

Türk Prysmian Kablo ve Sistemleri A.Ş.

2021 ANNUAL REPORT



1915 Çanakkale Bridge

Due to the ever-increasing demand for energy, renewable and sustainable energy sources, particularly the wind and solar power are becoming more of a focus. 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, Türk 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 40 million meters of solar cables supplied by Türk Prysmian Kablo for major projects to date. Electricity generated by solar power plants using our cables accounts to 1 month electricity need of approximately 9 million households.

Feeling responsible for the universe and maintaining a sustainable standpoint, Türk Prysmian Kablo aims to carry out renewable energy projects for the benefit of the world and the industry both, continuing to contribute to the Turkish cable sector with innovative and sustainable solutions.

Türk Prysmian Kablo ve Sistemleri A.Ş.

2021 ANNUAL REPORT

Prysmian
Group



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Message From The CEO



Dear Shareholders,

As Türk Prysmian Kablo, the Turkish operation of Prysmian Group, worldwide leader of the cable sector, we close out 2021 with many achievements and significant contributions to the Turkish economy and exports, guided by our mission “Connecting Turkey to the Future” and always putting sustainability at the heart of all our processes.

Extraordinary conditions brought on by the pandemic in 2020 both in social and economic terms have continued to affect us and the whole world in 2021, with new dimensions added to these challenges.

While Covid-19 continues to pose a threat to all countries with the rise of new variants, the wheels of production started turning again thanks to a relatively safe environment created by vaccination efforts and as required by the principle of economic continuity. High-level measures we have taken throughout the year and strict compliance with the instructions of public authorities enabled us to keep up production and operations at full speed; and in all our processes the well-being and safety of our stakeholders but primarily our employees and their families have remained as our top priority.

Looking back at 2021, we can proudly say that we achieved great results in line with our plans and delivered a better performance than the last year despite the effects of the Covid-19 on different levels.

Integrating sustainability in all phases of our operations

Driven with the sense of economic, social and environmental responsibility, Türk Prysmian Kablo integrates sustainability in all phases of its operations. With a crucial breakthrough in this respect, the 2021 has been the year with the sustainability being top of the agenda.

We built our sustainability vision on four primary pillars. Eliminating footprint, circular resource use, enhancing business model, and developing employees and society. We developed specific projects for each topic and demonstrating a significant performance, we managed to complete 22 different projects within 2021.

The ‘Sign it. For A Better Tomorrow’ project is an extremely crucial step in our sustainability journey. We want to create value for our stakeholders and the society by achieving our goals, and we continue our journey in this direction. We believe Sustainability is a journey, not a destination. We know that financial results are not the sole goal of businesses today. All decisions taken have to pass through complex processes including their impact on health, safety and environmental. Therefore we say ‘Sign it. For A Better Tomorrow’ and make a commitment to produce eco-friendly products by reducing emission and wastes. In line with this vision and philosophy we will continue to say ‘Linking Turkey To A Sustainable Future’ and to move forward at a high pace.

Putting digitalization at the core of our business

Although digitalization has always been incorporated in our company culture, it has entered in our agenda more effectively in 2021. Being the pioneer of the Turkish cable industry we continue to focus on investments in sustainability and digitalization. CableApp that provides convenience to the users on site, is only one of the investments made as part of our digitalization efforts; considering the rapidly increasing new requirements and demands in the market, this app makes it easier for our stakeholders to choose the right cable, helping them save time.

Another important element of our digitalization vision is our Online Cable Trainings. Being the first in the cable sector, Türk Prysmian Kablo continued to

provide Online Cable Trainings in 2021. Until now around 3 thousand people have received our Online Cable Trainings that was organized for the first time in 2015. These trainings are available for all our stakeholders and anyone who is interested. The program is designed for students and academicians as well as professionals in the sectors such as electrical engineers, electrical technicians and electrical project designers; the program has stimulated the professional development of the sector during the pandemic.

Along with these, throughout the year we continued to interact with our employees and stakeholders in the sector regularly at online meetings, meetings with dealers and webinars.

Carrying on with R&D and innovation activities at full speed

As the "Top R&D Spender" in the Turkish cable industry, we continue to lead the market. We know that it is difficult for companies and institution that are not agile and that do not incorporate R&D and innovations into their culture to survive and move forward in this new period. We will continue to adapt ourselves to the changing needs of consumers and produce eco-friendly, new generation cable technologies that can keep pace with the transformation driven by changing technology in the cable sector.

Employees are our most valuable asset

We are aware that being the leader and pioneer of the industry, we are perceived as a role model not only in the areas we operate but also in the way we do things. Thus it is important for us to share with stakeholders our efforts to protect the health and safety of our employees, our most valuable asset, and to raise awareness on occupational security. Our goal is to support sustainability development through the social responsibility projects we carry out; we are committed to turn our workplaces into much safer and better environments; and with our "Zero and Beyond" vision, we want to underline the importance of occupational health and safety.

Occupational health and safety, digitalization, R&D and innovation are the main criteria of our sustainability vision. Therefore we will continue to make investments in the digitalization, occupational health and safety as well as R&D and innovation fields at full speed in order to achieve our sustainability goals.

In 2021, we have implemented all our activities within the framework of the importance we attach to the corporate governance principles as always and updated our "Corporate Governance Rating Score" to 95.24. As the only publicly traded company in our sector, we are proud to update our score every year. As Türk Prysmian Kablo, we will reinforce our business model in order to integrate our economic, social and environmental responsibility in all phases of our operations, and to create value for our stakeholders and the society, and we will continue to effectively and actively contribute to this goal.

Being one of the pioneers of the sector and playing a key role in the Turkish economy, we will continue to work, to produce and to create added value for our country and our stakeholders.

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

Best regards

Ülkü Özcan
CEO



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 01.01.2021 and 31.12.2021.

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

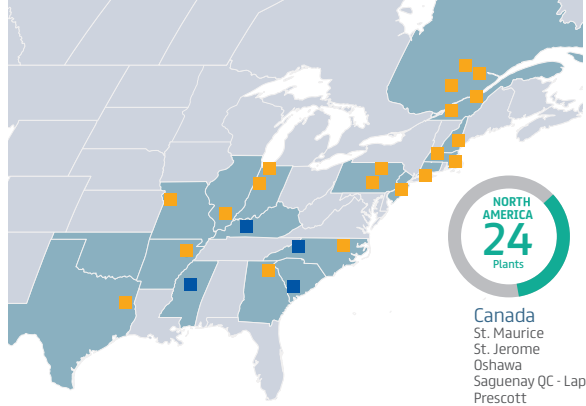
There hasn't been any amendment to the articles of association that has been registered during the 01.01.2021 - 31.12.2021 financial. However, after the finalization of the capital increase performed within the capital ceiling in the last quarter of 2019; Article 6 titled "Registered Capital" of the 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

NORTH AMERICA



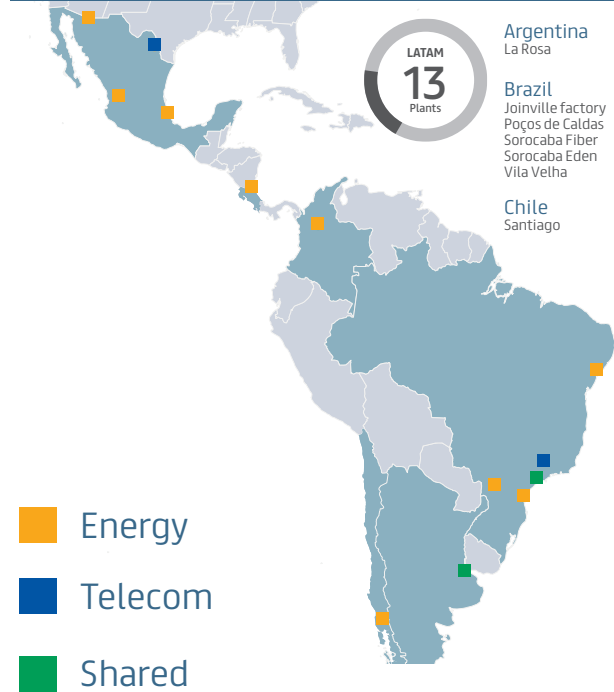
NORTH AMERICA
24
Plants

Canada
St. Maurice
St. Jerome
Oshawa
Saguenay QC - Lapointe
Prescott

U.S.A.
Rocky Mountain
Du Quoin
Lincoln
Indianapolis
Jackson

Manchester
Marion
Marshall
Paragould
Sedalia
Williamsport
Willimantic
Lawrenceburg
Abbeville
Bridgewater
Claremont
Lexington
North Dighton
Schuylkill Haven

LATIN AMERICA



LATAM
13
Plants

Argentina
La Rosa

Brazil
Joinville factory
Poços de Caldas
Sorocaba Fiber
Sorocaba Eden
Vila Velha

Chile
Santiago

Colombia
Bogotá

Costa Rica
Heredia

Mexico
Durango
Tetla
Piedras Negras
Nogales

Energy

Telecom

Shared

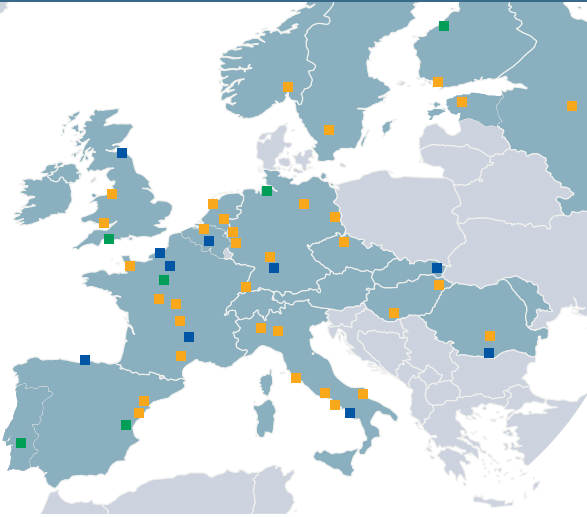
TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AT A GLANCE

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

EUROPE



Czech Republic
Velké Meziříčí

Estonia
Keila

Finland
Pikkala
Oulu

Italy
Battipaglia
Giovinazzo
Livorno
Merlino
Pignataro M.
Quattordio
Arco Felice

Norway
Drammen

U.K.
Washington
Wrexham
Bishopstoke
Aberdare

France
Calais
Billy - Berclau - Douvrin
Sainte Geneviève
Amfreville
Paron
Pont de Cheruy - Charvieu
Cornimont - Xoulces
Gron
Pont de Cheruy - Chavanoz
Montreau

Portugal
Morelena

Romania
Milcov
Slatina

Russia
Rybinsk

Slovakia
Presov

Germany
Wuppertal
Berlin
Nurnberg
Nordenham
Neustadt
Schwerin
Baesweiler

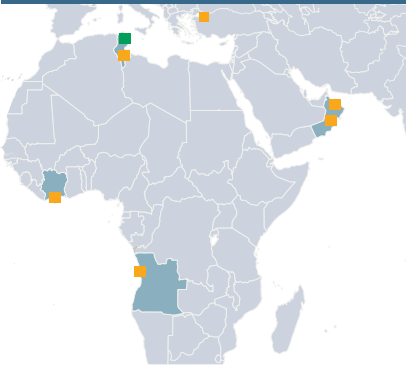
Hungary
Kistelek
Balassagyarmat

Spain
Abrera
Santa Perpetua
Vilanova
Santander

Sweden
Nassjo

The Netherlands
Eindhoven
Nieuw Berger
Delft
Emmen

MEAT



Angola
Luanda

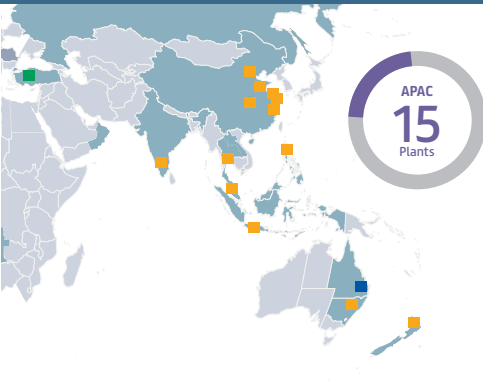
Oman
Sohar
Muscat

Turkey
Mudanya

Ivory Coast
Abidjan

Tunisia
Grombalia
Menzel Bouzelfa

APAC



Australia
Liverpool
Dee Why

China
Zhongyao
Haixun
Yixing
Tianjin
Suzhou
Shanghai 1
Shanghai 2

India
Chiplun

Indonesia
Cikampek

Malaysia
Metaka

New Zealand
New Lynn

Philippines
Cebu

Thailand
Rayong

+50 countries

108 plants

26 R&D centers

about **29.000** employees

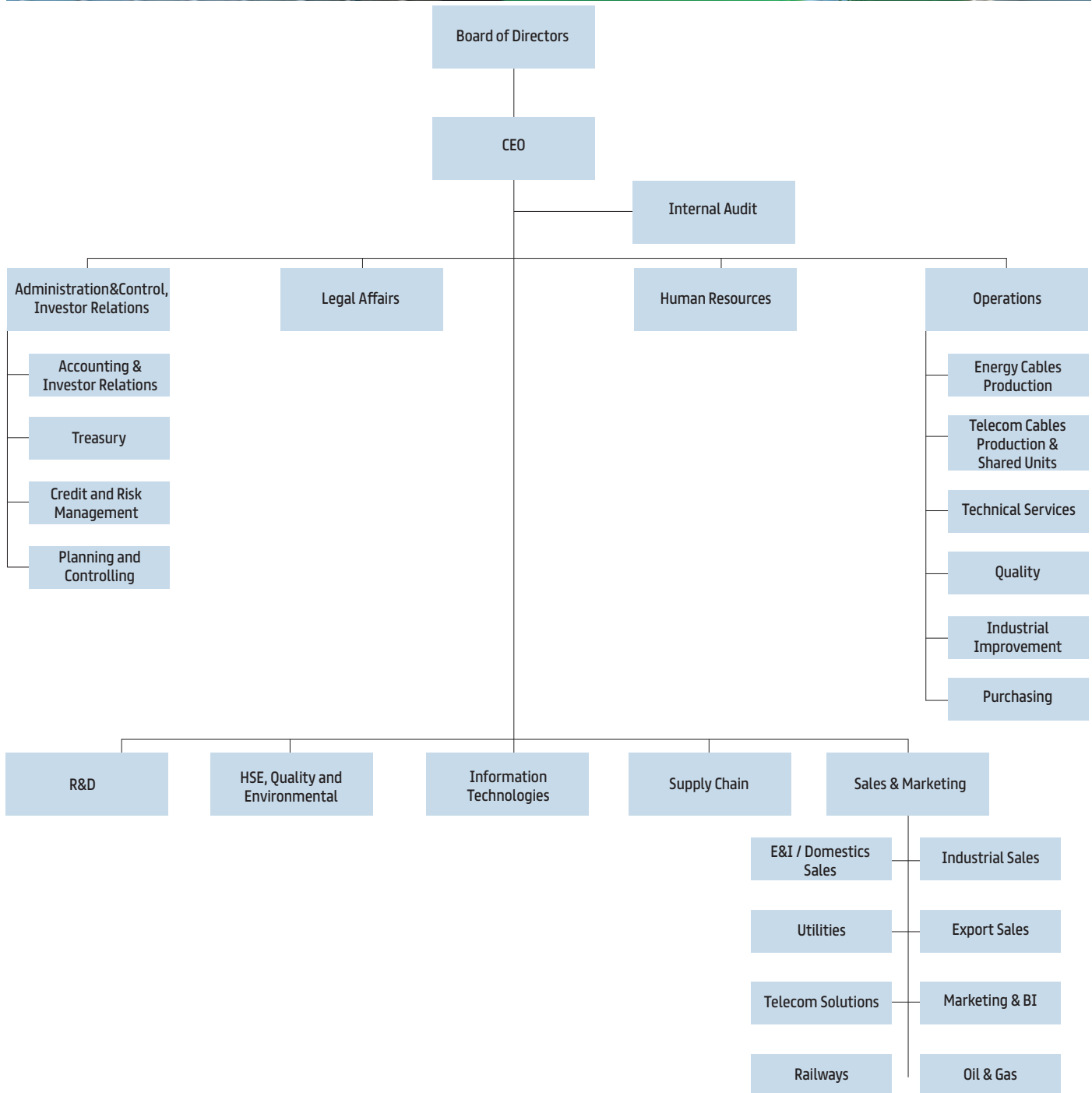
4 cable-laying ships

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 Istanbul 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.

Organizational Structure



Company Boards

The Board of Directors

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

Audit Committee

Chairman	İsmet SU
Committee Member	Banu UZGUR
Committee Member	Mine AYHAN

Corporate Governance Committee

Chairman	Banu UZGUR
Committee Member	Mine AYHAN

Early Risk Assessment and Risk Management Committee

Chairman	Mine AYHAN
Committee Member	Banu UZGUR
Committee Member	İsmet SU

** Corporate Board of Directors Committee member Nevin Kocabaş is not included in the list since she resigned as of 15.12.2021.*



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.



Ülkü Özcan **Vice Chairman & CEO**

Mrs. Ülkü Özcan has graduated from Galatasaray High School in 1994 and Marmara University, Department of Business (English) in 1999. She has served as Senior Strategist, Strategy and Business Development Manager and Marketing Manager, respectively, at Lafarge Turkey between 1998-2010. Joining subsidiary of Sabancı Holding, Çimsa Cement in 2010, Mrs. Özcan has taken the positions of Strategy and Business Development Manager, Strategy and Marketing Manager, Strategy and Marketing Director, and Vice President for Strategy, Marketing and Sustainability, respectively, at Çimsa. Mrs. Özcan had served as the Vice President for Çimsa White Cement and Special Products Sales and Marketing starting from 2015. She became Çimsa's CEO on October 1st, 2018 and worked until August 2020 in this position. She has joined the Prysmian Group as of June 1st, 2021 as CEO of Türk Prysmian Kablo Sistemleri.



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).



Robert van Veen **Board Member**

Robert van Veen has been Senior Vice President Energy & Infrastructure of Prysmian Group since February 2018. He joined the Prysmian family in 2011 after the merger with Draka. He was in charge of the T&I, OEM/Industry and Telecom business in the Netherlands and Belgium. Robert started his career in the Electrical Wholesale Industry in January 1980, holding various management positions over a 30-year period.



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

İsmet Su, who graduated from Istanbul University Faculty of Law in 1984, is a member of Bursa Bar Association. AK Party Bursa in Parliament After serving as a deputy in the 24th and 25th terms, he still works as a freelance lawyer in Bursa.



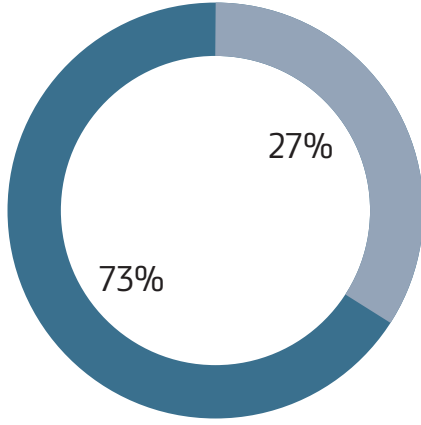
Mine Ayhan
Independent Member of the Board

Holding a B.A. from the Department of Mathematics, Boğaziçi University, Mine Ayhan started her career in 1991 at Yapı Kredi Sigorta 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.

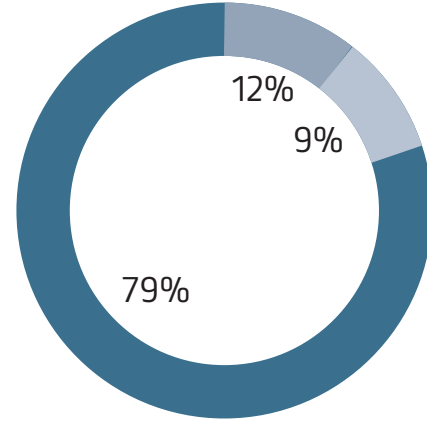


Sales Structure

Our company's sales structure in 2021 is as below:



Domestic Market:	TRY 2.358.122.734	(%73)
Export:	TRY 872.573.338	(%27)
Total:	TRY 3.220.770.171	



Energy-Cables:	TRY 2.550.217.705,70	(%79)
Energy-Projects:	TRY 395.027.792,88	(%12)
Telecom:	TRY 275.524.672,51	(%9)

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

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

Cihan Elektrik
Delta Tema
Derya Elektrik
DES Elektrik
Egesim
Ekay Elektrik
Elpim

Fındikkaya Elektrik
Güzel Ufuk Elektrik
Karadeniz Elektromarket
Kıraç Elektrik
Mefa Elektrik
Oskar Yatırım Enerji
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 2021

1915 Çanakkale Bridge:	World's Longest Midspan Suspension Bridge With a Main Span of 2.023 Meters
Çanakkale Strait - İzmit Gulf Crossing:	400 kV Submarine Cable Connection Project
Karapınar YEKA-1 Solar Power Plant, Konya:	Turkey's Longest Solar Power Plant With an Installed Capacity of 1,300 MW
PTA Plant Project, Adana:	Turkey's Largest Petrochemical Plant Investment
Rize-Artvin Airport:	Turkey's Second Airport Built On The Sea

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

İlgaz 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

2021 Economic Overview



4th Quarter of 2021

International organizations revised up their growth forecasts due to recovery of the global economy with the gradual softening of the impact of the pandemic in the 3rd quarter; and eventually economic growth was achievable despite the restrictive impact of the new omicron variant felt in the last quarter of 2021. USA economy grew by 5,7% in 2021 showing its best performance in the last 40 years, in December, unemployment rate in USA fell for the first time since the pandemic began, providing a good indicator of recovery. China's economy grew by seasonally adjusted 1.6 percent in the fourth quarter of 2021, and expanded by 8.1% year-on-year, growing way beyond expectations. Although completing 2021 with a high growth figure, in the last two quarters where economic activity was rather low, the Central Bank has announced a series of measures to support the activities. In EURO area, in the third quarter of 2021, GDP had grown by 2.3%, and rose by %0.3 in the last quarter. Growth was limited in European countries that imposed restrictions in response to the new variant, and higher in remaining countries. Euro Area PMI data in December are a good indicator of the positive rebound of the economy.

Higher capacity utilization levels and other indicators point that Turkish economy may see a two-digit growth in 2021, above the levels foreseen in the beginning of the year. PMI index that rapidly went down during the period when pandemic was intense, was above 50 in 2021 and went up during November and December amid currency volatility, signaling a stronger improvement. Industrial production volumes went up by 17% year on year as of the end of November. This was mainly driven by manufacturing industry sector, specifically the manufacturing of consumer and intermediate goods. Although domestic automobile sales fell due to the impact of adverse foreign exchange rates, exports increased, and exported automobiles accounted for 70% of the total output. Domestic white good sales increased by 9%.

In December, the consumer prices rose by 13.58% and the annual inflation has surged by 14.77 points reaching to 36.08%. While this development was predominantly driven by the price increases in the core goods and food groups, annual inflation went up across all main groups. The impact of exchange rate developments was observed in the core goods group, in which the exchange rate pass-through is high, led by durable consumption goods, and prices in the food group excluding fresh fruits and vegetables rose substantially. The depreciation of the Turkish lira, the elevated course of commodity prices, and the lingering disruptions in supply chains caused the rise in producer prices to continue at an accelerated pace. Producer prices continued to rise markedly in December, largely due to energy and intermediate goods, reaching up to 79.89% at the year-end.

