

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
1 JANUARY - 31 MARCH 2024
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY AND 31 MARCH 2024

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TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2024 AND 2023

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

	Notes	Unaudited 31 March 2024	Audited 31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	338,366,867	626,476,646
Financial investments		59,075,600	67,974,526
Derivative instruments		-	74,977,672
Trade receivables		2,482,675,703	2,093,712,172
- Due from related parties	20	578,787,179	395,177,621
- Due from third parties	4	1,903,888,524	1,698,534,551
Other receivables		1,320,790	1,813,872
- Due from third parties		1,320,790	1,813,872
Contract assets		271,052,822	440,780,822
- Contract assets arising from ongoing contracting business	13	271,052,822	440,780,822
Inventories	5	1,277,043,404	1,397,987,734
Prepaid expenses	6	190,508,904	202,653,339
Current income tax assets	18	327,747,648	326,212,201
Other current assets	9	391,902,442	411,993,532
TOTAL CURRENT ASSETS		5,339,694,180	5,644,582,516
NON-CURRENT ASSETS			
Property, plant and equipment	7	527,308,676	525,555,548
Right of use assets		28,324,952	31,704,900
Intangible assets other than goodwill	8	2,873,305	3,452,634
Prepaid expenses		1,000,000	1,150,636
Deferred tax assets	18	57,779,581	89,502,134
Other non-current assets	9	385,939,488	401,924,725
TOTAL NON-CURRENT ASSETS		1,003,226,002	1,053,290,577
TOTAL ASSETS		6,342,920,182	6,697,873,093

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2024 AND 2023

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

	Notes	Unaudited 31 March 2024	Audited 31 December 2023
LIABILITIES			
Current liabilities			
Short-term borrowings	10	69,033,121	199,116,509
Liabilities arising from leasing transactions	10	7,341,249	8,411,216
Derivative instruments	22	29,240,883	61,451,109
Trade payables		4,102,455,754	3,963,948,157
- Due to related parties	20	2,184,572,007	2,141,504,262
- Trade payables, third parties	4	1,917,883,747	1,822,443,895
Employee benefit obligations		22,394,961	21,437,792
Other payables		175,000,000	201,361,341
- Due to related parties		175,000,000	201,361,341
Contractual obligations		45,914,147	134,864,669
- Contractual obligations arising from ongoing contracting business	6	45,914,147	134,864,669
Deferred income (excluding contractual obligations)	6	245,435,800	244,591,463
Short-term provisions		267,668,311	400,475,374
- Short-term provisions for employee benefits		41,160,542	106,583,438
- Other short-term provisions		226,507,769	293,891,936
Other current liabilities	9	88,390,347	63,878,535
Total Current Liabilities		5,052,874,573	5,299,536,165
Non-Current Liabilities:			
Liabilities arising from leasing transactions	10	8,789,573	11,938,559
Long-term borrowings		143,469,457	162,478,062
- Long-term provisions for employee benefits		141,138,203	159,795,637
- Other long-term provisions		2,331,254	2,682,425
Total Non-Current Liabilities		152,259,030	174,416,621
Total Liabilities		5,205,133,603	5,473,952,786
EQUITY			
Paid in share capital		216,733,652	216,733,652
Adjustments to share capital		2,041,265,535	2,041,265,535
Repurchased shares (-)		(16,408,144)	(16,408,144)
Premiums related to shares		267,222,132	267,222,132
Other comprehensive expense		(153,547,116)	(153,547,116)
- That will not be reclassified to profit or loss		(153,547,116)	(153,547,116)
Restricted reserves		81,580,173	81,580,173
Retained earnings		(1,212,925,925)	(1,112,980,471)
Net profit/(loss) for the year		(86,133,728)	(99,945,454)
Total Equity		1,137,786,579	1,223,920,307
TOTAL LIABILITIES AND EQUITY		6,342,920,182	6,697,873,093

