

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2024  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
(ORIGINALLY ISSUED IN TURKISH)**



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

**INDEPENDENT AUDITOR'S REPORT**

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

**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 2024, 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 2024, 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 adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Independent 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") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation 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><b>Recoverability of trade receivables (Refer to Notes 2.5, 2.6, 4 and 27)</b></p>	
<p>Trade receivables amounting TRY1,939,775,577 as of 31 December 2024 are material to the consolidated financial statements.</p> <p>Impairment provisions calculated for trade receivables are determined as a result of estimates made by taking into account past payment performances and creditworthiness information of customers, maturity analysis of receivable balances, disputes and lawsuits regarding receivables. These estimates used are very sensitive to market conditions. As a result of all these evaluations, the determination of doubtful receivables and the determination of the provision amounts allocated for these receivables also include the assumptions and estimates of the management.</p> <p>For these reasons, the recoverability of trade receivables was determined as a key audit matter by us.</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"> <li>• The Group's credit risk management policy, including credit limit and collection management, were reviewed and assessed.</li> <li>• Trade receivables were tested on a sample basis by sending confirmation letters.</li> <li>• The aging of trade receivable balances were tested on a sample basis.</li> <li>• The collections of trade receivables in the subsequent period were tested on a sample basis.</li> <li>• The guarantee letters received from customers were tested on a sample basis.</li> <li>• Inquiries with the Group management in relation to any disputes with customers or lawsuits regarding the collectability of trade receivables, and written inquiries with the Group's legal counsellors on outstanding litigation and disputes with customers in relation to trade receivables were assessed.</li> <li>• 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.</li> <li>• The adequacy and appropriateness of the disclosures of recoverability of trade receivables in the consolidated financial statements were assessed in accordance with TFRS.</li> </ul>



Key audit matters	How the key audit matter was addressed in the audit
<p data-bbox="250 489 881 552"><b>Recognition of revenue from construction contracts (Refer to Notes 2.5, 2.6, 16 and 17)</b></p> <p data-bbox="250 583 881 961">The amount of the consolidated revenue of the Group for the year ending on 31 December 2024 is TRY14,323,612,636 and TRY1,761,048,018 of the consolidated revenue was 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 TRY66,323,214 and contractual liabilities amounting to TRY199,126,760 in its consolidated statement of financial position as of 31 December 2024 in accordance with TFRS 15.</p> <p data-bbox="250 993 881 1539">Within the context of this method; amounts, which are recognised as revenue and cost of sales in relation to the ongoing construction projects, are based on the estimations and assumptions stated in construction 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 data-bbox="250 1570 881 1759">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 data-bbox="881 583 1490 678">We performed the following procedures in relation to the audit of recognition of revenue from construction contracts:</p> <ul data-bbox="881 709 1490 1633" style="list-style-type: none"> <li data-bbox="881 709 1490 867">• 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.</li> <li data-bbox="881 898 1490 1161">• 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 revenue related with relevant contracts as per in line with TFRS 15.</li> <li data-bbox="881 1192 1490 1476">• We reviewed the cost budgets for significant construction projects and the historical accuracy and prudence of the budgets and estimations were evaluated. We 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.</li> <li data-bbox="881 1507 1490 1633">• We tested actual cost budgets (personnel, material, sub-contractor, etc.) by reviewing the supporting documents on a sample basis.</li> </ul>



Since contract terms and calculations are complex, they have significant impact on the consolidated financial statements and due to above-mentioned risk factors; we considered this matter as a key audit matter.

- Percentage of completion worksheets prepared by the Group management were 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 were tested by us using recalculation method. We 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 the 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.



Key audit matters	How the key audit matter was addressed in the audit
<p><b>Application of TAS 29-Financial Reporting in Hyperinflationary Economies (Refer to Note 2.1)</b></p>	
<p>As described in Note 2.1, TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) is effective for the Group.</p> <p>TAS 29 requires consolidated financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2024 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2024. The implementation of TAS 29 leads to a change in several of the Group’s control activities, pervasive and material effects on the consolidated financial statements and the impact of TAS 29 is reliant upon a number of key judgements of the Group management. The preparation of consolidated financial statements using a current purchasing power approach requires a complex series of procedures and reconciliations to ensure accurate results.</p> <p>For these reasons, and considering the risk that the data used in the application of TAS 29 may not be accurate and complete and the additional audit effort spent, the implementation of TAS 29 was determined by us as a key audit matter.</p>	<p>We performed the following procedures in relation to the audit of the implementation of TAS 29 “Financial reporting in hyperinflationary economies”:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group’s processes and accounting policies for the implementation of TAS 29.</li> <li>• We gained an understanding and evaluated the relevant controls designed and implemented by management resulting from implementation of TAS 29.</li> <li>• We determined whether the segregation of monetary and non-monetary items made by the management is in accordance with TFRS.</li> <li>• We obtained detailed listings of non-monetary items and tested on a sample basis the original cost and dates of acquisition with supporting documentation.</li> <li>• We evaluated the calculation methods used by the management and checked that they were used consistently in each period.</li> <li>• We checked the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute.</li> <li>• We tested the mathematical accuracy of non-monetary items, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows, adjusted for inflation effects.</li> <li>• We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to the implementation of TAS 29 in accordance with TFRS.</li> </ul>



#### **4. 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.

#### **5. Independent 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2024 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 4 March 2025.

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

Özgür Beşikçioğlu, SMMM  
Independent Auditor

Istanbul, 4 March 2025

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY AND 31 DECEMBER 2024

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# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

	Notes	31 December 2024	31 December 2023
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	315,581,566	786,086,218
Financial investments	3	-	85,292,626
Derivative instruments	12	19,719,520	94,079,986
Trade receivables		1,939,775,577	2,627,134,295
- Due from related parties	26	586,823,879	495,858,358
- Due from third parties	4	1,352,951,698	2,131,275,937
Other receivables		2,311,302	2,275,999
- Due from third parties	5	2,311,302	2,275,999
Contract assets		66,323,214	553,080,041
- Contract assets arising from ongoing construction and contracting business	16	66,323,214	553,080,041
Inventories	6	1,241,723,145	1,754,157,792
Prepaid expenses	7	140,594,671	254,284,014
Current income tax assets	24	336,411,706	409,322,386
Other current assets	10	620,195,392	516,958,517
<b>TOTAL CURRENT ASSETS</b>		<b>4,682,636,093</b>	<b>7,082,671,874</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	602,572,051	659,453,111
Right of use assets	28	73,124,705	39,782,465
Intangible assets other than goodwill	9	1,828,497	4,332,273
Prepaid expenses	7	-	1,443,788
Deferred tax assets	24	124,067,786	112,304,895
Other non-current assets	10	-	504,324,444
<b>TOTAL NON-CURRENT ASSETS</b>		<b>801,593,039</b>	<b>1,321,640,976</b>
<b>TOTAL ASSETS</b>		<b>5,484,229,132</b>	<b>8,404,312,850</b>

These consolidated financial statements as of and for the year ended 31 December 2024 have been examined by the Audit Committee and approved by the Board of Directors on 4 March 2025. The consolidated financial statements will be finalized upon the approval at the General Assembly.

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

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

	Notes	31 December 2024	31 December 2023
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowings	11	-	249,846,095
Liabilities arising from leasing transactions	11	39,017,681	10,554,170
Derivative instruments	12	122,234,322	77,107,215
Trade payables		3,567,918,528	4,973,856,622
- Due to related parties	26	2,071,793,567	2,687,102,537
- Due to third parties	4	1,496,124,961	2,286,754,085
Employee benefit obligations	13	46,833,525	26,899,571
Other payables		-	252,662,850
- Due to related parties	26	-	252,662,850
Contractual obligations		199,126,760	169,224,597
- Contractual obligations arising from ongoing construction and contracting business	7	199,126,760	169,224,597
Deferred income (excluding contractual obligations)	7	63,195,517	306,906,857
Short-term provisions		449,343,645	502,505,838
- Short-term provisions for employee benefits	13	54,694,015	133,738,060
- Other short-term provisions	14	394,649,630	368,767,778
Other current liabilities	10	17,464,380	80,153,083
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,505,134,358</b>	<b>6,649,716,898</b>
<b>Non-Current Liabilities:</b>			
Liabilities arising from leasing transactions	11	19,344,320	14,980,185
Long-term provisions		76,149,097	203,873,147
- Long-term provisions for employee benefits	13	69,730,666	200,507,311
- Other long-term provisions	14	6,418,431	3,365,836
<b>Total Non-Current Liabilities</b>		<b>95,493,417</b>	<b>218,853,332</b>
<b>TOTAL LIABILITIES</b>		<b>4,600,627,775</b>	<b>6,868,570,230</b>
<b>SHAREHOLDER'S EQUITY</b>			
Paid in share capital	15	216,733,652	216,733,652
Adjustments to share capital	15	2,616,543,616	2,616,543,616
Repurchased shares (-)	15	(20,588,502)	(20,588,502)
Premiums related to shares	15	335,303,217	335,303,217
Other comprehensive expense		(117,425,693)	(192,666,833)
- That will not be reclassified to profit or loss		(117,425,693)	(192,666,833)
Restricted reserves	15	102,364,630	102,364,630
Accumulated losses		(1,521,947,160)	(1,396,538,265)
Net profit/(loss) for the year		(727,382,403)	(125,408,895)
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>883,601,357</b>	<b>1,535,742,620</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,484,229,132</b>	<b>8,404,312,850</b>