Decisions announced by central banks in advanced economies in the last month of 2021 had impact on global economy. We frequently witnessed growth and inflation pressures throughout the year and political rate decisions and statements in this direction. As inflation in the U.K. rose at its fastest annual rate in the last decade, Bank of England raised interest rates to 0.25% in December. While FED did not raise the interest rate, announcements were made signaling monetary tightening. Despite annual inflation reaching to 4.7%, the highest rate in the last twenty-five years, European Central Bank did not raise the interest rates but announced that monetary expansion will be gradually finalized.

The Central Bank of Turkey cut its policy rate by 100 basis points to 14% in the December meeting, slashing the policy rate by 500 basis points in the last four meetings. This decision was triggered by the drop to levels of 10% in September due to strict policies contractionary effect on commercial loans. Growth in TRY commercial loans accelerated and reached 20% by the year-end.

After the interest rate cut in December, the negative interest environment in TRY leads to extreme volatility in USD/TRY rates. USD/TRY rates reached an all-time high but with the FX-hedged deposit products launched to encourage individuals who have a TRY deposit account to move towards Turkish-lira based assets, and the subsequent measures taken has helped to bring the situation under control. Accordingly the year-end USD/TRY rate was 13, and EURO/TRY rate was 14.70. 5-year CDS premium that reached over 600 in December has fallen to 550 at the end of the year.

Exports rise to a record level in November reaching to \$21 billion however due increased import of oil and natural gas by the impact of high energy prices, Country's imports reached \$26.9 billion. Trade deficit that remained the same increased again in the first months of the year and then declined to \$39.4 billion in the period from January to November. Export/import coverage ratio that was 77% in the same period last year, rose to 84% in 2021. Turkey exported mostly to German, Iraq and UK.

When the central administration budget results are checked, with the positive impact of the increase in tax income in November, a primary surplus of TRY 32 billion is posted. In the January-November period, annual budgetary deficit was posted as TRY 46.5 billion decreasing by 65%.

Due to Covid related concerns in supply demand equilibrium in 2021, oil prices have remained highly volatile. Economic recovery thanks to vaccination rollout across the world, pushed the oil prices up and crude oil prices that rose around 5-10 percent only in December increased more than 50% in 2021.

2022 Economic Expectations

1st Quarter of 2022

Global economy entered year 2022 in a weaker position than expected. This is driven by ongoing supply chain disruptions, energy supply problems and rising prices, as well as higher inflation that may last longer than anticipated. The inflation climbed by the fastest pace in the last 19 years jumping to 36% in 2021 and it is expected to accelerate in the first quarter of the year.

This is triggered by 25% price increases in base metals, electricity and natural gas along with food prices in December.

In 2022 concerns in the market regarding the new Omicron-variant are declining as it is no longer seen as a serious threat with the assumption it is less severe and will not require severe quarantine measures. Despite the recent increase in the number of cases, improved vaccination rates stimulate economic activities especially in the service sector, primarily the tourism sector, which was one of the sectors that is most affected by the pandemic. Accordingly the share of service sector in credit card spendings have increased.

Statements and decisions made by the Central Bank of Turkey continue to guide the domestic markets, and all these decisions focus on supporting the improvement of Turkish Lira deposits and Turkish lira-denominated assets. According to the results of the Survey of the Market Participants, 2022 year-end inflation is expected to rise to 25%.

Provisional export data suggest that exports reaching to all-time high in November remained strong at the end of the year and imports continue to increase due to crises in energy imports, contributing significantly to foreign trade deficit. Meanwhile recovery of the service sector is expected to support current account balance and causing it to post a surplus in 2022.

IMF recently announced that the growth rate of the global economy will slow to 4.4% in 2022.



2021 Industry Overview



“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 world 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 that has been shrinking due to Covid-19 pandemic and its effects is expecting a growth in 2022 thanks to measures taken and increasing vaccination rate.

COVID-19 outbreak the global effects of which were felt 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.

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, and export in the first 10 months of 2021 was USD 2,4 billion, reaching to USD 2,9 billion by the year-end. Today, the manufacturers in the market continue to produce in different segments including energy, communication, fiber-optic, low current cables and enamel coil 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 2021. 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 with high fire risk 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, Urbanisation 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, Urbanisation 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.



Sustainability

Linking Turkey to a Sustainable Future

Our Sustainability Commitment

As Türk Prysmian Kablo, having 58 years of history in Turkey and being part of Prysmian Group with 130+ years of experience globally, we put strong dedication to be a sustainable company. With this intent, we are embedding economic, social and environmental responsibility in all aspects and activities of our business; leading this challenging cultural transformation with a strong plan vigorously.

This transformation can only be done by a strategic approach; planning the future in a responsible manner, involving and listening to all internal and external stakeholders, closely monitoring industry and global economy and executing an action plan that serves business, environment and society. We are committed to work in this direction.

Sustainability Planning Activities

To achieve and to embed our sustainability commitments in the core of our business, in 2020 we created a Sustainability Committee; coming from diversified backgrounds, gender, age, past experience, location and departments of the company, together with the leadership of the project and coordination teams and the sponsorship of the Türk Prysmian Kablo CEO.

This team spent approximately four months to create Türk Prysmian Kablo's Sustainability Plan, and during this process a business case for pursuing sustainability was developed, trends were analyzed, sustainability vision was defined, impacts analysis was conducted and long term goals were established. A dedicated set of metrics has been identified. Main project sections were defined, an implementation strategy was developed and short, medium and long term goals were revised. For the management of the overall structure, sustainability management system studies have been planned. We continued to make progress towards our sustainability targets with the new sustainability studies launched in 2021.

Here is our vision, principles and commitments for 2030 within the scope of this planning:

Our Vision:

We want to assure innovative energy & telecommunication solutions through a responsible production by pursuing economic, environmental, and social sustainability for all stakeholders and the planet.

As Türk Prysmian Kablo, our sustainability vision defines our intent of 'being a responsible business by pursuing economic, environmental and social sustainability for all stakeholders and the planet' under four primary pillars:

Eliminating Footprint

We want to operate with using less resources, convert our energy use to renewables and hence neutralize our footprint. We want do that by using energy and water more efficiently, consuming less of these inputs and switching to renewable energy when possible to decrease our footprint.

Circular Resource Use

We want to prevent depletion of natural resources and harming of the natural environment by using regenerative input. By using regenerative input (materials and water) for our production and using less, we make sure the materials and resources are kept in the lifecycle.

Enhancing 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.

Developing Employees and Society

We want to be able to attract the talented and new generation employee force, develop our skills in-house and have a sustainable labor force in order to serve to the society in the best way possible and we engage with local communities to ensure that the areas in which we operate are protected and nourished. While nourishing from our stakeholders' diversity and ideas, we work to be an aspired employee in the society and for our industry and to guarantee workplace safety.

Our Principles:

Sustainability challenges are pressurizing the businesses to take longer term actions. Our planet is reaching its boundaries as emissions, water, chemical-loading continue to do harm.

At Türk Prysmian Kablo, we come to work every day with a commitment to save our planet and tackle climate change by transitioning to zero-carbon energy systems while producing responsibly.

We thrive the sustainability of our production processes while safeguarding the environment. We engage with local communities to ensure that the areas in which we operate are protected and to guarantee workplace safety. Being aware of our social responsibilities, we develop projects that support social and cultural life as a society.



Our Stakeholders:

Stakeholder Engagement is fundamental to Türk Prysmian Kablo business as value creation is essential to everyone involved in enterprise in creating a common purpose. We are aware that to be effective and able to minimize our risks, we must engage with our stakeholders; making them aware of the initiatives we take and receive their feedback for actions we should take.

Our Commitment to UN Sustainable Development Goals:

The United Nations "Decade of Action" program has defined tangible solutions to all the challenges posed by the 2030 Sustainable Development Goals.

Türk Prysmian Kablo is committed to supporting the achievement of the global agenda goals; serving primarily for SDG7 (Accessible and Clean Energy), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG12 (Responsible Production and Consumption) and hence contributing to building and upgrading of infrastructures for energy transmission and distribution and for telecommunications, the essential drivers for the transition to a new development model for the civil society.

Implementation Plan:

In the period following the Planning Stage in 2020, we have reviewed the feasibility of the project, and made the arrangements for the selected projects; we also developed budget, team, resource and project plans. The implementation of the project was started in January 2021. Progress is being monitored monthly by relevant teams with the leadership of the CEO.

Sustainability activities carried out so far are;

- All activities target the four primary pillars explained in our Vision and aim to refine our goals in such respect.
- Priorities set for 2021 sustainability projects are as follows:
- Actions targeting energy efficiency and use of renewable energy resources
- Actions for effective use of water and other resources
- Carrying out lifecycle analysis of our products
- Building a functioning Sustainability Management System and integrating this system with existing management systems
- Efforts to promote positive impact on the society and community that we are a part of
- Efforts to improve wellness and efficiency of our employees

The sustainability approach forms the basis of all our work. In line with our environmental sustainability efforts, we especially focus on renewable energy products included in our industrial cables product range. The amount of cable we have supplied for solar energy projects so far has reached approximately 40 million meters. In other words, we supplied a cable long enough to circle the earth one round. This means that approximately 9 million households need electricity for 1 month.

Apart from focusing on renewable production efforts, the team has already completed several actions under the plan including creating a sustainability website with detailed information; and developed around 40 different short, medium and long-term sustainability projects to be applied in the company.

We supplied fire safety cables to 2nd Family House of KAÇUV – The Hope Foundation for Children With Cancer, where children who are in financial difficulties and receiving cancer treatment and their families can stay when they come to Istanbul for treatment. We sponsored a thank you dinner to the healthcare personal of Istanbul University Cerrahpaşa Medical Faculty Hospital who were fighting against Covid-19, together with Istanbul Consulate General of Italy, the Italian Chamber of Commerce Association, a private Italian High School and Italian companies that actively operating in Turkey. After the earthquake that occurred in the Aegean Sea on October 30 and caused heavy damage across the city of Izmir, we donated spare power banks to the citizens who had to stay in tents, facing energy problems. We also supplied laptops computers to students in need during the distance education process together with the Association for Support Contemporary Life (ÇYDD), and made donation on International Women's Day on behalf of our women employees. We provided vehicles and drivers for filtration teams who worked under District Health Directorate of District Governorship of Mudanya. We also activated our membership with TEİD – Turkish Ethics and Reputation Society.

In 2021, a total of 22 sustainability projects were realized and we reached one more step closer to our goal of eliminating our carbon footprint by 59 thousand tons by 2030. We managed to eliminate approximately 1000 tons of CO₂ emission by the end of 2021 thanks to these projects implemented as the result of investments made in this field. We achieved this by reducing our natural gas consumption by 56,2 thousand Sm³, electricity consumption by 1.351 thousand kWh and diesel fuel consumption approximately by 89,3 thousand liters.

Within the scope of "Sign it. For A Better Tomorrow" Project, we organized many broad scale seminars in 2021: March 8th - International Women's Day, March 21st - World Innovation Day, May 20th - eInclusion Week - MEAT Day, October 21st - International HRD Square Sustainability Webinar, and November 23rd - Sustainability Day.

A board survey was made to help raise awareness about sustainability. This survey was conducted in January 2021 over with 475 responders including employees and customers of the company, investors and other stakeholders.

To support the reforestation of lands destroyed in Turkey as a result of wildfires that broke out in July, we donated 5 thousand seedlings to the TEMA Foundation. We also made a donation to Mother Child Education Fund (AÇEV) that develops and implements educational programs in order for children to feel safe, healthy and have a fair start to life, and for mothers to raise their children with confidence and hope. We also extended our support to Turkish Education Foundation (TEV) and Association for Supporting Contemporary Life (ÇYDD), two important foundations that contribute to the development of our society through modern education.

We will be monitoring the progress and outcome of these projects and will be sharing all results with our stakeholders in a transparent manner.

With the introduction of the amendment of the Corporate Governance Communiqué no. II-171 (published in Official Gazette No. 28871 dated 03/01/2014), which was published in the Official Gazette No 31262 of 2 October 2020, the Capital Market Board has made it compulsory for the companies to include in their annual activity reports, an explanation as to whether they apply the sustainability principles issued by the Capital Market Board or not, and if not the justified reason thereof, as well as an explanation regarding the effects of such non-compliance on the environment and social risk management; and it was also regulated with the amendment that in the event any major change is made regarding the above referred explanations, these changes will be indicated in the interim activity reports. In this respect, the aim of the CMB is to ensure compliance with most of the principles stated in the "Sustainability Principles Compliance Framework" on the basis of "comply or disclose" basis introduced. However, full compliance with some of the principles has not yet been achieved due to the challenges encountered in the implementation of some principles, ongoing debates both in Turkey and in other countries about compliance with specific principles, and the fact that studies are ongoing on the principles which are yet to be implemented. The Company plans to implement these principles not yet implemented, in a manner that will contribute to the efficient governance of the company.

Innovation



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 26 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, Urbanization and Climate Change 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.

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 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.

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 Sustainable 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 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 Köselier Elementary and Middle School in Gaziantep in 2018 and 168 students at Çalıncaç 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 Çalıncak 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.

Türk Prysmian Kablo, guided by "Connecting Turkey to the Future", went ahead with corporate social responsibility activities at full speed in 2021 and continued to support different organizations in numerous projects.

To support the reforestation of lands destroyed in Turkey as a result of wildfires that broke out in July, we donated 5 thousand seedlings to the TEMA Foundation. A donation has been made to the Mother Child Education Fund (AÇEV) that develops and implements educational programs in order for children to feel safe, healthy and have a fair start to life, and for mothers to raise their children with confidence and hope. The Company also extended its support to Turkish Education Foundation (TEV) and Association for Supporting Contemporary Life (ÇYDD), two important foundations that contribute to the development of our society through modern education. Donating cables to Mudanya Coast Guard, Türk Prysmian Kablo, has also provided a photocopy and printer machine to Mudanya Policy Department.

Regularly awarding scholarship to the children of its employees, Türk Prysmian Kablo made donations in cash for 23 children in the academic year of 2014-2015 (valued at TRY 39,600), 25 children in 2015-2016 (valued at TRY 51,480), 25 children in 2016-2017 (valued at TRY 49,995), 22 children in 2017-2018 (valued at TRY 44,055), 20 children in 2018-2019 (valued at TRY 31,950), 22 children in 2019-2020 (valued at TRY 45,000), 22 children in 2020-2021 (valued at TRY 27,000), 25 children in 2021-2022 (valued at TRY 80,000).



Financial Analysis

FINANCIAL FIGURES		
Financial Figures	2021	2020
Total Liabilities	2,282,730,516	1,063,022,019
Equities	437,963,278	403,565,211
Revenue	3,220,770,171	1,802,184,466
Gross Profit	378,863,103	201,809,922
Net Profit	40,732,994	42,418,644
EBITDA	107,175,230	56,526,938
Net Working Capital	208,124,109	255,254,046
Financial Ratios	2021	2020
Current Assets/Current Liabilities	1,11	1,4
Equities/Total Liabilities	0,19	0,38
Financial Liabilities/Equities	0,002	0,131
Financial Liabilities/Total Liabilities	0,0004	0,0497
ROE	%9,30	%10,51
EBITDA marg.	%3,33	%3,14
Gross Profit/Revenue	%11,8	%11,20

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 2021 fiscal year thanks to effective corporate policies and strategies.

Remarkable financial highlights are as follows:

- **Cash and Cash Equivalents** stood at TL 412 Million (TL146,42 Million in the previous year).
- **Total Assets** stood at T L2,282,73 Million (TL1,063,02 Million in the previous year).
- **Equities** stood at TL437,96 Million (TL 403,57 Million in the previous year).
- **Revenues** stood at TL 3,220,770,171 Million (TL 1,802,18 Million in the previous year).

2021 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 2021, with the disclosures about the balance sheet and income statement summarized below.

2021, PwC Independent Audit and SMMM A.Ş. The fee was 255.000 TL (170.515 TL in 2020). For 2021, PwC Independent Auditing and SMMM A.Ş. It was realized as 232,842 TL (2020, PwC Independent Auditing and SMMM A.Ş. 175,222 TL)

ASSETS

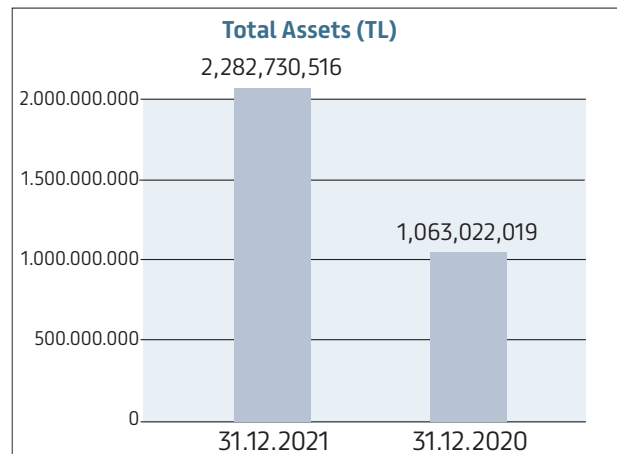
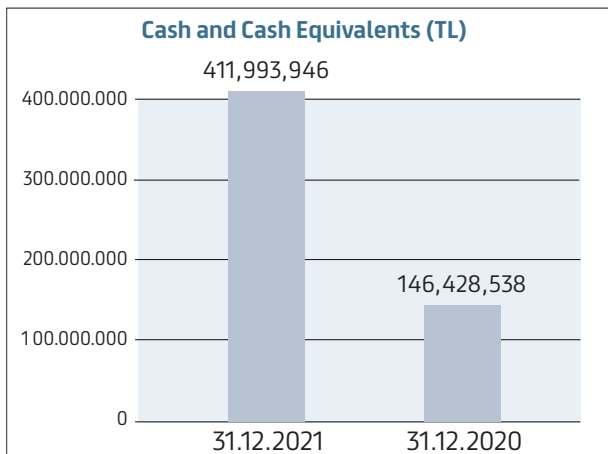
Total cash and cash equivalents are TL 411,963,946 of which TL 314,371,832 is in foreign currency.

Short term trade receivables reached TL 733,965,671 The average collection period of our receivables was 90 days.

Our inventories is amounted TL 452,314,616 The total of raw materials and supplies existing in the inventories amounted to TL 137,767,696 semifinished goods to TL 158,285,263 commercial goods to TL 12,284,264 and finished goods to TL 190,688,574. Inventory provisions totaled TL 46,711,181.

Other current assets totaled TL 48,064,534, of which TL 16,909,340 is our VAT receivables from the Tax Department, TL 30,852,882 is VAT carried over, and the remainder is various current assets.

The total amount of tangible fixed assets is TL 82,396,773, 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 TL 2,121,006.





LIABILITIES

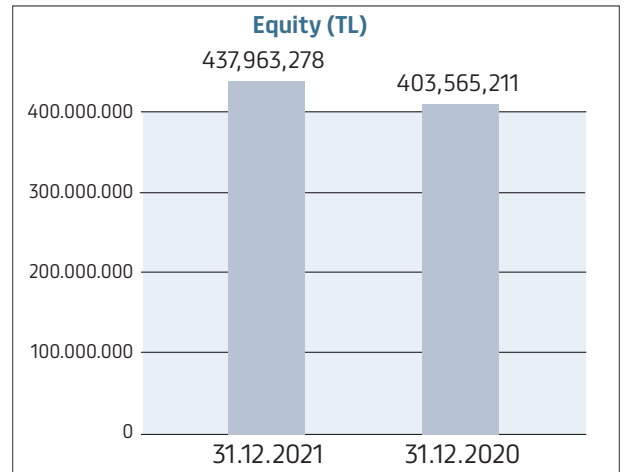
The primary financial instruments used by the Company include operating capital and bank loans.

Trade payables stood at TL 1,327,122,745. TL 990,607,747 of this amount is payables to non-affiliated domestic vendors, and TL 336,514,998 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 TL 19,153,416 and at the highest amount at TL 8,284.51 as of end of 2021 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 TL 14,123,489 at the end of the year.

Our paid-in capital for is up from to TL 216,733,652 through rights issue in 2021 and our equities became stronger at TL 437,963,278.



In 2021 fiscal year, our consolidated net profit for the period has been TL 40,732,994

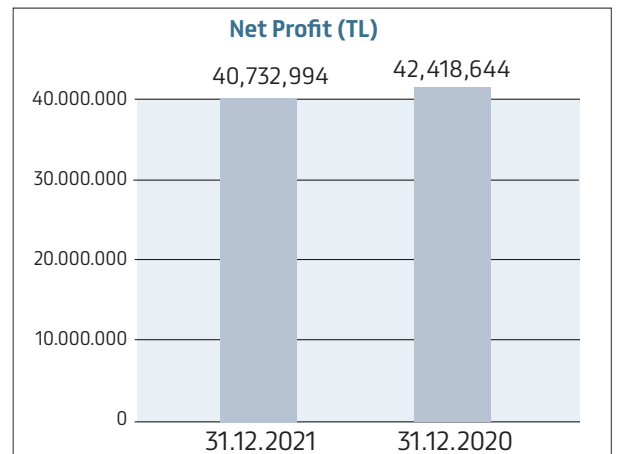
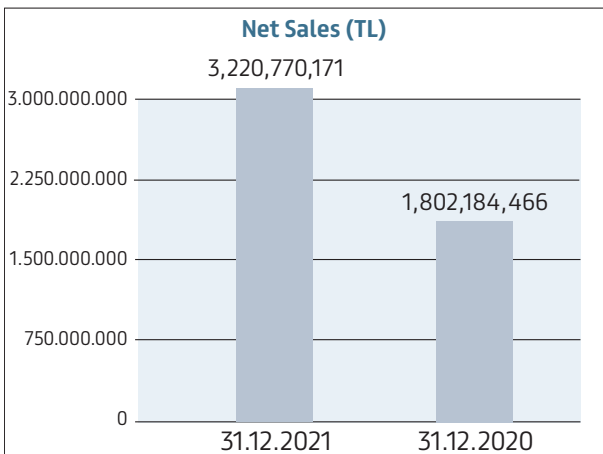
INCOME STATEMENT

Gross sales totaled TL 3,220,770,171 due to the increase in currency rates and commodity prices. Domestic sales totaled TL 3,922,610,957, and foreign sales stood at TL 862,647,437.

The cost of the goods sold totaled TL 2,841,907,068 which corresponded to 88% 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.

2021 financial costs and forward contract costs our net profit for 2021 is approximately at the level of 2020 due to the increase in remained.

As a result of these actions, our consolidated period's net profit for 2021 stood at TL 40,732,994.



