework of the United Nations Universal Declaration of Human Rights and of the Fundamental Conventions of the International Labor Organization (ILO)

ARTICLE 2: OBJECTIVES AND VALUES

The primary objective of the Prysmian Group is to create value for the shareholders. Industrial and financial strategies and the resulting operative conduct, based on an efficient use of resources, are oriented to achieving this goal.

In pursuing this objective, Prysmian Group Companies and all Covered Parties must unfailingly comply with the following principles:

- as active and responsible members of the communities in which we operate, we must take on the commitment of respecting all applicable laws wherever we do business, and to following all commonly accepted principles of business ethics, such as transparency, honesty and loyalty;
- we refuse to engage in any illegitimate, unfair, or in any way questionable behavior (vis-à-vis the community, public authorities, customers, employees, investors and competitors) to achieve economic targets, which we pursue only through excellent performance, quality, competitive products and services, based on experience, customer care and innovation;
- we establish organizational controls designed to prevent Covered Parties from violating these requirements of lawfulness, transparency, honesty and loyalty, and supervise their observance and actual implementation;
- we impose sanctions for any violations of these policies and principles;
- we maintain accurate books and records, and assure the investors and the community as a whole total transparency about our activities;
- we promote integrity and fair competition between parties in the pursuit of challenging goals and new objectives;
- we openly oppose any corrupt practices aimed at obtaining improper advantages both in our relations with the Public Administration and Public Stakeholders in general, as well as with Private Stakeholders;
- we strive after customer satisfaction both in terms of product quality and excellence of our services;
- we protect and reinforce the intrinsic value of all our employees;
- we respect the environment and use natural resources responsibly, with the goal of advancing sustainable development and protecting the rights of future generations.

ARTICLE 3: SHAREHOLDERS

The Prysmian Group is committed to guaranteeing transparency and equal treatment to all classes of shareholders, and to avoiding preferential treatment of any class or company. We pursue the reciprocal benefits that derive from belonging to a group of companies, while respecting all applicable legislation and regulations and the independent interest of each Company as it seeks to create value.

ARTICLE 4: CUSTOMERS

The excellence of the products and services offered by the Prysmian Group in terms of quality, safety and performance is based on customer care and the readiness to satisfy customer requirements. We therefore seek to assure an immediate, qualified and competent response to customer needs, through honesty, courtesy and cooperation.

ARTICLE 5: COMMUNITIES

The Prysmian Group contributes to the economic welfare and growth of the communities in which it operates by delivering efficient and technologically advanced services. We are a citizen of each locality where we are established to do business, and like individual citizens we feel we have a responsibility to support the community. It is our goal to take part in and promote projects to further the welfare of our local communities and thus be a good and contributing citizen.

Group Companies adhere to all applicable laws and regulations and maintain good relations with local, national and super-national authorities, based on full and active cooperation and transparency.

Consistent with these objectives and with the responsibilities they have assumed toward different stakeholders, Group Companies recognize research and innovation as priority conditions for growth and success.

Group Companies view favorably and, when necessary, support social, cultural and educational initiatives directed at enhancing the individual and improving his/her living conditions.

Group Companies do not disburse contributions, advantages or other conveniences or things of value to government officials (including employees of state-owned or controlled entities or enterprises), political parties, or trade union organizations, nor to their representatives or candidates, except as permitted by applicable laws and by the provisions of this Code and other applicable Prysmian Group policies.

ARTICLE 6: SUPPLIERS

The Prysmian Group recognizes the key role of suppliers in improving its ability to satisfy customers' needs.

The Prysmian Group promotes the development of durable relations with suppliers, in a reciprocal approach of lawfulness, transparency, honesty and collaboration, as commonly accepted principles of business ethics.

In order to ensure that purchasing processes comply with the ethical principles adopted, Prysmian Group can introduce, for certain supplies, social, health and safety or environmental prerequisites, whose violation can trigger disciplinary actions, including possible termination of business relations.

In particular, agreements with suppliers whose operations are located in certain countries - categorized as being "at risk" by recognized organizations - can include clauses with reference to specific requirements or the possibility for Prysmian Group to hold inspections at the offices or plants of the supplier in order to verify that such requirements are being met.

ARTICLE 7: HUMAN RESOURCES

The Prysmian Group recognizes the central role of human resources as an essential factor for success in its business activities. The professional contribution of employees, in a framework of mutual loyalty and trust, is therefore considered as a crucial element for the development of Group's activities.

Group Companies safeguard safety and health in working environments and consider the respect of worker rights fundamental to the carrying out of business activities. The Prysmian Group promotes equal opportunities and enhances the professional development of individuals, forbidding any sort of violence or harassment, either sexual or based on personal, political and cultural diversity.

ARTICLE 8: ENVIRONMENT

The Prysmian Group believes in a global sustainable growth in the common interest of all stakeholders, present and future. All investment and business choices are consequently fashioned to respect the environment and public health.

Without prejudice to compliance with specific enforceable regulations, Group Companies take environmental issues into consideration when defining their choices, also by adopting – if operationally and economically feasible – eco-compatible production technologies and methods, with the objective of reducing the environmental impact of their activities.

ARTICLE 9: ANTI-BRIBERY POLICY

Bribery of public officials is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any Public Official in order to obtain or retain business or to obtain an improper business advantage.
- The term "Public Official" is defined very broadly, and includes any employee of a government owned or controlled entity or a public international organization, any political party and any candidate for public office. Whenever dealing with entities or persons connected with a government entity, Prysmian employees shall comply with the principles set forth in this Code which govern our conduct and strictly adhere to the Prysmian policies and procedures.