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

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

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023**

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

	Notes	1 January - 31 December 2024	1 January - 31 December 2023
<b>PROFIT OR LOSS</b>			
Revenue	17	14,323,612,636	18,007,801,884
Cost of sales	17	(12,644,509,750)	(16,288,771,436)
<b>Gross profit/(loss)</b>		<b>1,679,102,886</b>	<b>1,719,030,448</b>
General administrative expenses (-)	19	(266,298,179)	(424,952,930)
Marketing selling and distribution expenses (-)	19	(999,852,933)	(874,295,433)
Research and development expenses (-)	18	(32,653,965)	(32,736,399)
Other operating income	21	512,749,411	221,115,460
Other operating expense (-)	21	(2,054,894,567)	(569,100,194)
<b>Operating profit/(loss)</b>		<b>(1,161,847,347)</b>	<b>39,060,952</b>
Income from investment activities	22	2,984,537	8,243,768
<b>Operating profit/(loss) before financial income / (expense)</b>		<b>(1,158,862,810)</b>	<b>47,304,720</b>
Financial income	23	115,423,261	99,810,800
Financial expenses (-)	23	(169,855,921)	(723,476,270)
Monetary gain / (loss)	23	449,069,796	474,825,549
<b>Profit/(loss) before taxation</b>		<b>(764,225,674)</b>	<b>(101,535,201)</b>
<b>Tax income/(expense)</b>		<b>36,843,271</b>	<b>(23,873,694)</b>
Taxation on expense	24	-	(31,044,713)
Deferred tax income/(expense)	24	36,843,271	7,171,019
<b>Net profit/(loss) for the period</b>		<b>(727,382,403)</b>	<b>(125,408,895)</b>
Profit/(loss) per share	25	-3.3561	-0.5786
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>			
<b>Items that will not be reclassified to profit or loss, before tax</b>		<b>100,321,520</b>	<b>(196,111,803)</b>
Actuarial losses from defined benefit plans, before tax	13	100,321,520	(196,111,803)
<b>Total other comprehensive (expense)/income, before tax</b>		<b>100,321,520</b>	<b>(196,111,803)</b>
<b>Total tax effect of other comprehensive income/expense</b>		<b>(25,080,380)</b>	<b>49,027,951</b>
<b>Total taxes related items that will not be reclassified to profit or loss</b>			
Deferred tax (expenses)/income	24	(25,080,380)	49,027,951
<b>Total other comprehensive income/(expenses)</b>		<b>75,241,140</b>	<b>(147,083,852)</b>
<b>Total comprehensive income/(expenses)</b>		<b>(652,141,263)</b>	<b>(272,492,747)</b>

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

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023**

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

	Paid in share capital	Adjustments to share capital	Repurchased shares (-)	Premiums related to shares	Other comprehensive income and expense not to be reclassified to (loss)/profit Actuarial loss on termination benefits	Restricted reserves	Retained earnings	Net profit/(loss) for the year	Total equity
<b>Balances at 1 January 2023</b>	<b>216,733,652</b>	<b>2,616,543,616</b>	<b>(20,588,502)</b>	<b>335,303,217</b>	<b>(45,582,981)</b>	<b>82,755,183</b>	<b>(1,085,118,367)</b>	<b>(257,793,143)</b>	<b>1,842,252,675</b>
Transfers	-	-	-	-	-	19,609,447	(277,402,590)	257,793,143	-
Dividends	-	-	-	-	-	-	(34,017,308)	-	(34,017,308)
Total comprehensive income/(expense)	-	-	-	-	(147,083,852)	-	-	(125,408,895)	(272,492,747)
- <i>Net profit/(loss) for the period</i>	-	-	-	-	-	-	-	(125,408,895)	(125,408,895)
- <i>Other comprehensive income/(expense)</i>	-	-	-	-	(147,083,852)	-	-	-	(147,083,852)
<b>Balances at 31 December 2023</b>	<b>216,733,652</b>	<b>2,616,543,616</b>	<b>(20,588,502)</b>	<b>335,303,217</b>	<b>(192,666,833)</b>	<b>102,364,630</b>	<b>(1,396,538,265)</b>	<b>(125,408,895)</b>	<b>1,535,742,620</b>
<b>Balances at January 2024</b>	<b>216,733,652</b>	<b>2,616,543,616</b>	<b>(20,588,502)</b>	<b>335,303,217</b>	<b>(192,666,833)</b>	<b>102,364,630</b>	<b>(1,396,538,265)</b>	<b>(125,408,895)</b>	<b>1,535,742,620</b>
Transfers	-	-	-	-	-	-	(125,408,895)	125,408,895	-
Total comprehensive income/(expense)	-	-	-	-	75,241,140	-	-	(727,382,403)	(652,141,263)
- <i>Net profit/(loss) for the period</i>	-	-	-	-	-	-	-	(727,382,403)	(727,382,403)
- <i>Other comprehensive income/(expense)</i>	-	-	-	-	75,241,140	-	-	-	75,241,140
<b>Balances at 31 December 2024</b>	<b>216,733,652</b>	<b>2,616,543,616</b>	<b>(20,588,502)</b>	<b>335,303,217</b>	<b>(117,425,693)</b>	<b>102,364,630</b>	<b>(1,521,947,160)</b>	<b>(727,382,403)</b>	<b>883,601,357</b>

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

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

	Notes	1 January - 31 December 2024	1 January - 31 December 2023
<b>Cash flows from operating activities</b>			
<b>Net profit / (loss) for the period</b>		<b>(727,382,403)</b>	<b>(125,408,895)</b>
<b>Adjustments to reconcile the profit/(loss) for the period</b>			
Adjustments for tax expense	24	(36,843,271)	23,873,694
Adjustments for financial expense	23	68,043,795	243,907,540
Adjustments for interest income (-)	23	(115,423,261)	(99,810,800)
Adjustments for unrealized foreign currency conversion differences		6,530,550	12,055,407
Adjustments for increase in inventories		532,167,059	85,170,715
Adjustments for increase in trade receivables		(104,784,141)	(955,589,463)
Adjustments for increase(decrease) in other receivables arising from operations		121,961,552	(414,714,441)
Adjustments for increases in contract assets		322,560,444	612,850,276
Adjustments for decrease in trade payables		122,913,025	2,011,817,506
Adjustments for increase(decrease) in other payables arising from operations		(187,053,407)	23,536,704
Adjustments for increase in contract liabilities		135,339,650	(280,089,839)
Adjustments for depreciation and amortization expense	8,9,28	128,777,985	84,965,043
Adjustments for impairment		(35,111,264)	(42,793,121)
Adjustments for provisions		183,715,213	42,777,048
<b>Total adjustments for the period net profit (loss) reconciliation (+/-)</b>		<b>1,142,793,929</b>	<b>1,347,956,269</b>
<b>Cash flows from operating activities</b>		<b>415,411,526</b>	<b>1,222,547,374</b>
Taxes returns (payments)		(52,905,771)	(264,545,375)
Other cash outflows		139,436,769	(54,829,544)
Adjustments for monetary (loss)/gain		(390,645,241)	(296,321,739)
<b>Net cash from operating activities</b>		<b>111,297,283</b>	<b>606,850,716</b>
<b>Cash flows from investing activities</b>			
Cash outflows from the purchase of property, plant and equipment (-)	8	(38,086,286)	(42,135,753)
Cash inflows from the sale of property, plant and equipment	8	1,896,230	14,083
Other cash inflows (outflows)		85,292,628	(85,292,624)
Interest received		115,423,261	99,810,800
<b>Net cash from investing activities</b>		<b>164,525,833</b>	<b>(27,603,494)</b>
<b>Net cash from financing activities</b>			
Proceeds from borrowings	11	-	1,812,121,414
Repayments of borrowings	11	(164,706,400)	(1,665,231,465)
Repayments of intercompany loans	26	(175,000,000)	-
Cash outflows related to lease obligations		(66,545,333)	(30,888,289)
Dividends paid (-)	15	-	(34,017,308)
Interest paid (-)		(98,450,897)	(261,806,937)
<b>Net cash from financing activities</b>		<b>(504,702,630)</b>	<b>(179,822,585)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(228,879,514)</b>	<b>399,424,637</b>
<b>Inflation effect on cash and cash equivalents</b>		<b>(241,625,138)</b>	<b>(280,398,600)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(470,504,652)</b>	<b>119,026,037</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>786,086,218</b>	<b>667,060,181</b>
<b>Cash and cash equivalents at the end of the period</b>	3	<b>315,581,566</b>	<b>786,086,218</b>

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

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, 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 2023: 16.25%). The ultimate parent of the Group is Prysmian SpA, located in Italy.

The subsidiary of the Group 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 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 Istanbul. The average number of personnel employed by the Group in the period ending as of 31 December 2024 is 585 (31 December 2023: 589).

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

<b>Subsidiary</b>	<b>Types of activities</b>	<b>Main fields of activity</b>
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 4 March 2025 and authorized for publication. The General Assembly and some other regulatory institutions and organizations have the authority to change the consolidated financial statements.



# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### 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 TFRS Taxonomy” published by POA on 3 July 2024, 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.

##### Financial reporting in hyperinflationary economy

The Group has prepared the consolidated financial statements as of 31 December 2024 and for the annual reporting period ending on the same date by applying TAS 29 “Financial Reporting in Hyperinflation Economies” Standard according to the announcement made and “Implementation Guide on Financial Reporting in Hyperinflation Economies” published by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy have to be prepared on purchasing power on reporting date and comparative period information is expressed in terms of current measurement unit at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 31 December 2023 on the basis of purchasing power as of 31 December 2024.

In accordance with CMB’s decision dated 28 December 2023 and numbered 81/1820, it is decided that issuers and capital market institutions subject to financial reporting regulations implementing TAS to apply inflation accounting starting from the annual financial statements for the period ended as of 31 December 2024.

Adjustments have been made in accordance with the requirements of TAS 29 (“Financial Reporting in Hyperinflation Economies”) regarding the changes in the general purchasing power of the Turkish Lira. TAS29 Standard requires that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods be rearranged in the same way. One of the requirements to apply TAS 29 is a three-year compound inflation rate approaching or exceeding 100%.

Restatements made in accordance with TAS 29, is made by using the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkish Statistical Institute. Indexes and the conversion coefficients used in restatements of the consolidated financial statements of the current period and previous periods since 1 January 2005 are as follow:

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.1 Basis of presentation (Continued)

Date	Index	Conversion Coefficient	3-Year Compound Inflation Rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

The main procedures that the Group has applied for the purpose of financial reporting in hyperinflationary economy are as follows:

- Current period financial statements prepared Turkish Lira denominated, are stated in terms of purchasing power as of balance sheet date. Prior reporting period figures are also stated in terms of purchasing power as of reporting period end date by restating.
- Monetary assets and liabilities are not restated because they are already expressed in terms of purchasing power at the balance sheet date. In the cases that value of inflation-adjusted non-monetary items exceed recoverable amount or net realizable value, TAS 36 and TAS 2 has applied, respectively.
- Non-monetary items and monetary items, that are not stated in terms of purchasing power at the balance sheet date and components of shareholders' equity are restated by applying the relevant conversion coefficient.
- All the statement of comprehensive income items except the ones that non-monetary items in the balance sheet that have an impact on the statement of comprehensive income, are indexed with the conversion coefficient calculated over the periods that profit, and loss accounts reflected in financial statements.
- All items in the cash flows statements are expressed in terms of purchasing power of TRY as of reporting date.
- The effect of inflation in the net monetary assets/liabilities position of the Group in the current period, amounting to TRY449,069,796 in 2024, has recorded as net monetary position gain in the consolidated statement of profit and loss (2023: TRY474,825,549).