The Statement of Responsibility & Dividend Distribution Proposal

TÜRK PRYSMIAN 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: 23.02.2022

NUMBER OF RESOLUTION: 2022/4

- a) We have audited the Company's consolidated financial statements and their footnotes issued for the period between 01.01.2021 – 31.12.2021, 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: 09.03.2022

NUMBER OF RESOLUTION: 2022/7

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-17.1 for the fiscal year ending December 31, 2021 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, 2021

- 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 PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. BOARD RESOLUTION

DIVIDEND DISTRIBUTION PROPOSAL

Date: 25.02.2022

At the meeting of our Board of Directors dated 25.02.2022;

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 unanimously resolved by the undersigned members;

To distribute the dividend of 11,494,822.-TRY 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 0,047732965.-TRY per share with a nominal value of TRY 1.-, following of deduction of 10% tax to be calculated over gross 0,053036628.-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 2021 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 PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Financial Tables of the Company for the Fiscal Period between 01.01.2021 – 31.12.2021.
- 4- Discussion and approval of all the financial tables, reports and accounts of the Fiscal Period between 01.01.2021 – 31.12.2021 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 01.01.2021 - 31.12.2021,
- 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 2021 and obtaining approval in this respect, determining the upper limit of the donations for 2022,
- 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 2022 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

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

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 A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2021 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including International Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 23 February 2022 on the full set consolidated financial statements for the 1 January - 31 December 2021 period.

4) Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) To prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) To prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) To include the matters below in the annual report:
 - Events of particular importance that occurred in the Group after the operating year,
 - The Group's research and development activities,
 - Financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5) Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

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

Özgür Beşikçioğlu, SMMM
Partner

Istanbul, 9 March 2022

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2021

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries

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

A) Audit of the Consolidated Financial Statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Türk Prysmian Kablo ve Sistemleri A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2021, the 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 notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "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 Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate 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 matter was addressed in the audit
<p>Recoverability of trade receivables (Refer to Notes 2.5.2.6.4 and 27)</p> <p>Trade receivables from third parties amounting TRY 733,965,671 as of 31 December 2021 are material to the consolidated financial statements.</p> <p>The Group management takes into account the customer risk base, guarantees received from its customers, past collection performances, maturity analysis and disputes or claims related to receivables when evaluating recoverability. The determination of doubtful receivables together with the respective provisions includes the Group management's estimations and assumptions. The outcome of such estimates is very sensitive to changes in market conditions.</p> <p>Therefore, recoverability of trade receivables is a key matter for our audit.</p>	<p>We performed the following procedures in relation to the audit of the recoverability of trade receivables:</p> <ul style="list-style-type: none"> - The Group's credit risk management policy, including credit limit and collection management, were reviewed and assessed. - Trade receivables from non-related parties were tested on a sample basis by sending confirmation letters. - The aging of trade receivable balances has been tested on a sample basis. - The subsequent collections were tested on a sample basis. - The guarantee letters received from customers were tested on a sample basis. - Inquiries with the Group management in relation to any disputes with customers or lawsuits regarding the collectability of trade receivables from non-related parties, and written inquiries with the the Group's legal counsellors on outstanding litigation and disputes with customers in relation to trade receivables were assessed. - Based on the inquiries with the Group management, the reasonableness of Group management's assumptions and judgements underlying the calculations of impairment of trade receivables were assessed. - The adequacy and appropriateness of the disclosures of recoverability of trade receivables from non-related parties in the consolidated financial statements were assessed in accordance with TFRS. <p>We had no material findings related to the recoverability of trade receivables as a result of these procedures.</p>

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Recognition of revenue from construction contracts (Refer to Notes 2.5.2.6.16 and 17)</p> <p>The amount of the consolidated revenue of the Group for the year ending on 31 December 2021 is TRY3,220,770,171 and TRY325,345,242 of the consolidated revenue has been recognised in accordance with percentage of completion method and over a period of time as stated in TFRS 15 Revenue from Customer Contracts ("TFRS 15"). The Group accounted contractual assets amounting to TRY211,740,534 and contractual liabilities amounting to TRY312,157,473 in its consolidated financial statements as of 31 December 2021 in accordance with TFRS 15.</p> <p>Within the context of this method; amounts, which are recognised as the revenue and cost in relation to the ongoing projects, are based on the estimations and assumptions stated in project budgets. Revenue recognition and the determination of the results of construction projects including specific conditions to relevant projects, estimation of the cost to complete of the projects, the impact of the future incidents on the contract revenue and the recognition of changes in the project, depend on the estimations and judgements of the management. In addition, these estimations and assumptions mainly consist of compliance with the conditions specified in TFRS 15, the expected costs to be incurred for the completion of the project, the conclusion of the contracts and the estimation of the completion rate.</p> <p>Main risks determined by us regarding this matter are inaccurate estimations and assumptions by the management, not revising the budget as required and on time in line with the changing conditions and making inaccurate calculations according to percentage of completion method.</p> <p>Since contract and calculations are complex, they have significant impact on the consolidated financial statements and due to above-mentioned risk factors; we considered the matter as a key audit matter.</p>	<p>We performed the following procedures in relation to the audit of recognition of revenue from construction contracts:</p> <ul style="list-style-type: none"> - We understood and assessed the processes for determining the accuracy and timing of the revenue recognition in the consolidated financial statements and controls designed by the Group management. - We reviewed the significant project contracts on a sample basis. We assessed the contract clauses and conditions and tested whether the project conditions have been appropriately reflected to the accounting records when recognising relevant contracts as per in line with TFRS 15. - We reviewed the cost budgets for significant construction projects and the historical accuracy and prudence of the budgets and estimations have been evaluated. We have discussed with the Group management, including project managers, about the progress and cost budgets of construction projects and tested if the changes in budgets can be justified by the incidents. - We tested actual cost budgets (personnel, material, sub-contractor, etc.) by reviewing the supporting documents on a sample basis. - Percentage of completion worksheets prepared by the Group management have been tested. Accordingly, existence and accuracy of the actual costs, additional cost to complete of the project, accuracy of the percentage of completion method and total calculations have been tested by us using recalculation method. We have questioned the expectations in the project schedule in the meetings with accounting and technical teams, and whether the provisions calculated for the projects falling behind the schedule (if any) are in line with the clauses of the contract. - We tested on a sample basis sales invoices for identification of transfer of control and settlement of terms of contract with customers. - We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to revenue from project contracts with customers in accordance with TFRS. <p>We had no material findings related to the recognition of revenue from construction contracts as a result of these procedures.</p>

4. Other matters

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another firm of auditors whose report, dated 25 February 2021, expressed an unmodified opinion on those statements.

5. Responsibilities of management and those charged with governance 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 overseeing the Group's financial reporting process.

6. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 SIA, we exercise professional judgment and maintain professional scepticism throughout 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, if such disclosures are inadequate, to modify our opinion. 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 achieves 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 23 February 2022.

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

**Özgür Beşikçioğlu, SMMM
Partner**

Istanbul, 23 February 2022

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CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Türk Prysmian Kablo ve Sistemleri A.Ş. And Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2021 AND 2020

(Amounts expressed in TRY unless otherwise indicated)

ASSETS	Notes	Audited	Audited
		31 December 2021	31 December 2020
CURRENT ASSETS			
Cash and cash equivalents	3	411.993.946	146.428.538
Derivative instruments	12	113.812.719	-
Trade receivables		733.965.671	428.580.085
- Due from related parties	26	111.516.859	47.646.328
- Due from third parties	4	622.448.812	380.933.757
Other receivables		71.513	84.322
- Due from third parties	5	71.513	84.322
Contract assets		211.740.534	16.113.714
- Contract assets arising from ongoing contracting business	16	211.740.534	16.113.714
Inventories	6	452.314.616	245.548.682
Prepaid expenses	7	25.915.106	18.656.234
Current income tax assets	24	29.072.932	1.192.195
Other current assets	10	48.064.534	35.647.710
TOTAL CURRENT ASSETS		2.026.951.571	892.251.480
NON-CURRENT ASSETS			
Property, plant and equipment	8	82.396.773	64.981.581
Right of use assets	28	1.114.597	2.680.312
Intangible assets other than goodwill	9	2.121.006	261.523
Prepaid expenses	7	20.511.914	111.629
Deferred tax assets	24	22.562.094	30.945.261
Other non-current assets	10	127.072.561	71.790.233
TOTAL NON-CURRENT ASSETS		255.778.945	170.770.539
TOTAL ASSETS		2.282.730.516	1.063.022.019

The accompanying notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Türk Prysmian Kablo ve Sistemleri A.Ş. And Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2021 AND 2020
(Amounts expressed in TRY unless otherwise indicated)

LIABILITIES	Notes	Audited 31 December 2021	Audited 31 December 2020
Current liabilities:			
Short-term borrowings	11	-	51.677.083
Short-term portion of long-term borrowings	11	918.651	1.190.442
Derivative instruments	12	-	16.860.410
Trade payables		1.327.122.745	470.853.794
- Due to related parties	26	336.514.998	82.858.034
- Trade payables, third parties	4	990.607.747	387.995.760
Employee benefit obligations	13	5.279.323	5.414.977
Other payables		484.432	97.062
- Due to related parties	26	50.641	-
- Other payables, third parties	5	433.791	97.062
Deferred income (excluding contractual obligations)	7	80.906.190	36.449.555
Contractual obligations	7	312.157.473	-
Current tax liabilities	24	-	2.878.719
Short-term provisions		85.753.209	48.646.316
- Short-term provisions for employee benefits	13	28.527.678	11.965.931
- Other short-term provisions	14	57.225.531	36.680.385
Other current liabilities	10	6.205.439	2.929.076
Total Current Liabilities		1.818.827.462	636.997.434
Non-Current Liabilities:			
Liabilities arising from leasing transactions	11	486.410	1.773.135
Long-term borrowings		25.453.366	20.686.239
- Long-term provisions for employee benefits	13	19.153.416	17.914.026
- Other long-term provisions	14	6.299.950	2.772.213
Total Non-Current Liabilities		25.939.776	22.459.374
Total Liabilities		1.844.767.238	659.456.808
EQUITY			
Paid in share capital	15	216.733.652	216.733.652
Repurchased shares (-)	15	(2.496.301)	(2.496.301)
Premiums related to shares	15	40.654.618	40.654.618
Other comprehensive expense		(6.786.800)	(8.426.000)
- That will not be reclassified to profit or loss		(6.786.800)	(8.426.000)
Restricted reserves	15	14.123.489	11.336.752
Retained earnings		135.001.626	103.343.846
Net profit for the year		40.732.994	42.418.644
Total Equity		437.963.278	403.565.211
TOTAL LIABILITIES AND EQUITY		2.282.730.516	1.063.022.019

The accompanying notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Türk Prysmian Kablo ve Sistemleri A.Ş. And Subsidiaries
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
(Amounts expressed in TRY unless otherwise indicated)

PROFIT OR LOSS	Notes	Audited	Audited
		1 January - 31 December 2021	1 January - 31 December 2020
Revenue	17	3.220.770.171	1.802.184.466
Cost of sales	17	(2.841.907.068)	(1.600.374.544)
Gross Profit		378.863.103	201.809.922
General administrative expenses(-)	19	(81.094.744)	(54.263.398)
Marketing selling and distribution expenses(-)	19	(191.744.493)	(86.315.711)
Research and development expenses(-)	18	(5.867.026)	(4.651.103)
Other operating income	21	294.499.880	61.882.471
Other operating expense(-)	21	(335.393.528)	(66.174.884)
Operating Profit		59.263.192	52.287.297
Income from investment activities	22	118.812	204.791
Operating Profit Before Finance Expense		59.382.004	52.492.088
Finance income	23	8.277.432	3.706.828
Finance expenses (-)	23	(18.953.075)	(11.048.915)
Profit Before Taxation		48.706.361	45.150.001
Tax Expense		(7.973.367)	(2.731.357)
Taxation on expense	24	-	(18.990.257)
Deferred tax (expenses)/income	24	(7.973.367)	16.258.900
Net Profit for The Period		40.732.994	42.418.644
Earnings per share	25	0,1879	0,1957
OTHER COMPREHENSIVE INCOME/ (EXPENSE)			
Items that will not be reclassified to profit or loss, before tax		2.049.000	(3.191.000)
Remeasurement losses from defined benefit plans, before tax	13	2.049.000	(3.191.000)
Total other comprehensive expense, before tax		2.049.000	(3.191.000)
Total tax effect of other comprehensive income		(409.800)	638.200
Total taxes related items that will not be reclassified to profit or loss other comprehensive expense comprehensive expense			
Deferred tax (expenses)/income	24	(409.800)	638.200
TOTAL COMPREHENSIVE INCOME/(EXPENSES)		1.639.200	(2.552.800)
TOTAL COMPREHENSIVE INCOME		42.372.194	39.865.844

The accompanying notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Türk Prysmian Kablo ve Sistemleri A.Ş. And Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
(Amounts expressed in TRY unless otherwise indicated)

	Share capital	Repurchased shares (-)	Premiums related to shares	Other comprehensive income and expense not to be reclassified to (loss)/profit	Actuarial loss on post employment termination benefits	Restricted reserves	Retained earnings	Net profit for the year	Total equity
Balances at 1 January 2020	216.733.652	(2.496.301)	40.654.618	(5.873.200)	10.432.153	74.915.983	35.971.002	370.337.907	
Transfers	-	-	-	-	904.599	35.066.403	(35.971.002)	-	
Dividends	-	-	-	-	-	(6.638.540)	-	(6.638.540)	
Total comprehensive income	-	-	-	(2.552.800)	-	-	42.418.644	39.865.844	
- <i>Net profit for the period</i>	-	-	-	-	-	-	42.418.644	42.418.644	
- <i>Other comprehensive expense</i>	-	-	-	(2.552.800)	-	-	-	(2.552.800)	
Balances at 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	
Balances at January 2021	216.733.652	(2.496.301)	40.654.618	(8.426.000)	11.336.752	103.343.846	42.418.644	403.565.211	
Transfers	-	-	-	-	2.786.737	39.631.907	(42.418.644)	-	
Dividends	-	-	-	-	-	(7.974.127)	-	(7.974.127)	
Total comprehensive income	-	-	-	1.639.200	-	-	40.732.994	42.372.194	
- <i>Net profit for the period</i>	-	-	-	-	-	-	40.732.994	40.732.994	
- <i>Other comprehensive income</i>	-	-	-	1.639.200	-	-	-	1.639.200	
Balances at 31 December 2021	216.733.652	(2.496.301)	40.654.618	(6.786.800)	14.123.489	135.001.626	40.732.994	437.963.278	

The accompanying notes form an integral part 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, 2021
 [All amounts are expressed in Turkish Liras (TL)]

	Notes	Audited	
		1 January - 31 December 2021	1 January - 31 December 2020
Cash flows from operating activities			
Net profit for the period		40.732.994	42.418.644
Adjustments to reconcile the profit for the period			
Adjustments for tax expense	24	7.973.367	2.731.357
Adjustments for depreciation and amortisation expense	20	9.866.641	8.153.848
Adjustments of gains on disposal of tangible and intangible assets	22	(118.812)	(204.791)
Adjustments for financial expense	23	18.953.075	11.048.915
Adjustments for interest income (-)	23	(8.277.432)	(3.706.828)
Adjustments for fair value (gains)/losses	21	(130.673.129)	15.927.646
Adjustments for impairment		65.435.931	12.816.681
Adjustments for increase in inventories		(241.564.267)	(75.447.566)
Adjustments for increase in trade receivables		(336.023.184)	(152.043.144)
Adjustments to receivables related to operations		12.809	(4.060.643)
Adjustments for increases in contract assets		(195.361.421)	(4.052.109)
Adjustments for decrease in trade payables		856.268.951	19.243.119
Increase(decrease) in other payables arising from operations		387.370	21.624.582
Adjustments for provisions		42.326.020	24.867.860
Other adjustments for non-cash items		284.525.002	3.645.435
Cash flows from operating activities		373.730.921	(119.455.638)
Faaliyetlerden kaynaklanan net nakit akışı		414.463.915	(77.036.994)
Taxes returns		(30.759.456)	(11.908.314)
Other cash outflows		(813.000)	(600.546)
Net cash from operating activities		382.891.459	(89.545.854)
Yatırım faaliyetlerinden kaynaklanan nakit akışları			
Cash inflows from the sale of property, plant and equipment		118.812	251.879
Cash outflows from the purchase of property, plant and equipment(-)	8	(25.795.153)	(11.794.936)
Cash outflows from the purchase of intangible assets (-)	9	(2.037.203)	-
Advances and debts given to other parties	7	(20.400.285)	-
Interest received		8.277.432	3.899.242
Net cash from investing activities		(39.836.397)	(7.643.815)
Finansman faaliyetlerinden kaynaklanan nakit akışları			
Proceeds from borrowings	11	80.000.000	422.489.000
Repayments of borrowings	11	(130.000.000)	(372.489.000)
Cash outflows related to lease obligations		(1.568.579)	(492.204)
Dividends paid (-)	15	(7.974.127)	(6.638.540)
Interest paid (-)		(17.946.948)	(9.564.246)
Net cash from financing activities		(77.489.654)	33.305.010
Net increase/(decrease) in cash and cash equivalents		265.565.408	(63.884.659)
Cash and cash equivalents at the beginning of the period		146.428.538	210.313.197
Cash and cash equivalents at the end of the period	3	411.993.946	146.428.538

The accompanying notes form an integral part of these consolidated financial statements.

Footnotes

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and Its Subsidiaries NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (Amounts expressed in TRY unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Türk Prysmian Kablo ve Sistemleri A.Ş. ("Company") and its subsidiaries (collectively referred to as the "Group") were established and are operating in Turkey. The Group is engaged in the production, import, export and trade of all kinds of cables, conductors, machinery, apparatus, tools and equipment, and their spare parts and accessories. The Company was established in 1964 and continues its activities under the parent company of Draka Holding BV, which currently owns 83.75% of its shares. The Group's shares have been traded in Borsa İstanbul A.Ş. ("BIST") since 1986. The share of the Group that is traded in BIST is 16.25% (31 December 2020: 16.25%). The ultimate parent of the Group is Prysmian SpA, located in Italy.

Türk Prysmian - Prysmian Powerlink Ordinary Partnership-2, one of the subsidiaries of the Group; DB.KAB.9 was established in 2014 in line with the opinion of the Revenue Administration on taxation of the work within the scope of Lapseki - Sütlüce-2 380kV Submarine Cable Project. 99.99% of the shares of this subsidiary is owned by the Company and remaining 0.01% of the remaining shares are owned by Prysmian Powerlink SRL. The other subsidiary of the Group is Türk Prysmian - Prysmian Powerlink 19 Ordinary Partnership-2; is engaged in DB KAB19 referenced 400 kV Çanakkale Strait (Lapseki 3-Sütlüce 3) crossing and İzmit Körfez (Hersek-Dilovası) crossing Submarine Cable Connection works projects. It was established in 2021 in line with the opinion of the Revenue Administration. 99.99% of this subsidiary is owned by the Company and the remaining 0.01% of shares are owned by Prysmian Powerlink Srl shares.

The publicly traded Group operates in one line of business (cable manufacturing and sales) and in one geographic region. The Group's product range includes all energy cables up to 220 kV, communication cables with copper conductors up to 3,600 pairs and fiber optic cables. The Group's factory is located in Bursa Mudanya, and this factory also includes thermal, mechanical, chemistry and electrical scientific research and test laboratories with TSE qualification, with the high technological level in the cable sector.

The registered address of the Company in the commercial registry is Ömerbey Mahallesi, Bursa Asfaltı Caddesi, No:51, 16941, Mudanya, Bursa and registered on 20 December 2012 at Ömer Avni Mah. İnebolu Sok. Haktan İş Merkezi No:39 K:2 Setüstü Kabataş Beyoğlu İstanbul has its registered office in İstanbul. The average number of personnel employed by the Group in the period ending as of 31 December 2021 is 571 (31 December 2020: 520).

The details of the Group's subsidiaries are as follows:

Subsidiary	Types of activities	Main fields of activity
Türk Prysmian-Prysmian Powerlink Ordinary Partnership-2	Sales	Energy cables sales
Türk Prysmian - Prysmian Powerlink DB. KAB. 19 Business Ordinary Partnership	Sales	Energy cables sales

Approval of the consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors on 23 February 2022 and authorized for publication. The General Assembly and some other regulatory institutions and organizations have the authority to change the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Declaration of conformity with TFRS

The Company and its subsidiaries located in Turkey keep and prepare their legal books and statutory financial statements in accordance with the accounting principles determined by the Turkish Commercial Code ("TCC") and tax legislation.

The consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board ("CMB"), Serial II, No. 14.1 "Communiqué on the Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676. and Turkish Accounting Standards and their annexes and comments ("TFRS"), which were put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGK"), pursuant to Article 5 of the Communiqué.

The consolidated financial statements have been presented in accordance with the formats determined in the "Announcement on TMS Taxonomy" published by POA on April 15, 2019 and the Financial Statement Examples and User Guide published by the CMB.

The consolidated financial statements are prepared on the historical cost basis, except for derivative financial instruments measured at fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

Functional and reporting currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in TRY, which is the Company's functional and presentation currency.

Comparative information

In order to allow the determination of financial position and performance, the Company's consolidated financial statements are prepared in comparison with the previous period. The Company presented the consolidated statement of financial position at 31 December 2021 comparatively with the statement

of consolidated financial position at 31 December 2020. The Company presented the statements of consolidated profit or loss and other comprehensive income, cash flows and changes in equity for the period 1 January 2021 - 31 December 2021 comparatively with the consolidated statements of profit or loss and comprehensive income, cash flows and changes in equity for the period 1 January 2020 - 31 December 2020.

Going Concern

The Company has prepared its financial statements according to the going concern principle.

Consolidation principles

Consolidated financial statements include the financial statements of the Company and its subsidiaries. Control is provided by the Company's fulfillment of the following conditions:

- Having power over the invested group;
- Being open to or entitled to variable returns to be obtained by the investee group;
- Ability to use power to have an impact on returns.

In the event that a situation or event arises that may cause any change in at least one of the criteria listed above, the Group re-evaluates whether it has control over its investment. In cases where the company does not have majority voting rights on the investee company, it has control power over the investee company, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment. The Group considers all relevant events and circumstances in assessing whether the majority of the votes in the relevant investment is sufficient to exercise control, including the following:

- Comparison of the voting rights of the Group with the voting rights of other shareholders;
- Potential voting rights held by the Group and other shareholders;
- Rights arising from other contractual agreements; and
- Other events and conditions that may indicate whether the Group has the current power to manage the relevant activities (including voting at previous general assembly meetings) in cases where a decision is required.

Consolidation of a subsidiary begins when the Group has control over the subsidiary and ends when it loses control. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal. Each item of profit or loss and other comprehensive income belongs to the parent shareholders and non-controlling interests. Even if the non-controlling interests result in a reverse balance, the total comprehensive income of the subsidiaries is transferred to the parent shareholders and non-controlling interests. Since non-controlling interests do not have a significant share in the net assets, current period consolidated profit or loss and other comprehensive income or expenses of the subsidiary, they are named as "non-controlling interests" in the consolidated statements of profit or loss and other comprehensive income and expense and changes in consolidated equity. also not classified. All intragroup assets and liabilities, equity, income and expenses, and cash flows from transactions between Group companies are eliminated on consolidation.

2.2 Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements for the accounting period 1 January - 31 December 2021 have been applied in a consistent manner with the consolidated financial statements prepared as of 31 December 2020. Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated.

2.3 Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in the current period if the change is made, if it relates to only one period, and in both the period in which the change is made and in future periods if it relates to future periods. There has been no significant change in the accounting estimates of the Group in the current year.

2.4 Amendments in Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at 31 December 2021:

- **Changes in TFRS 7, TFRS 4 and TFRS 16 - Benchmark interest rate reform Phase 2;**
Effective for annual reporting periods beginning on or after 1 January 2021. These Phase 2 amendments address issues arising from the implementation of reforms, including replacing a benchmark interest rate with an alternative. Phase 2 changes provide temporary additional ease in applying certain TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by the IBOR reform.

