

**TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**



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

**REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Türk Prysmian Kablo ve Sistemleri A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2024 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended (“interim condensed consolidated financial information”). The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.

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

Özgür Beşikçioğlu, SMMM
Independent Auditor

Istanbul, 27 September 2024

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024

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TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

	Note References	Reviewed 30 June 2024	Audited 31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents	3	797,850,518	679,131,290
Derivative instruments		-	81,279,459
Financial investments		-	73,687,707
Trade receivables		2,395,572,457	2,269,686,278
- Due from related parties	19	463,425,735	428,391,846
- Due from third parties	4	1,932,146,722	1,841,294,432
Other receivables		46,405,022	1,966,326
- Due from third parties		46,405,022	1,966,326
Contractual assets		214,677,771	477,827,945
- Contractual assets from ongoing construction contracts	13	214,677,771	477,827,945
Inventories	5	1,517,293,635	1,515,487,000
Prepaid expenses	6	204,352,547	219,686,119
Assets related to current period income tax	17	306,332,734	353,629,963
Other current assets	9	726,219,886	446,621,117
Total current assets		6,208,704,570	6,119,003,204
Non-current assets			
Tangible assets	7	527,263,887	569,727,889
Right-of-use assets	20	27,092,998	34,369,661
Intangible assets excluding goodwill	8	2,745,979	3,742,823
Prepaid expenses		1,000,000	1,247,346
Deferred tax assets	17	182,795,559	97,024,685
Other non-current assets	9	100,645,995	435,706,037
Total current assets		841,544,418	1,141,818,441
Total assets		7,050,248,988	7,260,821,645

The condensed consolidated interim financial statements for the interim fiscal period 1 January - 30 June 2024 were approved in the Board of Directors meeting on 27 September 2024. The General Assembly and some other regulatory agencies are authorized to amend the condensed consolidated interim financial statements prepared in accordance with legal regulations.

Following notes are an integral part of the interim period condensed consolidated financial statements.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023**

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

	Note References	Reviewed 30 June 2024	Audited 31 December 2023
LIABILITIES AND EQUITY			
Short-term liabilities			
Short-term loans	10	-	215,852,024
Obligations under leases	10	7,112,775	9,118,170
Trade payables		4,794,822,822	4,297,113,454
- Due to related parties	19	2,140,711,477	2,321,495,239
- Due to third parties	4	2,654,111,345	1,975,618,215
Derivative instruments liabilities		90,413,704	66,616,004
Payables within the scope of employee benefits		39,860,532	23,239,614
Other payables		175,000,000	218,285,531
- Due to related parties		175,000,000	218,285,531
Contractual liabilities	6	-	146,199,890
- Contractual obligations arising from ongoing construction and contractual projects	6	-	146,199,890
Deferred income (excluding contractual liabilities)		324,162,753	265,149,095
Short-term provisions		413,115,841	434,134,870
- Short-term provisions for employee benefits		42,861,255	115,541,653
- Other short-term provisions	6	370,254,586	318,593,217
Other short-term liabilities	9	77,910,651	69,247,450
Total short-term liabilities		5,922,399,078	5,744,956,102
Long-term liabilities			
Obligations under leases	10	6,528,041	12,941,981
Long-term provisions		162,791,354	176,134,157
- Long-term provisions for employee benefits		160,460,100	173,226,277
- Other long-term provisions		2,331,254	2,907,880
Total long-term liabilities		169,319,395	189,076,138
Total liabilities		6,091,718,473	5,934,032,240
Paid-in Capital	12	216,733,652	216,733,652
Capital adjustment differences		2,231,047,777	2,231,047,777
Treasury shares (-)		(17,787,230)	(17,787,230)
Share premium		289,681,846	289,681,846
Other comprehensive income/(expenses)		(166,452,575)	(166,452,575)
- Items not to be reclassified to profit or loss		(166,452,575)	(166,452,575)
Restricted reserves	12	88,436,893	88,436,893
Accumulated losses		(1,314,870,958)	(1,206,525,203)
Net period profit/(loss)		(368,258,890)	(108,345,755)
Total equities		958,530,515	1,326,789,405
Total liabilities and equity		7,050,248,988	7,260,821,645

Following notes are an integral part of the interim period condensed consolidated financial statements.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS BETWEEN 1 JANUARY – 30 JUNE 2024 AND 2023

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

	Note References	1 January - 30 June 2024 <i>Reviewed</i>	1 April - 30 June 2024 <i>Not-reviewed</i>	1 January - 30 June 2023 <i>Reviewed</i>	1 April - 30 June 2023 <i>Not-reviewed</i>
Revenue	14	6,504,560,325	3,058,280,001	7,930,621,142	3,816,055,053
Costs of sales (-)	14	(5,749,883,654)	(2,733,236,425)	(7,242,546,547)	(3,356,058,266)
Gross profit		754,676,671	325,043,576	688,074,595	459,996,787
General administrative expenses (-)	15	(174,027,591)	(85,817,336)	(203,870,531)	(108,726,000)
Marketing, sales and distribution expenses (-)	15	(481,659,650)	(200,151,102)	(328,045,320)	(206,901,651)
Research and development expenses (-)	15	(14,800,221)	(7,273,564)	(11,432,460)	(4,205,605)
Other income from main activities	16	268,144,043	95,848,719	1,273,469,186	1,253,436,437
Other expenses from main activities (-)	16	(908,417,261)	(533,862,371)	(1,529,975,264)	(1,450,047,816)
Operating profit/(loss)		(556,084,009)	(406,212,078)	(111,779,794)	(56,447,848)
Income from investing activities		2,936,506	683,563	2,088,596	40,508
Financing income /(expenses) financial income/(expense)		(553,147,503)	(405,528,515)	(109,691,198)	(56,407,340)
Financing income		90,594,368	57,317,656	255,571,188	161,448,359
Financing expenses (-)		(162,532,190)	(108,655,745)	(480,392,948)	(357,083,659)
Monetary gains/(losses)		151,815,676	55,283,489	105,811,498	45,143,395
Profit/(loss) before tax		(473,269,649)	(401,583,115)	(228,701,460)	(206,899,245)
Tax income/(expense)		105,010,759	126,697,394	(47,564,173)	(35,083,630)
Tax expense for the current period	17	-	-	(25,808,928)	(25,942,599)
Deferred tax income/(expense)	17	105,010,759	126,697,394	(21,755,245)	(9,141,031)
Net period profit/(loss)		(368,258,890)	(274,885,721)	(276,265,633)	(241,982,875)
Earnings/(losses) per share	18	(1.6991)	(1.2683)	(1.2747)	(1.1165)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense)		(368,258,890)	(274,885,721)	(276,265,633)	(241,982,875)

Following notes are an integral part of the interim period condensed consolidated financial statements.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS BETWEEN 1 JANUARY – 30 JUNE 2024 AND 2023**

