

**SERİ: II, NO 14.1 SAYILI TEBLİĞE İSTİNADEN HAZIRLANMIŞ
TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.
VE BAĞLI ORTAKLIKLARI**

1 JANUARY – 31 JUNE 2022

BOARD OF DIRECTORS

INTERIM PERIOD ACTIVITY REPORT

27.07.2022

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REVIEW REPORT ON SEMI-ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Türk Prysmian Kablo ve Sistemleri A.Ş.

We have been assigned to the review whether the financial information in the review report of Türk Prysmian Kablo ve Sistemleri A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) prepared as at 30 June 2022 is consistent with the reviewed interim condensed consolidated financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial information on which we have expressed our conclusion dated 27 July 2022.

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410 “Review on Interim Financial Information Performed by the Independent Auditor of the Entity”. Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the review report is not consistent, in all material respects, with the interim financial information and the information presented in the explanatory notes to interim condensed consolidated financial statements.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özgür Beşikçioğlu, SMMM
Partner

Istanbul, 27 July 2022

1- GENERAL INFORMATION

Türk Prysmian Kablo ve Sistemleri A.Ş. is the Turkish operation of Prysmian Group, worldwide leading company in energy and telecommunication cables' industry with its approximately 29.000 employees and 108 factories in 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. Wide product range of Türk Prysmian includes all energy cables up to 220 kV, copper conductor communication cables up to 3.600 pairs, optical fiber cables, railway signalization cables, studio broadcast cables and special cables. Today Mudanya factory can produce over 22.000 different cables. Furthermore, Türk Prysmian delivers "turn key" projects for cables and systems providing each one customer tailored and premium services.

The installed capacity of Türk Prysmian is also at a level to compete in the international markets. Capacity utilization rate of Türk Prysmian reached 79% in 2021, and it continues to be a privileged export center within the Prysmian Group, exporting approximately 27% of its TRY 3,220,770.171 turnover in 2021. Türk Prysmian continues to be the leader of the market in the field of innovation, technology, quality and customer satisfaction both in Turkey and abroad. With a wide geographical coverage, the company exports to more than 50 countries today, particularly Turkic Republics and Middle East countries.

Prysmian Group has 26 R&D centers worldwide and one in Türk Prysmian's Mudanya factory. Material Technologies Laboratory in the Mudanya R&D center is registered by Turkish Accreditation Agency (TÜRKAK) with accreditation certificate TS EN ISO/IEC 17025 "General Requirements For The Competence of Testing and Calibration Laboratories". The certificate granted by TÜRKAK is a certification that the results of 'fire tests' conducted in Türk Prysmian's laboratory are reliable and internationally valid.

Türk Prysmian Kablo ve Sistemleri A.Ş., listed on the Borsa İstanbul strives for improving the efficiency of its products and services not only in Turkey, but also in global markets, and ISO/DQS 9001, and ISO 14000 certifications granted for the first time in this sector is a further proof of how much the company cares for people and environment.

Fiscal Period of the Report:

This report has been issued for the period 01.01.2022-30.06.2022.

Company Trade Registry Number and Contact Info

Headquarter address: Ömerbey Mah. Bursa Asfaltı Cad. No:51 Mudanya / BURSA

Tel: +90 224 270 3000 **Fax:** +90 224 270 3024

Branch Address: Ömer Avni Mahallesi 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 No: M0153/Bursa Merkez

Mersis No: 086005137400023

Web site: www.prysmiangroup.com.tr

The Company's subsidiaries are detailed below:

Subsidiaries	Activity	Core activity
Türk Prysmian-Prysmian Powerlink Ordinary Partnership-2	Sales	Sale of Power Cables
Türk Prysmian-Prysmian Powerlink DB.KAB.19 Ordinary Partnership	Sales	Sale of Power Cables

2- BUSINESS SECTOR, VISION AND MISSION

Prysmian Group is the world leader in the field of energy cables and systems as well as communication cables and systems. We are a multinational company that has been growing for more than a century in the sectors specialized in throughout the world and deeply rooted in all local markets.