The Group has implemented the new standards and amendments stated above, and the new standards and amendments do not have a significant impact on the current period and comparative prior period consolidated financial statements. Standards and amendments that have been issued but not yet effective and not related to the Group's activities as of 31 December 2021 are not given above.

b) Standards, amendments and interpretations applicable as at 31 December 2021:

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions;**
Effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

- **IFRS 17, 'Insurance contracts'; effective from annual periods beginning on or after 1 January 2023.** This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
 - **Amendments to IAS 1, Presentation of financial statements on classification of liabilities;** Effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- b. New standards published that are not in effect as of 31 December 2020 and changes and comments on existing previous standards:**
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** Effective from annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss making.

The annual improvements make minor changes to the illustrative examples of TFRS 1 'First time application of International Financial Reporting Standards', TFRS 9 'Financial Instruments', IAS 41 'Agricultural Activities' and TFRS 16.

The Group will evaluate the effects of the above changes on its operations and apply it as of their effective date. It is expected that the implementation of the above standards and interpretations will not have a significant impact on the Group's consolidated financial statements in the future.

2.5 Summary of significant accounting policies

Related parties

Related parties are people or businesses that are related to the entity that prepared its consolidated financial statements (the reporting entity).

- Directly, or indirectly through one or more intermediaries, the party:
 - Controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
 - Has significant impact on the Company,
 - The Company or a parent of the Company is a member of the key management personnel.
- An entity is related to a reporting entity if any of the following conditions exist:
 - The entity and the reporting entity are members of the same group (ie, each parent, subsidiary, and other subsidiary is related to the others).
 - The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member).
 - If both entities are joint ventures of the same third party.
 - If one of the entities is a joint venture of a third entity and the other entity is an associate of that third entity.
 - If the entity has post-employment benefit plans for employees of the reporting entity or an entity associated with the reporting entity.
- An entity is associated with the reporting entity if any of the following conditions exist:
 - The sponsoring employers are also related to the reporting entity if the reporting entity itself has such a plan.
 - The entity is controlled or jointly controlled by a person identified in (a).
 - A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).
 - A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue

The accrual basis is applied in the determination of income and expense items. Accordingly, revenue, income and profits are accounted for in comparison with costs, expenses and losses for the same period.

Goods and services sales

The Group adopted TFRS 15, "Revenue From Contracts with Customers"; from 1 January 2018 which proposes a five step model framework mentioned below for recognizing the revenue

- Identify the contact with customers,
- Identify separate performance obligations in the contract,
- Determine the transaction price in contract,
- Allocate the transaction price to the performance obligations in the contract,
- Recognise revenue.

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time.

The Group recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

According to this model, the goods or services undertaken in each contract with the customers are evaluated and each commitment to transfer the goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled in time or at a certain time. If the company transfers the control of a good or service over time and thus fulfils the performance obligations related to the sales in time, it measures the progress of the fulfilment of the performance obligations in full and takes the proceeds to the financial statements. Revenue related to performance obligations, such as goods or service transfer commitments, is recognized when customers are in control of the goods or services.

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

- a) The parties to the convention have ratified the contract (in accordance with written, oral or other commercial practices) and undertakes to perform their acts,
- b) The Group may define rights related to the goods or services to be transferred by each party,
- c) The Group may define payment terms for the goods or services to be transferred,
- d) The contract is essentially commercial,
- e) It is probable that the Group will be charged for the goods or services to be transferred to the customer. When evaluating whether the collectability of a price is probable, the entity shall consider only the customer's ability to pay the price at the due date and its intent.

The Group generates revenue from the production and sales of continuous casting, medium cut, large cut and ingot steel products. Revenue is recognized when control of the products is transferred to the customer.

The Group evaluates the transfer of control of the goods sold to the customer,

- Ownership of the right to collect goods or services
- Ownership of the right of the customer
- The transfer of the physical possession of the goods
- Ownership of significant risks and benefits of property ownership
- Takes into account the conditions of the customer's acceptance of the goods.

For each performance obligation, the Group determines whether it has fulfilled its performance obligation at the beginning of the contract or whether the performance obligation fulfilled at a certain point in time. The Group records revenue from product sales in the financial statements following the transfer of control to the customer.

In the event that the Company has the right to collect a price directly corresponding to the value of its customer (from the delivery of products), the Group pays the revenue to the financial statements for the amount that it has the right to invoice.

If the group expects to pay back some or all of the amount collected from a customer to that customer, it reflects a refund liability in the financial statements. The refund obligation is calculated over the part of the amount that the business collects (or will be paid) that it does not expect to receive. The return obligation is updated at the end of each reporting period, taking into account changes in conditions.

Interest income

Interest income is calculated over the effective interest rate and accrued. In case of accruing unpaid interest prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods, and only the post-acquisition portion is reflected in the financial statements as income.

Construction contracts

In case the results of construction contracts cannot be estimated reliably, the income to be obtained from the contract is accounted for as much as the recoverable portion of the realized contract expenses. Contract expenses are recognized when incurred.

Contract revenue is recognized over the contract period when the outcome of construction contracts can be estimated reliably and the contract is likely to yield a profit. Changes to contracts, requested payments and incentive payments are added to contract revenues at the rate accepted by the customer and as long as they can be measured reliably.

Where it is probable that total contract expenses will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Group uses the "percentage of completion method" to determine the appropriate amount of revenue to be recognized for the relevant period. The completion stage is measured according to the contract expenses incurred in the period up to the balance sheet date as a percentage of the total costs estimated for each contract. Expenses incurred during the period related to a future activity within the scope of the contract are presented to the contract expenses in determining the stage of completion. Progress payments that have not been paid by the customers and the amounts retained as collateral over the progress payments are included in the "trade receivables" account.

The Group presents the gross receivables from customers regarding the ongoing contractual works as a liability if the progress payment amount exceeds the amount obtained as a result of adding the profit reflected to the results accounts to the costs incurred (deducting the loss).

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements in inventories; It consists of all purchase costs. Net realizable value is calculated by deducting the estimated sales expenses required to make the sale from the estimated selling price in normal market conditions (Note 7). Cost of inventories is calculated according to the weighted average cost method. When the net realizable value of the inventory falls below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the income statement in the year in which the impairment occurred. In cases where the conditions that previously caused the inventories to be reduced to net realizable value lose their validity or there is an increase in the net realizable value due to changing economic conditions, the provision for the impairment allocated is cancelled. The cancelled amount is limited to the previously reserved impairment amount.

Property, plant and equipment

Property, plant and equipment are presented at their net value after deducting accumulated depreciation and accumulated impairment losses from their acquisition cost. Land and lands are not subject to depreciation and are shown at cost less accumulated impairment losses.

Assets under construction for administrative purposes or for other purposes that have not yet been determined are shown at cost less any impairment loss, if any. Legal fees are also included in the cost. When these assets are completed and ready for use, they are classified into the relevant property, plant and equipment. Such assets are depreciated when they are ready for use, as is the depreciation method used for other fixed assets.

Cost amounts of property, plant and equipment, excluding land and ongoing investments, are depreciated over their expected useful lives using the straight-line method. The expected useful life, residual value and depreciation method are reviewed annually for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

Buildings, underground and surface improvements, machinery, facilities and devices are capitalized and depreciated as soon as they are brought to the necessary condition and location in order to be able to operate in line with the management's purposes. It is estimated that the salvage value of tangible fixed assets is not significant. In each reporting period, the salvage value and approximate useful lives of tangible fixed assets are reviewed and necessary adjustments are reflected prospectively.

A property, plant and equipment is derecognised when it is disposed of or when future economic benefits are not expected from its use or sale. The gain or loss resulting from the disposal of tangible fixed assets or the retirement of a tangible asset is determined as the difference between the sales revenue and the book value of the asset and is included in the income statement.

The depreciation periods of tangible fixed assets are as follows:

Useful life	
Buildings	4-50 years
Machinery, plant and equipment	5-20 years
Motor vehicles	5 years
Fixtures	2-10 years
Specific costs	4-10 years

Subsequent costs are included in the asset's carrying value recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, property plant and equipment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use. If the property, plant and equipment that are impaired, are revalued, the impairment is charged to the revaluation reserves to the extent that the amount offsetting previous increases of the same asset charged in the revaluation reserves and all other decreases are recognised in the consolidated statement of comprehensive income.

Repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred. The Group derecognises the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Major overhauls are depreciated over shorter of their useful lives or the remaining useful life of the related assets.

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in income/expense as appropriate.

Intangible assets

Purchased intangible assets

Purchased intangible assets with finite lives are reported at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and depreciation method are reviewed every year in order to determine the possible effects of the changes in the estimates and the changes in the estimates are accounted for prospectively. Purchased intangible assets with indefinite lives are reported at cost less accumulated impairment losses.

Computer software

Purchased computer software is capitalized over the costs incurred during its purchase and during the period from purchase until it is ready for use. These costs are amortized over their useful lives.

The amortization periods used for intangible assets are as follows:

Useful lives	
Rights	3-10 years

Impairment of intangible assets other than tangible assets and goodwill

At each reporting date, the Group examines the book value of its tangible and intangible assets to determine whether the assets are impaired. In case of impairment of assets, the recoverable amount of assets, if any, is measured in order to determine the amount of impairment. Where the recoverable amount of an asset cannot be measured, the Group measures the recoverable amount of the cash-generating unit associated with the asset. If a reasonable and consistent allocation basis is determined, Group assets are allocated to cash-generating units. Where this is not possible, Group assets are allocated to the smallest cash-generating units to determine a reasonable and consistent basis of allocation.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is the present value of the expected future cash flows from an asset or cash-generating unit. In calculating value in use, a pre-tax discount rate is used, which reflects the value in use of money according to the market assessment in the current period and the risks specific to the asset that are not taken into account in estimating future cash flows.

When the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized directly in profit or loss. If the impairment loss is reversed in subsequent periods, the carrying amount of the asset (or related cash-generating unit) is increased to correspond to the estimated amount re-updated for the recoverable amount. The increased carrying amount should not exceed the carrying amount of the asset (or related cash-generating unit) that it would have had had no impairment loss been recognized for the asset in prior periods. The reversal of an impairment loss is recognized directly in profit or loss.

Financial instruments

Financial assets

Classification

The Group accounts its financial assets in two classes as "financial assets at amortized cost" and "financial assets at fair value through profit or loss". The classification is made on the basis of the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets on the date of purchase. Financial assets are not reclassified after initial recognition, except when the Group's business model in the management of financial assets changes. In case of business model change, financial assets are reclassified on the first day of the following reporting period after the change.

Classification and measurement

Financial assets that are not traded in an active market and are not derivative instruments, which the Group management has adopted the "contractual cash flow collection business model" and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are "amortized". are classified as "assets accounted for at cost". If their maturities are less than 12 months from the date of the consolidated statement of financial position, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables", "other receivables" and "cash and cash equivalents" items in the consolidated statement of financial position.

Financial assets at fair value through profit or loss; "derivative instruments" items in the consolidated statement of financial position and "financial instruments" held for trading purposes, which are obtained for the purpose of benefiting from the fluctuations in prices and similar factors in the short-term in the market, or which are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition. consists of "assets". Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Group consist of transactions related to forward foreign currency purchase and sale contracts. Financial assets measured at fair value and associated with the profit or loss statement are initially reflected in the consolidated statement of financial position with their cost values, including transaction costs. These financial assets are valued over their fair values in the periods following their recording. Realized or unrealized gains and losses are accounted for in "income/expenses from main operations". Financial assets that constitute derivative products that have not been determined as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss.

Derecognition

The Group derecognises the financial asset when the contractual rights to the cash flows on the financial asset expire or when it transfers the related rights and ownership of all the risks and rewards related to the financial asset in a trading transaction. Any rights created or held in financial assets transferred by the Group are accounted for as a separate asset or liability.

Impairment

Impairment of financial assets and contract assets is calculated using the "Expected Credit Loss" (EXP) model. The impairment model is applied to amortized cost financial assets and contract assets.

Loss provisions are measured on the following basis;

- 12-month ECLs: ECLs resulting from possible default events within 12 months of the reporting date.
- Lifetime ECLs: ECLs resulting from all possible default events over the expected life of a financial instrument.

The lifetime ECL measurement is applied if, at the reporting date, the credit risk associated with a financial asset increases significantly after initial recognition. In all other cases where the relevant increase was not experienced, the 12-month ECL calculation was applied.

The Group may determine that if the credit risk of the financial asset has a low credit risk at the reporting date, the credit risk of the financial asset has not increased significantly. However, lifetime ECL measurement (simplified approach) always applies to trade receivables and contract assets without a significant financing element.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand accounts and bank deposits with maturities less than 3 months. Cash and cash equivalents are stated at their fair values in the consolidated financial statements

Trade receivables

Trade receivables consist of current account receivables, forward notes and checks. Trade receivables are reflected from the invoiced amount with their carrying values after the provision for impairment in accordance with the ECL model, and are measured at their amortized cost using the effective interest method in cases where the effect is significant.

The "simplified approach" is applied within the scope of the impairment calculations of trade receivables accounted at amortized cost in the financial statements. With this approach, allowances for losses on trade receivables are measured at an amount equal to "lifetime expected credit losses", in cases where trade receivables are not impaired for specific reasons (other than realized impairment losses). Under the simplified approach, the Company accounts for the provision for impairment in accordance with the ECL model, taking into account the guarantees it has received from its customers.

In the event that all or part of the amount of the impaired receivable is collected following the provision for impairment, the collected amount is deducted from the provision for impairment and recorded in the "Other income (expenses) from main operations" accounts (Note 20).

Foreign exchange gains (losses) on commercial transactions are recognized in the consolidated statement of profit or loss under the "other operating income (expenses)" account (Note 21).

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

Financial liabilities

A financial liability is measured at fair value at initial recognition. During the initial recognition of financial liabilities whose fair value difference is not recognized in profit or loss, the transaction costs directly attributable to the underwriting of the related financial liability are added to the said fair value. Financial liabilities are accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate in the following periods.

Leases

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - (i) The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - (ii) The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re-measure the right of use asset:

- After netting-off depreciation and reducing impairment losses from right of use asset.
- Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies TAS16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment.

Applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to recognize any identified impairment losses.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- Increasing the carrying amount to reflect interest on lease liability,
- Reducing the carrying amount to reflect the lease payments made and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The duration of the contract that make up the Group's lease liabilities varies between 1 and 5 years.

Trade payables

Trade payables represent the payments to be made for the goods and services provided from the suppliers in the ordinary course of operations. Trade payables are measured initially at their fair value and subsequently at amortized cost using the effective interest method (Note 4).

Derivative financial instruments

The Group's activities expose the entity to financial risks, mainly due to changes in exchange rates and interest rates. The Group uses derivative financial instruments (mainly exchange rate forward contracts) to hedge financial risks associated with exchange rate fluctuations due to certain binding commitments and forecasted future transactions.

Financial assets at fair value through profit or loss; "derivative instruments" items in the consolidated statement of financial position and "financial instruments" held for trading purposes, which are obtained for the purpose of benefiting from the fluctuations in prices and similar factors in the short-term in the market, or which are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition. consists of "assets". Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Group consist of transactions related to forward foreign currency purchase and sale contracts. Financial assets measured at fair value and associated with the profit or loss statement are initially reflected in the consolidated statement of financial position with their cost values, including transaction costs. These financial assets are valued over their fair values in the periods following their recording. Realized or unrealized gains and losses are accounted for in "income/expenses from main operations". Financial assets that constitute derivative products that have not been determined as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss.

The effective interest method

It is the method of valuing the financial asset at amortized cost and allocating the related interest income to the related period.

Effective interest rate; It is the rate that exactly discounts the estimated future cash received over the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the financial asset.

Effects of currency changes

Foreign currency transactions and balances

The financial statements of each enterprise of the Group are presented in the currency of the main economic environment in which they operate (the functional currency). The financial position and operating results of each business are expressed in TRY, which is the functional currency of the Group and the presentation unit for the consolidated financial statements.

During the preparation of the financial statements of each enterprise, transactions in foreign currencies (currencies other than TRY) are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the statement of financial position are translated into Turkish Lira using the exchange rates prevailing on the balance sheet date. Among the non-monetary items that are followed at fair value, those recorded in foreign currency are translated into TRY based on the exchange rates at the date of determination of the fair value. Foreign currency non-monetary items measured at historical cost are not reconverted.

Earnings per share

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

Subsequent events

Subsequent events consist of all events between balance sheet date and date of authorization for validity, even if they have been existed after public explanation of an announcement about profit or other financial information.

The Group adjusts the amounts included in the consolidated financial statements in accordance with this new situation, in case of occurrence of events requiring adjustment after the balance sheet date.

Contingent assets and liabilities

A provision is made in the financial statements if there is a present obligation as a result of past events, it is probable that the obligation will be settled and the amount of the obligation can be estimated reliably.

The amount recognized as a provision is calculated by estimating in the most reliable way the expense to settle the obligation as of the balance sheet date, taking into account the risks and uncertainties associated with the obligation. If the provision is measured using the estimated cash flows required to settle the present obligation, the carrying amount of the provision is equal to the present value of the relevant cash flows.

Where it is expected that some or all of the economic benefits required to settle the provision are expected to be met by third parties, the amount to be collected is recognized as an asset if it is almost certain that the amount will be collected and can be measured reliably.

Contracts that will cause loss

Existing liabilities arising from contracts that will cause loss are calculated and accounted for as provisions. If the Group has a contract that exceeds the unavoidable costs to be incurred in order to fulfill its contractual obligations, the economic benefits expected to be obtained in relation to the contract in question, the contract that will cause loss is deemed to exist.

Warranty provisions

Provisions for warranty costs are recognized at the date of sale of the related products, according to the most appropriate expenditure estimated by the management to meet the obligations of the Group.

Government incentives and aids

Government incentives are not reflected in the financial statements without reasonable assurance that the enterprise will fulfill the conditions necessary to obtain the incentive and that the incentive will be obtained.

Government grants are systematically recognized in profit or loss during the periods in which the costs intended to be covered by these incentives are recognized as an expense. Government incentives, which are a financing instrument, should be associated with the statement of financial position as deferred income and systematically reflected in profit or loss over the economic life of the relevant assets, rather than being recognized in profit or loss to clarify the expenditure item they finance.

Government grants given to cover previously incurred expenses or losses or to provide emergency financing support to the business without incurring any future costs are recognized in profit or loss in the period they become collectible.

Taxes calculated on corporate income

Since Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare a consolidated tax return, tax provisions have been calculated on a separate-entity basis, as reflected in the accompanying consolidated financial statements.

Income tax expense is the sum of current tax and deferred tax expense. Tax is included in the income statement unless it relates to a transaction accounted for directly under equity. Otherwise, the tax is accounted for under equity along with the related transaction.

Current corporate tax

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability has been calculated using the tax rate that has been enacted or substantially enacted as of the balance sheet date.

In Turkey, the corporate tax rate is 25% for 2021 (2020: 22%). The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions (association earnings exemption, investment incentive exemption, etc.) and deductions (such as R&D deduction) in tax laws. No further tax is paid if the profit is not distributed.

Companies calculate provisional tax on their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or deducted.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years.

Dividend payments made to resident companies in Turkey, to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 15% income tax.

Dividend payments from companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation. In the statements of financial position dated 31 December 2021 and 31 December 2020, the tax amounts to be paid are netted for each subsidiary and are classified as gross in the consolidated financial statements.

Deferred tax

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except when the Group is able to control the temporary differences and it is unlikely that the temporary differences will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of the deferred tax asset is reduced to the extent that it is not probable that a financial profit will be obtained to allow some or all of the benefits to be obtained.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized or the liabilities will be fulfilled and that have been enacted or substantially enacted as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

Deferred tax assets and liabilities, if there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the in-kind tax authority, or if the Group intends to settle current tax assets and liabilities on a net basis, is deducted.

Current period tax expense and deferred tax

Tax expense includes current period tax expense and deferred tax expense. Tax is included in the income statement unless it relates to a transaction accounted for directly under equity. Otherwise, the tax is accounted for under equity along with the related transaction.

Period tax expense is calculated considering the tax laws in force in the countries where the Group's subsidiaries and investments accounted for using the equity method operate as of the date of the statement of financial position.

In the Turkish tax system, financial losses can be deducted with the financial profits in the following five years, and it is not possible to deduct (retrospectively) from previous years' earnings.

As of 31 December 2021 and 2020, tax provision has been reserved within the framework of the current tax legislation.

Corporate Taxes is exempt from tax on the condition that it is added to the capital or kept in a special fund account for 5 years as stipulated in the Law.

Employee benefits

Severance pay:

According to the provisions of current laws and collective bargaining agreements in Turkey, severance pay is paid in case of retirement or dismissal. In accordance with the updated TAS 19 Employee Benefits Standard ("TAS 19"), such payments are considered as defined retirement benefit plans.

Severance pay liability recognized in the statement of financial position is calculated according to the net present value of the expected future liability amounts due to the retirement of all employees and reflected in the consolidated financial statements. All calculated actuarial gains and losses are accounted for under other comprehensive income.

Accumulated leave provisions:

Liabilities arising from unused leave rights, which are defined as long-term provisions provided to employees, are accounted for by accruing in the periods in which they are vested.

Statement of cash flows

In the consolidated statement of cash flows, cash flows for the period are classified and reported based on operating, investing and financing activities. Cash flows from operating (core) operations represent the cash flows from the Group's core business transactions.

Cash flows from investing activities represent the cash flows that the Group uses and receives from its investing activities (tangible and intangible assets).

Cash flows related to financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Capital and dividends

Ordinary shares are classified as equity. Dividends distributed over ordinary shares are recorded by deducting from the accumulated profit in the period when the dividend decision is taken.

Repurchased shares are presented as "Repurchased shares" by deducting the cost values, including the parts exceeding the nominal value of these shares, in case the Group buys its own shares. Gains or losses from the Group's repurchased shares are also accounted for under equity.

Issue premiums related to shares

Share premiums represent the difference between the nominal values and fair values of the shares issued by the Group.

2.6 Significant accounting evaluations, estimates and assumptions

The preparation of financial statements requires the disclosure of the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. The Group makes predictions and assumptions about the future. Accounting estimates may not result in exactly the same amounts as the actual results due to their nature. Some estimates and assumptions that may cause significant adjustments in the carrying value of assets and liabilities in the next financial reporting period are as follows:

a) Accounting for construction contracts

The Group uses the percent completion rate method in accounting for construction contracts. According to this method, the ratio of the contract expense incurred until a certain date to the estimated total cost of the contract is calculated. The Group uses the "percentage completion" method in accounting for fixed price contracts to provide project services. The percentage of completion method requires estimating the service performed in proportion to the total service to be delivered (Note 16).

b) Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its legal taxable financial statements and its financial statements prepared in accordance with TFRS. The Group has unused tax losses that can be deducted from future profits and deferred tax assets consisting of other deductible temporary differences. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections, expiry dates of unused losses and other tax assets, and tax planning strategies that can be used when necessary are considered. In the light of the data obtained, if the future taxable profit of the Group is not sufficient to cover all deferred tax assets, a provision is made for all and part of the deferred tax asset (Note 22).

c) Impairment of trade receivables

Provision for impairment of trade receivables is calculated under the simplified approach in accordance with the ECL model. Pursuant to the said model, the Group monitors its customers in terms of past payment performances and receivables aging. In calculating the provision for impairment, it calculates the net risk by taking into account the guarantees it has received on the basis of customers in the relevant groups, and uses the expected loan loss rates that it has determined based on past experience (Note 4).

d) Impairment of inventory

Inventories are physically inspected for impairment of inventory, their availability is determined in line with the opinions of technical personnel, and a provision is made for items that are not expected to be used. As a result of these studies, a provision is made for inventories with a net realizable value below the cost value (Note 6).