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

	Paid-in Capital	Capital adjustment differences	Reacquired shares (-)	Premiums on shares	Other comprehensive income (expenses) not to be reclassified to profits or losses	Reserves on retained earnings	Profits/(losses) from previous years	Net Period Profit/(Loss)	Total equities
<i>Reviewed</i>									
Balances as of 1 January 2023	216,733,652	2,231,047,777	(17,787,230)	289,681,846	(39,380,959)	71,495,509	(937,477,111)	(222,717,796)	1,591,595,688
Transfers	-	-	-	-	-	10,675,059	(233,392,855)	222,717,796	-
Dividends	-	-	-	-	-	-	(28,388,266)	-	(28,388,266)
Total comprehensive income/(expense)	-	-	-	-	-	-	-	(276,265,633)	(276,265,633)
<i>-Profit/loss for the period</i>	-	-	-	-	-	-	-	(276,265,633)	(276,265,633)
Balances as of 30 June 2023	216,733,652	2,231,047,777	(17,787,230)	289,681,846	(39,380,959)	82,170,568	(1,199,258,232)	(276,265,633)	1,286,941,789
<i>Reviewed</i>									
Balances as of 1 January 2024	216,733,652	2,231,047,777	(17,787,230)	289,681,846	(166,452,575)	88,436,893	(1,206,525,203)	(108,345,755)	1,326,789,405
Transfers	-	-	-	-	-	-	(108,345,755)	108,345,755	-
Dividends	-	-	-	-	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	-	-	-	-	(368,258,890)	(368,258,890)
<i>-Profit/loss for the period</i>	-	-	-	-	-	-	-	(368,258,890)	(368,258,890)
Balances as of 30 June 2024	216,733,652	2,231,047,777	(17,787,230)	289,681,846	(166,452,575)	88,436,893	(1,314,870,958)	(368,258,890)	958,530,515

Following notes are an integral part of the interim period condensed consolidated financial statements.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS BETWEEN 1 JANUARY – 30 JUNE 2024 AND 2023

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Note References	<i>Reviewed</i> 1 January - 30 June 2024	<i>Reviewed</i> 1 January - 30 June 2023
Cash flows from operational activities			
Net period profit/(loss)		(368,258,890)	(276,265,633)
Adjustments for period net profit reconciliation			
Adjustments for tax (income)/expense	17	(105,010,759)	47,564,173
Adjustments for financing expenses	23	37,114,228	70,406,639
Adjustments for financing incomes		(34,676,876)	(28,936,941)
Adjustments for increase in inventories		35,105,017	(186,625,018)
Adjustments for increase in trade receivables		(562,227,296)	(1,576,400,021)
Adjustments for increase in other receivables related to activities		(192,560,529)	(243,986,274)
Adjustments for decrease in contract assets		162,231,371	1,181,551,554
Adjustments for decrease/(increase) in trade payables		1,349,817,319	1,759,278,652
Adjustments for decrease/increase in other payables related to activities		133,986,943	436,045,813
Adjustments for Increase in contract liabilities		(95,979,499)	(507,744,121)
Adjustments for amortization and redemption costs		44,409,970	25,358,921
Adjustments for impairment loss		(50,644,228)	(55,423,988)
Adjustments for provisions		86,653,146	(32,009,311)
Adjustments for period net profit reconciliation		808,218,807	889,080,078
Net cash flows from operations (+/-)		439,959,917	612,814,445
Tax returns/(payments)		(22,826,799)	(172,343,116)
Adjustments related to monetary gains/(losses)		(166,628,446)	(456,874,664)
Other cash inflows/(outflows)		102,169,429	(157,165,823)
Net cash flow from operating activities		352,674,101	(173,569,158)
Cash flows from investment activities			
Cash outflow from sale of tangible non-current assets		6,327,539	3,450,692
Other cash inflows/(outflows)		73,687,708	(10,104,419)
Interest received		34,676,876	28,936,941
B. Net cash flow from investing activities (+/-)		114,692,123	22,283,214
Cash flows from financing activities			
Cash inflows from borrowings	10	839,674,780	1,214,814,068
Cash outflows related to borrowing payments (-)	10	(1,004,225,800)	(120,118,009)
Cash outflows arising from lease liabilities		(3,813,508)	-
Dividends paid		-	(28,388,266)
Interest paid		(45,612,258)	(68,984,205)
C. Net cash flows from financing activities (+/-)		(213,976,786)	997,323,588
Net increase/(decrease) in cash and cash equivalents		253,389,438	846,037,644
E. Inflation effect on cash and cash equivalents (+/-)		(134,670,210)	(114,278,983)
Net increase/(decrease) in cash and cash equivalents		118,719,228	731,758,661
Cash and cash equivalents at the beginning of the period		679,131,290	576,299,942
Cash and cash equivalents at the end of the period	3	797,850,518	1,308,058,603

Following notes are an integral part of the interim period condensed consolidated financial statements.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2024

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND LINE OF BUSINESS

Türk Prysmian Kablo ve Sistemleri A.Ş. (“Company”) and its subsidiaries (hereinafter collectively referred as “Group”) established and operating in Turkey is specialized in manufacturing, export, import and trading of all kinds of cables, conductors, machines, apparatuses, tools and equipment as well as their spare parts and accessories. The Company was founded in 1964 and currently operates as a joint-stock company under the parent company Draka Holding B.V. (83.75%). The Company’s shares are listed in Borsa Istanbul A.Ş. (BIST) since 1986. 16.25% share of the Group is traded on BIST (31 December 2023: 16.25%). The parent of the Company is Prysmian S.p.A. domiciled in Italy.

The subsidiary of the Company is Türk Prysmian - Prysmian Powerlink DB. KAB. 19 İşi Adi Ortaklığı (Ordinary Partnership); 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.

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

The Group’s registered address is Ömerbey Mahallesi, Bursa Asfaltı Caddesi, No:51, 16941, Mudanya, Bursa with an Istanbul branch registered on 20 December 2012 and located the address of Ömer Avni Mah, İnebolu Sok, Haktan İş Merkezi No:39 K:2 Setüstü Kabataş Beyoğlu Istanbul. As of 30 June 2024, the Group employs on average 586 personnel within the six-month interim period (1 January - 31 December 2023: 589).

The Group's subsidiaries are detailed below:

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

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

The attached interim period condensed consolidated financial statements have been prepared in compliance with the provisions of the “Communiqué on the Principles of Financial Reporting in Capital Market” Series II, Numbered 14,1 (Communiqué) published in the Official Gazette dated 13 June 2013 numbered 28676, by the Capital Market Board (“CMB”), and based on the Turkish Financial Reporting Systems (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) with reference to Article 5 of the Communiqué. TFRS is updated with communiqués published to comply with amendments made in the International Financial Reporting Standards. It covers TFRS and appendices and interpretations thereof, condensed consolidated financial statements for the interim period are presented in the formats specified under the TFRS Taxonomy announced by POA on 3 July 2024 and Financial Statement Samples and User's Guide published by CMB.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2024

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Condensed consolidated financial statements are prepared on the basis of historical costs except for the revaluation of derivative financial instruments. The historical cost is typically determined on the basis of the actual value of amounts paid for assets.

The Company prepared the condensed consolidated financial statements for the interim fiscal period ending on 30 June 2024 in accordance with the CMB's communiqués with Serial: II. No. 14.1 and announcements made to clarify this communiqué and based on the principle of going concern according to TAS 34 “Interim Period Financial Reporting” standard, condensed consolidated financial statements for the interim period and notes thereof are presented in the formats recommended by the CMB and by including all mandatory information.

In accordance with TAS 34 standard, entities are free to prepare the interim period consolidated financial statements either as a whole set or condensed versions. In line with this the Company chose to prepare condensed financial statements for interim periods.

Condensed consolidated financial statements of the Group include all explanations and notes required to be included in the year-end consolidated financial statements. Therefore, the statements for the interim period must be read together with the consolidated financial statements dated 31 December 2023.