#### Comparative information

The relevant figures for the previous reporting period are restated by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit valid at the end of the reporting period.

In order to allow the determination of financial position and performance, the Group's consolidated financial statements are prepared in comparison with the previous period. The Group presented the consolidated statement of financial position on 31 December 2024 comparatively with the statement of consolidated financial position on 31 December 2023. The Group presented the statements of consolidated profit or loss and other comprehensive income, cash flows and changes in equity for the period 1 January 2024 - 31 December 2024 comparatively with the consolidated statements of profit or loss and comprehensive income, cash flows and changes in equity for the period 1 January 2023 - 31 December 2023. Comparative information for the previous reporting period is expressed in purchasing power as of 31 December 2024.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.1 Basis of presentation (Continued)

##### 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.

##### Going concern

The consolidated financial statements prepared based on the principle of the Group's going concern, meaning that the Group will continue to derive benefits from its assets and meet its obligations in the natural course of its operations over the next year. The Group’s budgets and plans for 2025 and subsequent periods have been prepared with a focus on minimizing operational losses by concentrating on profitable new projects after the completion of significant ongoing projects. The Group's net loss from derivative transactions for 2024 amounted to TRY1,338,596,169 (2023: TRY197,223,504) (Note 21). In 2025, the Group aims to reduce the expenses related to derivative transactions, which are classified under operational losses, by securing funds from the Prysmian group companies instead of engaging in such derivative transactions to manage its foreign currency position. Licensee and service provider Prysmian S.p.A. and Prysmian Cavi e Sistemleri S.r.l. waived all receivable rights arising from service and license agreements for two years in order to keep the Group's operational and financing costs at a minimum level (Note 26). Moreover, Draka Holding B.V., the Group's parent company, has committed to providing the necessary resources and support to strengthen the Group's financial structure, ensure that the Group does not face difficulties in repaying its existing debts, and meet its payment obligations on time.

##### Consolidation principles

The Company and its Subsidiaries registered in Turkey comply with the principles and conditions issued by the CMB, the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance in keeping accounting records and preparing legal financial statements. The consolidated financial statements are prepared based on the legal records of the Group and expressed in TRY and have been prepared by reflecting the necessary adjustments and classifications, including those related to changes in the purchasing power of TRY, in order to present the Group’s situation in accordance with TFRS.

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:

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.1 Basis of presentation (Continued)

- 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 2024 have been applied in a consistent manner with the consolidated financial statements prepared as of 31 December 2023. 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 of 31 December 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.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.4 Amendments in Turkish Financial Reporting Standards (Continued)

- **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.

The above changes did not have a material impact on the financial position or performance of the Group.

#### *b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:*

IFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet brought into legislation by the Public Oversight Accounting and Auditing Standards Authority.

- **TFRS 17, 'Insurance Contracts';** It is valid for annual reporting periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which already allows a wide range of applications. TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with optional participation features.
- **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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

**2.4 Amendments in Turkish Financial Reporting Standards (Continued)**

- **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).
- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.
- **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:
  - 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 Group will evaluate the effects of the above changes on its operations and implement them from the effective date.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 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).

- a) directly, or indirectly through one or more intermediaries, the party:
- (i) controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
  - (ii) Has significant impact on the Company,
  - (iii) The Company or a parent of the Company is a member of the key management personnel.
- (b) An entity is related to a reporting entity if any of the following conditions exist:
- (i) The entity and the reporting entity are members of the same group (ie, each parent, subsidiary, and other subsidiary is related to the others).
  - (ii) 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).
  - (iii) If both entities are joint ventures of the same third party.
  - (iv) If one of the entities is a joint venture of a third entity and the other entity is an associate of that third entity.
  - (v) If the entity has post-employment benefit plans for employees of the reporting entity or an entity associated with the reporting entity.
- (c) An entity is associated with the reporting entity if any of the following conditions exist:
- (i) The sponsoring employers are also related to the reporting entity if the reporting entity itself has such a plan.
  - (ii) The entity is controlled or jointly controlled by a person identified in (a).
  - (iii) 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).
  - (iv) 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”; 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.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.5 Summary of significant accounting policies (Continued)

##### Revenue (Continued)

The Group recognize 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 sale of energy cables, copper conductor communication cables and fiber optic cables. 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.



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

#### 2.5 Summary of significant accounting policies (Continued)

##### Revenue (Continued)

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.

##### 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).

##### 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.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### **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 6). 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 are derecognized 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:

<u>Useful life</u>	
Buildings	4-50 years
Machinery, plant and equipment	5-20 years
Motor vehicles	5 years
Fixtures	2-10 years
Leasehold improvements	4-10 years

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

#### 2.5 Summary of significant accounting policies (Continued)

##### Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying value recognized 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 recognized 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 derecognizes 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 life

Rights

3-10 years

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

#### 2.5 Summary of significant accounting policies (Continued)

##### **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 assets 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.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### Financial instruments (Continued)

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 derecognizes the financial asset when the contractual rights to the cash flows related to 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.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### 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 21).

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.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### 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

The Group reflects a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

##### *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:

- a) After netting-off depreciation and reducing impairment losses from right of use asset.
- b) 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 TAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to recognize any identified impairment losses.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### 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.



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

#### 2.5 Summary of significant accounting policies (Continued)

##### Derivative financial instruments (Continued)

Derivative financial instruments are calculated with their fair value at the contract date and recalculated with their fair value in subsequent reporting periods.

##### *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.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### **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.

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

#### 2.5 Summary of significant accounting policies (Continued)

##### Government incentives and aids (Continued)

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 2024 (2023: 25%). The corporate tax rate is applied to the net income, which will be found as a result of adding the expenses that are not deductible in accordance with the tax laws to the commercial income of the institutions and deducting the exemptions and deductions in the tax laws. Corporate tax is declared by the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

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.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.5 Summary of significant accounting policies (Continued)

##### Current corporate tax (Continued)

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 10% 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 2024 and 31 December 2023, 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.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.5 Summary of significant accounting policies (Continued)

##### Employee benefits

###### *Severance pays:*

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 pays 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

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.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.6 Significant accounting evaluations, estimates and assumptions

The preparation of the consolidated 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 percentage of 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 of completion" method in accounting for fixed price contracts to account revenue related to long term contractual construction projects. 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 24).

*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).

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

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

#### 2.7 Statement of Compliance with TFRS and Policy Decisions Issued by POA

Company management is responsible for the preparation and fair presentation of financial statements in accordance with TFRSs published by POA and POA 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 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the key management that takes strategic decisions.

The chief operating decision makers regularly monitor and review the operational results based on the main products' performances and domestic/ foreign market basis. Main products and domestic/ foreign markets can be separately defined as operating segments. On the other hand, considering that the production process of each product type, the processed products obtained as a result of this process, the raw materials in the production process, the customer portfolio together with the domestic/foreign sales channels, and the legislation and laws affecting the Group's activities are significantly similar. In accordance with the relevant provisions in the TFRS 8 "Operating Segments", the financial information is not reported according to the operating segments, since the Group has only one reportable operating segment.

### NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	24,259	9,764
Bank	265,873,894	594,942,841
- Time deposit	256,672,593	583,503,429
- Demand deposit	9,201,301	11,439,412
Credit card receivables	36,502,141	119,908,143
Cheques and notes	13,181,272	71,225,470
	<b>315,581,566</b>	<b>786,086,218</b>

The Group's time deposits are in TRY, USD and EUR with average maturities less than one week and annual weighted average effective interest rates are 48.5%, 1% and 1%, respectively (31 December 2023: Time deposits are in TRY and EUR and annual weighted average effective interest rates are 41.1%, 2 %, and 2 %, respectively). Cheques and credit card receivables have a maturity of less than 3 months.

As of 31 December 2024, the Group has no foreign-currency linked deposit account (31 December 2023: TRY85,292,625).

## TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

#### NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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 2024, and 2023, the Group has blocked deposits for credit card receivables amounting to TRY36,502,141 (31 December 2023: TRY119,908,143).

As of 31 December 2024, and 2023, the details of the Group's demand deposits are as follows:

Currency	31 December 2024	31 December 2023
TRY	2,269,118	1,664,823
USD	6,932,183	-
EUR	-	9,774,589
	<b>9,201,301</b>	<b>11,439,412</b>

As of 31 December 2024, and 2023, the details of the Group's time deposits are as follows:

Currency	31 December 2024	31 December 2023
TRY	198,916,861	470,955,816
EUR	57,755,732	36,552,030
USD	-	75,995,583
	<b>256,672,593</b>	<b>583,503,429</b>

#### NOTE 4- TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 December 2024	31 December 2023
Trade receivables	1,085,689,467	2,020,263,436
Trade receivables from related parties	586,823,879	495,858,358
Notes receivables	465,768,619	324,897,740
Less: Provision for impairment	(198,506,388)	(213,885,239)
	<b>1,939,775,577</b>	<b>2,627,134,295</b>

The average maturity period of the Group's trade receivables is 2 months (31 December 2023: 3 months). The carrying value of trade receivables approximates their amortized costs. Details of trade receivable balances in foreign currency are shown in Note 27.



# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 4 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

	2024	2023
<b>At the beginning of the period - 1 January</b>	<b>(213,885,239)</b>	<b>(256,678,360)</b>
Provisions made during the period	(94,654,178)	(119,998,255)
Provisions no longer required	63,992,265	61,890,047
Monetary (loss)/gain, net	46,040,764	100,901,329
<b>At the end of the period - 31 December</b>	<b>(198,506,388)</b>	<b>(213,885,239)</b>

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

<b>Overdue:</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Overdue	441,120,780	615,073,031
0 - 30 days	587,293,065	673,351,486
31 - 60 days	698,951,315	625,021,212
61 - 90 days	212,410,417	687,019,993
91 and more days	-	26,668,573
	<b>1,939,775,577</b>	<b>2,627,134,295</b>

<b>Time past due:</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
0 - 30 days	184,569,526	498,175,658
31 - 90 days	71,060,589	42,800,805
91 and more days	185,490,665	74,096,568
	<b>441,120,780</b>	<b>615,073,031</b>

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.