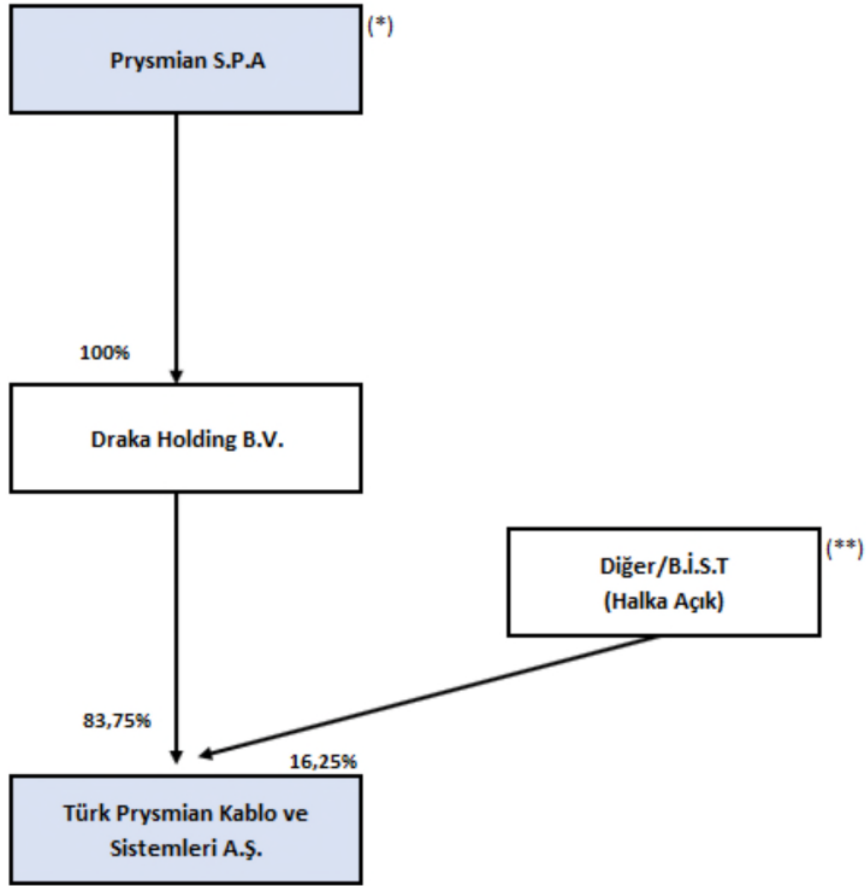
Our vision is, while keeping inside alive the workforce which will help us to exhibit a creative and superior performance with our outstanding and innovative role, having an organizational structure that gives importance to openness and social responsibility, carrying on long term partnerships by providing 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 innovative, technologically advanced, high quality and safe products and services to our clients, business partners and the society in general, meeting all applicable standards.

3- CAPITAL AND SHAREHOLDER STRUCTURE

Capital Structure of the Company as of 30.06.2022 is as follows:

Shareholders	%	TRY
Draka Holding B.V.	83.75	181,506,654
Other*:	16.25	35,226,998
Authorized capital	100.00	216,733,652

We do not issue privileged shares. Shares carry one vote per share.



Final Shareholder Structure as of 30.06.2022

4- BOARD OF DIRECTORS AND COMMITTEES, COMMITTEE MEMBERS AND ORGANIZATIONAL STRUCTURE

Members of the Board of Directors as of 31.03.2022 are as follows:

<u>Board of Directors</u>	Chairman	Halil İbrahim KONGUR
	Vice Chairman	Ülkü ÖZCAN
	Board Member	Ercan GÖKDAĞ
	Board Member	Maria Cristina BIFULCO
	Board Member	Robert Van VEEN
	Independent Board Member	Mine AYHAN
	Independent Board Member	Banu UZGUR
	Independent Board Member	İsmet SU

Committees formed as per the provisions of Communiqué on Corporate Governance (Serial: II, No: 17.1) published by Capital Market Board are stated below.

<u>Audit Committee</u>	Chairman	İsmet SU
	Committee Member	Banu UZGUR
	Committee Member	Mine AYHAN

<u>Early Detection of Risk and Risk Management Committee</u>	Chairman	Mine AYHAN
	Committee Member	Banu UZGUR
	Committee Member	İsmet SU

<u>Corporate Governance Committee</u>	Chairman	Banu UZGUR
	Committee Member	Mine AYHAN
	Committee Member	Budak GÜLLÜDAĞ

Organizational Structure



5- TOP LEVEL MANAGEMENT AND COMPANY MANAGEMENT

Halil İbrahim Kongur	Board Chairman & Factory Director
Ülkü Özcan	Board Vice Chairman & General Director
Ercan Gökdağ	Board Member
Robert Van Veen	Board Member
Maria Cristina Bifulco	Board Member
Mine Ayhan	Independent Board Member
Banu Uzgur	Independent Board Member
İsmet Su	Independent Board Member
İbrahim Etem Bakaç	Domestic Sales Director
İ. Bertan Bilgin	Supply Chain Director
Ufuk Çolak	Telekom Sales Director
İdris Çolakgil	Information Technologies Director
Mert Erden	Industrial and Renewables Director
Halil Erbi	Accounting Manager
Berk Yengin	Utilities and contracting Sales Director
Gamze Keçeci	Oil & Gas Senior Sales Manager
Erdinç Yüksel	R&D Manager
Murat Tezcan	Export Sales Director
Yiğit Türsoy	Legal Affairs Director
Tamer Yavuztürk	Marketing and Business Intelligence Director