Functional and reporting currency

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

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

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

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

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

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2024

(Amounts expressed in TRY based on the 30 June 2024 purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

A subsidiary is included within the scope of consolidation when the Group obtains control of the subsidiary and ceases from the date the Group loses control of the subsidiary. Income and expenses of subsidiaries acquired or disposed within the year shall be included under the consolidated profit and loss and other comprehensive income statement starting from the date acquired until the subsidiary is disposed.

Profit or loss item and each component of other comprehensive income are attributed to parent company shareholders and non-controlling shares. Even if non-controlling shares were to result in a deficit balance, total comprehensive income of subsidiaries will be attributed to parent company shareholders and non-controlling shares.

All intra-group assets and liabilities, equities, incomes and losses and cash flow relating to transactions between Group companies shall be eliminated in consolidation.

2.2 Amendments in accounting policies

The accounting policies applied in preparation of the condensed consolidated financial statements for the interim period 1 January - 30 June 2024 are consistent with those applied in preparation of the consolidated financial statements as of 31 December 2023.

2.3 Changes in accounting estimates and errors

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

2.4 Summary of significant accounting policies

Condensed consolidated financial statements for the interim period ending on 30 June 2024 are prepared in accordance with the TAS 34 standard regarding preparation of interim period financial statements. Significant accounting policies applied when preparing interim period condensed consolidated financial statements are consistent with those applied for the annual consolidated financial statements for the fiscal period 1 January-31 December 2023. Interim period condensed consolidated financial statements for the interim period 1 January - 30 June 2024 should be evaluated together with the annual consolidated financial statements for the fiscal period 1 January-31 December 2023.

2.5 Going concern

The Group has prepared its condensed consolidated interim financial statements on a going concern basis.

2.6 Effects of seasonality on operations

Operations of the companies within the scope of consolidation may increase or decrease by period, Accordingly the results of the period ending on 30 June 2024 may not serve as an indicator for the year-round.

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NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Major changes in the current period

Group prepared its condensed consolidated financial statements as at and for the six month interim period ended 30 June 2024, by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023, and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has presented its condensed consolidated financial statements as of 31 December 2023 and 30 June 2023, on the purchasing power basis as of 30 June 2024.

In accordance with the CMB's decision dated 28 December 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute. As of 31 December 2023, the indexes and adjustment factors used in the restatement of the consolidated financial statements are as follows:

<u>Dates</u>	<u>Index</u>	<u>Adjustment Coefficient</u>	<u>Three-year Compound Inflation</u>
30 June 2024	2,319.29	1.00000	324%
31 December 2023	1,859.38	1.24735	268%
30 June 2023	1,351.19	1.71597	190%

The main components of Group's restatement for the purpose of financial reporting in hyperinflationary economies are as follows:

- The condensed consolidated financial statements for the current period presented in TL are expressed in terms of the purchasing power at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.

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NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Major changes in the current period (Continued)

- All items in the statement of comprehensive income, except for the effects of non-monetary items in the balance sheet on the statement of comprehensive income, have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recognized in the condensed consolidated financial statement of profit or loss and other comprehensive income in the net monetary position loss account. For the period 1 January - 30 June 2024, the effect of inflation on the Group's net monetary asset/liability position amounting to TL151,815,676 has been recognized as net monetary position gains in the consolidated statement of profit or loss and other comprehensive income (1 January - 30 June 2023: net monetary position gains amounting to TL105,811,498).

2.8 New and revised standards and interpretations

a) Standards, amendments, and interpretations applicable as of 30 June 2024:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 New and revised standards and interpretations (Continued)

a) Standards, amendments, and interpretations applicable as of 30 June 2024 (Continued):

The Group has applied the new standards and amendments above and the new standards and amendments do not have a significant impact on the consolidated financial statements of the current period and comparative prior period. As at 30 June 2024, the standards and amendments that are issued but not yet effective and not relevant to the Group's operations are not presented above.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

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NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 New and revised standards and interpretations (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024 (Continued):

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The above amendments and new standards will be applied by the Group management as of their effective dates. The effects of these amendments and new standards are expected to be not material for the Group's consolidated financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Cash	8,231	8,435
Banks	643,777,820	513,994,890
- Saving account	639,311,618	504,111,925
- Demand account	4,466,202	9,882,965
Checks received	63,472,313	61,534,529
Credit card receivables	90,592,154	103,593,436
	797,850,518	679,131,290

Group has time deposits in TRY and Euro average term is shorter than a week and the effective annual interest rate is 49.13 % and 1.93 % respectively (31 December 2023: Group has Saving Accounts in TRY, Euro and USD with average term is shorter than a week and the effective annual interest rate is 41.10%, 2%, 2% respectively), Credit card receivables have less than 3-month terms.

Credit risks of the banks where the cash of the Group is held is assessed based on independent data and no credit risk is expected. Market value of the cash and cash equivalents is close to the carrying amount thereof, which includes accrued interest on the date of the balance sheet, The Group has blocked deposits relating to POS receivables equal to TRY 90,592,154 (31 December 2023: TRY 103,593,436 as of 30 June 2024 and 31 December 2023. Details with respect to the foreign currency cash and cash equivalents are explained in Note 21.

NOTE 4 - TRADE RECEIVABLES AND PAYABLES

	30 June 2024	31 December 2023
Short-term trade receivables		
Trade receivables and accrued income	1,708,485,372	1,745,386,297
Cheques and notes receivable	394,712,777	280,692,138
Trade receivables due from related parties	463,425,735	428,391,846
Less: Provision for impairment of receivables	(171,051,427)	(184,784,003)
	2,395,572,457	2,269,686,278

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NOTE 4 - TRADE RECEIVABLES AND PAYABLES (Continued)

Average maturity of trade receivables of the Group is 3 months (31 December 2023: 3 months). Carrying amount of the trade receivables is considered to approximate their amortised costs. Details of the trade receivables in foreign currency are explained in Note 21.

Trade receivables impairment movements are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
1 January	(184,784,003)	(221,754,690)
Provisions for the period	13,732,576	89,708,371
30 June	(171,051,427)	(132,046,319)

Provision for doubtful trade receivables are measured by predicting the credit losses expected based on past experience of non-collection.

	30 June 2024	31 December 2023
Short-term trade payables		
Trade payables	2,654,111,345	1,973,514,851
Trade payables due to related parties	2,140,711,477	2,321,495,239
Expense accruals (*)	-	2,103,364
	4,794,822,822	4,297,113,454

(*) Expense accruals consist of amounts that have been finalized and have not yet been invoiced.

Average payment term for the Group's trade payables are 3 months as of 30 June 2024 (31 December 2023: 3 months). Carrying amount of the trade payables is considered to approximate their amortised costs.

NOTE 5 - INVENTORIES

	30 June 2024	31 December 2023
Raw materials	704,204,807	705,461,083
Semi-finished goods	155,139,997	95,544,742
Finished goods	448,506,503	442,301,774
Commercial goods	273,240,039	299,065,460
Minus: Provisions for inventory impairment	(63,797,711)	(26,886,059)
	1,517,293,635	1,515,487,000

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NOTE 5 - INVENTORIES (Continued)

Inventory impairment movement for the periods 30 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
1 January	(26,886,059)	(58,012,304)
Reversal of provisions	-	34,284,383
Additions during the period	(36,911,652)	-
30 June	(63,797,711)	(23,727,921)

Raw material and supply expenses associated with cost of sales in the fiscal period 1 January - 30 June 2024 is TRY4,278,212,804 (30 June 2023: TRY5,298,146,754) (Note 14).