<b>Short-term trade payables</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Trade payables to related parties	2,071,793,567	2,687,102,537
Trade payables	1,438,136,658	2,284,319,466
Expense accruals (*)	57,988,303	2,434,619
	<b>3,567,918,528</b>	<b>4,973,856,622</b>

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

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 4 - TRADE RECEIVABLES AND PAYABLES (Continued)

Average payment term of the Group's trade payables is 3 months (31 December 2023: 3 months). The carrying value of trade payables approximates their amortized costs. Details of trade payable balances in foreign currency are shown in Note 27.

As of 31 December 2024, the Group has commercial debt of TRY3,702,404 (USD104,754) with letter of credit (31 December 2023: TRY15,098,576 (USD354,600)).

### NOTE 5 - OTHER RECEIVABLES AND PAYABLES

<b>Other receivables from unrelated parties</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Deposits and guarantees given	2,311,302	2,275,999
	<b>2,311,302</b>	<b>2,275,999</b>
<b>Other short-term payables</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Other payables to related parties (Note 26) (*)	-	252,662,850
	<b>-</b>	<b>252,662,850</b>

(\*) The short-term financial borrowings, obtained from the Group's shareholders to support its operational activities, have been fully repaid as of 30 September 2024.

### NOTE 6 - INVENTORIES

	<b>31 December 2024</b>	<b>31 December 2023</b>
Raw materials	376,774,820	816,562,633
Semi products	223,070,724	110,591,878
Finished product	580,152,549	511,958,930
Trade goods	139,499,516	346,164,638
Less: Provision for inventory impairment	(77,774,464)	(31,120,287)
	<b>1,241,723,145</b>	<b>1,754,157,792</b>

In the accounting period of 1 January - 31 December 2024, the cost of raw materials and materials associated with the cost of sales is TRY9,896,422,736 (31 December 2023: TRY11,033,734,713) (Note 17).

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

	<b>2024</b>	<b>2023</b>
<b>At the beginning of the period - 1 January</b>	<b>(31,120,287)</b>	<b>(67,148,538)</b>
Increase during the period	(46,654,177)	36,028,251
<b>At the end of the period - 31 December</b>	<b>(77,774,464)</b>	<b>(31,120,287)</b>

TRY65,494,986 of inventory impairment provisions consists of finished goods, TRY10,738,318 of raw materials and TRY1,541,160 of commercial goods.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 7 - PREPAID EXPENSES AND DEFERRED TAX

<b>Short-term prepaid expenses</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Order advances for projects (*)	126,386,140	245,821,068
Prepaid expenses for incoming months (**)	14,208,531	8,462,946
	<b>140,594,671</b>	<b>254,284,014</b>

(\*) It represents the order advances provided to suppliers for the Group's construction projects over the years.

(\*\*) Expenses for the next month's consist of insurance policies.

<b>Long-term prepaid expenses</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Prepaid expenses for incoming years	-	1,443,788
	-	<b>1,443,788</b>

<b>Short-term contractual obligations and deferred income</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Contractual obligations (*)	-	169,224,597
Order advances received (except for contractual obligations)	63,195,517	306,906,857
	<b>63,195,517</b>	<b>476,131,454</b>

(\*) As of 31 December 2023, the amount was included under contract-related liabilities, which encompassed cash advances received from customers for the Group's construction projects. A significant portion of the advances consists of cash advances related to the Submarine project with TEİAŞ. Additionally, within contract-related liabilities, there are obligations based on project-specific liabilities, which are determined by the percentage of completion of the contractual activities, reflecting the revenue and expenses related to construction work recognized in the financial statements. The contracts related to the Group's signed, completed, or ongoing projects are detailed in Note 16.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

	1 January 2024	Additions	Disposals	31 December 2024
<b>Cost</b>				
Land	102,962,615	-	-	102,962,615
Buildings	1,254,965,526	-	-	1,254,965,526
Machinery and equipment	5,267,874,355	31,798,415	(728,011)	5,298,944,759
Vehicles	137,441,272	-	(2,459,205)	134,982,067
Fixtures	382,816,634	6,287,871	-	389,104,505
Leasehold improvements	1,876,895	-	-	1,876,895
Construction in progress	1,541,269	-	-	1,541,269
	<b>7,149,478,566</b>	<b>38,086,286</b>	<b>(3,187,216)</b>	<b>7,184,377,636</b>
<b>Less: Accumulated depreciation</b>				
Buildings (-)	(989,889,981)	(32,914,189)	-	(1,022,804,170)
Machinery and equipment (-)	(5,004,302,311)	(49,495,246)	218,449	(5,053,579,108)
Vehicles (-)	(124,541,458)	(4,901,310)	1,072,537	(128,370,231)
Fixtures (-)	(369,414,810)	(5,760,371)	-	(375,175,181)
Leasehold improvements (-)	(1,876,895)	-	-	(1,876,895)
	<b>(6,490,025,455)</b>	<b>(93,071,116)</b>	<b>1,290,986</b>	<b>(6,581,805,585)</b>
<b>Net book value</b>	<b>659,453,111</b>			<b>602,572,051</b>

As of 31 December 2024, the Group has depreciation and amortization expenses amounting to TRY128,777,985 (31 December 2023: TRY84,965,043) which consists of TRY93,071,116 (31 December 2023: TRY72,624,075) for tangible assets, TRY33,203,093 (31 December 2023: TRY10,380,898) for right-of-use assets and TRY2,503,776 (31 December 2023: TRY1,960,070) for intangible assets. Of the current period depreciation and amortization expenses, TRY70,379,518 (31 December 2023: TRY44,874,540) is reflected to the cost of sales, TRY58,034,694 (31 December 2023: TRY39,625,481) to general administrative expenses, TRY350,261 (31 December 2023: TRY446,350) to marketing expenses and TRY13,512 (31 December 2023: TRY18,672) to research and development expenses.

In 2024, a significant part of the property, plant and equipment additions consist of cable outer sheath and insulation spraying machine purchases.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

	1 January 2023	Additions	Disposals	31 December 2023
<b>Cost</b>				
Land	102,962,615	-	-	102,962,615
Buildings	1,254,965,526	-	-	1,254,965,526
Machinery and equipment	5,228,818,236	39,056,119	-	5,267,874,355
Vehicles	140,677,474	-	(3,236,202)	137,441,272
Fixtures	379,737,000	3,079,634	-	382,816,634
Leasehold improvements	1,876,895	-	-	1,876,895
Construction in progress	1,541,269	-	-	1,541,269
	<b>7,110,579,015</b>	<b>42,135,753</b>	<b>(3,236,202)</b>	<b>7,149,478,566</b>
<b>Less: Accumulated depreciation</b>				
Buildings (-)	(960,977,550)	(28,912,431)	-	(989,889,981)
Machinery and equipment (-)	(4,966,690,936)	(37,611,375)	-	(5,004,302,311)
Vehicles (-)	(124,660,238)	(3,103,341)	3,222,121	(124,541,458)
Fixtures (-)	(366,417,882)	(2,996,928)	-	(369,414,810)
Leasehold improvements (-)	(1,876,895)	-	-	(1,876,895)
	<b>(6,420,623,501)</b>	<b>(72,624,075)</b>	<b>3,222,121</b>	<b>(6,490,025,455)</b>
<b>Net book value</b>	<b>689,955,514</b>			<b>659,453,111</b>

**NOTE 9 - INTANGIBLE ASSETS**

	1 January 2024	Additions	31 December 2024
<b>Cost</b>			
Rights	38,636,994	-	38,636,994
	<b>38,636,994</b>	<b>-</b>	<b>38,636,994</b>
<b>Accumulated amortisation</b>			
Rights (-)	(34,304,721)	(2,503,776)	(36,808,497)
	<b>(34,304,721)</b>	<b>(2,503,776)</b>	<b>(36,808,497)</b>
<b>Net book value</b>	<b>4,332,273</b>		<b>1,828,497</b>
	1 January 2023	Additions	31 December 2023
<b>Cost</b>			
Rights	38,636,994	-	38,636,994
	<b>38,636,994</b>	<b>-</b>	<b>38,636,994</b>
<b>Accumulated amortisation</b>			
Rights (-)	(32,344,651)	(1,960,070)	(34,304,721)
	<b>(32,344,651)</b>	<b>(1,960,070)</b>	<b>(34,304,721)</b>
<b>Net book value</b>	<b>6,292,343</b>		<b>4,332,273</b>

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 10 - OTHER ASSETS AND LIABILITIES

<b>Other current assets</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Deferred VAT (*)	294,314,103	482,676,178
Receivables from tax office (**)	325,881,289	34,282,339
	<b>620,195,392</b>	<b>516,958,517</b>

(\*) It consists of the short-term part of the value added taxes that have not been deducted due to the change in the communiqué regarding export registered sales, and the refund process has started.

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

<b>Other non-current assets</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Deferred VAT (*)	-	504,324,444
	<b>-</b>	<b>504,324,444</b>

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

<b>Other short-term current liabilities</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Taxes and funds payable	16,919,686	79,766,387
Other	544,694	386,696
	<b>17,464,380</b>	<b>80,153,083</b>

### NOTE 11 - BORROWINGS

<b>Short-term borrowings</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Short-term bank borrowings	-	249,846,095
Short-term liabilities arising from lease transactions	39,017,681	10,554,170
	<b>39,017,681</b>	<b>260,400,265</b>

#### **Long-term borrowings**

Long-term liabilities arising from lease transactions	19,344,320	14,980,185
	<b>19,344,320</b>	<b>14,980,185</b>

Carrying values of short-term financial borrowings and liabilities arising from lease transactions approximate to their fair values.