2.7 Statement of Compliance with TFRS and Policy Decisions Issued by KGK

Company management is responsible for the preparation and fair presentation of financial statements in accordance with TFRSs published by KGK and KGK policy decisions. The company management declares that the current and previous period financial statements, the summary of important accounting policies and footnotes are prepared and presented in accordance with TFRS.

2.8 Significant changes in the current period

Due to the COVID-19 epidemic that affected the whole world, necessary actions to minimize the possible effects on the Group's activities and financial situation, in parallel with the developments/slowdowns in the sector and general economic activity of the Group. Taken by the group management. However, while preparing the consolidated financial statements as of 31 December 2021, the possible effects of the COVID-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the consolidated financial statements were reviewed. In this context, no impairment has been detected in the consolidated financial statements as of 31 December 2021.

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash	48.730	29.283
Bank	334.448.744	92.056.439
- Time deposit	320.282.026	79.634.438
- Demand deposit	14.166.718	12.422.001
Cheques and notes	12.144.268	6.437.243
Credit card receivables	65.352.204	47.905.573
	411.993.946	146.428.538

The Group's time deposits are in TRY, Euro and USD with average maturities less than one week and annual weighted average effective interest rates are 20%, 0,55% ve 1,25%, respectively. (31 December 2020: Time deposits are in TRY, Euro and USD and overnight weighted average effective interest rates are 16,75%, 0,75% and 1,95%, respectively). Checks and credit card receivables have a maturity of less than 3 months.

Credit risks of banks with group deposits are evaluated by taking into account independent data and no credit risk is expected.

The market values of cash and cash equivalents approximate their carrying values including the accrued interest income at the balance sheet date. As of 31 December 2021 and 2020, the Group has blocked deposits for POS receivables amounting to TRY65.352.204 (31 December 2020: TRY47.905.573).

As of 31 December 2021 and 2020, the details of the Group's demand deposits are as follows:

Currency	31 December 2021	31 December 2020
TRY	178.540	217.702
USD	7.046.197	7.573.268
EUR	6.941.981	4.631.031
	14.166.718	12.422.001

As of 31 December 2021 and 2020, the details of the Group's time deposits are as follows:

	31 December 2021	31 December 2020
TRY	19.973.000	1.030.645
USD	65.168.796	11.294.277
EUR	235.140.230	67.309.516
	320.282.026	79.634.438

NOTE 4 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 December 2021	31 December 2020
Trade receivables	429.872.019	266.501.265
Notes receivables	296.777.139	187.995.240
Trade receivables from related parties	111.516.859	47.646.328
Less: Provision for impairment	(104.200.346)	(73.562.748)
	733.965.671	428.580.085

The average maturity period of the Group's trade receivables is 3 months (31 December 2020: 3 months). The carrying value of trade receivables approximates their fair value. Details of trade receivable balances in foreign currency are shown in Note 27.

The movement table of the provision for impairment in trade receivables is as follows:

	2021	2020
1 January	(73.562.748)	(65.356.129)
Provisions made during the period	(30.637.598)	(8.206.619)
31 December	(104.200.346)	(73.562.748)

The allowance for doubtful receivables for trade receivables has been determined by estimating expected credit losses based on past experience of uncollectibility.

Vadeye kalan süre	31 December 2021	31 December 2020
Overdue	76.397.775	11.164.569
0 - 30 days	321.562.547	98.178.836
31 - 90 days	172.373.123	208.919.233
91 - 365 days	52.115.367	62.671.119
	622.448.812	380.933.757

Vadesi geçen süre	31 December 2021	31 December 2020
0 - 30 days	61.878.037	9.492.277
31 - 90 days	5.316.257	1.596.626
91 and more days	9.203.481	75.666
	76.397.775	11.164.569

The collection risk of trade receivables is limited due to the Group's wide and dispersed customer base, which covers production and distribution. The Group's experience in the collection of trade receivables in the past years shows that the provisions set aside are sufficient. For this reason, the Group management believes that there is no additional trade receivable risk other than the provision for possible collection losses. Credit risk assessment related to trade receivables is disclosed in Note 27.

Short-term trade payables	31 Aralık 2021	31 Aralık 2020
Trade payables	960.632.192	380.552.347
Trade payables to related parties	336.514.998	82.858.034
Expense accruals	29.975.555	7.443.413
	1.327.122.745	470.853.794

Average payment term of the Group's trade payables is 3 months (31 December 2020: 3 months).

The Group has financial risk management policies implemented to ensure that all its debts are paid within the lending period. As of 31 December 2021, the Group has commercial debt of TRY572.740.327 (USD26.545.631 and EUR15.545.548) with letter of credit (31 December 2020: TRY137.949.839 (USD15.815.722 and EUR2.426.152)).

DİPNOT 5 - DİĞER ALACAK VE BORÇLAR

The breakdown of other short-term receivables from unrelated parties is as follows:

Other receivables from unrelated parties	31 Aralık 2021	31 Aralık 2020
Deposits and guarantees given	18.000	84.322
Other	53.513	-
	71.513	84.322

Other short-term payables	31 Aralık 2021	31 Aralık 2020
Deferred special consumption tax	433.791	97.062
Other payables to related parties	50.641	-
	484.432	97.062

NOTE 6 - INVENTORIES

	31 December 2021	31 December 2020
Raw materials	137.767.696	72.587.040
Semi products	158.285.263	74.815.524
Finished product	190.688.574	96.620.685
Trade goods	12.284.264	13.438.281
Less: Provision for inventory impairment	(46.711.181)	(11.912.848)
	452.314.616	245.548.682

In the accounting period of 1 January - 31 December 2021, the cost of first materials and materials associated with the cost of sales is TRY2.316.741.677 (31 December 2020: TRY1.330.992.634) (Note 17).

The movement of inventory impairment during the year is as follows:

	2021	2020
1 January	(11.912.848)	(7.302.786)
Increase during the period, net	(34.798.333)	(4.610.062)
31 December	(46.711.181)	(11.912.848)

TRY12.679.061 of inventory impairment provisions consists of finished goods, TRY22.060.023 of raw materials and materials and TRY59.249 of commercial goods.

NOTE 7 - PREPAID EXPENSES AND DEFERRED TAX

Short-term prepaid expenses	31 December 2021	31 December 2020
Expenses for incoming months (*)	25.514.355	2.286.885
Order advances for projects	400.751	16.369.349
	25.915.106	18.656.234

(*) Expenses for the next months consist of insurance policies.

Long-term prepaid expenses	31 December 2021	31 December 2020
Expenses for incoming years (*)	20.511.914	111.629
	20.511.914	111.629

(*) Expenses for the next months consist of insurance policies.

Short-term contractual obligations and deferred income	31 December 2021	31 December 2020
Contractual obligations (*)	312.157.473	-
Order advances received (except for contractual obligations)	80.906.190	36.449.555
	393.063.663	36.449.555

(*) Order advances received consist of cash advances received from customers regarding the Group's projects. A significant portion of the order advances received consists of the cash advances received for the Submarine project made with TEIAS in 2021.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2021	Additions	Disposals	31 December 2021
Cost				
Land	3.164.360	-	-	3.164.360
Buildings	62.890.353	251.278	-	63.141.631
Machinery and equipment	240.710.152	20.911.913	-	261.622.065
Vehicles, floors and fixtures	30.746.514	4.631.962	(29.969)	35.348.507
Specific costs	77.543	-	-	77.543
Ongoing investments	53.604	-	-	53.604
	337.642.526	25.795.153	(29.969)	363.407.710
Less: Accumulated depreciation				
Buildings (-)	(32.055.049)	(1.289.581)	-	(33.344.630)
Machinery and equipment (-)	(213.108.168)	(5.163.170)	29.969	(218.241.369)
Vehicles, floors and fixtures (-)	(27.420.213)	(1.927.182)	-	(29.347.395)
Specific costs	(77.515)	(28)	-	(77.543)
	(272.660.945)	(8.379.961)	29.969	(281.010.937)
Net book value	64.981.581			82.396.773

As of 31 December 2021, the Group has depreciation and amortization expenses amounting to TRY9.866.641, TRY8.379.961 for tangible assets, TRY1.308.960 for right-of-use assets and TRY177.720 for intangible assets. TRY7.235.336 of the aforementioned current period depreciation and amortization expenses is reflected to the cost of sales, TRY2.594.993 to general administrative expenses, TRY32.504 to marketing expenses and TRY3.808 to research and development expenses. An important part of the plant, machine and device additions in 2021 consists of the purchase of cable outer sheath and insulation spraying machine.

As of 31 December 2021, there is no pledge or mortgage on tangible assets (31 December 2020: None).

	1 January 2021	Additions	Disposals	31 December 2020
Cost				
Land	3.164.360	-	-	3.164.360
Buildings	61.477.644	1.412.709	-	62.890.353
Machinery and equipment	232.195.086	8.651.512	(136.446)	240.710.152
Vehicles, floors and fixtures	29.519.900	1.272.504	(45.890)	30.746.514
Specific costs	77.543	-	-	77.543
Ongoing investments	53.604	-	-	53.604
	326.488.137	11.336.725	(182.336)	337.642.526
Less: Accumulated depreciation				
Buildings (-)	(30.783.568)	(1.271.481)	-	(32.055.049)
Machinery and equipment (-)	(209.083.672)	(4.113.854)	89.358	(213.108.168)
Vehicles, floors and fixtures (-)	(25.920.821)	(1.545.282)	45.890	(27.420.213)
Specific costs	(77.515)	-	-	(77.515)
	(265.865.576)	(6.930.617)	135.248	(272.660.945)
Net book value	60.622.561			64.981.581

As of 31 December 2020, the Group has depreciation expenses amounting to TRY8.153.848, of which TRY6.930.617 for tangible assets, TRY138.034 for intangible assets and TRY1.085.197 for rights-of-use assets. TRY6.087.124 of the aforementioned current period depreciation expenses are reflected in production costs, TRY1.908.396 in general administrative expenses, TRY153.556 in marketing expenses, TRY4.772 in research and development expenses.

NOTE 9 - INTANGIBLE ASSETS

	1 January 2021	Additions	31 December 2021
Cost			
Rights	1.874.814	2.037.203	3.912.017
	1.874.814	2.037.203	3.912.017
Accumulated amortisation			
Rights (-)	(1.613.291)	(177.720)	(1.791.011)
	(1.613.291)	(177.720)	(1.791.011)
Net book value	261.523		2.121.006
	1 January 2020	Additions	31 December 2021
Cost			
Rights	1.874.814	-	1.874.814
	1.874.814	-	1.874.814
Accumulated amortisation			
Rights (-)	(1.475.257)	(138.034)	(1.613.291)
	(1.475.257)	(138.034)	(1.613.291)
Net book value	399.557		261.523

NOTE 10 - OTHER ASSETS AND LIABILITIES

Other current assets	31 December 2021	31 December 2020
Transferred VAT (*)	30.852.882	26.436.251
Receivables from tax office (**)	16.909.340	8.182.266
Other	302.312	1.029.193
	48.064.534	35.647.710

(*) It consists of the short-term part of the value added taxes that cannot be deducted due to the change in the communiqué regarding export registered sales, and the return process has started.

(**) It consists of SCT and other VAT receivables from the tax office.

Other non-current assets	31 December 2021	31 December 2020
Deferred VAT (*)	127.072.561	71.790.233
	127.072.561	71.790.233

(*) It consists of value added taxes that cannot be deducted due to the change in the communiqué regarding export registered sales. The refund process is ongoing and VAT receivables, which are expected to take more than one year to be refunded, have been classified as non-current assets by the Group management.

Other short-term current liabilities	31 December 2021	31 December 2020
Taxes and funds payable	5.937.603	2.661.240
Other	267.836	267.836
	6.205.439	2.929.076

NOTE 11 - LIABILITIES ARISING FROM BORROWINGS AND LEASING TRANSACTIONS

	31 December 2021	31 December 2020
Short-term borrowings		
Short-term bank borrowings	-	51.677.083
Short-term portions of long-term liabilities arising from lease transactions	918.651	1.190.442
	918.651	52.867.525
Long-term borrowings		
Long-term liabilities arising from lease transactions	486.410	1.773.135
	486.410	1.773.135

Carrying values of liabilities arising from lease transactions converge to their fair values.

The Group has no bank loans as of 31 December 2021, and the details of its bank loans as of 31 December 2020 are as follows:

31 December 2020

Currency	Maturity	Effective interest rate (%)	Amount
TRY	1 year	6,9	51.677.083
			51.677.083

As of 31 December 2021, the repayment schedule of borrowings is as follows:

	31 December 2021	31 December 2020
In 1 year	-	51.677.083
	-	51.677.083

The movement table of financial borrowings as of 1 January - 31 December 2021 and 2020 is as follows:

	2021	2020
1 January	51.677.083	-
New financial debts received	80.000.000	422.489.000
Principal payments	(130.000.000)	(372.489.000)
Change in interest accruals	(1.677.083)	1.677.083
31 December	-	51.677.083

NOTE 12 - DERIVATIVE INSTRUMENTS

31 December 2021	Contract amount	Fair value	Contract EUR	Contract USD
Derivative assets				
Foreign currency forward transactions	706.676.878	113.812.719	19.450.000	35.300.000
	706.676.878	113.812.719	19.450.000	35.300.000
31 December 2020				
Derivative liabilities				
Foreign currency forward transactions	(155.562.720)	(16.860.410)	1.000.000	18.200.000
	(155.562.720)	(16.860.410)	1.000.000	18.200.000

The Group uses foreign currency derivatives to hedge significant future transactions and cash flows from financial risk. The Group is a party to various forward foreign currency contracts, depending on the management of exchange rate fluctuations. Derivative instruments purchased are mainly in foreign currencies in the market in which the Group operates.

These contracts are related to foreign exchange risks in 2021 and 2020 and are renewed when necessary.

The change in the fair value of foreign currency derivative transactions for hedging purposes is recorded in the profit or loss statement during the period.

NOTE 13 - EMPLOYEE BENEFITS

Employee benefits payables	31 December 2021	31 December 2020
Social security deductions to be paid ("SGK")	2.150.315	2.040.422
Taxes and funds payable	1.573.067	1.496.438
Payables to personnel	1.555.941	1.878.117
	5.279.323	5.414.977
Short-term provisions for employee benefits		
	31 December 2021	31 December 2020
Personnel provisions	12.771.049	4.477.722
Personnel bonus provisions	5.727.584	3.705.228
Provision for unused vacation	5.087.031	3.382.981
Personnel for a fee provisions	4.942.014	400.000
	28.527.678	11.965.931

The movement tables regarding personnel premium provisions as of 31 December 2021 and 2020 are as follows:

	2021	2020
1 January	3.705.228	7.148.177
Paid during the year	(3.705.228)	(7.148.177)
Provisions during the year	5.727.584	3.705.228
31 December	5.727.584	3.705.228

Long-term provisions due to employee benefits	31 December 2021	31 December 2020
Provisions for employee termination benefits	19.153.416	17.914.026
	19.153.416	17.914.026

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The compensation to be paid is equal to one month's salary for each year of service, and this amount is limited to TRY10.596,74 as of 31 December 2021 (31 December 2020: TRY7.117,17). The provision for severance pay is not legally subject to any funding and there are no funding requirements. The provision for severance pay is calculated by estimating the present value of the probable obligation to be paid in case of retirement of the employees, taking into account actuarial assumptions.

TMS 19, "Employee Benefits"; It envisages the development of actuarial valuation methods to estimate the severance pay provision of the Company. Accordingly, the following actuarial assumptions were used in the calculation of the provision:

The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2021	31 December 2020
Inflation rate (%)	13,50	10,5
Discount rate (%)	2,64	2,71

The basic assumption is that the ceiling provision for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. The severance pay provision of the Company is calculated over TRY10.848,59 (1 January 2021: TRY7.638,97), effective as of 1 January 2022, since the severance pay ceiling is adjusted semi-annually.

Movements of the provision for employment termination benefits were as follows:

	2021	2020
1 January	17.914.026	12.579.572
Current service cost	1.691.390	1.225.000
Interest costs	2.410.000	1.519.000
Defined benefit plans remeasurement gains/(losses)	(2.049.000)	3.191.000
Payments	(813.000)	(600.546)
31 December	19.153.416	17.914.026

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions	31 December 2021	31 December 2020
Provision for copper incentive (***)	13.110.660	-
Expense accruals related to overseas service agreements	12.836.152	7.172.871
Provisions for maintenance and repair expenses (****)	8.459.454	2.525.451
Provisions for commission expenses	6.854.004	7.151.477
Various provisions for ongoing projects (**)	5.465.055	10.448.078
Provisions arising from the purchase contracts (*)	128.789	3.762.817
Other	10.371.417	5.619.691
	57.225.531	36.680.385

(*) Provisions including shipment, product variety problems and additional costs related to projects.

(**) Provisions arising from the purchase agreements made by the Group for the projects that are at the order stage.

(***) The copper incentive provision is a record taken against the risk of withdrawal of the copper incentive for not being able to sell the copper with incentives to third world countries.

(****) As of 31 December 2021, it is related to the maintenance and repair services received by the suppliers that have not yet been invoiced.

Other long-term provisions	31 December 2021	31 December 2020
Guarantee expense provisions.	5.413.308	1.903.937
Litigation provisions	886.642	868.276
	6.299.950	2.772.213

The amount in question represents the provisions for the lawsuits brought against the Group by various parties. The provision amount is recognized as general administrative expense in the profit or loss statement.

The balance dated 31 December 2021 is not expected to be used within one year. In the opinion of the management, with the appropriate legal opinion, these lawsuits will not result in a significant loss beyond the amount of the provision as at 31 December 2021.

As of 31 December 2021 and 2020, the movements in the provision for lawsuits during the period are as follows:

	2021	2020
1 January	868.276	1.330.368
Paid during the period	-	(462.092)
Increase during the period	18.366	-
31 December	886.642	868.276

As of 31 December 2021 and 2020, the movements of guarantee provisions during the period are as follows:

	2021	2020
1 January	1.903.937	1.187.714
Increase during the period	3.509.371	716.223
31 December	5.413.308	1.903.937
Guarantees received	31 December 2021	31 December 2020
Guarantee letters	361.894.889	134.608.540
Credit insurance	248.866.273	122.163.005
Bails	54.100.595	31.276.725
Letters of credit	9.996.750	5.505.375
	674.858.507	293.553.645

A significant portion of the Group's collaterals received consist of the assurance collaterals received from customers regarding their trade receivables.

Guarantees given	31 December 2021	31 December 2020
Guarantee letters	1.414.729.960	231.926.310
	1.414.729.960	231.926.310

A significant portion of the letters of guarantee given were given to customers, customs directorates and tax offices regarding the projects the Group received in 2021.

The Group's collateral/pledge/mortgage/guarantee ("CPM") position is as follows:

	31 December 2021	31 December 2020
A. Total amount of CPM given for the Group's own legal personality	287.966.928	205.803.400
B. Total amount of CPM given on behalf of fully consolidated companies	517.539.112	-
C. Total amount of CPM given for continuity of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	26.122.910
i) Total amount of CPM given behalf of the majority shareholder	-	-
ii) Total amount of CPM given to on behalf of other third parties which are not in scope of B and C	-	26.122.910
iii) Total amount of CPM given on behalf of third parties which are not in scope of C.	-	-
	805.506.040	231.926.310
The ratio of total amount of other CPM to Equity	%0	%6

NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Compositions of the Group's paid-in share capital at 31 December 2021 and 2020 are as follows:

	31 December 2021		31 December 2020	
	Share ratio (%)	Amount	Share ratio (%)	Amount
Draka Holding B.V.	83,75	181.506.654	83,75	181.506.654
Public (*)	16,25	35.226.998	16,25	35.226.998
Paid in share capital		216.733.652		216.733.652

(*) As of 31 December 2021 and 2020, the share ratio of repurchased shares is 0.46%.

As of 31 December 2021, the Group's capital consists of 216.733.652 shares (31 December 2020: 216.733.652 shares). The nominal value of the shares is TRY1 per share (31 December 2020: TRY1 per share). All issued shares were paid in cash.

Restricted reserves	31 December 2021	31 December 2020
Legal reserves	14.123.489	11.336.752
	14.123.489	11.336.752

According to the Turkish Commercial Code, the general legal reserve is appropriated at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. After paying five percent dividend to the shareholders, 10% of the total amount to be distributed to the shareholders reserved as other legal reserves. According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the issued capital or the capital, it can be used only to cover the losses, to continue the business when the works are not going well or to prevent unemployment and to mitigate the results.

Distribution of dividend

Publicly traded companies make their dividend distributions in accordance with the CMB's Dividend Communiqué No. II-19 19.1, which came into force as of 1 February 2014.

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or dividend policy.

On 31 March 2021, the management decided to pay dividends from the profit of 2020 to the shareholders. In 2021, the amount of TRY7.974.127 (2020: TRY6.638.540) dividends distributed per share is TRY0,0368 in gross (2020: TRY0,0308) is and TRY0,0313 (2020: TRY0,0262) in net.

Premiums Related to Shares

Share premiums represent the positive or negative differences between the nominal amount of the shares offered to the public and the purchase amount.

Repurchased shares:

Consists of the Group's repurchased shares within the scope of liquidity provider transactions carried out within the framework of CMB legislation. The Company's repurchased shares are realized at the market prices in Borsa Istanbul on the date of the transaction; Repurchased shares are accounted for in "Repurchased Shares" accounts, including the parts exceeding their nominal value.

NOTE 16 - CONTRACTUAL ASSETS AND LIABILITIES

	31 December 2021	31 December 2020
Costs on work-in-progress	451.222.791	213.804.381
Recognized profits less/losses (net)	94.372.260	46.528.261
Minus: Realized progress payments (-)	(333.854.517)	(244.218.928)
	211.740.534	16.113.714

The Group takes the completion percentage of the contract activities as a basis in the transfer of the income and expenses of the mentioned construction works to the financial statements. Contracts regarding the works signed / completed or in progress by the Group are as follows:

a) Oskar - ITM.180 Dudullu Metro GIS TM Construction Work

The Group signed the contract regarding the construction works in question on 27 July 2016. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 96% as of the current period.

b) TKABÇ4 Ataşehir Project

The Group signed the contract for the construction works in question on 2 August 2016. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

c) TEİAŞ - TKABY.47 Reference, Ambarlı TM – Sultanmurat GIS TM 154 kV Project

The Group signed the contract for the mentioned construction works on 16 August 2017. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

d) DB.KAB.14 Atışalanı - Aksaray Project

The Group signed the contract for the construction works in question on 10 July 2018. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

e) İTM 214 Akköprü GIS Project

The Group signed the contract for the construction works in question on 13 February 2018. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

f) Taşoluk New Airport

Group signed the contract for the construction works in question on 22 July 2019. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

g) DB.KAB.18_Çiğdem Balgat Project

The Group signed the contract for the construction works in question on 8 January 2020. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

h) TKABY.50, Çağlayan GIS TM – Altıntepe Project

The Group signed the contract for the mentioned construction works on 6 August 2020. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a 100% completion percentage as of the current period. The Group has completed the project in accordance with the contract and the final progress payments have not been made yet.

i) TKABY.54 Yenibosna GIS TM Veliefendi Project

The Group signed the contract for the mentioned construction works on 4 January 2021. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 85% as of the current period.

j) Çanakkale Strait_Lapseki3-Sütlüce3_Lot1

The Group has signed the contract for the construction works in question on 30 June 2021. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 11% as of the current period.

k) İzmit Gulf _Hersek-Dilovası_Lot2

The Group has signed the contract for the construction works in question on 30 June 2021. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 9% as of the current period.