NOTE 6 - PRE-PAID EXPENSES AND DEFERRED INCOME

a) Short-term pre-paid expenses	30 June 2024	31 December 2023
Order advances given for projects (*)	193,757,671	212,374,641
Pre-paid expenses	10,594,876	7,311,478
	204,352,547	219,686,119

(*) It consists of the order advances given to the suppliers for the construction projects of the Group over the years.

b) Short-term contract liabilities and deferred income

	30 June 2024	31 December 2023
Order advances received (excluding Contract liabilities)	324,162,753	265,149,095
Contract liabilities (*)	-	146,199,890
	324,162,753	411,348,985

(*) Contractual liabilities are cash advances received from the customers relating to the Group's projects, Significant portion of the advances are comprised of cash advances received with respect to the Submarine project awarded by TEİAŞ during the year 2021.

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NOTE 6 - PRE-PAID EXPENSES AND DEFERRED INCOME (Continued)

c) Other short-term provisions	30 June 2024	31 December 2023
Various provisions related to contractual projects (*)	306,840,170	277,259,888
Expense accruals related to overseas service agreements	37,070,872	25,551,220
Provision for copper incentive	20,395,000	14,010,997
Other	5,948,544	1,771,112
	370,254,586	318,593,217

(*) The Group recognizes the income and expenses related to the construction projects based on the percentage of completion of the contracts. The Group has signed the related contracts for Çanakkale Strait Lapseki3 Sütlüce3 Lot1 and İzmit Gulf Hersek-Dilovası_Lot2 projects on June 30, 2021. Income and expenses related to the construction activities have been recognized in the condensed interim financial statements based on 99% and 91% completion percentages as of the current period, respectively.

NOTE 7 - PROPERTY PLANT AND EQUIPMENT

Statements regarding tangible non-current assets for the period 1 January - 30 June 2024 and 2023 is as follows:

	1 January 2024	Additions	Disposals	30 June 2024
Cost				
Land and plots	88,953,517	-	-	88,953,517
Buildings	1,084,214,857	-	-	1,084,214,857
Facilities, machinery and equipment	4,551,127,120	-	(7,276,115)	4,543,851,005
Vehicles, furnishing and fixtures	449,471,589	-	-	449,471,589
Special costs	1,621,525	-	-	1,621,525
On-going investments	1,331,564	-	-	1,331,564
	6,176,720,172	-	(7,276,115)	6,169,444,057
Accumulated depreciation				
Premises (-)	(855,205,503)	(13,354,964)	-	(868,560,467)
Facilities, machinery and equipment (-)	(4,323,416,701)	(18,326,033)	948,576	(4,340,794,158)
Vehicles, furnishing and fixtures (-)	(426,748,554)	(4,455,466)	-	(431,204,020)
Special costs (-)	(1,621,525)	-	-	(1,621,525)
	(5,606,992,283)	(36,136,463)	948,576	(5,642,180,170)
Net book value	569,727,889			527,263,887

As of 30 June 2024, the Group has amortization expenses in the amount of total TRY44,409,970 comprised of; TRY36,136,463 for tangible non-current assets. TRY7,276,663 for right-of-use assets and TRY996,844 for intangible non-current assets. Out of said current term amortization and depreciation expenses, a portion of TRY23,327,666 was reflected on cost of sales, TRY20,861,714 on general administrative expenses, TRY212,330 on marketing expenses and TRY8,259 on research and development expenses.

As of 30 June 2024, no mortgage or pledge is placed on tangible non-current assets (31 December 2023: None).

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NOTE 7 - PROPERTY PLANT AND EQUIPMENT (Continued)

	1 January 2023	Additions	Disposals	30 June 2023
Cost				
Land and plots	88,953,517	-	-	88,953,517
Buildings	1,084,214,857	-	-	1,084,214,857
Facilities, machinery and equipment	4,517,384,980	-	-	4,517,384,980
Vehicles, furnishing and fixtures	449,606,855	-	(3,955,692)	445,651,163
Special costs	1,621,525	-	-	1,621,525
On-going investments	1,331,564	-	-	1,331,564
	6,143,113,298	-	(3,955,692)	6,139,157,606
Accumulated depreciation				
Premises (-)	(830,226,899)	(6,158,927)	-	(836,385,826)
Facilities, machinery and equipment (-)	(4,290,922,732)	(11,968,301)	-	(4,302,891,033)
Vehicles, furnishing and fixtures (-)	(424,262,008)	(2,610,609)	505,000	(426,367,617)
Special costs (-)	(1,621,525)	-	-	(1,621,525)
	(5,547,033,164)	(20,737,837)	505,000	(5,567,266,001)
Net book value	596,080,134			571,891,605

As of 30 June 2023, the Group has amortization expenses in the amount of total TRY25,358,921 comprised of; TRY20,737,837 for tangible non-current assets. TRY3,652,374 for right-of-use assets and TRY968,710 for intangible non-current assets. Out of said current term amortization and depreciation expenses, a portion of TRY14,798,905 was reflected on cost of sales, TRY10,410,112 on general administrative expenses, TRY144,291 on marketing expenses and TRY5,613 on research and development expenses.

NOTE 8 - INTANGIBLE ASSETS

	1 January 2024	Additions	30 June 2024
Cost			
Software	33,380,042	-	33,380,042
	33,380,042	-	33,380,042
Accumulated redemption			
Software (-)	(29,637,219)	(996,844)	(30,634,063)
	(29,637,219)	(996,844)	(30,634,063)
Net book value	3,742,823		2,745,979

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NOTE 8 - INTANGIBLE ASSETS (Continued)

	1 January 2023	Additions	30 June 2023
Cost			
Software	33,380,042	-	33,380,042
	33,380,042	-	33,380,042
Accumulated redemption			
Software (-)	(27,943,836)	(968,710)	(28,912,546)
	(27,943,836)	(968,710)	(28,912,546)
Net book value	5,436,206		4,467,496

NOTE 9 – OTHER ASSETS AND LIABILITIES

	30 June 2024	31 December 2023
Other current assets		
VAT carried forward (*)	717,992,182	417,003,234
Receivables from Tax Office (**)	8,227,704	29,617,883
	726,219,886	446,621,117

(*) Consists of the short term portion of value added taxes that cannot be deducted due to the change in the communiqué regarding the sales registered for export.

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

	30 June 2024	31 December 2023
Other non-current assets		
VAT carried forward (*)	100,645,995	435,706,037
	100,645,995	435,706,037

(*) Comprised of the value added taxes that could not be offset due to amendment of the communiqué on export-listed sales, The return process is ongoing and Group management expects the process to take longer than one year.

	30 June 2024	31 December 2023
Other short-term liabilities		
Tax, fees and other deductions payable	77,642,815	68,913,367
Other miscellaneous payables and liabilities	267,836	334,083
	77,910,651	69,247,450

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NOTE 10 – BORROWINGS

Short-term loans	30 June 2024	31 December 2023
Short term bank loans	-	215,852,024
Obligations under leases	7,112,775	9,118,170
	7,112,775	224,970,194

Carrying amount of the short-term bank loans is considered to approximate to their fair values as of 30 June 2024 and 31 December 2023.