The Group has no bank borrowings as of 31 December 2024. As of 31 December 2023, the repayment schedule of bank borrowings is as follows;

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**NOTE 11 - BORROWINGS (Continued)**

**31 December 2023**

<b>Currency</b>	<b>Maturity</b>	<b>Effective interest rate (%)</b>	<b>Short-term</b>	<b>Long-term</b>
TRY	3-12 months	27.1	179,180,093	-
EUR	3-12 months	8.4	70,666,002	-
			<b>249,846,095</b>	<b>-</b>

The repayment schedule of borrowings is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
In 1 year	-	249,846,095
	<b>-</b>	<b>249,846,095</b>

The movement table of financial borrowings as of 1 January - 31 December 2024 and 2023 is as follows:

	<b>2024</b>	<b>2023</b>
<b>At the beginning of the period - 1 January</b>	<b>249,846,095</b>	<b>166,527,981</b>
New financial debts received	-	1,812,121,414
Principal payments	(164,706,400)	(1,637,580,063)
Change in foreign exchange	(6,530,550)	(12,055,407)
Change in interest accruals	(1,812,102)	(15,595,995)
Monetary gain	(76,797,043)	(63,571,835)
<b>At the end of the period - 31 December</b>	<b>-</b>	<b>249,846,095</b>

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#### NOTE 12 - DERIVATIVE INSTRUMENTS

31 December 2024	Contract amount	Fair value	Contract EUR	Contract USD
<b>Derivative assets</b>				
Foreign currency forward transactions	761,759,760	(102,514,802)	31,300,000	11,000,000
<b>Derivates net</b>	<b>761,759,760</b>	<b>(102,514,802)</b>	<b>31,300,000</b>	<b>11,000,000</b>

31 December 2023	Contract amount	Fair value	Contract EUR	Contract USD
<b>Derivative liabilities</b>				
Foreign currency forward transactions	1,258,047,060	16,972,771	29,000,000	-
<b>Derivates net</b>	<b>1,258,047,060</b>	<b>16,972,771</b>	<b>29,000,000</b>	<b>-</b>

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 2024 and 2023 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 2024	31 December 2023
Social security deductions to be paid ("SGK")	22,283,807	16,094,437
Taxes and funds payable	14,394,188	5,060,176
Payables to personnel	10,155,530	5,744,958
	<b>46,833,525</b>	<b>26,899,571</b>

Short-term provisions for employee benefits	31 December 2024	31 December 2023
Personnel provisions	35,756,838	23,125,814
Provision for unused vacation	18,937,177	12,434,681
Provision for personnel premium	-	98,177,565
	<b>54,694,015</b>	<b>133,738,060</b>



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### NOTE 13 - EMPLOYEE BENEFITS (Continued)

Long-term provisions due to employee benefits	31 December 2024	31 December 2023
Provisions for employee termination benefits	69,730,666	200,507,311
	<b>69,730,666</b>	<b>200,507,311</b>

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 TRY41,828.42 as of 31 December 2024 (31 December 2023: TRY23,489.83). 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.

TAS 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 2024	31 December 2023
Inflation rate (%)	17.50%	25.10%
Discount rate (%)	22.20%	21.90%

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 TRY46,655.43 (1 January 2024: TRY35,058.58), effective as of 1 January 2025, since the severance pay ceiling is adjusted semi-annually.

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

	2024	2023
<b>At the beginning of the period - 1 January</b>	<b>200,507,311</b>	<b>89,525,528</b>
Current service cost	19,303,000	4,895,884
Interest costs	28,595,000	5,701,518
Actuarial (gains)/losses from defined benefit plans	(100,321,520)	196,111,803
Payments	(18,560,000)	(38,759,925)
Monetary (gain)/loss, net	(59,793,125)	(56,967,497)
<b>At the end of the period - 31 December</b>	<b>69,730,666</b>	<b>200,507,311</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

<b>Other short-term provisions</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Various provisions for ongoing projects (*)	394,564,819	320,924,952
Expense accruals related to overseas service agreements	-	29,575,226
Provisions for copper incentive (**)	-	16,217,559
Other	84,811	2,050,041
	<b>394,649,630</b>	<b>368,767,778</b>

(\*) 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.

<b>Other long-term provisions</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Provisions related to litigations	6,418,431	3,365,836
	<b>6,418,431</b>	<b>3,365,836</b>

The amount in question represents the provisions for the lawsuits brought against the Group by various parties.

<b>Guarantees received</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Guarantee letters	1,390,753,128	1,630,562,851
Credit insurance	836,350,841	952,003,042
Bails	150,725,697	170,823,560
Letters of credit	8,805,825	31,876,884
<b>At the end of the period - 31 December</b>	<b>2,386,635,491</b>	<b>2,785,266,337</b>

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

<b>Guarantees given</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Guarantee letters	2,993,517,642	2,347,376,904
<b>At the end of the period - 31 December</b>	<b>2,993,517,642</b>	<b>2,347,376,904</b>

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

## TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

	31 December 2024	31 December 2023
A. Total amount of CPM given for the Group's own legal personality	2,077,678,080	1,415,128,166
B. Total amount of CPM given on behalf of fully consolidated companies	915,839,561	920,261,378
C. Total amount of CPM given for continuity of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	-
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	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C,	-	-
The ratio of total amount of other CPM to Equity (%)	0%	0%

#### NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Compositions of the Group's paid-in share capital at 31 December 2024 and 2023 are as follows:

	31 December 2024		31 December 2023	
	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
<b>Paid in share capital</b>		<b>216,733,652</b>		<b>216,733,652</b>
Adjustments to share capital		2,616,543,616		2,616,543,616
<b>Total share capital</b>		<b>2,616,543,616</b>		<b>2,616,543,616</b>

(\*) As of 31 December 2024, and 2023, the share ratio of repurchased shares is 0.73%,

As of 31 December 2024, the Group's capital consists of 216,733,652 shares (31 December 2023: 216,733,652 shares). The nominal value of the shares is TRY1 per share (31 December 2023: TRY1 per share). All issued shares were paid in cash. Capital adjustment differences are TRY2,616,543,616 and represent the difference between the inflation-adjusted total amounts of cash and cash equivalent additions to paid-in-capital and their amounts before inflation adjustment.

According to the Communiqué on Principles of Financial Reporting in the Capital Markets (Series: II-14.1) and the CMB announcements explaining it, "Paid-in Capital", "Restricted Reserves Allocation from Profit" and "Share Issuance Premiums" must be shown at their amounts in the legal records. Differences in valuations that occur during the implementation of the said communiqué (such as differences resulting from inflation adjustment):

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)

- If it arises from "Paid-in Capital" and has not been added to the capital yet, with the "Capital Adjustment Differences" item to be opened after the "Paid-in Capital" item;
- If the difference is arising from "Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, should be associated with "Retained Earnings". Other equity items are carried at the amounts valued in accordance with TAS and CMB announcements.

Adjustment to share capital has no other use except to be added to share capital.

The details of the Restricted Reserves are as follows:

	31 December 2024	31 December 2023
Legal reserves	102,364,630	102,364,630
	<b>102,364,630</b>	<b>102,364,630</b>

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.

The historical values and inflation adjustment effects of the following accounts under shareholders' equity as of December 31, 2024, in accordance with TFRS and statutory financial statements are as follows;

31 December 2024 (TFRS)	Historic value	Inflation adjustment effect	Indexed value
Paid capital	216,733,652	2,616,543,616	2,833,277,268
Repurchased shares	(2,496,301)	(18,092,201)	(20,588,502)
Legal reserves	14,123,489	88,241,141	102,364,630
Share premiums/discounts	40,654,618	294,648,599	335,303,217

31 December 2024 (Tax Accounts)	Historic value	Inflation adjustment effect	Indexed value
Paid capital	216,733,652	3,536,191,099	3,752,924,751
Repurchased shares	(2,496,301)	(33,481,944)	(35,978,245)
Legal reserves	14,123,489	88,129,156	102,252,645
Share premiums/discounts	40,654,618	460,905,539	501,560,157

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)

#### 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.

The Group did not pay any dividend in 2024 (The dividend of TRY34,017,308 distributed in 2023 amounted to gross TRY0,1102 and net TRY0,0992 per share).

#### 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 2024	31 December 2023
Costs on work-in-progress	4,862,601,905	5,258,990,239
Recognized profits less/losses (net)	1,254,089,986	1,188,628,056
Minus: Realized progress payments (-)	(6,249,495,437)	(5,894,538,254)
<b>Net contract asset/loss</b>	<b>(132,803,546)</b>	<b>553,080,041</b>

The Group recognizes revenues and expenses related to the turnkey high voltage underground cable connection project based on the percentage of completion of the contract activities. The Group includes assets and liabilities based on projects in its contractual obligations based on the percentage of completion of the contract activities in the recognition of income and expenses related to construction works. These assets and liabilities are calculated on a project basis and are presented separately as assets and liabilities in the consolidated statement of financial position.

Contracts regarding the works signed / completed or in progress by the Group are as follows:

#### a) 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 99% as of the current period.

## TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 16 - CONTRACTUAL ASSETS AND LIABILITIES (Continued)

**b) 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 99% as of the current period.

**c) Sultanmurat-İstanbul DG Fuel Oil B) Brş. N. - Halkalı GIS TM**

The Group signed the contract for the mentioned construction works on 31 March 2022. 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 100% as of the current period.

**d) HKABY.8 - Çerkezköy OSB-Kemerburgaz RES**

The Group signed the contract for the mentioned construction works on 27 October 2022. 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 66% as of the current period.

**e) ITM 360 Bağlica 154Kv**

The Group signed the contract for the mentioned construction works on 8 August 2022. 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 55% as of the current period.

**f) Mersin Akbelen**

The Group signed the contract for the mentioned construction works on 13 March 2023. 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 66% as of the current period.

**g) HKABY12 Side GIS TM-Manavgat TM BrşN 154**

The Group signed the contract for the mentioned construction works on 15 September 2023. 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 99% as of the current period.

**h) ITM\_ 415 Finans GIS TM- ITM\_ 394 Meram GIS**

The Group signed the contract for the high-voltage underground cable connection project on 30 June 2023. 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 76% as of the current period.

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**NOTE 16 - CONTRACTUAL ASSETS AND LIABILITIES (Continued)**

**i) ITM.368 Silahtar GIS TM**

The Group signed the contract for the mentioned construction works on 21 January 2022. 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 100% as of the current period.