6- SECTORAL EVALUATION AND INFORMATION ON COMPANY ACTIVITIES

"Energy and Communication" is the foundation of a modern life and the two most important elements steering the growth of the cable industry. Rise of industrialization, population increase, industry evolving towards dense housing, technological advancements, researches on transition to renewable energy, and changes arising in line with these in terms of infrastructure and transportation needs are the main drivers of the growth in energy cable production. On the other hand continuously evolving service sector industry is accelerating the shift towards the digital world right now dominated by metaverse, virtual worlds and augmented reality. Due to the need for smart data transfer systems and an increasing trend towards expansion of networks being witnessed increases the demand for communication cables.

The cable sector hit hard by Covid-19 pandemic and its effects are expecting a growth in 2022 thanks to measures taken and increasing vaccination rate. This is also supported by IMF's World Economic Report realized as 6,1% for 2021 and projecting a global economic growth of 3,6% for 2022.

COVID-19 outbreak the global effects of which were felt in in the beginning of 2020, had a significant economic impact on the cable industry, which began to appear in the same year along with postponed infrastructure projects, companies dissolving their business operations, quarantines required, travelling bans, labor shortage, disruptions in production operations, and particularly the issues with respect to production of electronic and semiconductors, raw material supply constraints and significant increase in logistics costs had negative impact on the cable sector.

Soaring prices of raw materials compared to the previous year topped with the fluctuations in exchange rates increased the pressure on the sectors that import raw materials. As the primary raw materials used in cable production, such as metals like copper, aluminum, and polymer materials like PVC, polyethylene are traded in foreign currency; every time there is a change in the currency rates, producers are left with no choice but to adapt their prices, which in turn causes the contractors, distributors, project companies and end-users to revise their budget every time. Rapid changes in exchange rates has negative impact on the sector cause while large part of the costs are incurred in foreign currency, the sales are made in Turkish Lira and mostly in the form of forward sales.

As emerging economies had to face an uphill battle in dealing with Covid-19 compared to developed countries, the Turkish cable sector 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 digitalization skills. In these challenging times, companies are less affected by the pandemic to the extent they are able to take quick decisions, prompt actions to stabilize the supply chain, adapt to changing circumstances quickly and attach importance to digitalization.

Impact of pandemic on cable sector were felt less in 2021 than the previous year; Turkish economy affected by the pandemic, grew only by 1,8% in 2020 however, thanks to measures and steps taken for the sake of normalization the growth was recorded as 11% in 2021. In the first 3 months of 2022, the Turkish economy grew by 7.3%, showing that it was completely recovering from the effects of the pandemic.

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 TUIK and Turkish Exporters Assembly, the total size of domestic and international sales of the Turkish cable industry is around USD 4-5 Billion, and the top 20 companies account for approximately 80-90% of the total production and sales of the cable manufacturers in Turkey. Most cable producers in Turkey turned towards export market due to difficulties experienced in Turkish economy and accordingly in the construction sector, export in 2021 was USD 2,9 billion by the year-end and export in the first 4 months of 2022 was approximately USD 1,1 billion an increase of 25.6% compared to the same period of the previous year. Today, the manufacturers in the market continue to produce in different segments including energy, communication, fiber-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 localization are making a positive impact on the domestic market.

According to TEIAS's report, Turkey's installed power exceeded 100,000 MW as of the end of 2022. 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. To contribute to the United Nations 2030 Sustainable Development Goals, we are actively working on issues such as poverty, peace and well-being, climate change, energy efficiency, reduced inequality, innovation, sustainable consumption and justice and supporting the achievement of 17 SDGs. 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 Coronavirus 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. To prevent loss of life and property, it is absolutely necessary to use fire-proof installation cables in buildings surfacing due to ongoing urbanization and overpopulation. 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 such as optical fiber and data cables 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 complying with this regulation in all housing projects with fire risk; audits to be made by Market Monitoring and Audit Teams operating under R.T. Ministry of Environment, Urban Planning and Climate Change in order to inspect whether cables in the market comply with CPR; and increasing the number of audits being carried out by R.T. Ministry of Industry and Technology and including cables within the scope of these audits shall play crucial roles in improving the levels of quality and safety in Turkish cable sector. Especially the increase use of Cca and B2ca class CPR compliant top level products in prestigious domestic projects in recent years is critical in terms of the emphasis placed on 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 communiqué amending the general technical specifications for construction works, construction, machinery and electrical installations by Republic of Turkey, Ministry of Environment, Urban Planning and Climate Change 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.