Long- term loans	30 June 2024	31 December 2023
Obligations under leases	6,528,041	12,941,981
	6,528,041	12,941,981

As of 30 June 2024 and 31 December 2023, the carrying value of short-term bank loans approximates their fair value.

Statements of bank loans as of 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
1 January	215,852,024	143,496,346
New financial borrowings	839,674,780	909,695,896
Principal payments	(801,123,750)	(120,118,009)
Foreign exchange gains/(losses)	(203,102,050)	305,118,172
Change in interest accruals	(8,498,031)	1,422,434
Monetary loss, gain	(42,802,973)	(28,226,539)
30 June	-	1,211,388,300

NOTE 11 - CONTINGENT ASSETS AND LIABILITIES

The Company's guarantee, pledge and mortgage (GPM) position is as follows:

	30 June 2024	31 December 2023
A. Total GPMs given given on behalf of the legal entity: from third parties:	1,205,456,867	1,222,585,761
B. Total GPMs given in favor of subsidiaries included in full consolidation	956,814,153	795,050,571
C. Total GPMs given to maintain ordinary operations and collect payables from third parties:	-	-
D. Other GPMs given	-	-
i) Total GPMs given in favor of main shareholder	-	-
ii) Total GPMs give in favor of other companies not falling within the scope of item B and C	-	-
iii) Total GPMs give in favor of third parties not falling within the scope of item C	-	-
The ratio of total amount of other CPM to Equity (%)	0%	0%

The Group has not given any other guarantee, pledge and mortgage (31 December 2023: None).

All letters of guarantee listed in paragraph A consist of performance letters extended by the Group to customs, various bidding authorities and customers due to sales contracts.

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NOTE 12 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital:

Paid-in capital structure of the Group as of 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024		31 December 2023	
	Ratio (%)	Amount	Ratio (%)	Amount
Draka Holding B,V,	83.75	181,506,654	83.75	181,506,654
Publicly held	16.25	35,226,998	16.25	35,226,998
Paid-in Capital		216,733,652		216,733,652

As of 30 June 2024, the Group's capital comprises of 216,733,652 shares (31 December 2023: 216,733,652 shares). Nominal value of shares are TRY 1 per share (31 December 2023: TRY 1 per share). All shares issued were paid in cash.

Reserves on retained earnings:

	30 June 2024	31 December 2023
Legal reserves	88,436,893	88,436,893
	88,436,893	88,436,893

As per Turkish Commercial Code ("TCC"), legal reserves will be generated by 5% of income until it reaches 20% of paid-in share capital of the Company. After the 5% of the dividend is paid to shareholders, 10% of the total amount to be distributed is set aside as other legal reserve.

Under the TCC, the legal reserves can be used only to offset losses, for the going concern of the company or to take measures to prevent or minimize consequences of unemployment as long as the amount does not exceed 50 percent of the paid-in capital.

Profit Distribution:

Publicly traded companies perform dividend distribution in accordance with Capital Markets Board's Communiqué Serial II No: 19.1 "Share of Profit", effective as of 1 February 2014.

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

Reacquired shares:

Shares the Company has purchased back within the scope of liquidity providing practiced in line with the CMB legislation. Company reacquires the shares over the market prices thereof traded in Borsa Istanbul on the date of transaction and recognized under "Reacquired shares" account to include amounts in excess of the nominal values of the reacquired shares.

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NOTE 13 - CONTRACT ASSETS AND LIABILITIES

	30 June 2024	31 December 2023
Costs related with ongoing works	4,355,384,318	4,543,451,778
Recognized profits less losses (net)	1,148,974,199	1,026,903,266
Minus: Accrued progress payments (-)	(5,289,680,746)	(5,092,527,099)
	214,677,771	477,827,945

The Group records referred income and expenses from said construction works in financial statements following the percentage completion method. The Group has signed the related contracts, which constitute the majority of the construction works, for Çanakkale Strait Lapseki 3 Sütluçe 3 Lot 1 and İzmit Gulf Hersek-Dilovası_Lot 2 projects on 30 June 2021. The income and expenses calculated according to the completion percentage related to the mentioned construction works are reflected in the interim condensed financial statements with 99% and 91% completion percentages, respectively, as of the current period.

NOTE 14 - REVENUE AND COST OF SALES

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Domestic Sales	8,521,762,563	4,009,851,153	11,241,553,469	6,335,825,706
Export Sales	1,748,716,059	694,218,108	1,472,164,532	682,169,586
Minus: Return on sales	(13,208,059)	(1,174,127)	(28,991,473)	(27,050,998)
Minus: Sales discounts	(3,752,710,238)	(1,644,615,133)	(4,754,105,386)	(3,174,889,241)
Net revenue	6,504,560,325	3,058,280,001	7,930,621,142	3,816,055,053
Costs of sales	(5,749,883,654)	(2,733,236,425)	(7,242,546,547)	(3,356,058,266)
Gross profit	754,676,671	325,043,576	688,074,595	459,996,787

Statements regarding cost of sales for the period 1 January - 30 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Raw material and supply expenses	(4,278,212,804)	(1,988,352,005)	(5,298,146,754)	(2,262,285,209)
Cost of commercial goods sold	(422,906,782)	(214,718,654)	(789,842,259)	(458,217,284)
Cost of services sold	(584,543,585)	(272,093,532)	(694,965,763)	(418,759,580)
Production overheads	(269,485,978)	(130,758,348)	(309,491,934)	(146,886,324)
Labour costs	(171,406,839)	(114,839,005)	(135,300,932)	(66,393,869)
Amortization and depreciation	(23,327,666)	(12,474,881)	(14,798,905)	(3,516,000)
	(5,749,883,654)	(2,733,236,425)	(7,242,546,547)	(3,356,058,266)

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**NOTE 15 - RESEARCH DEVELOPMENT, MARKETING, SALES, DISTRIBUTION AND
GENERAL ADMINISTRATIVE EXPENSES**

Research and development expenses:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Personnel expenses	(10,327,990)	(5,160,355)	(7,342,513)	(3,137,108)
Test, measurement and documentation expenses	(2,606,331)	(1,433,076)	(2,485,092)	(416,386)
Amortization and depreciation	(8,259)	(4,341)	(5,613)	(1,541)
Others	(1,857,641)	(675,792)	(1,599,242)	(650,570)
	(14,800,221)	(7,273,564)	(11,432,460)	(4,205,605)

Marketing, sales and distribution expenses:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Logistics expenses, commissions of sales, distribution and letter of guarantee expenses	(416,426,231)	(165,994,253)	(270,966,178)	(182,743,242)
Personnel expenses	(52,815,412)	(27,880,929)	(43,011,346)	(18,500,527)
Outsourced service expenses	(436,754)	(276,464)	(304,310)	(217,205)
Amortization and depreciation	(212,330)	(111,610)	(144,291)	(39,596)
Others	(11,768,923)	(5,887,846)	(13,619,195)	(5,401,081)
	(481,659,650)	(200,151,102)	(328,045,320)	(206,901,651)