**NOTE 17 - REVENUE AND COST OF SALES**

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Domestic sales	16,727,963,223	26,271,533,472
Export sales	4,376,521,327	3,631,963,753
Other revenues	162,907,404	171,370,116
Minus: Discounts	(6,902,638,949)	(12,021,411,116)
Minus: Returns	(41,140,369)	(45,654,341)
<b>Net sales</b>	<b>14,323,612,636</b>	<b>18,007,801,884</b>
<b>Cost of sales (-)</b>	<b>(12,644,509,750)</b>	<b>(16,288,771,436)</b>
<b>Gross profit from operations</b>	<b>1,679,102,886</b>	<b>1,719,030,448</b>

The breakdown of net revenue according to the fulfillment times of performance obligations is as follows:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
At a certain moment in time	12,562,564,618	15,484,385,350
Pervasive in time (As part of construction contracts)	1,761,048,018	2,523,416,534
	<b>14,323,612,636</b>	<b>18,007,801,884</b>

The breakdown of cost of sales is as follows:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Raw material expenses	9,896,422,736	11,033,734,713
Cost of service sold	903,314,457	1,112,690,144
Cost of merchandise sold	720,142,179	2,945,881,546
General production expense	606,877,044	732,858,143
Personnel expenses	447,373,816	418,732,350
Depreciation and amortization expenses	70,379,518	44,874,540
	<b>12,644,509,750</b>	<b>16,288,771,436</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### NOTE 18 - RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
<b>Research and development expenses</b>		
Personnel expenses	22,221,855	21,181,131
Test, measurement and document expenses	6,197,945	7,742,858
Depreciation and amortization	13,512	18,672
Other	4,220,653	3,793,738
	<b>32,653,965</b>	<b>32,736,399</b>

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

	1 January - 31 December 2024	1 January - 31 December 2023
<b>Marketing, selling and distribution expenses</b>		
Logistics and freight costs	825,492,372	746,288,718
Personnel expenses	122,982,947	107,474,989
External service expenses	950,666	927,354
Depreciation and amortization	350,261	446,350
Other	50,076,687	19,158,022
	<b>999,852,933</b>	<b>874,295,433</b>

	1 January - 31 December 2024	1 January - 31 December 2023
<b>General administrative expenses:</b>		
Personnel expenses	143,896,619	114,172,135
Depreciation and amortization	58,034,694	39,625,481
Litigation, consultancy and audit expenses	27,939,815	9,088,713
License and service expenses (*)	6,194,557	235,224,016
Donations and membership dues	5,074,810	4,450,841
External service expenses	3,822,693	1,947,252
Insurance expense	2,808,675	3,094,642
Other	18,526,316	17,349,850
	<b>266,298,179</b>	<b>424,952,930</b>

(\*) Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l., the licensee and service provider of Prysmian Group companies, have waived all receivable rights arising from service and license agreements for a period of two years in order to minimize the operational and financing costs of the Group. (Note 26)



# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### NOTE 20 - EXPENSES BY NATURE

	1 January- 31 December 2024	1 January - 31 December 2023
<b>Expenses by Nature</b>		
Raw material expenses	9,896,422,736	11,033,734,713
Cost of service sold	903,314,457	1,112,690,144
Logistics expenses, sales and letter of guarantee commissions	825,492,372	746,288,718
Labor expense	736,475,237	661,560,605
Cost of merchandise sold	720,142,179	2,945,881,546
Production costs	606,877,044	732,858,143
Depreciation and amortization	128,777,985	84,965,043
Litigation, consultancy and audit expenses	27,939,815	9,088,713
License and service expenses	6,194,557	235,224,016
Other	91,678,445	58,464,557
	<b>13,943,314,827</b>	<b>17,620,756,198</b>

#### *Fees for Services Received from Independent Auditor/Independent Audit Firm*

The Group's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of the KGK dated 19 August 2021 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Independent audit fee for the reporting period	2,904,141	1,548,731
Fees for tax consultancy services	-	795,339
	<b>2,904,141</b>	<b>2,344,070</b>

### NOTE 21 - OTHER OPERATING INCOME AND EXPENSE

Details of other income from main operations are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Realized income from derivative financial instruments	372,909,940	98,360,566
Provisions for trade receivables no longer required	63,992,265	61,890,047
Cost reflection revenues	19,559,179	34,316,447
Other	56,288,027	26,548,400
	<b>512,749,411</b>	<b>221,115,460</b>

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 21 - OTHER OPERATING INCOME AND EXPENSE (Continued)

Details of other expense from main operations are as follows:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Realized expenses from derivative financial instruments	(1,711,506,109)	(295,584,070)
Provision expenses (*)	(134,466,632)	(23,199,535)
Provision for doubtful trade receivables (*)	(94,654,178)	(119,998,255)
Foreign exchange losses from trade receivables	(83,273,383)	(116,652,199)
Other	(30,994,265)	(13,666,135)
	<b>(2,054,894,567)</b>	<b>(569,100,194)</b>

(\*) Provision expenses are mainly related to provisions for doubtful trade receivables and impairment losses on other assets.

### NOTE 22 - INVESTMENT ACTIVITIES INCOME AND EXPENSES

Details of income from investment activities are as follows:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Gain on sales of tangible and intangible assets	2,984,537	8,243,768
	<b>2,984,537</b>	<b>8,243,768</b>

### NOTE 23 - FINANCIAL INCOME AND EXPENSES

Financial income:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Monetary gain (Note 2.1)	449,069,796	474,825,549
Interest income	115,423,261	99,810,800
	<b>564,493,057</b>	<b>574,636,349</b>

Financial expense:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Interest expenses on bank loans	(68,043,795)	(243,907,540)
Foreign exchange losses on financing activities	(47,741,802)	(424,196,804)
Severance pay interest expenses	(28,595,000)	(5,701,518)
Interest expenses related to leasing transactions	(11,950,594)	(4,410,326)
Other	(13,524,730)	(45,260,082)
	<b>(169,855,921)</b>	<b>(723,476,270)</b>

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 24 - INCOME TAXES

The income tax payable as of 31 December 2024 and 31 December 2023 is summarized below:

	31 December 2024	31 December 2023
Loss: Prepaid taxes	(336,411,706)	(378,277,675)
corporate tax provision	-	31,044,714
Monetary gain/(loss)	-	(62,089,425)
<b>Current income tax liability/(assets)</b>	<b>(336,411,706)</b>	<b>(409,322,386)</b>

In Turkey, the corporation tax rate is 25% for 2024 (2023: 25%). 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.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

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 it does not exceed 5 years. Declarations and relevant accounting records can be examined by the tax office within five years. Dividend payments made from companies' resident in Turkey to companies other than those who are not liable for corporate tax and income tax and those who are exempt, as well as dividend payments made to natural persons who are resident and non-resident of Turkey and legal entities who are not resident in Turkey, are subject to 10% income tax. Dividend payments made from companies' resident in Turkey to joint stock companies' resident 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 tax returns based on the financial statements in which the subsidiaries are consolidated. For this reason, the tax liabilities reflected in the Group's consolidated financial statements are calculated separately for all companies included in the scope of consolidation. Tax amounts to be paid in the statements of financial position dated 31 December 2024 and 31 December 2023 are netted for each Subsidiary and are classified separately in the consolidated financial statements.

For the period ended 31 December 2024 and 2023, tax expense in the profit or loss comprised the following:

	1 January - 31 December 2024	1 January - 31 December 2023
Corporate tax expense current period	-	(31,044,713)
Deferred tax assets/(liabilities)	36,843,271	7,171,019
<b>Total tax income/(expense)</b>	<b>36,843,271</b>	<b>(23,873,694)</b>

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 24 - INCOME TAXES (Continued)

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 2024 and 31 December 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit before tax	(764,225,674)	(101,535,201)
The current legal corporate tax rate	25%	25%
Tax calculated over the tax rate	191,056,418	25,383,800
Expenses and additions that are not legally accepted	(17,504,273)	(25,819,661)
Utilization of carry forward tax losses	(102,163,115)	-
Discounts	35,242,711	63,192,541
Used investment contribution	-	11,282,742
Impact of investment contribution with deferred tax	-	2,030,704
Monetary gain/loss and other	(69,788,470)	(99,943,820)
<b>Tax income/(expense)</b>	<b>36,843,271</b>	<b>(23,873,694)</b>

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided at 31 December 2024 and 2023 are as follows:

Deferred tax assets/(liabilities)	Cumulative temporary differences		Deferred income tax assets/(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long-term construction projects	228,817,728	797,037,024	(57,204,432)	(199,259,256)
Adjustments related to inventories	84,750,170	124,430,220	(21,187,543)	(31,107,555)
Derivative instruments	(102,514,802)	16,972,771	25,628,701	(4,243,193)
Provisions	(140,434,951)	(606,037,248)	35,108,738	151,509,313
Tangible and intangible assets	(571,853,147)	(368,261,497)	142,963,287	92,065,374
Carryforward tax losses	-	(408,652,460)	-	102,163,115
Other	4,963,860	(4,708,389)	(1,240,965)	1,177,097
<b>Deferred tax assets/(liabilities), net</b>			<b>124,067,786</b>	<b>112,304,895</b>

The Group utilised the entire deferred tax assets amounting to TRY102,163,115 TL in 2024, which it estimated to be able to use in the tax base in the future periods based on the carried tax losses of TRY408,652,460 in 2023. As of 31 December 2024, there is no deferred tax asset accounted related with carried tax losses.

Movements of deferred tax assets and liabilities are as follows:

	2024	2023
<b>At the beginning of the period - 1 January</b>	<b>112,304,895</b>	<b>112,565,381</b>
Associated with the profit or loss	36,843,271	7,171,019
Associated with other comprehensive income	(25,080,380)	49,027,951
Monetary gain/loss	-	(56,459,456)
<b>At the end of the period - 31 December</b>	<b>124,067,786</b>	<b>112,304,895</b>

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 24 - INCOME TAXES (Continued)

#### *Minimum Corporate Tax*

Turkey enacted the Domestic Minimum Corporate Tax through legislation published in the Official Gazette on 2 August 2024. This tax will come into effect starting from the fiscal year 2025. Law No. 7524 introduced the Minimum Corporate Tax, stipulating that the corporate tax liability under this framework cannot be less than 10% of the corporate income before accounting for deductions and exemptions. The regulation will take effect as of the date of its publication and will apply to corporate earnings for the 2025 taxation period. Furthermore, Corporate Tax General Communiqué Serial No. 23 has been issued on this matter. Since the regulation will be effective from 1 January 2025, it will not impact the Group's tax expense for the current period.

#### *Pillar Two Rules*

Turkey began adopting the OECD's Global Minimum Complementary Corporate Tax regulations (Pillar 2) with the submission of a Bill to the Turkish Grand National Assembly on 16 July 2024. These regulations came into effect through laws published in the Official Gazette on 2 August 2024. The Turkish implementation largely aligns with the OECD Pillar 2 Model Rules, exhibiting similarities in terms of scope, exemptions, consolidation, tax calculations, and filing periods. However, the secondary legislation outlining the calculation details and the method of application has not yet been published. Specific matters, including Turkey's unique circumstances and available incentives, are anticipated to be clarified in the Ministry's forthcoming secondary legislation. Based on the comments of Group management and tax advisors, it is determined that there is no impact on the consolidated financial statements of the Group as of 31 December 2024.

### NOTE 25 – EARNINGS/(LOSSES) PER SHARE

Earnings/(losses) per share is calculated by dividing the net profit/(loss) 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.