R&D Activities

Türk Prysmian Kablo aims to increase its competitive power in the energy and telecommunication cables industry, offering users of cutting edge technologies the opportunity to take the advantage of its leadership in innovation and development, and is working on efficient, effective, superior and eco-friendly products and system solutions. The Research & Development (R&D) Centre in Mudanya is one of the 25 centers 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 departments, the R&D Centre encompasses a Material Technologies Laboratory, a Burn Test Laboratory, an Energy Cable Testing Laboratory, a Telecom 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 Burn Test 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".

The Construction Products Regulation (EU) No: 305/2011) that Türk Prysmian Kablo reviewed in the scope of its initiative "Caution! Not Every Cable is 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 CRP certificate certifies reaction to fire performances and regulatory compliance of cables. EN 50575 Standard regulating implementation of CPR in cable sector determines the fire reaction performance requirements of power, control and communication cables used in any structure, including buildings and infrastructures, the tests regarding these requirements and 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 continuously adapts its products to the requirements of CPR. We developed top quality CPR compliant cables to meet the increasing CPR demand in the railway sector. There is a demand for B and C CPR class, high fire performance cables for use in new generation power stations and modern substations standing out with renewable energy production. We have developed new CPR series under control, instrumentation and power cable groups to meet this demand, and the certification processes have been completed and thus we managed to access new import markets.

Studies on developing PVC material development as an alternative to low smoke, halogen-free LSOH material solutions have been completed to meet the demands of customers in diverse markets. Research and product development activities carried out to export our cables to broad markets such as United States, Europe and Australia, yielded launch of new product groups. Collaboration is made with R&D implementing common

projects in optical fiber solutions and we continue our efforts to develop innovative products.

We calculated our carbon footprint within the scope of sustainability studies. LCA activities were carried out to evaluate environmental impact of our factory. Total energy consumption has been reduced by investing in new machines that will ensure energy efficiency.

Through its Mudanya R&D Center, Türk Prysmian Kablo invests in technology and innovation, promoting technological innovations and products with superior performance to users with the objective of improving competitive power of our country. In line with this vision, since 2016 the company has been carrying out activities in the first R&D Center of the cable sector certified by R.T. Ministry of Science, Industry and Technology. In addition to innovation and product development efforts, Türk Prysmian Kablo has completed 7 Tübitak Projects as of the end of 2021 and attended an internal seminar as a speaker. Close alliances established with universities are in progress. Our R&D staff continues their post graduate and doctorate education. As of 2022, we have 9 ongoing projects. Two seminar presentations were held at the university by our staff who continue their graduate education.

The R&D Centre of Türk Prysmian Kablo continues to produce high-performing innovative solutions giving priority to efficiency and safety. For energy, fiber 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 signaling cables, low voltage and fiber optic cables for the petro chemistry industry, minitube fiber optic cables, defense industry and railway car cables, fire-resistant railway - fibreoptic cables, and custom cables for the petro chemistry 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".

Economic Expectations

2022 2nd Quarter Result

Second quarter Russia - Ukraine of the crisis negative effects standing out _ first Europe region be about to spherical in economies basis aspect energy in prices path opened increases, raw material supply in your chains disruptions and food in the prices hard to the ups reason is seen . Europe in the region June PMI data economic in operation acceleration loss that it is sign while in the USA rising inflation and declining consumer trust datas effect with new orders contraction seen and PMI last two of the year most low to the level declined.

Developed and developing the one which... all economies on inflationist your prints increasing continue to path opening improvements at the end weighted aspect centre of banks interest increment decisions and that

direction expectations soaring continue it did . June 0.75 basis per month point interest increasing of the FED next in this month on the train continue will towards declarations it happened . ECB June at the meeting interest rates by not changing together next in months this direction action as you can afford about in the statements found . in the last month of the term Bank of England 0.25 basis point interest by increasing indicator increased its interest rate to 1.25% . Interest increasing countries between a other Caution attractive development The last 10 years of the Swiss National Bank over 0.50 basis points for the first time in a while point interest boost it happened .

of the year from the beginning this sideways rising commodity to prices In addition , in recent months food prices on a global basis record price increases happened . food in prices precaution not received , control not provided in case food of the crisis inevitable will happen authorities by declaration was done . May inflation in the US eighties your years from the beginning this sideways most high figure which rose to 8.6% . EUR zone May bear inflation as 8.1 % happened .