Commercial bribery is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any person in order to obtain or retain business, confidential information, or an improper business advantage.
- No Covered Party may accept anything of value in exchange for illegitimately awarding business, providing confidential information, or an improper business advantage.

The Anti-Bribery regulations require adherence to other Group policies and procedures promulgated from time to time concerning:

- Offering, paying, or accepting gifts or courtesies; offers of entertainment or free trips to, from, or on behalf of a public official or any supplier, customer, or competitor, and;
- Engaging consultants, agents, lobbyists, joint venture partners or other third parties.

ARTICLE 10: INFORMATION - BOOKS AND RECORDS

The Prysmian Group is aware of the importance of correct information on its own activities for the investors and the community at large.

Consequently, to the extent compatible with the confidentiality requirements inherent in conducting a business, Group Companies strive for transparency in their relations with all stakeholders. In particular, Group Companies communicate with the investors according to principles of honesty, clarity and equal access to information.

Group Companies maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of their transactions, and to retain relevant documentation in accordance with Group policies concerning record retention.

Group Companies and Covered Parties must never, under any circumstance, engage in inaccurate, false or misleading record keeping, even if one might reasonably believe the consequences of the inaccuracy would be harmless. This policy of full, fair, accurate and timely recording of information extends to time reports, expense reports and all other similar compulsory corporate documents.

No false or artificial entries shall be made in the books and records of the Prysmian Group. No undisclosed or unrecorded funds may be established.

"Off the books" payments are prohibited.

No individual shall ever engage in any arrangement that results in a prohibited act.

ARTICLE 11: EXPORT CONTROLS AND ECONOMIC SANCTIONS

It is the policy of the Prysmian Group to comply with all applicable export control laws. All Prysmian Group employees must comply with these laws. Under no circumstances are Prysmian Group employees permitted to make a transfer, export, re-export, sale, or dispose of any product, technical data or service contrary to applicable export control laws.

The Prysmian Group will comply with all economic sanctions against certain entities and countries, including applicable economic sanctions imposed by the UN, the EU and other jurisdictions in which the Prysmian Group conducts business.

ARTICLE 12: PREVENTION OF MONEY-LAUNDERING, HANDLING OF STOLEN GOODS AND USE OF ILLEGAL PROCEEDS AS WELL AS OF SELF-LAUNDERING

All Group Companies are aware of the key role that they play in the fight against money-laundering, handling of stolen goods and self-laundering.

Therefore, Group companies are committed to implementing measures to combat money-laundering. In addition to other duties and responsibilities, it is strictly forbidden to:

- buy, replace or transfer money, goods or other assets if there is knowledge of their criminal origin, or perform any other operations that might lead to concealing their illegal origin;
- replace or transfer money, goods or other assets having criminal origin, or perform any other operations that might lead to concealing their criminal origin;
- use money, goods or other assets for economic or financial activities if there is knowledge of their criminal origin.

ARTICLE 13: CONFLICT OF INTEREST

With a view to safeguarding the interests of the Group Companies, the Covered Parties must avoid (and, in any case, must report) any situations and/or activities that might lead to a conflict of interest or interfere with their ability to make impartial decisions.

More generally, in their relations with third parties, the Covered Parties must act ethically and transparently and they are strictly forbidden from engaging in any improper favouritism, collusive practices and solicitation of personal advantages for themselves or anyone else.

ARTICLE 14: OBSERVANCE OF CODE AND CODE REVIEW; MANAGING REPORTS OF ALLEGED VIOLATIONS

All Group Companies, Corporate bodies, and Covered Parties must strictly adhere to this Code, to all applicable legislation and regulations, and to all regulations and procedures that the Prysmian Group may adopt from time to time to implement this code.

The Prysmian Group is committed to implementing and enforcing specific procedures, regulations and instructions to ensure that all Group companies and Covered Parties adhere to the values and requirements set forth in this Code.

Violations of this Code, any of the implementing policies and procedures or other Group policies, or of any applicable law or regulation will be grounds for serious disciplinary action, including possible termination of employment and/or termination of business relations.

As part of its commitment to ethical and legal behavior, the Prysmian Group requires Covered Parties to report any actual or alleged violations of law, of this Code or of ethical standards, so that they can be investigated and dealt with appropriately. This obligation extends to any instance where there is reasonable suspicion, without certitude, that a violation is taking place. For information on how to report any violations, please refer to the "Whistleblowing Policy".

Failure to comply with the duty to report any wrongdoing is itself a violation of this Code and could result in serious disciplinary action, including possible termination of employment and/or termination of business relations. The Prysmian Group will investigate all reports made and will not tolerate any kind of retaliation for reports or complaints made in good faith.

All persons subject to this Code have a duty not only to report violations, but also to cooperate fully in the investigation of any alleged violation. Failure to cooperate or deliberately giving false or misleading information during investigations is punishable with sanctions that could even include dismissal in the case of an employee or termination of business relations for customers, suppliers or other third parties.

The Code of Ethics lives and evolves with the development of the business in the competitive world in which we operate.

The review of the Code must be approved by the Board of Directors of Prysmian S.p.A., further to the positive opinion of the Control and Risk Committee and having heard the opinion of the Director in charge of the internal control and risk management system.

All Covered Parties must promote the values of the Code of Ethics. Consequently, anyone who becomes aware of a possible violation of the principles outlined in the Code of Ethics is bound to report it, as envisaged under the Whistleblowing Policy.

Regardless of the way the episode is reported, Prysmian will protect the anonymity of the whistleblower and make sure that he/she will not be subjected to any form of retaliation.

Türk Prysmian Kablo ve Sistemleri A.Ş.

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