	<b>31 December 2024</b>	<b>31 December 2023</b>
Net profit/(loss) per share of the parent	(727,382,403)	(125,408,895)
Weighted average number of ordinary shares issued	216,733,652	216,733,652
<b>Earnings/(losses) per share</b>	<b>(3.3561)</b>	<b>(0.5786)</b>
<b>Diluted earnings/(losses) per share</b>	<b>(3.3561)</b>	<b>(0.5786)</b>

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 26 - RELATED PARTY DISCLOSURES

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>Trade receivables</b>	<b>Trade receivables</b>
Prysmian Kabel und Systeme GmbH	134,366,899	137,049,915
Prysmian Power Link Srl	91,499,050	94,724,828
Prysmian Cabluri Si Systeme S.	65,259,222	67,207,339
Prysmian Cavi e Sistemi Italia S.r.l.	60,773,709	41,566,406
LLC Rybinskelektrokabel	60,354,533	37,138,504
Prysmian Cables & Systems Limited	55,850,091	23,998,138
Prysmian Spain, S.A.	49,506,996	22,230,034
Prysmian Group Norge AS	22,380,077	11,865,984
Prysmian Finland Oy	7,707,116	11,000,669
Oman Cables Industry (SAOG)	7,548,741	10,967,541
Prysmian MKM Magyar Kabel Muve	4,276,750	9,848,554
Prysmian S.P.A.	3,144,754	4,219,476
Draka Comteq UK Limited	2,392,410	3,513,926
Singapore Cables Manufacturers Pte	503,412	2,874,943
Prysmian Cables et Systèmes Fr	227,629	2,294,633
Prysmian Australia Pty Ltd	206,305	1,158,363
Prysmian Group Baltics AS	31,587	482,743
Other	20,794,598	13,716,362
	<b>586,823,879</b>	<b>495,858,358</b>

Short-term trade and other payables from related parties are as follows:

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>Trade payables</b>	<b>Other payables</b>	<b>Trade payables</b>	<b>Other payables</b>
Prysmian S.P.A.	2,002,210,580	-	1,869,650,792	-
Prysmian Cavi e Sistemi Italia S.r.l.	34,699,031	-	49,709,356	-
Prysmian Power Link Srl	10,458,856	-	545,593,619	-
Prysmian Cables et Systèmes Fr	8,858,454	-	1,305,549	-
Prysmian MKM Magyar Kabel Muve	5,760,344	-	3,259,405	-
Prysmian Electronics S.r.l	3,791,705	-	-	-
Prysmian Kabel und Systeme GmbH	3,045,974	-	-	-
Oman Cables Industry (SAOG)	1,058,604	-	-	-
Prysmian Cabluri Si Systeme S.	318,498	-	-	-
Prysmian Cables & Systems Limi	221,006	-	-	-
Prysmian Powerlink	23,422	-	116,974,944	-
Prysmian Wuxi Cable Company Lt	-	-	52,510,250	-
Draka Holding BV(*)	-	-	-	252,662,850
Other	1,347,093	-	48,098,622	-
	<b>2,071,793,567</b>	<b>-</b>	<b>2,687,102,537</b>	<b>252,662,850</b>

(\*) Consists of short-term financial borrowings received from shareholders for operational activities of the Group. As of 30 September 2024, the debt has been paid.

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 26 - RELATED PARTY DISCLOSURES (Continued)

Sales transactions with related parties are as follows:

	31 December 2024	31 December 2023
Prysmian Kabel und Systeme GmbH	529,866,574	265,323,617
Prysmian Power Link Srl	404,558,018	138,978,185
Prysmian Cavi e Sistemi Italia S.R.L	324,523,972	145,618,473
Prysmian Spain, S.A.	281,382,462	78,462,888
Prysmian Cabluri si Sisteme S.A.	174,964,302	40,000,970
Prysmian Cables & Systems Ltd.	173,996,739	8,912,805
Prysmian Group Norge AS	164,195,457	147,271,670
Prysmian Finland Oy	137,815,328	49,370,812
Prysmian MKM Magyar Kabel Muve	122,162,470	33,340,130
Singapore Cables Manufacturers Pte Ltd	81,896,611	81,647,532
Conducen SRL	58,873,117	27,905,963
Prysmian - OEKW GmbH	55,291,351	471,835
Draka Comteq UK Ltd	24,251,197	20,939,211
Oman Cables Industry SAOG	11,358,117	41,831,731
Draka Denmark Optical Cable AS	9,613,514	97,639,310
LLC Rybinskelektrokabel	9,156,130	64,118,215
Prysmian Group Baltics AS	5,431,441	89,719,767
Prysmian Australia Pty Ltd	4,619,562	13,701,477
Prysmian Spa	3,395,102	5,953,675
Prysmian Cables et Systèmes Fr	660,066	90,830,338
General Cable Celcat, Energia	-	11,580,675
Draka Kabel Sverige AB	-	1,371,936
Other	30,200,739	19,070,144
	<b>2,608,212,269</b>	<b>1,474,061,359</b>

## TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

#### NOTE 26 - RELATED PARTY DISCLOSURES (Continued)

Purchase transactions with related parties are as follows:

	<b>1 January – 31 December 2024 Purchases</b>	<b>1 January – 31 December 2023 Purchases</b>
Prysmian S.P.A.	1,148,340,117	1,328,678,546
Prysmian Cavi e Sistemi Italia S.r.l.	249,314,211	291,022,997
Prysmian Kabel und System GmbH	219,509,368	502,963,015
Prysmian Wuxi Cable Company Lt	121,872,367	159,041,199
Oman Cables Industry (SAOG)	100,542,935	38,510,643
Prysmian MKM Magyar Kabel Muve	93,062,471	360,591,779
Prysmian Power Link Srl	70,463,707	786,362,988
General Cable Celcat, Energia	40,769,940	480,884
Oman Aluminium Processing Industrie	40,192,504	78,926,496
Prysmian Spain, S.A.	30,255,161	-
Draka Comteq Germany GmbH	25,965,130	23,246,637
Draka Comteq UK Ltd	16,350,791	48,618,522
Prysmian Cables (Shangai) Trad	13,619,751	20,293,230
Prysmian Netherlands B.V.	11,446,249	28,775,093
Prysmian Cabluri Si Sisteme S.	10,330,423	32,447,425
Prysmian Cables et Systèmes Fr	8,451,646	20,452,879
Prysmian Cables & Systems Limited	8,283,527	36,755,201
Prys Cables Sys USA LLC	7,948,722	-
Prysmian Finland Oy	3,698,286	22,622,488
Draka Comteq Fibre BV	2,207,178	726,084
Draka Kabel Sverige AB	2,166,889	-
Other	1,789,596	79,645,980
	<b>2,226,580,969</b>	<b>3,860,162,086</b>

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:

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Paid to Board Members	14,780,889	12,337,887
Other	35,059	98,541
	<b>14,815,948</b>	<b>12,436,428</b>



# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 26 - RELATED PARTY DISCLOSURES (Continued)

Service purchases made with related parties are as follows:

	31 December 2024	31 December 2023
Prysmian S.P.A (*)	49,635,207	144,440,414
Prysmian Cavi e Sistemi S,r,l,(*)	6,729,792	82,120,877
	<b>56,364,999</b>	<b>226,561,291</b>

(\*) Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l., the licensee and service provider of Prysmian Group companies, have waived all receivable rights arising from service and license agreements for a period of two years in order to minimize the operational and financing costs of the Group.

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).

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### 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 2024	31 December 2023
Total Financial liabilities	-	249,846,095
Less: Cash and cash equivalents	(315,581,566)	(786,086,218)
<b>Net financial debt</b>	<b>(315,581,566)</b>	<b>(536,240,123)</b>
<b>Equity</b>	<b>883,601,357</b>	<b>1,535,742,620</b>
<b>Net debt/equity</b>	<b>(36)%</b>	<b>(35)%</b>

## TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

#### NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### 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 2024 and 2023.

	Trade receivables	Trade receivables	Other receivables		
<b>31 December 2024</b>	<b>Related party</b>	<b>Other</b>	<b>Other</b>	<b>Bank deposits</b>	<b>Derivative instruments</b>
Maximum credit risk as of reporting date A + B + C + D + E	586,823,879	1,352,951,698	2,311,302	265,873,894	19,719,520
- <i>Guaranteed portion of maximum risk</i>	-	737,268,801	-	-	-
A. Net book value of the assets that are not due or that are not impaired	436,098,182	724,523,883	2,311,302	265,873,894	19,719,520
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	150,725,697	628,427,815	-	-	-
- <i>Guaranteed portion of the maximum risk</i>	-	-	-	-	-
D. Net book value of the assets impaired	-	-	-	-	-
- <i>Overdue (net book value)</i>	-	198,506,388	-	-	-
- <i>Impairment (-)</i>	-	(198,506,388)	-	-	-
- <i>The portion of the net worth secured by collateral, etc,</i>	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

**NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)**

**Credit risk (Continued)**

	Trade	Trade	Other	Bank deposits	Derivative instruments
	receivables	receivables	receivables		
<b>31 December 2023</b>	<b>Related party</b>	<b>Other</b>	<b>Other</b>		
Maximum credit risk as of reporting date A + B + C + D + E	495,858,358	2,131,275,937	2,275,999	594,942,841	94,079,986
- <i>Guaranteed portion of the maximum risk</i>	-	766,325,704	-	-	-
A. Net book value of the assets that are not due or that are not impaired	378,907,659	1,516,202,906	2,275,999	594,942,841	94,079,986
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	116,950,699	615,073,031	-	-	-
- <i>Guaranteed portion of the maximum risk</i>	-	-	-	-	-
D. Net book value of the assets impaired	-	-	-	-	-
- <i>Overdue (net book value)</i>	-	213,885,239	-	-	-
- <i>Impairment (-)</i>	-	(213,885,239)	-	-	-
- <i>The portion of the net worth secured by collateral, etc,</i>	-	-	-	-	-
E. Off balance sheet items with credit risk	-	(2,534,731)	-	-	-

# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2024, unless otherwise indicated)

### NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

#### 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 of as 31 December 2024 and 2023, which include interest to be paid on the Company's liabilities, on the remaining maturities is as follows:

<b>31 December 2024</b>	<b>Net book value</b>	<b>Total contractual cash outflow</b>	<b>Up to 3 months</b>	<b>3 - 12 months</b>	<b>1 - 5 years</b>
Trade payables	3,567,918,528	3,567,918,528	3,539,495,033	28,423,495	-
Leasing liabilities	58,362,001	58,362,001	31,370,381	8,945,273	18,046,347
<b>Total</b>	<b>3,626,280,529</b>	<b>3,626,280,529</b>	<b>3,570,865,414</b>	<b>37,368,768</b>	<b>18,046,347</b>