In our country CPI June 4.95 % per month increased and annually inflation was 78.62% . During this period , the consumer yearly inflation basis goods in the group annoyed a quantity regressing in other subgroups rose . in inflation on the rise most evident contribution energy from the group came and the energy inflation Turkish pound in terms of international energy in the prices to the view parallel aspect fuel , natural gas and electricity pens led by important extent rose . June month of service in the group yearly inflation in all subgroups increased food _ in the group if yearly inflation raw in food regressing finished in food to rise continue that he followed .

industrial production in April important a change while invisible yearly increase your expectations over 11 % happened . Yearly growth as the main manufacturing and mining by sectors supported . June per month White goods sales increased by 6 % automotive in the market last to the year 1% increase over seen .

Geopolitics improvements in the continuation growing energy – commodity of prices effect with May per month external trade deficit amounted to 10.6 billion USD . Your export import welcome rate if last to the year by down 64 % happened . International in the markets June OPEC countries in next in months production increase his decision of the statement effect with oil prices albeit limited _ drop and brent oil prices period USD 120/ barrel level closed .

lately _ developed country central banks interest increments after that developed country bond increase in interest rates over developing the one which... from countries loaded fund outputs while being observed most high fund output 8.1 billion dollar with of china effective is Asia from the markets happened . continue in Europe the one who Geopolitics risks in China with the epidemic struggle in the scope of continue the one who disruptions in production and global economies contraction risk as factors weak EUR/USD pair path opened . developing the one which... to countries of risk appetite decrease results developing the one which... country currencies _ parallel movement with period in USD / TL finally at level 17 process saw .

2022 3rd Quarter

High oil prices because of next period current your deficit by expanding continue do n't and that current open over negative effect to be seen risk by being together next period tourism revenues and oil prices . cruising this on the subject pending will be .

OECD 's June in the report spherical growth forecast for 2022 from 4.5% to 3 % for he dropped observed . Turkey's growth in your estimation if in limited though growth expectation highlighted . Spherical inflation and the year 2022 increased by 8-9 % to be completed in 2023 inside back to 6 % can regress prediction are made . World base spherical to grow their final expectations for 2022 a to 2.9% from the previous 3.2 % has downloaded .

Central bank and BRSA statements recently _ being watched the one which... TL encouraging and supportive exchange rate protected deposits to FX deposits compulsory your responses increase , TL loan limitation bringing in like to applications continue will be is in the direction . CBRT in April . made 2022 inflation in the announcement expectation of 42.8% . had announced Turkey in economy current improvements at the end this your target above directional revision can be expected .

June at its last meeting in indicator of the CBRT, which left the interest rate at 14% . year to the end until interest to increase go and basic in their policies important a change not expected .

7- Summarized Activity Results

CONDENSED BALANCE SHEET

	Independent Audit Completed 30 June 2022	Independent Audit Completed 31 December 2021
Current assets	3,405,413,100	2,026,951,571
Non-current assets	352,130,562	255,778,945
Total assets	3,757,543,662	2,282,730,516
Short-term liabilities	3,216,711,771	1,818,827,462
Long-term liabilities	30,572,253	25,939,776
Equities	510,259,638	437,963,278
Total Liabilities	3,757,543,662	2,282,730,516

CONDENSED INCOME STATEMENT

	1 January- 30 June 2022	1 April- 30 June 2022	1 January- 30 June 2021	1 April- 30 June 2021
Revenue	3,363,359,081	1,879,379,338	1,320,039,063	746,502,128
Costs of sales (-)	(3,009,430,969)	(1,661,606,487)	(1,191,004,051)	(671,182,550)
Gross profit	353,928,112	217,772,851	129,035,012	75,319,578
Operating Costs	(243,440,930)	(115,995,314)	(112,081,276)	(64,656,964)
Operating profit	110,487,182	101,777,537	16,953,736	10,662,614
Operating profit before financing income/(expense)	-	-	-	-
Profit before financing income/(expense)	110,487,182	101,777,537	16,953,736	10,662,614
Financing income/(expense)	(24,440,189)	(19,781,626)	(3,943,466)	(2,750,416)
Profit before tax	86,046,993	81,995,911	13,010,270	7,912,198
Tax income/(expense)	(2,255,820)	(4,229,583)	4,694,162	(156,548)
Period Profit / (Loss)	83,791,173	77,766,328	17,704,432	7,755,650

Net period profit of the company for the operating cycle January 1 – June 30, 2022 is TRY83.791.173.