NOTE 17 - REVENUE AND COST OF SALES

	1 January - 31 December 2021	1 January - 31 December 2020
Domestic sales	3.922.610.957	1.725.668.663
Export sales	862.647.437	665.113.320
Minus: Discounts	(1.562.635.181)	(586.173.982)
Minus: Returns	(1.853.042)	(2.423.535)
Net sales	3.220.770.171	1.802.184.466
Cost of sales (-)	(2.841.907.068)	(1.600.374.544)
Gross profit from operations	378.863.103	201.809.922
	1 January - 31 December 2021	1 January - 31 December 2020
Distribution of revenue by calculation method:		
At a certain moment in time	2.895.424.929	1.714.399.579
Pervasive in time	325.345.242	87.784.867
	3.220.770.171	1.802.184.466
Cost of sales:	1 January - 31 December 2021	1 January - 31 December 2020
Raw material expenses	2.316.741.677	1.330.992.634
Cost of service sold	239.531.168	30.501.128
Cost of merchandise sold	124.432.793	120.207.898
General production expense	100.318.151	73.236.846
Personnel expenses	53.647.943	39.348.914
Depreciation and amortization expenses	7.235.336	6.087.124
	2.841.907.068	1.600.374.544

NOTE 18 - RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Research and development expenses		
Personnel expenses	3.129.041	2.910.599
Test, measurement and document expenses	2.267.140	1.368.690
Depreciation and amortization	3.808	4.772
Other	467.037	367.042
	5.867.026	4.651.103

NOTE 19 - MARKETING EXPENSES, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Marketing, selling and distribution expenses		
Logistics and freight costs	164.099.877	69.718.764
Personnel expenses	19.254.001	14.671.611
External service expenses	63.012	21.562
Depreciation and amortization	32.504	153.556
Other	8.295.099	1.750.218
	191.744.493	86.315.711
General administrative expenses		
License and service expenses	49.655.867	25.675.007
Personnel expenses	19.413.585	16.934.438
Depreciation and amortization	2.594.993	1.908.396
Litigation, consultancy and audit expenses	1.289.794	948.188
Donations and membership dues	801.767	823.680
Insurance expense	717.816	515.448
External service expenses	353.355	308.779
Other	6.267.567	7.149.462
	81.094.744	54.263.398

NOTE 20 - EXPENSES BY NATURE

	1 January - 31 December 2021	1 January - 31 December 2020
Raw material expenses	2.316.741.677	1.330.992.634
Cost of merchandise sold	239.531.168	30.501.128
Logistics expenses, sales and letter of guarantee commissions	164.099.877	69.718.764
Cost of merchandise sold	124.432.793	120.207.898
Production costs	100.318.151	73.236.846
Labor expense	95.444.570	73.865.562
License and service expenses	49.655.867	25.675.007
Depreciation and amortization	9.866.641	8.153.848
Litigation, consultancy and audit expenses (*)	1.289.794	948.188
Other	19.232.793	12.304.881
	3.120.613.331	1.745.604.756

The breakdown of litigation, consultancy and audit expenses:

	1 January - 31 December 2021	1 January - 31 December 2020
Independent audit fee for the reporting period	255.000	170.515
Fees for tax advisory services	125.000	126.500
Fees for customs consultancy services	107.842	48.722
Other	801.952	602.451
	1.289.794	948.188

NOTE 21 - OTHER OPERATING INCOME AND EXPENSE

Details of other income from main operations are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Gain on valuation of derivative financial instruments	138.557.835	7.823.844
Realized income from derivative financial instruments	135.539.000	26.420.546
Cost reflection revenues	4.105.450	3.257.922
Interest income of trade receivables	1.148.652	1.828.418
Foreign exchange gain from commercial activities, net	-	19.016.163
Other	15.148.943	3.535.578
	294.499.880	61.882.471

Details of other expense from main operations are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange loss from commercial activities, net	(218.869.116)	-
Realized expenses from derivative financial instruments held for trading	(76.145.907)	(29.469.624)
Doubtful trade receivables provision expenses	(30.637.598)	(8.206.619)
Loss on valuation of derivative financial instruments held for trading	(7.884.676)	(23.751.490)
Other	(1.856.231)	(4.747.151)
	(335.393.528)	(66.174.884)

NOTE 22 - INVESTMENT ACTIVITIES INCOME AND EXPENSES

Details of income from investment activities are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Gain on sales of tangible and intangible assets	118.812	204.791
	118.812	204.791

NOTE 23 - FINANCIAL INCOME AND EXPENSES

Financial income:	1 January - 31 December 2021	1 January - 31 December 2020
Interest income	8.277.432	3.706.828
	8.277.432	3.706.828
Financial expense:	1 January - 31 December 2021	1 January - 31 December 2020
Interest expenses on bank loans	(14.917.848)	(7.790.726)
Severance pay interest expenses	(2.408.034)	(1.519.027)
Interest expenses related to leasing transactions	(273.210)	(496.678)
Other	(1.353.983)	(1.242.484)
	(18.953.075)	(11.048.915)

NOTE 24 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND TAX LIABILITIES)

The income tax payable as of 31 December 2021 and 31 December 2020 is summarized below:

	31 December 2021	31 December 2020
Corporate tax provision	-	18.990.257
Loss: Prepaid taxes	(29.072.932)	(17.303.733)
Current income tax liability/(assets)	(29.072.932)	1.686.524

In Turkey, the corporation tax rate is 25% for 2021 (2020: 22%). The corporate tax rate is applied to the tax base that will be found as a result of the deduction of the expenses that are not allowed to be deducted in accordance with the tax laws to the commercial income of the corporations, the exception to the tax law (except for the participation earnings exemption, investment allowance exception etc.) and the reduction of discounts (such as R & D discount). No further tax is payable unless the profit is distributed calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022, Law No. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. The Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies under TFRS on 20 January 2022, and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

Companies calculate temporary tax at the rate of 25% (2020: 22%) on their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the 17th (2020: 17th) day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the state. There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 25th day of the fourth month following the month in which the accounting period is closed. Authorities authorized for tax inspection can examine the accounting records within five years, and if erroneous transactions are detected, tax amounts may change due to tax assessment. According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits.

For the period ended 31 December 2021 and 2020, tax expense in the profit or loss comprised the following:

	1 January - 31 December 2021	1 January - 31 December 2020
Corporate tax expense current period	-	(18.990.257)
Deferred tax assets/(liabilities)	(7.973.367)	16.258.900
Total tax income/(expense)	(7.973.367)	(2.731.357)

The reconciliation between the corporate tax expense with the legal tax rate applied to the profit before tax and the tax income/(expense) shown in the profit or loss statement for the one-year accounting periods ending on 31 December 2021 and 31 December 2020 is as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Profit before tax	48.706.361	45.150.001
The current legal corporate tax rate (25%)	25%	22%
Tax calculated over the tax rate	(12.176.591)	(9.933.000)
Expenses and additions that are not legally accepted	(2.547.823)	(3.288.998)
Used investment contribution	2.969.995	2.077.553
Impact of investment contribution with deferred tax	1.551.248	973.331
R&D discounts	1.883.135	3.914.481
Capital increase discount	-	3.858.126
Other	346.669	(332.850)
Tax expense	(7.973.367)	(2.731.357)

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided at 31 December 2021 and 2020 are as follows:

Deferred tax assets/(liabilities)	Cumulative temporary differences		Deferred income tax assets/(liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Derivative instruments	113.812.719	(16.860.410)	(26.176.925)	3.372.082
Year-round construction projects	35.423.081	13.497.971	(8.147.309)	(2.699.594)
Trade receivables	306.303	(16.554.351)	(70.450)	4.628.501
Litigation	(886.642)	(868.276)	203.928	173.655
Investment incentive discount	(12.913.023)	(10.387.765)	2.969.995	2.077.553
Unused leave allowances	(16.887.549)	(3.382.981)	3.884.136	676.596
Provision for severance pay	(19.153.416)	(17.914.026)	3.830.683	3.582.805
Tangible and intangible assets	(22.704.683)	(21.033.806)	4.578.790	4.244.614
Trade payables	(27.028.504)	(14.280.736)	6.216.556	3.141.762
Provisions	(42.239.353)	(34.166.420)	9.715.051	6.833.284
Inventory impairment	(58.650.971)	(12.437.450)	13.489.723	2.585.882
Other	(52.469.200)	(11.640.600)	12.067.916	2.328.121
Deferred tax assets/(liabilities), Net			22.562.094	30.945.261

Movements of deferred tax assets and liabilities are as follows:

	2021	2020
1 January	30.945.261	14.048.161
Associated with the profit or loss	(7.973.367)	16.258.900
Associated with other comprehensive income	(409.800)	638.200
31 December	22.562.094	30.945.261

NOTE 25 - EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the period attributed to the parent company shares by the weighted average number of shares of the Company during the period.

There are no ordinary shares issued or to be issued as of the date of preparation of the financial statements and prior to the completion of these consolidated financial statements.

	31 December 2021	31 December 2020
Net profit per share of the parent	40.732.994	42.418.644
Weighted average number of ordinary shares issued	216.733.652	216.733.652
Earnings per share	0,1879	0,1957

NOTE 26 - RELATED PARTY DISCLOSURES

Short-term trade receivables from related parties are as follows:

	31 December 2021	31 December 2020
Prysmian Cavi e Sistemi Italia S.r.l.	67.504.916	13.020.091
Prysmian Group Norge AS	9.834.637	4.110.167
Prysmian Finland Oy	6.948.208	-
Prysmian Spain, S.A.	6.568.037	-
Prysmian Cabluri Si Sisteme S.	5.015.456	-
Prysmian Cables et Systèmes Fr	4.139.969	-
Prysmian S.P.A.	1.994.391	590.082
Draka Comteq UK Limited	1.903.620	421.710
Prysmian Cables & Systems Limited	1.673.867	5.866.918
Prysmian Kabel und Systeme GmbH	1.157.445	48.928
Oman Cables Industry (SAOG)	1.094.578	1.409.868
Prysmian Australia Pty Ltd	710.828	187.706
Prysmian Power Link Srl	72.976	56.185
Prysmian Group Baltics AS	17.469	6.381.738
Singapore Cables Manufacturers Pte	-	996.694
LLC Rybinskelektrokabel	-	877.207
Prysmian Communication Cables	-	51.265
Prysmian Hong Kong Holding Ltd	-	9.894.904
Other	2.880.462	3.732.865
	111.516.859	47.646.328

	31 December 2021		31 December 2020	
	Trade payables	Other payables	Trade payables	Other payables
Prysmian Cables and Systems OY/Finland	150.321.965	-	2.036.583	-
SILEC Cable, S.A.S.	82.725.240	-	-	-
Prysmian S.P.A.	72.637.278	-	-	-
Prysmian Cavi e Sistemi Italia S.r.l.	15.405.525	-	16.838.606	-
Prysmian Cavi e Sistemi S.r.l	9.205.910	-	-	-
Prysmian Kabel und Systeme GmbH	3.959.292	-	4.956.103	-
Draka Comteq Germany GmbH & Co KG	115.736	-	25.338	-
Other	2.144.052	50.641	-	-
	336.514.998	50.641	-	-

Sales transactions with related parties are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Prysmian Cavi e Sistemi Italia S.R.L	150.299.516	89.160.324
Prysmian Group Norge AS	57.992.445	64.240.539
Prysmian Cables & Systems Ltd.	23.908.722	16.037.152
Prysmian Cabluri si Sisteme S.A.	23.630.508	9.161.319
Singapore Cables Manufacturers Pte Ltd	14.464.126	3.961.776
Prysmian Spain, S.A.	10.982.332	7.835.427
Draka Kabel Sverige AB	9.990.485	7.168.915
Prysmian Kabel und Systeme GmbH	8.563.451	2.854.461
Prysmian Cables et Systemes France SAS	8.497.421	9.727.496
Prysmian Finland Oy	8.219.581	1.126.012
Draka Comteq UK Ltd	4.298.678	2.923.319
EKSA SP. ZOO (Polonia)	4.235.211	-
Prysmian Hong Kong Holding Ltd	2.841.721	23.080.747
Oman Cables Industry SAOG	2.772.393	15.532.044
Prysmian Australia Pty Ltd	2.260.022	357.296
Prysmian Spa	1.662.135	-
General Cable Peru S.A.C.	838.961	11.957.753
Branch Singapore	93.218	3.418.086
Prysmian Group Baltics AS	31.036	10.686.368
Other	5.178.190	9.795.480
	340.760.152	289.024.514

Purchase transactions with related parties are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Prysmian S.P.A.	198.442.961	183.096.873
Prysmian Finland Oy	156.399.566	5.002.469
SILEC Cable, S.A.S.	82.725.240	-
Prysmian Cavi e Sistemi Italia S.R.L	58.662.139	44.065.020
Prysmian Kabel und System GmbH	49.016.906	38.345.445
Prysmian MKM Magyar Kabel Muve	32.939.925	566.285
Draka Comteq UK Ltd	12.085.556	6.023.112
Oman Aluminium Processing Industrie	6.248.985	-
Prysmian Spain, S.A.	6.208.110	4.715.869
Prysmian Netherlands B.V.	5.220.061	4.469.685
General Cable Celcat, Energia	4.816.936	-
Prysmian Wuxi Cable Company Lt	4.396.304	2.009
Draka Comteq Germany GmbH	3.657.544	2.385.110
Prysmian Communications Cables	2.431.400	-
Fibre Ottiche Sud - F.O.S. S.R.L.	1.669.667	19.089.332
Prysmian Cables et Systèmes Fr	1.450.494	1.557.642
Draka Comteq Fibre BV	1.412.346	987.301
Oman Cables Industry (SAOG)	256.304	16.557.304
Prysmian Cabluri si Sisteme S.A.	-	25.065.200
Other	618.928	1.129.351
	628.659.372	353.058.007

Key management compensation:

Key management personnel include consists of senior executives in the board of directors, executive board and other important management levels. Benefits provided to senior executives during the period are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Paid to board members	9.661.654	6.067.462
Other	10.139	11.308
	9.671.793	6.078.770

Service purchases made with related parties are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Prysmian S.P.A.	34.316.467	16.301.290
Prysmian Cavi e Sistemi S.r.l.	15.339.400	9.373.717
	49.655.867	25.675.007

Service purchases from group companies cover three types of service fees. These are;

TAF (Technical Assistance Fees) license agreement:

License fee; It is calculated as 1.25% over net production sales and invoiced by the relevant companies.

SAG (Service Agreement)

Service agreement: made for all group companies at the Prysmian Group Holding headquarters; Cost allocations are invoiced according to various distribution keys on a company basis, such as legal, sales support, R&D, consultancy.

IT (IT Service Agreement) IT service agreement:

All IT expenses incurred on behalf of group companies are calculated at the Prysmian Group Holding headquarters. Cost allocations are determined according to various distribution keys, and the amount of their shares is invoiced to the group companies.

The IT service fee received from Prysmian SPA is related to the SAP system, which was revised in 2011. It covers all of the technical assistance, consultancy and expenses incurred in line with the system revision.

With the statement made on 26 July 2019, the Group was announced by the Prysmian Group central management; Provided that the 3-year targets committed within the framework of Prysmian Turkey R&D center activities are achieved, it has been decided to revise the license rate from 2% to 1,25% (effective from 1 January 2019).

NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

In managing the capital, the Company's objectives are to ensure the continuity of the Company's activities by maintaining the most appropriate capital structure in order to provide returns to its shareholders and to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to reduce debt.

The Company monitors the capital using the financial liability/equity ratio. The Company has not determined a specific target for these ratios and determines its periodical strategies by evaluating the needs and market conditions.

Capital risk management

	31 December 2021	31 December 2020
Total Financial liabilities	-	51.677.083
Less: Cash and cash equivalents	(411.993.946)	(146.428.538)
Net financial debt	(411.993.946)	(94.751.455)
Equity	437.963.278	403.565.211
Net debt/equity	%(94)	%(23)

Credit risk

Credit risk arises from deposits in banks, receivables from related parties and other trade receivables, and holding the financial assets also carries the risk that counterparties may be unable to meet the requirements of the agreement. Credit risk arises from deposits in banks, receivables from related parties and other trade receivables, and holding the financial assets also carries the risk that counterparties may be unable to meet the requirements of the agreement. The Company management meets these risks by limiting the average risk for the counterparty (excluding related parties) in each agreement and obtaining collateral if necessary. Trade receivables are evaluated by the Company management based on past experiences and current economic conditions and are presented in the statement of financial position net of provision for doubtful receivables. The Company considers that it manages the receivables risk effectively. The following tables present an analysis of the credit risk of the Company as of 31 December 2021 and 2020.

	Trade receivables	Trade receivables	Other receivables		
31 December 2021	Related party	Other	Other	Bank deposits	Derivative instruments
Maximum credit risk as of reporting date (A+B+C+D+E)	111.516.859	622.448.812	71.513	334.448.744	113.812.719
- Guaranteed portion of the maximum risk	-	226.813.557	-	-	-
A. Net book value of the assets that are not due or that are not impaired	77.501.406	547.323.556	71.513	334.448.744	113.812.719
B. Value of the financial assets whose terms have been renegotiated otherwise considered as overdue or impaired	-	-	-	-	-
C. Book value of the overdue but not impaired assets	34.015.453	76.397.775	-	-	-
- Guaranteed portion of the maximum risk	-	33.347.750	-	-	-
D. Net book value of the assets impaired	-	-	-	-	-
- Overdue (net book value)	-	102.927.827	-	-	-
- Impairment (-)	-	(102.927.827)	-	-	-
- The portion of the net worth secured by collateral, etc.	-	-	-	-	-
E. Off balance sheet items with credit risk	-	(1.272.519)	-	-	-

	Trade receivables	Trade receivables	Other receivables		
31 December 2020	Related party	Other	Other	Bank deposits	
Maximum credit risk as of reporting date (A+B+C+D+E)	47.646.328	380.933.757	84.322	92.056.439	
- Guaranteed portion of the maximum risk	-	123.117.880	-	-	
A. Net book value of the assets that are not due or that are not impaired	45.005.326	371.715.639	84.322	92.056.439	
B. Value of the financial assets whose terms have been renegotiated otherwise considered as overdue or impaired	-	-	-	-	
C. Book value of the overdue but not impaired assets	2.641.002	8.523.567			
- Guaranteed portion of the maximum risk	-	7.758.187	-	-	
D. Net book value of the assets impaired	-	1.803.390	-	-	
- Overdue (net book value)	-	74.257.299	-	-	
- Impairment (-)	-	(72.453.909)	-	-	
- The portion of the net worth secured by collateral, etc.	-	-	-	-	
E. Off balance sheet items with credit risk	-	(1.108.839)	-	-	

Liquidity risk

Prudent liquidity risk management consists of providing sufficient cash, enabling funding through adequate credit facilities and the ability to close open positions. Due to the dynamic nature of the business environment, the Company aimed for flexibility in funding through borrowing from related parties.

Due to the dynamic nature of the business environment, the Company sought flexibility in funding by borrowing from related parties.

The breakdown of the liabilities of the Company, which include interest to be paid on the Company's liabilities, on the remaining maturities is as follows:

31 December 2021	Net book value	Total contractual cash outflow	Up to 3 months	3 - 12 months	1 - 5 years
Trade payables	1.327.122.745	1.327.122.745	942.922.887	384.199.858	-
Leasing liabilities	1.405.061	1.405.061	229.663	688.988	486.410
Total	1.328.527.806	1.328.527.806	943.152.550	384.888.846	486.410

31 December 2020	Net book value	Total contractual cash outflow	Up to 3 months	3 - 12 months	1 - 5 years
Bank borrowings	51.677.083	51.851.385	79.414	51.771.971	-
Trade payables	470.853.794	470.853.794	334.542.393	136.311.401	-
Leasing liabilities	2.963.577	2.963.577	228.514	685.540	2.049.523
Total	525.494.454	525.668.756	334.850.321	188.768.912	2.049.523

	31 December 2021			
	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	423.703.893	18.681.701	12.246.867	83.077
2a. Monetary Financial Assets (including cash bank accounts)	319.476.314	5.676.521	16.741.877	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	126.506.910	-	8.616.287	-
4. Current Assets (1+2+3)	869.687.117	24.358.222	37.605.031	83.077
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	869.687.117	24.358.222	37.605.031	83.077
10. Trade Payables	(1.151.817.705)	(49.433.088)	(34.614.861)	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	(614.964.409)	(6.818.436)	(35.782.566)	-
12b. Other Non-monetary Liabilities	-	-	-	-
13. Short-term Liabilities (10+11+12)	(1.766.782.114)	(56.251.524)	(70.397.427)	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
17. Long-term Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	(1.766.782.114)	(56.251.524)	(70.397.427)	-
19. Net Asset/(Liability) Position of the Off-Balance Sheet Foreign Exchange Based Derivatives (19a-19b)	743.676.485	35.300.000	19.450.000	-
19a. The Amount of the Asset Type Off Balance	743.676.485	35.300.000	19.450.000	-
19b. The Amount of the Liability Type Off Balance	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9+18+19)	(153.418.512)	3.406.698	(13.342.396)	83.077
21. Net Foreign Currency Asset/ (Liability) Position of (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(1.023.601.907)	(31.893.302)	(41.408.683)	83.077
22. Total Fair Value of Financial Instruments Used for - Foreign Currency Hedging	743.676.485	35.300.000	19.450.000	-
23. Hedged Foreign Exchange Assets	-	-	-	-
24. Hedged Foreign Exchange Liabilities	743.676.485	35.300.000	19.450.000	-
25. Export	862.647.437	45.975.288	40.944.504	2.184.292
26. Import	939.227.984	27.811.853	65.999.787	10.537

31 December 2020

	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	233.511.898	18.326.761	10.988.611	-
2a. Monetary Financial Assets (including cash bank accounts)	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. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	336.154.468	32.549.415	17.901.008	-
10. Trade Payables	(401.935.311)	(34.862.662)	(16.210.345)	(480)
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	(87.930.750)	(3.662.354)	(6.777.078)	-
12b. Other Non-monetary Liabilities	-	-	-	-
13. Short-term Liabilities (10+11+12)	(489.866.061)	(38.525.016)	(22.987.423)	(480)
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
17. Long-term Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	(489.866.061)	(38.525.016)	(22.987.423)	(480)
19. Net Asset/(Liability) Position of the Off-Balance Sheet Foreign Exchange Based Derivatives (19a-19b)	142.605.000	18.200.000	1.000.000	-
19a. The Amount of the Asset Type Off Balance	142.605.000	18.200.000	1.000.000	-
19b. The Amount of the Liability Type Off Balance	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9+18+19)	(11.106.593)	550.510	(1.681.062)	(480)
21. Net Foreign Currency Asset/ (Liability) Position of (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(168.926.089)	(17.649.490)	(4.370.079)	(480)
22. Total Fair Value of Financial Instruments Used for - Foreign Currency Hedging	142.605.000	18.200.000	1.000.000	-
23. Hedged Foreign Exchange Assets	-	-	-	-
24. Hedged Foreign Exchange Liabilities	142.605.000	18.200.000	1.000.000	-
25. Export	665.113.320	41.043.488	36.295.972	-
26. Import	642.493.488	58.795.192	31.098.473	-

Exchange rate risk

The table below shows the effect of a 10% depreciation in TRY on the profit before tax level:

Table of Sensitivity Analysis for Foreign Currency Risk		31 December 2021	
	Profit/(Loss) Depreciation of foreign currency	Profit/(Loss) Appreciation of foreign currency	
10% change in USD against TRY:			
USD net assets/liabilities	(41.521.161)	41.520.161	
USD hedged from risks (-)	45.810.575	(45.810.750)	
USD net effect	4.289.414	(4.289.414)	
10% change in EUR against TRY:			
EUR net assets/liabilities	(48.333.333)	48.333.333	
EUR hedged from risks (-)	28.557.074	(28.557.074)	
EUR net effect	(19.776.259)	19.776.259	
10% change in Others against TRY:			
Others net assets/liabilities	144.994	(144.994)	
Others hedged from risks (-)	-	-	
Others net effect	144.994	(144.994)	
Total (3+6+9)	(15.341.851)	15.341.851	

Exchange rate sensitivity analysis table		31 December 2020	
	Profit/(Loss) Depreciation of foreign currency	Profit/(Loss) Appreciation of foreign currency	
Change of USD against TRY by 10%:			
USD net assets/liabilities	(12.955.608)	12.955.608	
USD hedged from risks (-)	13.359.710	(13.359.710)	
USD net effect	404.102	(404.102)	
Change of EUR against TRY by 10%:			
EUR net assets/liabilities	(2.415.074)	2.415.074	
EUR hedged from risks (-)	900.790	(900.790)	
EUR net effect	(1.514.284)	1.514.284	
Change of Others against TRY by 10%:			
Others net assets/liabilities	(477)	477	
Others hedged from risks (-)	-	-	
Others net effect	(477)	477	
Total	(1.110.659)	1.110.659	

The Group evaluates its foreign currency assets at the "buying" rate, while valuing its foreign currency liabilities at the "sales" rate.