<b>31 December 2023</b>	<b>Net book value</b>	<b>Total contractual cash outflow</b>	<b>Up to 3 months</b>	<b>3 - 12 months</b>	<b>1 - 5 years</b>
Bank borrowings	249,846,095	281,785,300	-	281,785,300	-
Trade payables	4,973,856,622	4,973,856,622	4,917,123,450	56,733,172	-
Leasing liabilities	25,534,355	25,534,356	2,638,543	7,915,628	14,980,185
Other debts	252,662,850	301,553,111	-	301,553,111	-
<b>Total</b>	<b>5,501,899,922</b>	<b>5,582,729,389</b>	<b>4,919,761,993</b>	<b>647,987,211</b>	<b>14,980,185</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in TRY unless otherwise indicated)

**NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)**

	31 December 2024				31 December 2023			
	TRY Equivalent	USD	EUR	GBP	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	1,593,998,384	20,120,187	24,067,600	-	2,047,977,504	16,455,940	28,674,560	-
2a. Monetary Financial Assets (including cash bank accounts)	57,745,200	-	1,571,888	-	115,528,653	1,628,133	985,097	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	97,279,973	96,621	2,555,276	-	159,678,503	27,960	3,369,994	-
<b>4. Current Assets (1+2+3)</b>	<b>1,749,023,557</b>	<b>20,216,808</b>	<b>28,194,764</b>	<b>-</b>	<b>2,323,184,660</b>	<b>18,112,033</b>	<b>33,029,651</b>	<b>-</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>1,749,023,557</b>	<b>20,216,808</b>	<b>28,194,764</b>	<b>-</b>	<b>2,323,184,660</b>	<b>18,112,033</b>	<b>33,029,651</b>	<b>-</b>
10. Trade Payables	(2,368,030,977)	(3,278,446)	(61,193,530)	(2,014)	(3,175,877,918)	(3,998,873)	(63,740,130)	(46,409)
11. Financial Liabilities	-	-	-	-	(80,094,730)	-	(1,700,000)	-
12a. Other Monetary Liabilities	(543,115,086)	(7,703,295)	(7,359,611)	-	(732,339,143)	(7,964,882)	(8,345,455)	(160)
12b. Other Non-monetary Liabilities	(88,058,629)	(219,275)	(2,182,157)	-	(88,372,238)	-	(1,875,689)	-
<b>13. Short-term Liabilities (10+11+12)</b>	<b>(2,999,204,692)</b>	<b>(11,201,016)</b>	<b>(70,735,298)</b>	<b>(2,014)</b>	<b>(4,076,684,029)</b>	<b>(11,963,755)</b>	<b>(75,661,274)</b>	<b>(46,569)</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non-monetary Liabilities	-	-	-	-	-	-	-	-
<b>17. Long-term Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>(2,999,204,692)</b>	<b>(11,201,016)</b>	<b>(70,735,298)</b>	<b>(2,014)</b>	<b>(4,076,684,029)</b>	<b>(11,963,755)</b>	<b>(75,661,274)</b>	<b>(46,569)</b>
<b>19. Net Asset/(Liability) Position of the Off-Balance Sheet</b>								
<b>Foreign Exchange Based Derivatives (19a-19b)</b>	<b>761,061,260</b>	<b>(11,000,000)</b>	<b>31,300,000</b>	<b>-</b>	<b>1,363,864,102</b>	<b>-</b>	<b>29,000,000</b>	<b>-</b>
19a. The Amount of the Asset Type Off Balance	1,149,843,060	-	31,300,000	-	1,363,864,102	-	29,000,000	-
19b. The Amount of the Liability Type Off Balance	(388,781,800)	(11,000,000)	-	-	-	-	-	-
<b>20. Net Foreign Exchange Asset/(Liability) Position (9+18+19)</b>	<b>(489,119,875)</b>	<b>(1,984,208)</b>	<b>(11,240,534)</b>	<b>(2,014)</b>	<b>(389,635,267)</b>	<b>6,148,278</b>	<b>(13,631,623)</b>	<b>(46,569)</b>
<b>21. Net Foreign Currency Asset/ (Liability) Position of (UFRS 7,B23) (=1+2a+5+6a+10+11+12a+14+15+16)</b>	<b>(1,259,402,479)</b>	<b>9,138,446</b>	<b>(42,913,653)</b>	<b>(2,014)</b>	<b>(1,824,805,634)</b>	<b>6,120,318</b>	<b>(44,125,928)</b>	<b>(46,569)</b>
<b>22. Total Fair Value of Financial Instruments Used for - Foreign Currency Hedging</b>	<b>761,061,260</b>	<b>(11,000,000)</b>	<b>31,300,000</b>	<b>-</b>	<b>1,363,864,102</b>	<b>-</b>	<b>29,000,000</b>	<b>-</b>
<b>23. Hedged Foreign Exchange Assets</b>	<b>(388,781,800)</b>	<b>(11,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Hedged Foreign Exchange Liabilities</b>	<b>1,149,843,060</b>	<b>-</b>	<b>31,300,000</b>	<b>-</b>	<b>1,363,864,102</b>	<b>-</b>	<b>29,000,000</b>	<b>-</b>
<b>25. Export</b>	<b>4,171,716,285</b>	<b>23,544,792</b>	<b>76,144,352</b>	<b>-</b>	<b>3,631,963,753</b>	<b>41,236,007</b>	<b>41,156,867</b>	<b>-</b>
<b>26. Import</b>	<b>2,909,782,554</b>	<b>5,411,564</b>	<b>63,805,070</b>	<b>165,662</b>	<b>12,284,177,432</b>	<b>349,298,737</b>	<b>-</b>	<b>-</b>

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**NOTE 27 - NATURE AND LEVEL RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**Exchange rate risk**

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

<b>Table of Sensitivity Analysis for Foreign Currency Risk</b>	<b>31 December 2024</b>	
	<b>Profit/(Loss) Depreciation of foreign currency</b>	<b>Profit/(Loss) Appreciation of foreign currency</b>
<b>10% change in USD against TRY:</b>		
USD net assets/liabilities	32,240,712	(32,240,712)
<b>USD net effect</b>	<b>32,240,712</b>	<b>(32,240,712)</b>
<b>10% change in EUR against TRY:</b>		
EUR net assets/liabilities	(157,932,542)	157,932,542
<b>EUR net effect</b>	<b>(157,932,542)</b>	<b>157,932,542</b>
<b>10% change in Others against TRY:</b>		
Others net assets/liabilities	(8,950)	8,950
<b>Others net effect</b>	<b>(8,950)</b>	<b>8,950</b>
<b>Total</b>	<b>(125,700,780)</b>	<b>125,700,780</b>
<b>Exchange rate sensitivity analysis table</b>	<b>31 December 2023</b>	
	<b>Profit/(Loss) Depreciation of foreign currency</b>	<b>Profit/(Loss) Appreciation of foreign currency</b>
<b>Change of USD against TRY by 10%:</b>		
USD net assets/liabilities	26,012,889	(26,012,889)
<b>USD net effect</b>	<b>26,012,889</b>	<b>(26,012,889)</b>
<b>Change of EUR against TRY by 10%:</b>		
EUR net assets/liabilities	(207,897,311)	207,897,311
<b>EUR net effect</b>	<b>(207,897,311)</b>	<b>207,897,311</b>
<b>Change of Others against TRY by 10%:</b>		
Others net assets/liabilities	(253,055)	253,055
<b>Others net effect</b>	<b>(253,055)</b>	<b>253,055</b>
<b>Total</b>	<b>(182,137,477)</b>	<b>182,137,477</b>

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**NOTE 28 - RIGHT OF USE ASSETS**

	<b>Buildings</b>	<b>Vehicles, floors and fixtures</b>	<b>Total</b>
<b>As of 1 January 2024</b>	<b>12,310,198</b>	<b>27,472,267</b>	<b>39,782,465</b>
Additions	700,465	65,844,868	66,545,333
Depreciation expense	(5,726,284)	(27,476,809)	(33,203,093)
<b>As of 31 December 2024</b>	<b>7,284,379</b>	<b>65,840,326</b>	<b>73,124,705</b>

	<b>Buildings</b>	<b>Vehicles, floors and fixtures</b>	<b>Total</b>
<b>As of 1 January 2023</b>	<b>1,215,269</b>	<b>18,059,805</b>	<b>19,275,074</b>
Additions	14,165,316	16,722,973	30,888,289
Disposals	(5,156,304)	(129,904)	(5,286,208)
Depreciation expense	(3,070,387)	(7,310,511)	(10,380,898)
Depreciation disposals	5,156,304	129,904	5,286,208
<b>As of 31 December 2023</b>	<b>12,310,198</b>	<b>27,472,267</b>	<b>39,782,465</b>

**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.



# TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY unless otherwise indicated)

### NOTE 29 - FAIR VALUE DISCLOSURES AND EXPLANATIONS IN THE FRAMEWORK OF HEDGE ACCOUNTING (Continued)

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 2024 and 2023.

Financial assets / liabilities	Reasonable value		Reasonable value level	Valuation technique
	31 December 2024	31 December 2023		
Financial assets/ (liabilities) from foreign currency forward contracts	(102,514,802)	16,972,771	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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TRY unless otherwise indicated)

### NOTE 30 – EXPLANATIONS FOR MONETARY GAIN/(LOSS)

<b>Non-monetary Items</b>	<b>31 December 2024</b>
<b>Balance sheet items</b>	<b>(196,516,464)</b>
Inventories	36,247,471
Property, plant and equipment	185,580,401
Intangible assets other than goodwill	1,345,786
Right of use assets	21,327,720
Deferred tax assets	31,034,732
Paid in share capital	(870,885,401)
Repurchased shares	6,328,440
Premiums related to shares	(103,064,631)
Other comprehensive expenses	
will not be reclassified to profit or loss	59,221,430
Restricted reserves	(31,464,574)
Accumulated losses	467,812,162
	<b>1 January - 31 December 2024</b>
<b>Income statement items</b>	<b>645,586,260</b>
Revenue	(1,854,153,729)
Cost of sales	1,953,154,879
Research and development expenses	6,268,163
Marketing selling and distribution expenses	130,769,549
General administrative expenses	43,334,842
Other operating income and expenses	316,001,032
Income from investment activities	33,503,251
Financial income and expenses	16,708,273
<b>Net monetary gain / (loss)</b>	<b>449,069,796</b>

### NOTE 31 – SUBSEQUENT EVENTS

None.

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