8- FINANCIAL SOURCES OF THE COMPANY

The company uses the funds it creates as a result of its activities as a source of financing. As of 30 June 2022, a total of TL 475.761.809 short-term loans are available in the balance sheet. As of 30 June 2022, the export loan commitment debt are USD 11,605,069 and EUR 2,845,760.

Basic Ratios

	<u>30 June 2022</u>	<u>31 December 2021</u>
Current Ratio (Current Assets/Short-term liabilities)	1.06	1.11
Total Liabilities/Total Assets	0.86	0.81
Total Liabilities/Equity	636	4.21

	<u>1 January- 30-Jun 2022</u>	<u>1 April- 30-Jun 2022</u>	<u>1 January- 30-Jun 2021</u>	<u>1 April- 30-Jun 2021</u>
Gross Profit/Net Sales	10,52%	11,59%	9,78%	10,09%
Operating Profit/Net Sales	3,29%	5,42%	1,28%	1,43%

9- Expectations For The Next Quarter

As Türk Prysmian Kablo, our expectation in 3Q 2022 risks for projects due to macroeconomic dynamics in Turkey and the Russia-Ukraine conflict, while novel coronavirus variants remain a global concern. We expect revenues to increase by 150–160% compared to 3Q 2021. We expect the EBITDA margin to be around 3.5-4%.

10- Dividend Policy and Profit Distribution Time

There is no privilege as regards to participation in the company's profit and Profit Distribution Policy as determined in the Ordinary General Assembly meeting dated March 30, 2022 is indicated below;

Company passes its resolution to distribute dividend in the direction of Company's long-term financial state including its investment and financial needs and market projections, pursuant to the provisions of the Turkish Commercial Code, Capital Market Law, Tax Law and related legislation, and provisions of Articles of Association relating to profit distribution. The dividend policy of the Company is based on consistently balancing the interests of the shareholders and the Company.

The General Assembly shall determine the dividend to be distributed, form and time of distribution upon relevant proposal drawn up by the Board of Directors in accordance with the Capital Market Law. Dividend shall be distributed equally to all of the shares existing as of the date of distribution, regardless of their dates of issuance and acquisition.

No real person is entitled to receive privileged share from the Company's distributable profit.

11- KURUMSAL YÖNETİM İLKELERİNE UYUM RAPORU

Having more than 56 years of history in Turkey, As Türk Prysmian Kablo ve Sistemleri A.Ş. is one of the leading and most experienced companies in its sector.

As from its establishment, together with its Board of Directors and Executive Management, it has adopted the corporate structure and governance principles in its relations with the Company's shareholders, and relevant stakeholders. The company is committed to shape its structure and management style in accordance with guidelines specified in Corporate Governance Principles of Capital Market Board. Moreover, since Türk Prysmian Kablo ve Sistemleri A.Ş. is operating under the roof of the Prysmian Group, which has a worldwide network system and business operations, Türk Prysmian is also subject to the corporate governance principles of the Prysmian Group.

The Company, at all times, carries out business in consciousness of its social responsibilities as regards to relations with the public, customers and suppliers and by adhering to ethical values of the business world, and aims to enhance its studies and activities in this respect.

Türk Prysmian Kablo, the leading company of the cable sector, which has been making contributions to Turkish capital markets and the Turkish economy, has been the 23rd company in 2009 to be included in the prestigious Corporate Governance Index of Borsa İstanbul A.Ş. ("Borsa İstanbul"), which reflects the company's corporate value, as the result of rating research that was executed by SAHA Corporate Governance and Credit Rating Services Inc. (www.saharating.com) as per the Corporate Governance Principles of Capital Markets Board (CMB), by receiving a Governance Management rating of 7.76 out of 10 (77.58%).

Borsa İstanbul Corporate Governance Rating		
Main Sections	Weighted	Rating (%)
Shareholders	25%	95.36%
Public Disclosure And Transparency	25%	97.99%
Stakeholders	15%	98.14%
Board of Directors	35%	91.93%
Total	100%	95.24%

In 2021, according to the result of rating research that was executed by SAHA Corporate Governance and Credit Rating Services Inc., conducting corporate governance rating researches in Turkey as per the license granted by the Capital Market Board (CMB), related to "Shareholders, Informing the Public and Transparency, Beneficiaries and Board Committee" according to the communiqué regarding amendment of the communiqué (Serial: IV No: 63) on Establishment and Application of Corporate Governance Principles published by the Capital Market Board in Official Gazette no. 28567 dated 22.02.2013, the company received a Governance Management rating of 9.5 out of 10 (95.24%)

with 1,21 increase, completely fulfilling the requirements once again and remaining under qualified companies. The rating research was conducted according to the methodology modified and new regulations put into practice by CMB. In the past the grade that was given for meeting mandatory corporate governance principles was 100 points but the new methodology restricts this to 85 points. Those who also make improvements besides fulfilling the mandatory principles receive a rating higher than 85. Enjoying the privilege of being one of the qualified companies, Türk Prysmian Kablo Sistemleri A.Ş. has continued to improve its rating since 2009 by receiving a higher note of 95.24.