General administrative expenses:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
License and service expenses	(80,629,511)	(36,980,953)	(99,717,725)	(48,888,538)
Personnel expenses	(56,944,484)	(29,776,557)	(56,667,919)	(35,051,496)
Amortization and depreciation	(20,861,714)	(10,944,047)	(10,410,112)	(2,443,684)
Consultancy expenses	(2,587,084)	(1,369,745)	(5,324,587)	(3,408,518)
Membership and grants	(1,504,538)	(592,921)	(2,142,331)	(1,095,541)
Insurance expenses	(1,102,481)	(376,175)	(1,311,881)	-
Outsourced service expenses	(1,385,918)	(807,904)	(722,795)	(262,173)
Others	(9,011,861)	(4,969,034)	(27,573,181)	(17,576,050)
	(174,027,591)	(85,817,336)	(203,870,531)	(108,726,000)

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NOTE 16 - OTHER OPERATING INCOME/(EXPENSES)

Statements regarding other operating income for the period 1 January - 30 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Income realized from marketable derivative financial instruments	147,282,537	41,082,628	1,117,891,087	1,117,891,087
Charge out income	25,651,548	22,290,904	43,421,990	30,692,994
Delay interest income of trade receivables	-	-	1,604,942	1,344,910
Others	95,209,958	32,475,187	110,551,167	103,507,446
	268,144,043	95,848,719	1,273,469,186	1,253,436,437

Statements regarding other operating expenses for the period 1 January - 30 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Expenses realized from marketable derivative financial instruments	(690,791,799)	(395,567,682)	(996,142,240)	(955,892,033)
Foreign currency exchange losses from trading activities- net	(68,130,736)	(11,320,065)	(495,013,089)	(464,428,134)
Others	(149,494,726)	(126,974,624)	(38,819,935)	(29,727,649)
	(908,417,261)	(533,862,371)	(1,529,975,264)	(1,450,047,816)

NOTE 17 - INCOME TAXES

Tax liabilities for the period profit as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Cari dönem vergi karşılığı	-	(26,820,768)
Prepaid corporate tax	306,332,734	326,809,197
Monetary loss profit	-	53,641,534
(Assets)/liabilities related to current period tax	306,332,734	353,629,963

Corporate tax rate in Turkey for the year 2024 is 25% (2023: 20%).

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NOTE 17 - INCOME TAXES (Continued)

The reconciliation of the current period tax expense in the profit or loss statements and the tax expense to be calculated using the current tax rate on profit before tax is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Profit before tax/(loss)	(473,269,649)	(228,701,460)
The current legal corporate tax rate	%25	%20
Tax calculated over the tax rate	118,317,412	45,740,292
Expenses and additions that are not legally accepted	(112,337,721)	(49,438,301)
Discounts	21,831,949	34,819,324
Earthquake tax	-	(19,190,420)
Previous year losses	71,159,229	-
Adjustment for the previous year corporate tax accrual	-	(13,070,738)
Monetary gain/loss	6,039,890	(44,044,565)
Other	-	(2,379,765)
Tax income/(expense)	105,010,759	(47,564,173)

Tax reflected on profit and loss statement for the years ending on 30 June 2024 and 2023 are summarized below:

	1 January - 30 June 2024	1 April - 31 June 2024	1 January - 30 June 2023	1 April - 31 June 2023
Tax expense for the current period	-	-	(25,808,928)	(25,942,599)
Deferred tax income/(expense)	105,010,759	126,697,394	(21,755,245)	(9,141,031)
Deferred tax income/(expense)	105,010,759	126,697,394	(47,564,173)	(35,083,630)

Tax expense for the current period shown on the statements of profit or loss and tax expense that will be calculated using the applicable tax rate over the profit before tax is reconciled as follows:

Deferred tax assets/(liabilities)	Total temporary difference		Deferred tax assets/(liabilities)	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Derivative instruments	(90,413,704)	14,663,455	22,603,426	(3,665,864)
Stock adjustment	12,604,566	107,500,239	(3,151,142)	(26,875,060)
Trade receivables	(5,397,988)	(22,035,125)	1,349,497	5,508,781
Provisions for litigation	(2,331,254)	(2,907,879)	582,814	726,970
Provision for severance pay	(160,424,619)	(173,182,018)	40,106,155	43,295,504
Provision for accumulated leave	(42,861,255)	(30,722,133)	10,715,314	7,680,533
Tangible and intangible non-current Assets	(493,048,896)	(318,155,820)	123,262,224	79,538,955
Trade payables	18,477,872	(69,726,407)	(4,619,468)	17,431,602
Provisions	(374,317,055)	(225,006,229)	93,579,264	56,251,557
Construction projects spread over years	706,410,376	688,592,129	(176,602,594)	(172,148,032)
Tax losses carried forward	(284,636,918)	(353,051,187)	71,159,230	88,262,796
Others	(15,243,361)	4,067,765	3,810,839	1,016,943
Deferred tax assets/(liabilities), net			182,795,559	97,024,685

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NOTE 17 - INCOME TAXES (Continued)

Statements regarding deferred tax assets for the period 1 January - 30 June 2024 and 2023 is as follows:

	2024	2023
1 January	97,024,685	97,249,730
Recognized in statement of profit or loss	105,010,759	(21,755,245)
Monetary gain/(loss)	(19,239,885)	(15,347,060)
30 June	182,795,559	60,147,425

NOTE 18 – EARNINGS/(LOSSES) PER SHARE

Earnings/(losses) per share is calculated by dividing net period profit/(loss) attributable to the parent company shares to weighted average of Company shares.

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Net period profit/(loss) attributable to the parent company shareholders	(368,258,890)	(274,885,721)	(276,265,633)	(241,982,875)
Weighted average number of ordinary shares outstanding	216,733,652	216,733,652	216,733,652	216,733,652
Earnings/(losses) per share	(1.6991)	(1.2683)	(1.2747)	(1.1165)

NOTE 19 - TRANSACTIONS BETWEEN RELATED PARTIES

Trade receivables from related parties:

Short term trade receivables from related parties are as follows:

	30 June 2024	31 December 2023
Prysmian Power Link Srl	144,055,196	118,402,873
Prysmian Kabel und Systeme GmbH	74,928,006	81,836,563
Prysmian Spain, S.A	62,430,754	417,061
LLC Rybinskelektrokabel	55,981,031	58,063,105
Prysmian MKM Magyar Kabel Muve	23,693,275	10,251,498
Prysmian - OEKW GmbH	18,353,019	7,158,167
Singapore Cables Manufacturers Pte	16,199,591	35,910,879
Prysmian Cable Industrial	13,915,252	-
Prysmian Cavi e Sistemi Italia S.r.l.	9,223,288	32,085,438
Prysmian Group Norge AS	8,860,156	237,433
General Cable Celcat, Energia	8,192,087	9,475,297
Prysmian Finland Oy	6,004,378	8,508,560
Prysmian Australia Pty Ltd	3,795,797	2,483,779
Prysmian Cabluri Si Sisteme S	3,723,824	9,503,918
Oman Cables Industry (SAOG)	3,254,722	3,035,821
Draka Comteq UK Limited	1,994,921	1,982,425
Prysmian S.P.A.	1,551,948	3,645,374
Conducen SRL	822,939	20,732,951
Prysmian Group Baltics AS	255,455	19,205,414
Other	6,190,096	5,455,290
	463,425,735	428,391,846

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NOTE 19 - TRANSACTIONS BETWEEN RELATED PARTIES (Continued)

Trade payables to related parties:

	30 June 2024		31 December 2023	
	Trade payables	Other payables	Trade payables	Other payables
Prysmian S.P.A.	1,821,613,956	-	1,615,266,016	-
Prysmian Power Link Srl	137,240,950	-	471,360,125	-
Prysmian Cavi e Sistemi Italia S.r.l	53,967,789	-	37,265,599	-
Prysmian Kabel und Systeme GmbH	39,425,484	-	-	-
Prysmian Wuxi Cable Company Lt	26,890,323	-	45,365,703	-
Prysmian MKM Magyar Kabel Muve	25,861,586	-	2,815,930	-
Prysmian Netherlands B.V.	22,184,153	-	18,407,519	-
Prysmian Cavi e Sistemi S.r.l	312,217	-	5,680,300	-
Prysmian Cables et Systèmes Fr	-	-	1,127,916	-
Draka Comteq UK Limited	-	-	890,515	-
Türk Prysmian-Prysmian Powerlink	-	-	101,059,328	-
Draka Holding BV (*)	-	175,000,000	-	218,285,531
Other	13,215,019	-	22,256,288	-
	2,140,711,477	175,000,000	2,321,495,239	218,285,531

(*) It consists of short-term financial borrowings received from shareholders for the Group's operational activities. As of June 30, 2024 and December 31, 2023, the effective weighted interest rate of TL denominated other payables is 43.90% and the maturity is less than one year.

Goods sold to related parties:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
	Sales	Sales	Sales	Sales
Prysmian Cavi e Sistemi Italia S.r.l.	222,623,501	19,251,394	44,854,096	16,625,918
Prysmian Kabel und Systeme GmbH	216,827,748	98,777,270	138,011,747	72,214,095
Prysmian Spain, S.A.	168,874,064	61,318,285	62,500,914	48,440,485
Prysmian Power Link Srl	147,933,222	87,351,980	1,870,016	1,712,753
Singapore Cables Manufacturers Pte Ltd	70,783,776	16,329,733	6,862,320	913,826
Prysmian Group Norge AS	56,361,804	20,987,030	100,676,655	36,087,615
Prysmian - OEKW GmbH	47,406,595	16,117,911	-	-
Conducen SRL	42,450,212	-	-	-
Prysmian Finland Oy	40,185,475	18,244,251	12,168,327	3,894,440
Prysmian MKM Magyar Kabel Muve	25,725,926	23,548,284	5,983,616	4,074,260
Prysmian Cabluri si Sisteme S.A.	25,117,564	20,546,905	15,635,486	9,625,513
General Cable Celcat, Energia	9,824,412	-	-	-
Draka Comteq UK Ltd.	9,690,432	2,736,690	15,432,612	8,853,997
General Cable Industries, Inc.	7,521,494	-	-	-
Draka Denmark Optical Cable AS	7,173,698	54,832	42,295,052	27,230,711
LLC Rybinskelektrokabel	6,148,565	2,391,970	31,305,861	20,112,909
Oman Cables Industry SAOG	4,551,533	2,826,827	29,224,166	5,626,347
Prysmian Australia Pty Ltd	3,875,787	3,747,003	5,162,396	5,162,396
Prysmian Group Baltics AS	3,602,361	537,461	-	-
MCI-Draka Cable Co. Ltd	3,063,653	1,046,848	-	-
Prysmian Cables & Systems Ltd.	2,014,584	1,418,346	9,428,830	530,933
Prysmian Cables et Systèmes Fr	214,721	115,921	12,939,219	4,538,858
Prysmian Powerlink	-	-	1,985,391,249	1,985,391,249
General Cable de Mexico, S.A d	-	-	13,764,917	13,752,377
Other	22,171,654	18,019,276	11,056,477	7,727,125
	1,144,142,781	415,368,217	2,544,563,956	2,272,515,807

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NOTE 19 - TRANSACTIONS BETWEEN RELATED PARTIES (Continued)

Goods purchased from related parties:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
	Goods Purchased	Goods Purchased	Goods Purchased	Goods Purchased
Prysmian S.P.A.	417,650,857	149,012,084	606,214,208	331,256,222
Prysmian Cavi e Sistemi Italia S.r.l.	125,325,305	71,114,975	155,945,856	99,573,028
Prysmian Kabel und System GmbH	119,277,793	79,890,588	326,885,847	123,302,194
Prysmian Wuxi Cable Company Lt	105,292,896	28,407,432	65,513,348	26,128,999
Oman Cables Industry (SAOG)	85,626,787	-	47,855,812	43,179,941
Prysmian MKM Magyar Kabel Muve	53,980,000	53,980,000	207,366,954	143,702,594
Prysmian Power Link Srl	48,044,207	2,407,950	209,608,617	209,608,617
Oman Aluminium Processing Industrie	23,968,014	23,034,426	44,358,230	32,283,763
Prysmian Spain, SPA	20,984,561	19,339,448	6,385,004	1,933,577
Draka Comteq UK Ltd	14,641,679	865,964	49,431,791	10,867,668
General Cable Celcat, Energia	14,179,296	10,052,891	6,940,967	448,324
Prysmian Cables (Shangai) Trad	10,981,960	2,543,260	12,051,076	4,075,697
Prysmian Netherlands B.V.	8,853,535	1,458,130	7,745,917	6,200,215
Draka Comteq Germany GmbH	7,004,025	3,619,733	11,666,149	8,327,633
Prysmian Electronics S.r.l	1,223,712	945,496	9,160,868	9,160,868
Prysmian Cabluri Si Sisteme S.	950,917	1,464,505	22,469,988	7,688,390
Norddeutsche Seekabelwerke Gmb	599,561	599,561	14,104,778	14,104,778
Prysmian Cavi e Sistemi Srl	-	796,568	10,079,815	9,702,600
Prysmian Cables & Systems Limi	-	-	33,781,843	879,596
Draka Kabely SRO	-	-	25,922,019	9,026,131
Other	270,358	2,444,823	13,417,292	3,702,359
	1,058,855,463	451,977,834	1,886,906,379	1,095,153,194

Service purchased from related parties:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
	Service Purchased	Service Purchased	Service Purchased	Service Purchased
Prysmian S.P.A.	55,506,505	24,306,226	72,618,459	34,604,127
Prysmian Cavi e Sistemi Italia S.r.l.	13,811,949	1,997,454	20,439,480	10,172,761
	69,318,454	26,303,680	93,057,939	44,776,888

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NOTE 19 - TRANSACTIONS BETWEEN RELATED PARTIES (Continued)

Cost of services purchased from the Group companies cover three types of service fee, These are;

TAF (Technical Assistance Fees) license agreement:

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

SAG (Service Agreement) service agreement:

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

IT (IT Service Agreement) information technologies service agreement:

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

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

The Group has announced to the stakeholders on 26 July 2019 that Prysmian Group central management reached the decision that on condition the promised three-year targets set as part of Prysmian Turkey R&D activities are achieved, the license rate of 2% would be revised as 1.25% (to be effective as from 1 January 2019).

Interest expenses to related parties:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
	Interest Expense	Interest Expense	Interest Expense	Interest Expense
Draka Holding B.V	32,765,571	15,641,130	47,128,982	22,623,232
	32,765,571	15,641,130	47,128,982	22,623,232

Benefits to senior management:

	1 January - 30 June 2024	1 January - 30 June 2023
Wages and other short term benefits	8,206,489	8,036,864
Others	37,621	124,052
	8,244,110	8,160,916

The Group's senior managers consist of senior managers in the board of directors, executive board and other important management levels. The benefits provided to senior managers during the period are summarized above.