NOTE 28 - RIGHT OF USE ASSETS

	Buildings	Vehicles, floors and fixtures	Total
1 January 2021	2.459.538	220.774	2.680.312
Additions	125.212	1.142.822	1.268.034
Disposals	(1.970.906)	(69.877)	(2.040.783)
Depreciation expense	(814.772)	(494.188)	(1.308.960)
Depreciation disposals	447.352	68.642	515.994
31 December 2021	246.424	868.173	1.114.597

	Buildings	Vehicles, floors and fixtures	Total
1 January 2020	2.937.800	369.498	3.307.298
Additions	357.955	100.256	458.211
Disposals	(83.355)	(47.864)	(131.219)
Depreciation expense	(836.217)	(248.980)	(1.085.197)
Depreciation disposals	83.355	47.864	131.219
31 December 2020	2.459.538	220.774	2.680.312

NOTE 29 - FAIR VALUE DISCLOSURES AND EXPLANATIONS IN THE FRAMEWORK OF HEDGE ACCOUNTING

Classification of financial instruments

The Group has classified its financial assets and liabilities as financial investments, loans and receivables. The Group's financial assets are classified as cash and cash equivalents, trade receivables and other receivables, loans and derivative instruments and are presented at amortized cost using the effective interest method. The Group's financial liabilities consist of financial liabilities, trade payables, derivative instruments payables and other payables and are classified as financial liabilities carried at discounted cost and presented at amortized cost using the effective interest method.

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between voluntary parties, other than in a forced sale or liquidation, and is best determined by an established market price, if any.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methods. However, judgment is used in interpreting market data for the purpose of estimating fair value. Accordingly, the estimates presented here may not be indicative of the values that the Group could realize in a current market transaction.

The following methods and assumptions have been used in estimating the fair values of financial instruments whose fair value can be determined:

Financial assets

The fair values of the balances denominated in foreign currency translated at period-end rates are considered to approximate their book values. Cash and cash equivalents are presented at their fair values. It is assumed that the fair values of trade receivables and receivables from related parties approximate their book values due to their short-term nature. Derivative instruments are shown at their fair values.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be approximated to their fair values together with their discounted book values, and it is accepted that the fair values of the foreign currency balances translated with year-end rates approximate their book values. Liabilities from derivative instruments are shown at their fair values.

The table below contains the analysis of financial instruments whose fair value is determined by valuation method. Fair value calculations are based on the stages described below:

- Quoted prices (unadjusted) in active markets for certain assets and liabilities (Level 1).
- Observable inputs, either directly (as prices) or indirectly (derived from prices), for assets or liabilities other than quoted prices within Level 1 (Level 2).
- Inputs (unobservable inputs) for assets and liabilities that cannot be determined on the basis of observable market data (Level 3).

The table below consists of the Group's assets calculated at fair value as of 31 December 2021 and 2020.

Financial assets / liabilities	Reasonable value		Reasonable value level	Valuation technique
	31 December 2021	31 December 2020		
Financial assets/ (liabilities) from foreign currency forward contracts	113.812.719	(16.860.410)	Level 2	Future cash flows estimated using forward exchange rates (observable forward exchange rates at maturity) and contract rates are discounted using a rate that reflects the credit risk of the various parties.

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	The request for the appointment of a special auditor has not yet been regulated as an individual right in the company's articles of association. There was no request during the period regarding the appointment of a special 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			There are no transactions made during 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 item on the agenda, but because there are many donations and beneficiaries, summary information is provided.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				There is no media participation.
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			There is no article in the articles of association regarding the extension of 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	Profit distribution is made.
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 are no real person shareholders holding more than 5% of the issued 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				It is prepared in English and the relevant information is 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				Article 2.2.2/e has not created a conflict of interest with the institutions it receives services such as investment consultancy and rating, and there is no information on the measures taken to prevent these.
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				Intra-company regulations have been drawn up; The relevant requirements are not included in the articles of association.
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					

4.2. ACTIVITIES OF THE BOARD OF DIRECTORS	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
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 a written policy has not been established by the Board of Directors, 4 out of 8 board members are women and a 50% ratio has been achieved.
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				Board members residing abroad attend the meetings by "teleconference". Board meetings held in 2021 were held over skype and teams due to covid-19, which has an impact all over the world.
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				There is no minimum duration. However, necessary information and documents are sent to all members in sufficient time.
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				Since there was no dissenting vote, the minutes were not drawn up.
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				Independent members are not restricted from taking on other duties outside the company. Non-independent Members of the Board of Directors can take office in related companies outside the group. It was presented to the information of the shareholders 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 take part 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 did not receive any significant consultancy services other than 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 Chairman and Vice Chairman of the Board of Directors make the necessary evaluation in the annual report, and there are no relevant performance evaluations in the minutes of the board of directors.
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			In accordance with the Law No. 6698 on the Protection of Personal Data, the total amount is disclosed in terms of categories, rather than on an individual basis.

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	In 2021, four webcast meetings were held where financial results for the end of 2020 and three quarters of 2021 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	There was no request for a special auditor at the General 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/915391
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	The General Assembly Meeting documents are not published simultaneously 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 action taken within the scope 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 and transaction principles have been collectively submitted to the Board of Directors in 2021. In 2021, there were no related party transactions or significant transactions that needed to be submitted for the approval of the General Assembly, since independent members did not approve.
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/921985
The name of the section on the corporate website that demonstrates the donation policy of the company	Our company's corporate website at www.prysmiangroup.com.tr is available under the "Our Policies" heading under the Investor Relations Section.
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/922425
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 auditor can attend the General Assembly meeting. General Assembly attendee list link: https://www.kap.org.tr/tr/Bildirim/922425
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	Not available.
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.	Not available.
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 use of the dividend.	The Board of Directors has not made a proposal regarding the distribution of profit.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	The Board of Directors has not made a proposal regarding the distribution of profit.

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	Specify the 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	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
31/03/2021	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:// 23 www.kap.org.tr/tr/Bildirim/922425

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.	It is constantly updated under the "Investor Relations" section of the corporate website at www.prysmiangroup.com.tr , as stipulated by the CMB's Corporate Governance Principles, in order to maintain our company's relations with the shareholders more effectively and quickly and to be in constant communication with the shareholders.
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.	No real person shareholders owning more than 5% of the shares, based on the latest shareholder list notified to our company by MKK.
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	It is included in the Corporate Governance Compliance Report section 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	It is included in the Corporate Governance Compliance Report section 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	It is included in the Corporate Governance Compliance Report section 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 2 of the independent auditor's 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 14 of the independent auditor's 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	Not available.
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%	Not available.
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	It is explained in the 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	Find it under the heading "Our Policies" under the Investor Relations Section on our company's corporate website at www.prysmiangroup.com
The number of definitive convictions the company was subject to in relation to breach of employee rights	1
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	The whistle blowing mechanism, initiated by the internal audit department, is used.
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	It is based on keeping all communication channels open and eliminating all possible obstacles for the participation of company employees in the management. Our company has a union structure and our workers are members of the united metal business union. A suggestion box is used, making it possible to collect and convey suggestions regarding company activities to the senior management without making any distinction between white-collar and blue-collar. Participation in the management is supported by various working groups such as panels and workshops formed by the employees of the company at all levels.
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	The Board of Directors creates the necessary 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	Find it under the heading "Our Policies" under the Investor Relations Section on our company's corporate website at www.prysmiangroup.com
Whether the company provides an employee stock ownership program	Pay edindirme planı bulunuyor (There is an employee stock ownership programme)
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	Not available.
3.5. Ethical Rules And Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	It is available under the heading "Ethical Values" & Integrity" in the About section of our company's corporate website at https://tr.prysmiangroup.com/en
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	Our company's corporate website at www.prysmiangroup.com . tr is available under the "Our Policies" heading under the Investor Relations Section.
Any measures combating any kind of corruption including embezzlement and bribery	https://tr.prysmiangroup.com/en/ethics-integrity

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	Board of Directors, Vice Chairman of the Board of Directors, Mr. Ülkü Özcan alone unlimitedly and the Chairman of the Board of Directors, Mr. Halil İbrahim Kongur and Member of the Board of Directors Mr. It has jointly delegated unlimited authority to Ercan Gökdağ.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
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	It is presented in the Corporate Governance Principles Compliance Report section of the annual report.
Name of the Chairman	Halil İbrahim Kongur
Name of the CEO	Ülkü Özcan
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Different people
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 issued an insurance policy within the scope of "Manager Liability Insurance", including the members of the Board of Directors and senior managers, due to the damages they may cause to the company through their faults during their duties. KAP link link: https://www.kap.org.tr/tr/Bildirim/974684
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 people, the rate is 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
Ülkü Özcan	Executive	Not independent director	01/06/2021	-	-	-	Yes
Ercan Gökdağ	Non-executive	Not independent director	31/03/2017	-	-	-	Yes
Maria Cristina Bifulco	Non-executive	Not independent director	08/07/2020	-	-	-	Yes
Robert Van Veen	Non-executive	Not independent director	09/08/2021			Not applicable	Yes
Banu Uzgur	Non-executive	Independent director	30/03/2018	https://www.kap.org.tr/tr/Bildirim/921639	Considered	No	Yes
İsmet Su	Non-executive	Independent director	30/03/2018	https://www.kap.org.tr/tr/Bildirim/921639	Considered	No	No
Mine Ayhan	Non-executive	Independent director	30/03/2020	https://www.kap.org.tr/tr/Bildirim/921639	Considered	No	Yes

4. BOARD OF DIRECTORS-II

4.4. Board Meeting Procedures	
Number of board meetings convened in person during the reporting period	As part of the covid measures, all board meetings were held over teams.
Directors' average attendance rate at board meetings	80%
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 related to the issues included in the agenda of the Board of Directors meeting are presented to the members of the Board of Directors for examination, sufficient time before the meeting, by ensuring an equal flow of information. The exact time is not specified.
The name of the section on the corporate website that demonstrates information about the board charter that regulates the meeting procedures of the board	It is stated in Articles 8 and 9 of the Articles of Association within the Corporate Governance section under the Investor Relations Department on the corporate website of the company at www.prysmiangroup.com
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	It is included in the "Corporate Governance Principles Compliance Report" section of the annual report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.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	-	İsmet Su	Yes	Board member
Audit Committee	-	Banu Uzgur	No	Board member
Audit Committee	-	Mine Ayhan	No	Board member
Corporate Governance Committee	-	Banu Uzgur	Yes	Board member
Corporate Governance Committee	-	Mine Ayhan	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	-	İsmet Su	No	Board member

* 15.12.2021

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 website (Page number or section name in the annual report/website)	It is included in the Corporate Governance Principles Compliance Report section 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 in the annual report/website)	It is included in the Corporate Governance Principles Compliance Report section 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 in the annual report/website)	It is included in the Corporate Governance Principles Compliance Report section 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 in the annual report/website)	It is included in the Corporate Governance Principles Compliance Report section of the annual report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is included in the Corporate Governance Principles Compliance Report section 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 in the annual report)	The "CEO's message" is included in the annual report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Our company's corporate website at www.prysmiangroup.com is available under the heading "Our Policies" under the Investor Relations Section.
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	It is stated in the "benefits and services provided to senior executives" section of the Annual Report and in Footnote 26 of the Independent Auditor's Report on Related Party Disclosures.

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%	4	4
Corporate Governance Committee	-	100%	66.66%	4	4
Committee of Early Detection of Risk	-	100%	100%	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)

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.

Governance Structure: Based on the main parts of the Corporate Governance Principles set out by the CMB, the works carried out by the company during the relevant period, along with other efforts and practices, are detailed herein below:

CHAPTER I – SHAREHOLDERS

2. Department of Shareholders Relations

To facilitate the follow-up of shareholder rights, the company operates a "General Accounting & Investor Relations Service" affiliated to "Financial Affairs Department". Contact info of executives in Shareholder Relations Unit are given below:

Name	Title	Tel:	E-mail
Ercan Gökdağ	Board Member & MEAT Region CFO	(224) 270 3000	tpks@prysmiangroup.com
Nevin Kocabaş*	Investor Relations Manager	(224) 270 3000	tpks@prysmiangroup.com

*Resigned from her position as of 15.12.2021

The primary duty of this unit is to ensure that shareholders exercise their rights in compliance with the legislation, Articles of Association and other in-house regulations and to take all measures that will enable the shareholders to exercise such rights. Major duties of the unit are as follows:

- Keeping records of shareholders in a proper, secure and up-to-date manner.
- Responding to shareholders' oral or written queries for information regarding the company, excluding undisclosed information that is considered confidential and trade secret.
- Ensuring that the General Assembly meeting is conducted in accordance with applicable legislation, Articles of Association and other in-house regulations.
- Preparing documents to be used by shareholders during General Assembly meeting.
- Keeping records of voting results and ensuring that all reports related to resolutions of the General Assembly Meetings are delivered to shareholders.
- Observing and monitoring all issues regarding public disclosures, including applicable legislation and the company's disclosure policy.
- Carrying out activities for compliance with capital market principles.
- Carrying out activities concerning relations with investors.

Oral or written information requests addressed to this unit, are responded in the shortest time possible and without discrimination among shareholders, and to the extent permitted by the disclosure policy of the company, and excluding information that is considered confidential or trade secret, as per the Capital Markets Legislation, Regulations and Resolution of Capital Market Board.

In 2021, no oral/written complaint regarding exercise of shareholders rights has been directed to our unit or there is no administrative/legal proceeding instituted against our Company regarding the matter concerned to the best of our knowledge.

3. Exercise of Rights by the Shareholders to Obtain Information

During the relevant period, we received requests from the shareholders as regards to attendance in the General Assembly, distribution of dividends, and information requests on other matters. As such requests were generally made on the phone, statistically; it was not possible to quantify the requests and the responses given to such requests. We made our best to timely respond to the information requests from shareholders within 2021 in line with Capital Market Legislation, and Regulations and Resolution of CMB.

In its relations with the shareholders and in general, with the finance community, the Company, being conscious of reciprocal roles, makes utmost effort, at all times, to establish active and transparent dialogue with its shareholders and corporate investors.

Investor may view information on our company in our web site www.prysmiangroup.com.tr, and direct any further enquiries to the following email, phone and fax numbers.

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

In the Company's Articles of Association, there is no reference permission given for appointment of an individual auditor; no demand was made during the operating cycle for appointment of a special auditor.

4. Information about the General Assembly

The General Assembly meets as an Ordinary and as an Extra-ordinary General Assembly. The Ordinary General Assembly may convene either in the Company's Head Office (Mudanya) within a period of 3 months following the company's fiscal period. These meetings may be observed by the stakeholders and press organs.

In 2021, the General Assemblies convened one time at the Company's Head Office, in the form of ordinary meeting (March 31, 2021). The shareholders representing more than 83.75% of the shares attended to the said meetings.

The shareholders are invited to the General Assembly by indicating the place, the time and the agenda of the meeting, and also by announcement. The invitation is effected at least 3 weeks before the meeting in line with the regulations of the Capital Market Board. The date of the invitation and the date of the meeting are not included in the referred period. Moreover, the agenda of the meeting, copy of the power of attorney, and amended form of Company's Articles of Association (if any) are published in the Trade Registry Gazette and in one of the newspapers with circulation all over Turkey and also, and in a local newspaper.

Shareholders may attend the General Assembly Meeting, in person or by proxy, in physical environment or electronic environment. Attending the General Assembly in electronic environment is possible by secure e-signatures of shareholders or their proxies. Therefore shareholders who will use Electronic General Assembly System must first register in e-MKK Information Portal launched by from Central Registry Agency (MKK) and add their contact info in the system, and they must also obtain a secure e-signature.

In the General Assembly meeting, the shareholders are given equal opportunities to exercise their right to ask questions and to submit their recommendations. Shareholders or other participants who wish to make a speech on the agenda subject being discussed shall notify the Chairing Authority of their request. The Chairing Authority shall announce in the meeting those who will take the floor and shall give the floor to the speakers in the order of their application. If the relevant person whose turn has come is no longer present at the meeting, he/she will no longer have the right to speak. The speakers must address the general assembly at the area designated for such use. Speakers are allowed to exchange their turns to speak. If the speaking time is limited, the person whose time has expired can only continue his/her speech to the extent the next speaker allows him/

her to continue, and in any event the speaker is still limited with the time limit allocated for the next speaker. Speaking time cannot be extended in any other way.

The chairman may give the floor to the members of the board of directors and the auditor, upon their request, irrespective of the order of the speaker list.

The period of the speeches shall be decided by the General Assembly upon the recommendation of the chairman and shareholders considering the intensity of the agenda, number of the subjects to be discussed, significance of the agenda subjects and the number of participants requesting to make speech. In such situations, the General Assembly shall make separate voting to decide in the first place, if there is a need to limit the speech periods and thereafter to decide the periods of the speeches.

The meeting chairman shall enable any question to be asked by the shareholders through the meeting and any question not in the nature of commercial secret to be answered. If a question is not related with the agenda or too comprehensive to be answered at once, it shall be answered in written form by the Investor Relations Unit at latest in 30 business days. If such a situation exists, the meeting chairman shall explain this the participant who asked the question and inform the shareholder that the answer will be provided on a later date.

As indicated in the Company's Articles of Association, the General Assembly is authorized to make the decisions indicated below:

- Acceptance of the Board of Directors' Report and the Auditor's Report,
- Review and approval of the Balance Sheet, Profit and Loss Account and the use of net profit and determination of profit share subject to distribution,
- Determination of number of Directors; and election, dismissal, removal re-election and remuneration of the same,
- Determination of number of auditors; and election and remuneration of the same.

Performance of the activities listed below requires prior or subsequent approval or acceptance of the General Assembly:

- Annual investment and finance plan prepared by the Board of Directors,
- Purchase and sale of real estate and mortgage of Company's real estate;
- Establishment of branches and partnerships (sub - branches), and acquisition or sale of participations,
- Starting to work in new production areas;
- Other businesses and transactions required in the Turkish Commercial Code.

The shareholders may have access to the minutes and List of Attendants of the General Assembly meeting from the Company's Head Office, the Company's internet site (www.prysmiangroup.com.tr) via the relevant links under the "Investor Relations" section and the internet site of KAP (Public Informing Project) System's web page (www.kap.gov.tr) as well as from the archives of Turkish Trade Registry Gazette retained at Bursa Trade Registry Office.

5. Voting and Minority Rights

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. has a preferential or privileged voting right; all the votes have the same weight. Minority rights are regulated according to the relevant provisions of the Turkish Commercial Code.

The shareholders may be represented in the General Assembly by other shareholders or by third parties, however, the regulations of the Capital Market Board as regards to voting by proxy are reserved.

The cumulative voting right in order to ensure representation of minorities in the Board of Directors is not included in the Company's Articles of Association. As a matter of fact, since there is not any general tendency about the use of cumulative voting rights in the practices of the companies, the risks or benefits of the said method could not be observed.

6. 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 31, 2021 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."

7. Transfer of Shares

There is no provision in the Company's Articles of Association restricting transfer of shares; provisions of Articles 490-491 of the Turkish Commercial Code are applied in case of any demand by a shareholder for transfer of whole or part of registered shares owned by him.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company's Disclosure Policy

Any and all kinds of communication with external sources regarding to Company's documents and information is performed - at all times in consultation with the General Manager - by the Public Relations in respect of communications with the press, and by the Investor Relations Management as regards to corporate investors, competent authorities and shareholders.

The Company undertakes to ensure equal treatment for all categories of shareholders by avoiding any preferential treatment. With the exception of those considered as trade secrets, the Company responds all the questions pursuant to the equity and impartiality principles and ensures establishment of constant communication between the management and the shareholders in accordance with the existing legislation.

Disclosure policy is disclosed for the first time to public in the Company's activity report accompanied by Corporate Governance Report for the year 2004. In 2010, the definition of "Trade Secret" is added to the policy and approved by the General Assembly, and the **Disclosure Policy** revised and updated in 2014 is disclosed to the public in the "Investor Relations" section of the Internet Site.

9. Declaration of Special Status

Number of Declarations Issued on Special Status in 2021: **37**

Number of Additional Declaration Requests made by the CMB and Borsa Istanbul: **None**

There is no sanction (written warning) applied by the Capital Market Board or Borsa Istanbul against failure to provide declaration on special status in time.

Since the company shares are not quoted abroad, no special status declaration has been made at a stock exchange, other than Borsa Istanbul.

10. Company's Internet Site and Content

The investors may have access to the relevant documents such as the Company's Annual Report and Ethical Code both in Turkish and in English on the web site (www.prysmiangroup.com.tr). The Company uses its website actively to interact and communicate with its shareholders in a more efficient and quick manner as required by Corporate Governance Principles of the CMB. Information on our web site is continuously updated under the responsibility of Investor Relations Unit. Information disclosed on the corporate website must have the same content of the statements made within the frame of relevant provisions of the law, and must not include any inconsistent or incomplete information.