You can view the full Corporate Governance Report in our web site (www.prysmiangroup.com.tr) under the category of "Investor Relations" and "Corporate Governance" tab.

In the operating cycle ending as of December 31, 2021, the Company complied with the Corporate Governance Principles published by the Capital Market Board and conducted its activities by adopting these principles with the exception of the following;

- Representation of Minority Shares in the Board of Directors
- Management of Cumulative Voting Rights

The particulars and grounds of non-compliance are clarified in the relevant sections of the report.

12- CAPITAL INCREASE, AMENDMENT OF ARTICLES OF ASSOCIATION AND DIVIDEND DISTRIBUTIONS MADE WITHIN THE PERIOD

Articles of Association of our Company have not been amended in the activity period 01.01.2022- 30.06.2022. Please see the final version of the Articles of Association on www.prysmiangroup.com.tr, www.kap.gov.tr.

Dividend Distribution accepted of the Board of Directors for the fiscal year 2021

Dividend Distribution Proposal

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 Association of our Company and publicly disclosed "Profit Distribution Policy"; it has been unanimously resolved by the undersigned members;

To distribute the dividend of TRY 11,494,813 which is also equal to 5,30 % of the issued capital of the Company, to our shareholders in cash, as of 25 May 2022; thus distributing net TRY 0.047732965 per share with a nominal value of TRY 1, following of deduction of 10% tax to be calculated over gross TRY 0.053036628 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 2021 and notify the shareholders.

We present it to your information.

13- RISK MANAGEMENT AND INTERNAL AUDIT MECHANISM

In order to ensure effective conduct of risk management, Risk Management Division has been put into operation as of 2002. This division developed processes and implemented projects for effective risk management applicable within the Company and Prysmian Cables and Systems Group. The purpose here is to effectively monitor the risks through daily reports in order to collect receivables in a timely manner.

The internal audit system of the Company is organized in such a way to provide appropriate clarification on all the Company's activities and to ensure an adequate auditing system. The responsibility regarding internal auditing system lies with the Board of Directors, and the Board of Directors, besides providing the major guidelines of the system, undertakes verification of sufficiency and effectiveness of the audit system.

The Audit Committee comprises of two Board members. These two Directors hold office in the Board of Directors, and they are not directly engaged in Company's activities and management. The Audit Committee meets regularly as indicated in the relevant communiqué of the Capital Market Board and the representative of the External Auditing Company may be invited to these meetings.

The aim of the Audit Committee is to provide assistance to the Board of Directors during fulfillment of long - term obligations as regards to accounting and finance reporting applications, policies and procedures, as well as evaluation of quality and risk management of Company's internal auditing systems.

The internal auditing and periodical audit activities ensure accomplishment of necessary controls to observe whether compliance with the procedures, policies and strategies is achieved or not. Apart from the audit functions of the Internal Audit Division, the Internal Audit Department of Prysmian Cables and Systems Group performs internal auditing of Türk Prysmian Kablo ve Sistemleri A.Ş., in addition to the auditing services rendered regularly by the External Audit Company.

Furthermore there is also a Planning and Control Division which presents detailed monthly reports to the Managing Director and Executive Management and provides useful and comprehensive information for the following specific activities.

Information regarding to relations with the independent audit company, PwC Bağımsız Denetim Ve SMM A.Ş:

<http://www.pwc.com/TR/tr>

and information regarding tax audit company, MAZARS-DENGE:

<http://www.mazarsdenge.com.tr>

Assessment related to Internal Audit, Internal Control and Risk Management Systems

Prysmian Group active in cable industry has adopted adequate internal audit, internal control and risk management systems (internal systems) in line with its activities and business branches. Aiming to monitor and manage the risks arising from the activities of the company, both the local regulations and Prysmian Group requirements have been considered while establishing the internal systems. The internal systems meet the principles of independency, impartiality, effectiveness, adequacy, and division of powers in the entire organization. All our activities and business

processes target customer satisfaction, sustainable income production and rising the economic interests of the shareholders with consideration of risk sensitive capital management. Prysmian Group Board of Directors is responsible for adopting and managing the internal systems in line with the applicable regulations, and financial control and audit activities within the scope of this responsibility shall be supervised via Committee responsible for the Audits. Audit Committee performs this function by detailed examination of the reports provided by the Audit Department which has been obliged to financially review, audit and report the efficiency of our processes; and instructs the company management accordingly and present any issue, as deemed necessary, to the information and approval of Board of Directors.