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NOTE 20 - RIGHT-OF-USE ASSETS

	Buildings	Vehicles	Total
As of 1 January 2024	10,635,271	23,734,390	34,369,661
Additions	-	-	-
Amortization cost (-)	(2,152,239)	(5,124,424)	(7,276,663)
As of 30 June 2024	8,483,032	18,609,966	27,092,998
	Buildings	Vehicles	Total
As of 1 January 2023	1,049,920	15,602,587	16,652,507
Additions	13,363,599	14,517,047	27,880,646
Amortization cost (-)	(1,217,459)	(2,434,915)	(3,652,374)
As of 30 June 2023	13,196,060	27,684,719	40,880,779

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NOTE 21 - FOREIGN CURRENCY POSITIONS

	30 June 2024				31 December 2023			
	TRY equivalent (Functional currency TRY)	USD	Euro	GBP	TRY equivalent (Functional currency TRY)	USD	Euro	GBP
	1. Trade receivables	1,480,811,180	23,870,192	19,848,427	-	1,769,329,588	16,455,940	28,674,560
2a. Monetary financial assets (including cash, bank)	45,558,181	79,304	12,609,596	-	99,809,819	1,628,133	985,097	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	144,766,566	331,903	3,810,918	-	137,952,638	27,960	3,369,994	-
4. Current Assets (1+2+3)	2,071,135,927	24,281,399	36,268,941	-	2,007,092,045	18,112,033	33,029,651	-
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)	2,071,135,927	24,281,399	36,268,941	-	2,007,092,045	18,112,033	33,029,651	-
10. Trade Payables	(2,424,225,878)	(4,098,409)	(65,048,736)	(6,551)	(2,743,767,818)	(3,998,873)	(63,740,130)	(46,409)
11. Financial Liabilities	-	-	-	-	(69,197,037)	-	(1,700,000)	-
12a. Other Monetary Liabilities	(637,145,430)	(10,069,405)	(8,695,517)	-	(632,697,044)	(7,964,882)	(8,345,455)	(160)
12b. Other Non-monetary Assets	(125,093,766)	(810,759)	(2,797,015)	-	(76,348,307)	-	(1,875,689)	-
13. Short-term Liabilities (10+11+12)	(3,186,465,074)	(14,978,573)	(76,541,268)	(6,551)	(3,522,010,206)	(11,963,755)	(75,661,274)	(46,569)
14. Trade Receivables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non-monetary Liabilities	-	-	-	-	-	-	-	-
17. Long-term Liabilities (14+15+16)	-	-	-	-	-	-	-	-
18. Total Liabilities (13+17)	(3,186,465,074)	(14,978,573)	(76,541,268)	(6,551)	(3,522,010,206)	(11,963,755)	(75,661,274)	(46,569)
19. Net asset/(liability) position of off Balance Sheet derivative instruments (19a-19b)	945,186,370	(9,500,000)	35,800,000	-	1,178,296,688	-	29,000,000	-
19a. Asset Position of Off Balance Sheet Derivative Instruments Denominated in Foreign Currency	1,257,596,720	-	35,800,000	-	1,178,296,688	-	29,000,000	-
19b. Liability Position of Off Balance Sheet Derivative Instruments Denominated in Foreign Currency	(312,410,350)	(9,500,000)	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability)	(170,142,777)	(197,174)	(4,472,327)	(6,551)	(336,621,473)	6,148,278	(13,631,623)	(46,569)
21. Monetary Items, Net Foreign Currency Asset/(Liability) Position (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16)	(1,135,001,947)	9,781,682	(41,286,230)	(6,551)	(1,576,522,492)	6,120,318	(44,125,928)	(46,569)
22. Fair value of the financial instruments used in foreign currency hedging	945,186,370	(9,500,000)	35,800,000	-	1,178,296,688	-	29,000,000	-
23. Hedged part of foreign currency assets**	(312,410,350)	(9,500,000)	-	-	-	-	-	-
24. Hedged part of foreign currency liabilities***	-	-	-	-	1,178,296,688	-	29,000,000	-
25. Total export	1,748,716,059	10,601,503	28,840,981	-	3,137,798,593	41,236,007	41,156,867	-
26. Total import	1,238,865,676	2,526,579	29,159,335	373	10,612,780,443	349,298,737	-	-

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NOTE 21 - FOREIGN CURRENCY POSITIONS (Continued)

Foreign currency sensitivity analysis table:

	30 June 2024	
	Profit/Loss Appreciation of foreign currency	Profit/Loss Depreciation of foreign currency
US Dollars exchange rate changes by 10%:		
US Dollar net asset/liability	32,109,545	(32,109,545)
US Dollar net effect	32,109,545	(32,109,545)
Euro exchange rate changes by 10%:		
Euro net asset/liability	(145,031,920)	145,031,920
Euro net effect	(145,031,920)	145,031,920
If other currencies change by 10% in average:		
Other foreign currency net asset/liability	(27,287)	27,287
Other currency net effect	(27,287)	27,287
Total	(112,949,662)	112,949,662

Foreign exchange risk

Foreign currency sensitivity analysis table:

	31 December 2023	
	Profit/Loss Appreciation of foreign currency	Profit/Loss Depreciation of foreign currency
US Dollars exchange rate changes by 10%:		
US Dollar net asset/liability	18,017,115	(18,017,115)
US Dollar net effect	18,017,115	(18,017,115)
Euro exchange rate changes by 10%:		
Euro net asset/liability	(143,994,376)	143,994,376
Euro net effect	(143,994,376)	143,994,376
If other currencies change by 10% in average:		
Other foreign currency net asset/liability	(175,271)	175,271
Other currency net effect	(175,271)	175,271
Total	(126,152,533)	126,152,533

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

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NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

Classification of Financial Instruments

Group has classified its financial assets and liabilities under the categories of financial investments, credits and receivables. Financial assets of the Group in the form of cash and cash equivalents, trade receivables and other receivables are classified as credits and derivative instruments and are recognized at amortized cost using the effective interest method. Financial liabilities of the Group are comprised of financial liabilities, trade payables, derivative instruments payable and other payables and are classified as financial liabilities at amortized costs using effective interest rate method.

Fair value is the amount at which a financial instrument can be exchanged in a current transaction between voluntary parties, other than in a compulsory sale or liquidation and can be best measured at best by using the quoted market price, if any.

Estimated fair value of financial assets is determined by the Company based on available market information and correct valuation methods. Application of judgment is inherent in interpreting the market data to determine estimated fair values. Accordingly, estimations presented here may not be indicative of the values that the Group may realize in a current market transaction.

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

Financial assets

It is considered that fair value of balances denominated in foreign currency, which are converted using the foreign exchange rate at the end of the period, approximate their book value. Cash and cash equivalents are recognized at fair value. 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 recognized at their fair values.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented close to their fair values together with their amortized book values, and it is accepted that the fair values of the foreign currency balances converted using the year-end rates approximate their book values. Derivative instrument payables are recognized 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 steps described below:

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

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NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Table below shows the Group financial assets/(liabilities) measured at fair value as of 30 June 2024 and 31 December 2023.

Financial assets/ liabilities	Fair Value		Fair Value level	Valuation technique
	30 June 2024	31 December 2023		
Foreign exchange forward contracts financial assets / (liabilities)	(90,413,704)	14,663,455	Level 2	Future cash flows predicted by using forward exchange rates (forward exchange rates observable at the end of term) and contract rates are discounted by using a rate which reflects credit risk of various parties,

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