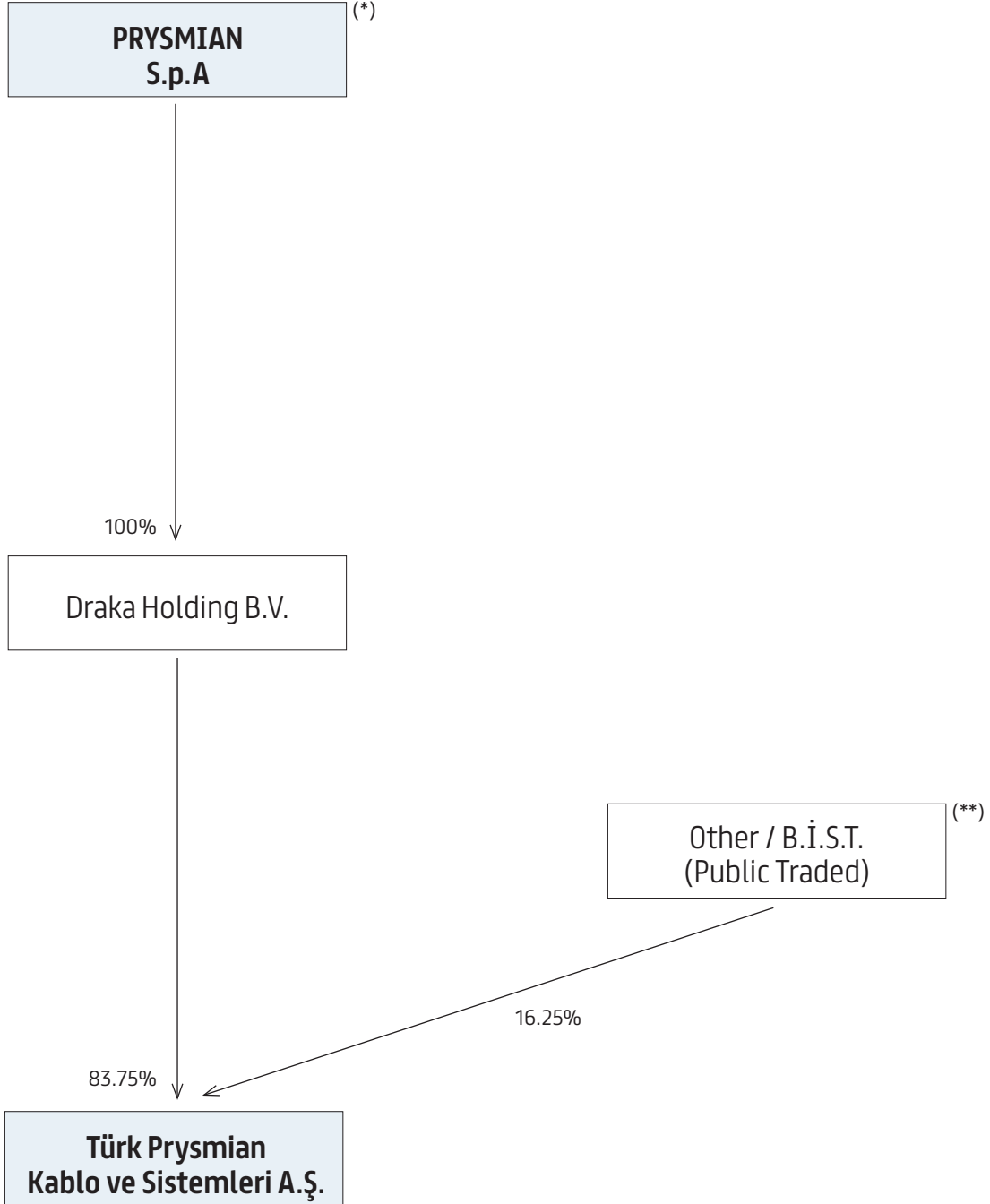
On the corporate web site of the Company, the following information concerning the last five years must be disclosed to the investors along with the information required under the law:

- Trade register information, up-to-date final shareholder structure,
- Latest status of Board members and top level executives,
- Latest status of the Company's Articles of Association (AOA) and date / number of the Trade Registry Gazette where the amended form of the AOA is published,
- Board of Directors resolutions,
- Board of Director committees,
- Activity reports,
- Declaration of Special Status,
- Corporate Governance Observance Report,
- Code of Ethics
- List of Attendance, agenda and minutes of General Assembly meetings, proxy format,
- Periodical financial tables and independent audit reports,
- Company policies,
- Public offering explanations and 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 2021



(*) 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. Disclosure of the Persons Having Potential for Insider Trading

None of the employees of Türk Prysmian Kablo ve Sistemleri A.Ş. is allowed to deal in purchase and sale of share certificates belonging to Türk Prysmian Kablo ve Sistemleri A.Ş. on the basis of the information obtained by virtue of office.

PART III - STAKEHOLDERS

13. Notification of Stakeholders

The basic management principles which regulate the relations between the Executive Management, shareholders, employees of the Company and third parties (customers, suppliers and any person or organization with which the company has relation) are indicated below.

Honesty: We make every endeavor to ensure strict adherence to the honesty principles in all our business activities and our relations with our clients, employees, shareholders and other companies, institutions and organizations.

Reliability: We furnish clear, rational and correct information to our customers, shareholders and employees, and provide all the services as required by our undertakings.

Impartiality: We do not have sexual, religious, lingual, racial and ethnical prejudice against our customers, suppliers, employees and shareholders.

Observance: We respect all laws, legislations and standards.

Secrecy: Excluding the authorities designated by the law, we do not share with any person or organization the information relating to the transactions executed with respect of our Shareholders, customers, suppliers, employees and business partners.

Transparency: Excluding the information considered as trade secret and those not yet disclosed to public, we publicize all information whether of financial nature or not in the most accurate, complete, rational, interpretable and accessible manner according to the relevant legislation.

Social Responsibility: In our practices and investments, utmost attention is given to the particulars such as social benefits and improvement of our sector and conservation of reliability, as well as effective Company image and the activities are carried out in full respect to all the arrangements made for the protection of environment, consumer and public health. The stakeholders are notified through the Internet site and the Borsa Istanbul by issuing special status declaration. Further to this announcement, the agenda of the General Assembly is informed to the attendants in the Trade Registry Gazette and the decisions passed in the meeting are also published in the Trade Registry Gazette in the most distinct and understandable manner. Moreover, information is given to the Capital Market Board (CMB), Ministry of Industry and Undersecretariat of Treasury and necessary permissions are obtained by the Company from the said authorities. The public announcements relating to the General Assembly meetings are made in one of the local and national newspapers. Additionally, the Company employees are notified through intranet system, general circulations by e-mail and annual presentation meetings.

Please See: Article 8 - Company's Disclosure Policy

Please See: Information on Prysmian Group Values and Ethical Code are available on <https://tr.prysmiangroup.com/tr/etik-degerler> / Article 9 – Disclosure Policy

14. Participation of Stakeholders in the Management

Participation of stakeholders in the management is enabled in the General Assembly meetings according to the principles set out by the Capital Market Board for the shareholders; as to suppliers and customers, necessary arrangement is made in the meetings with the suppliers, customers and dealers; and as to the employees, in meetings held at least two times a year to evaluate the Company's activities and to furnish information about the Company's targets and strategies and to receive feedback as well. Moreover, by encouraging team work to develop work conduct procedures and processes undertaken by the Company's employees, special project groups are created.

15. Human Resources Policy

Human Resource policy is disclosed in the "Investor Relations" section of the Company's Internet site. The Company offers transportation and food allowances to all employees. Moreover white collar workers receive health insurance.

Please See: Prysmian Group Values and Code of Ethics / Article 6 - Human Resources

16. Information regarding Relations with the Customers and Suppliers

Please See: Prysmian Group Values and Code of Ethics / Article 4 - Customers

17. Social Responsibility

Türk Prysmian Kablo ve Sistemleri A.Ş. is the holder of ISO 14001 Environment Management System certificate since 1997. The environmental effect of business activities, and the services purchased by our Company are determined within the frame of ISO 14001 Environment Management System and studies are carried out continuously for elimination or minimization of these affects. All of these studies are performed with the philosophy of continuous improvement and in full compliance with the Türk Prysmian Kablo ve Sistemleri A.Ş. Environment Policy defined by the top management.

The legal obligations relating to environment are followed and fulfilled at all times, without failure. Türk Prysmian Kablo ve Sistemleri A.Ş. holds all the legal permissions required in respect of environment. These permissions may be listed as Emission Permission, Opening License for the 1st Class Non - Sanitary Establishments and Provisional Storage Permission for hazardous refuses. The activities carried out by Türk Prysmian Kablo ve Sistemleri A.Ş. are not within the scope of Environmental Impact Assessment (EIA) Regulation. There exists an official letter obtained from the Bursa Provincial Office / Environment and Forestry Directorate, in charge of environmental affairs, indicating that our Company is not subject to preliminary survey in respect of EIA. The Company passed the ISO 27001:2013 Information Security Management System Certification audit in 2015 with "zero non-compliance".

No law suit has been filed against our Company for causing environmental pollution. Our company provides for the recycling (if applicable), or the disposal (if recycling is not applicable) of all of the wastes attributable to the Company in accordance with the related regulations within the scope of Environmental Legislation.

Our Company supports social, cultural and various sporting activities within the scope of our sustainability commitments and Prysmian Group principles, and also, participates in and makes contributions, both in cash and in rem, to the public institutions and organizations.

Please See: Article 13- Notification of Stakeholders/Social responsibilities

Please See: Prysmian Group Values and Code of Ethics / Article 5 - Society and Article 7 - Environment

PART IV - BOARD OF DIRECTORS

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

In the Company's Articles of Association, it is expressly stated that the tasks and responsibilities of the Board of Directors are subject to the basic provisions defined pursuant to Turkish Commercial Code and the adaptations in the Company's Articles of Association. The formalities relating to appointment, re-election, qualification and replacement of the Board of Directors are performed according to the Company's Articles of Association and the provisions of Turkish Commercial Code.

Structure of the Board of Directors

POSITION	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Chairman	Halil İbrahim Kongur	X		
Vice Chairman	Ülkü Özcan	X		
Member	Ercan Gökdağ		X	
Member	Maria Cristina Bifulco		X	
Member	Robert Van Veen		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
Ülkü Özcan	Vice Chairman & CEO	TPK General Manager, TPK Board Member and Vice President of the Board
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
Robert Van Veen	Board Member	Rob Van Veen has been Senior Vice President Energy & Infrastructure of Prysmian Group since February 2018. He joined the Prysmian family in 2011 after the merger with Draka. He was in charge of the T&I, OEM/Industry and Telecom business in the Netherlands and Belgium. Rob started his career in the Electrical Wholesale Industry in January 1980, holding various management positions over a 30-year period.
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 composed of members who have knowledge and ability to understand and analyze the financial tables, and legal know-how to conduct daily operations and the long term activities of the Company, which includes expertise in various fields in such a way to declare opinion relating to company's management. The Board Members are nominated among the persons with higher education and who have knowledge on the Company's field of activity and adequate experience gained through services in private sector.

The number of independent members required for the Board Members and their credentials are determined according to corporate management regulations of the Capital Market Board. The Board of Directors members have been elected by the General Assembly in accordance with the Capital Market Regulations, Turkish Commercial Code and Articles of Association. The entire independent Board of Directors members shall be persons domiciled in Turkey as required by Income Tax Code.

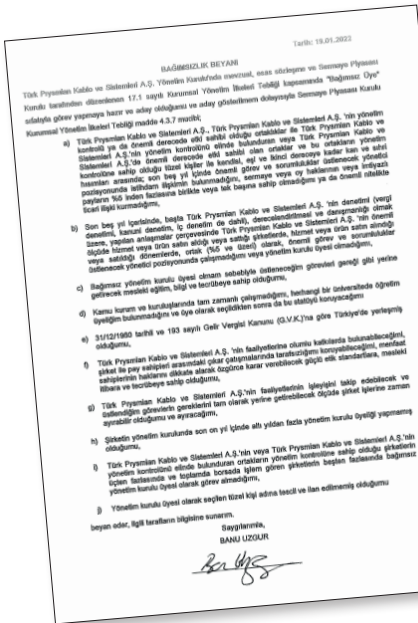
Moreover, the declaration of independence made by the independent members of Board of Directors is as follows:

Declaration of Independence

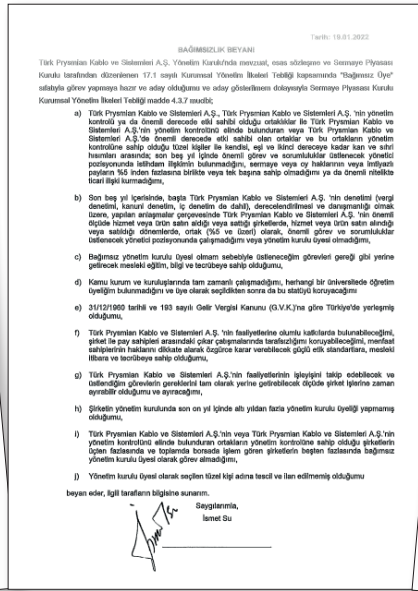
I hereby declare with regard to my appointment as an **"Independent Member"** of Board of Directors of Türk Prysmian Kablo Sistemleri A.Ş. and as required by the Corporate Governance Principles of the Capital Markets Board;

- In the last five years, I, my spouse and my up to third degree blood or affinity relatives has not engaged in in any direct or indirect employment, capital or any significant commercial relationship with Türk Prysmian Kablo Sistemleri A.Ş., any one of related parties of Türk Prysmian Kablo Sistemleri A.Ş. or any legal entity related, by means of management or capital, to the shareholders who hold directly or indirectly 5% or more of the capital of Türk Prysmian Kablo Sistemleri A.Ş.,
- In the last five years, I am not or have not been employed by or have not been a member of the board of an entity which performs all or some of contracted activities and organization of Türk Prysmian Kablo Sistemleri A.Ş., including in any rating or consultancy company which rate, audit or provide consultancy to Türk Prysmian Kablo ve Sistemleri A.Ş.,
- In the last five years, I have not been a partner, employee or board of directors member in any company which provides significant amount of services and products to Türk Prysmian Kablo Sistemleri A.Ş.,
- I do not hold more than 1% share in Türk Prysmian Kablo Sistemleri A.Ş. and that I do not hold any privileged share,
- I have skills, professional knowledge and expertise to fulfill my duties as an independent board member,
- I have not worked full-time in any public institution and office.
- I am domiciled in Turkey as required by Income Tax Code,
- I am capable to contribute positively to the operations of Türk Prysmian Kablo ve Sistemleri A.Ş., to maintain my objectivity in conflicts of interests between the shareholders, and I have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

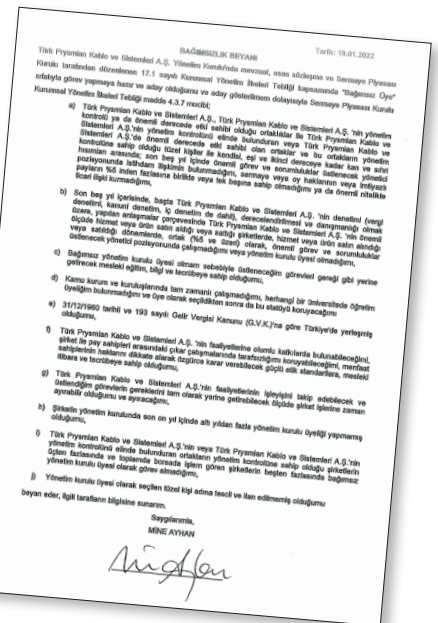
Yours respectfully,



Banu Uzgur
Independent Board Member



İsmet Su
Independent Board Member



Mine Ayhan
Independent Board Member

20. Mission and Vision and Strategic Targets of the Company

Mission: 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.

Vision: As being a member of Prysmian Group and as the oldest well-established and leading company in its sector, our vision is;

- To exhibit a creative and superior performance within the workforce with its distinguished and innovative role,
- To have an organizational structure which emphasizes openness and social responsibility,
- To keep customer satisfaction by providing long-term partnerships,
- To create a value for its stakeholders with permanence,
- To dedicate itself to improve the social conditions,
- To be always the leader of the sector in Turkey and international platform.

Please See: Prysmian Group Values and Code of Ethics / Article 2 - Targets and Values

21. 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 three Directors. The three 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 Serbest Muhasebeci Mali Müşavirlik A.Ş: <http://www.pwc.com/tr/tr> and information regarding tax audit company, MAZARS-DENGE: <http://www.mazarsdenge.com.tr>

22. Authorities and Responsibilities of the Board Members and Executives

The Board of Directors performs the following tasks:

- Review and approval of strategic, corporate, industrial and financial plans,
- Delegation of necessary powers to the Managing Director, withdrawal of authorization, and determination of limits of authority as well as form and duration of authorization,
- Regular comparison of the results with the budgets, and by taking into account the information received from the Internal Audit Committee and Managing Director, and giving special attention to conflicts of interest, observation of general performance in this field,
- Passing of resolutions relating to immovable property, in kind,
- Issuance of share certificates and debentures,
- Establishment of partnerships in the newly incorporated or existing corporations and institutions,
- Review and approval of the transactions having economic and financial affect, or special influence on equity capital by showing due consideration to the transactions of the related parties,
- As organized by the Managing Director, verification of the organizational status and the adequacy of the administrative structure of the Company,
- Furnishing of information to the shareholders about the General Assembly meetings.

The powers and responsibilities of the Board of Directors are clearly defined in Article 10 of Articles of Association; as the powers and responsibilities conferred upon the Board of Directors may be subject to change at any time bound to dynamic structure of the Company and the business life, it is deemed necessary to detail the powers and responsibilities in the corporate signature circular.

23. Fundamentals to Activities of The Board Of Directors

The Board of Directors meets at least in quarterly periods. Unless otherwise is agreed, the Board Members are equipped with necessary documents and information within a reasonable time before the meeting in order to allow them to express their opinion about the issues subject to argument.

There is a Board Secretariat responsible for supply of information to the Board Members and establishment of communication with the directors. Although our Company has no reserve about inscription of the detailed and reasonable justification of negative vote and notification of company auditors and public opinion at times when different opinion is declared in the Board meeting and /or opposition is raised to the resolution passed by the Board; since such a situation was not encountered, no such application was effected to this day.

Company pays careful attention to actual participation to Board Meetings on the matters specified in article 2.17.4 of section IV of the CMB corporate Governance Principles. Questions of the members raised during the meeting are reflected in the resolution. In order to ensure equal positioning among members, no member has been granted the right to veto or weighted vote.

Board of Directors could not convene physically during the 2021 operating cycle due to pandemic, all meetings were held via applications such as Skype and Teams. 80% of the Board members have physically attended these meetings.

24. Restrictions of Competition and Transaction with the Company

In the Ordinary General Assembly which takes place every year, the Board Members are liberated by our shareholders according to Articles 334 and 335 of the Turkish Commercial Code.

25. Code of Ethics

A pyramid structure is adopted in our system in respect of applicable principles and procedures, and this system can be summarized as follows:

Code of Ethics: These rules encompass the general principles - transparency, equity and loyalty - which form the business relations of the Company in every level. Our Company, with the belief that business ethics must be pursued alongside business success, carries out its internal and external transactions in accordance with the principles set out in this Code.

Internal Audit System: This system is a population of "instruments" with a view to reaching reasonably the targets regarding operational efficiency and effectiveness, reliability of financial and administrative information, observance to laws and legislation, and even protection of the Company's assets against possible fraud. The internal audit system which is based on common practices and defined within this frame, is applied to all corporate levels.

Lines of Conduct: The Lines of Conduct stipulate special rules concerning relations with the representatives of the Public Administration, and these rules classify good lines of conduct as "performable", and bad lines of conduct as "non-performable", and by this way, provide clear definition of major operational practices stipulated in the Code of Ethics.

Internal Executive Procedures and Policies of the Company: These items cover the main business areas as a natural extension of the internal audit system. Therefore, they determine the internal rules concerning the main activities of the Company.

Türk Prysmian determines organizational principles and intra-structure relating to employees and executives by adopting procedures and policies covering Personnel rights, Recruitments, Purchasing / Sales activities, Investments, Protection of Environment, Information Systems, Inventory, and Intellectual Property Rights. All the procedures and policies are presented to the employees in the updated form on the intranet page of the Company.

Also, **Please See** Prysmian Group Values and Code of Ethics

26. Number and Structure of the Committees Formed Within Board of Directors and Liberty of Action

Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Audit Committee	4	3	3

Members of the Auditing Committee: İsmet Su, Mine Ayhan, Banu Uzgur

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

Members of the Early Risk Assessment and Risk Management Committee: Mine Ayhan, İsmet Su, 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*

*Resigned from her position as of 15.12.2021

Investor Relations: The functional manager has informed the Board of Directors of the activities carried out throughout the year and drawn up and presented to the BoD the report referred in Article 11 of the Communiqué on Corporate Governance.

It has been established to assign the Corporate Management Committee to perform the functions of Candidate Determination and Pricing Committees in accordance with the Communiqué Serial IV 56 for Determination and Implementation of Corporate Management Principles, Article 4.5.1 published by Capital Markets Board and this resolution also includes the Corporate Management Working Principles, the functional areas and working principles of such committees.

All committees conduct their duties properly in accordance with their working principles and in line with the legislation.

The detailed information relating to the working principles of all the committees has been presented to the public in the "Investor Relations" section on our web site.

Assessment related to Internal Audit, Internal Control and Risk Management Systems in the Year 2021 Operating Cycle.

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.

27. Financial Rights of the Board of Directors

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. Gross payment effected in favor of Independent BOD Members during the year 2021 is TRY 455,400. No other payment has accrued and made in year 2021 to any members of the Board and executive management of the company. During the period no debt has been granted to any members of the Board and Top Manager of the company, no credit has been utilized by them and none of them has used benefits through third persons as well as no guarantees in favor of them.

28. Miscellaneous

As per Turkish Commercial Code no. 6102 and Capital Market Legislation, with respect to parent company and subsidiaries the following is determined;

- All transactions with related parties in the year 2021 were carried out by way of making counter promises measuring up with its peers, in line with the group transfer pricing directives and Transfer Pricing rules, without making any distinction between the country or the company, and they were reasonable within the frame of commercial standards;
- The audits and assessments found that, according to the known circumstances and conditions relating to Related Party Transactions; in each legal transaction between our Company Türk Prysmian Kablo ve Sistemleri A.Ş. and the parent company and subsidiaries mentioned in article 199 of the Turkish Commercial Code, a suitable counter promise was ensured in each legal transaction in 2021, with no taken or avoided measures or the Company suffered no loss by reason of a certain measure being taken or avoided.

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

Annual Activity Report Legal Basis:

Annual activity Report for the Fiscal Period 01.01.2021-31.12.2021 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.

Principles for Preparing the Annual Activity Report:

The annual activity report shall reflect the business stream and the financial position of the company, in all aspects, in an accurate, complete, straight-forward, realistic and honest manner for the relevant fiscal year, taking into consideration the rights and interests of the company. All misleading, exaggerated and untrue statements are avoided. Annual activity report is prepared in a detailed manner to ensure shareholders have complete and accurate access to all kinds of information about company activities.

Annual Activity Report Approval:

The Annual Activity Report of the Group for the fiscal period 01.01.2021-31.12.2021 was approved by the members of the Board of Directors of the Company on 09.03.2022. We are still in the process of preparing the more detailed 2021 Activity Report and will share it with our investors when completed.

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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