The Audit Committee functions under the structure and coordination of Board of Directors. Audit Directorate financially reviews efficiency of the entire business processes of the company, and tests the existence, effectiveness and practice levels of the respective audit mechanisms and determines required actions, if any, together with operations units. It reports the results of its works and activities to the Audit Committee.

14- EMPLOYEE BENEFITS

As of Thursday, March 31, 2022 the Group employs on average 602 personnel in a year (December 31, 2021: 571). The Company offers transportation and food allowances to all employees. Moreover white collar workers receive health insurance.

Benefits to Top Level Management

The rights of the BOD Members are agreed upon in the General Assembly meeting; no award is considered in determination of financial rights of the BOD Members depending on their individual performance and reflecting the performance of the Company.

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

	1 January- 30 June 2022	1 April- 30 June 2022	1 January- 30 June 2021	1 January- 30 June 2021
Wages and other short term benefits	3,516,403	379,170	4,288,940	2,191,724
Other long-term benefits	2,754	(6,495)	4,606	1,910
	3,519,157	372,675	4,293,546	2,193,634

Collective Labor Agreements

As per the collective labor agreement executed by United Metal Workers' Union (Birleşik Metal İş) and Turkish Employer's Association of Metal Industries (MESS) that our company is a member of, our Company is subject to Collective Labor Agreement for the period September 1, 2021 - August 31, 2023.

Benefits to the Board of Directors

The rights granted to the Members of the Board of Directors are decided at the General Assembly, and only the Independent Members of the Board of Directors are paid. In determining the financial rights of the Members of the Board of Directors, there is no award based on the performance of the Members of the Board of Directors and reflecting the performance of the Company. In addition, no loan was given to any Member of the Board of Directors and the Company's Top Manager during the period, no loans were made, no benefit was provided under the name of credit through a third party, and no guarantees such as surety were given to them.

15- LAWSUITS FILED AGAINST THE COMPANY THAT MAY AFFECT COMPANY'S FINANCIAL STATUS:

Provision for litigation risks set aside against any possible risk is TRY 1,341,782 as shown under footnotes of financial statements, yet there is no major litigation that may affect the financial status of our Company.

16- ADMINISTRATIVE OR CRIMINAL SANCTIONS IMPOSED AGAINST THE COMPANY AND MEMBERS OF THE COMPANY'S MANAGING BODIES DUE TO ANY CONDUCT IN VIOLATION OF THE LAW

There is no sanction existing as of 1 January - 30 June 2022 imposed against the company and members of the company's managing bodies due to any conduct in violation of the Law.

17- DERIVATIVE TRANSACTIONS

The Company uses foreign currency derivative tools in order to protect future significant transactions and cash flows against financial risks. The Company 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 Company operates. All forward exchange transactions are made in the form of forward contracts.

18- INVESTMENT INCENTIVE PRACTICES

As per the Law no. 5746 on Supporting research and Development Activities, we receive incentives and support granted for R&D Centers.

We were granted an investment incentive for "production of insulated wires and cables" on June 26, 2018 within the scope of Reduced Corporate Tax. The incentives granted is classified under Zone 1 according to tax incentive legislation and provides tax incentive of 15%. In the Company's statement of financial position, a reduction is made in the corporate tax for the current period according to the amount of investment spending.

19- MISCELLANEOUS

Transactions with related parties during the reporting period are explained in detail in the footnote of the financial statement published on Public disclosure Platform on 26.04.2022. These transactions are also disclosed on our website.

The upper limit for donations to be made in the year 2021 is determined as TRY 500,000 in the Ordinary General Assembly meeting held on 31.03.2021.

Annual Activity Report Legal Basis:

Annual activity Report for the Fiscal Period 01.01.2022-30.06.2022 was issued based on the clause three of Article 516, and Article 518 of the Turkish Commercial Code, in accordance with the provisions of the "Regulation on Minimum Content of the Annual Activity Reports" published by the Ministry of Customs and Trade and "Communiqué on Principles of Financial Reporting in Capital Markets" published by the Capital Market Board.

Annual Activity Report Approval:

The Annual Activity Report of the Group for the fiscal period 01.01.2022-30.06.2022 was approved by the members of the Board of Directors of the Company on 27.07.2022.