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE YEARS ENDED 31 MARCH 2024 AND 2023

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

	Notes	Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
Revenue	14	3,179,082,118	3,795,554,118
Cost of sales	14	(2,782,759,485)	(3,585,159,718)
Gross Profit		396,322,633	210,394,400
General administrative expenses (-)	16	(81,371,107)	(87,767,752)
Marketing selling and distribution expenses (-)	16	(259,682,529)	(111,751,116)
Research and development expenses (-)	15	(6,943,098)	(6,666,540)
Other operating income	17	158,936,863	18,479,563
Other operating expense (-)	17	(345,514,770)	(73,730,485)
Operating Profit/(Loss)		(138,252,008)	(51,041,930)
Income from investment activities	13	2,078,267	1,889,295
Operating Profit		(136,173,741)	(49,152,635)
Finance income		30,696,690	86,825,265
Finance expenses (-)		(49,699,278)	(113,748,830)
Monetary gain/(loss)		89,047,820	55,964,362
Profit/(Loss) Before Taxation		(66,128,509)	(20,111,838)
Tax Income/(Expense)		(20,005,219)	(11,512,898)
Taxation on expense	18	-	-
Deferred tax (income)/expense	18	(20,005,219)	(11,512,898)
Net Profit/(Loss) for The Period		(86,133,728)	(31,624,736)
Earnings per share		(0.3974)	(0.1459)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(86,133,728)	(31,624,736)

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 MARCH 2024 AND 2023

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

	Paid in share capital	Adjustments to share capital	Repurchased shares (-)	Premiums/ discounts related to shares	Other retained earnings/(losses) that will not be reclassified to profit or loss	Restricted reserves	Retained earnings/ (losses)	Net profit/(loss) for the year	Total equity
Balances at 1 January 2023	216,733,652	2,041,265,535	(16,408,144)	267,222,132	(36,327,660)	65,952,294	(864,792,310)	(205,449,962)	1,468,195,537
Transfers	-	-	-	-	-	-	(205,449,962)	205,449,962	-
Net profit for the period	-	-	-	-	-	-	-	(31,624,736)	(31,624,736)
Total comprehensive income	-	-	-	-	-	-	-	(31,624,736)	(31,624,736)
Balances at 31 March 2023	216,733,652	2,041,265,535	(16,408,144)	267,222,132	(36,327,660)	65,952,294	(1,070,242,272)	(31,624,736)	1,436,570,801
Balances at 1 January 2024	216,733,652	2,041,265,535	(16,408,144)	267,222,132	(153,547,116)	81,580,173	(1,112,980,471)	(99,945,454)	1,223,920,307
Transfers	-	-	-	-	-	-	(99,945,454)	99,945,454	-
Net profit for the period	-	-	-	-	-	-	-	(86,133,728)	(86,133,728)
Total comprehensive income	-	-	-	-	-	-	-	(86,133,728)	(86,133,728)
Balances at 31 March 2024	216,733,652	2,041,265,535	(16,408,144)	267,222,132	(153,547,116)	81,580,173	(1,212,925,925)	(86,133,728)	1,137,786,579

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 MARCH 2024 AND 2023

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

	Notes	Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
Cash flows from operating activities			
Net profit/(loss) for the period (+/-)		(86,133,728)	(31,624,736)
Adjustments to reconcile the profit/(loss) for the period			
Adjustments for tax expense (+/-)	18	20,005,219	11,512,898
Adjustments for financial expense		(16,755,254)	(38,348,455)
Adjustments for decrease/(increase) in inventories (+/-)	5	92,500,261	74,399,094
Adjustments for decrease/(increase) in trade receivables (+/-)	4	(648,587,230)	(523,960,765)
Adjustments for decrease/(increase) in other receivables related to operations (+/-)		(84,608,703)	(36,321,105)
Adjustments for decrease/(increase) in contract assets (+/-)		109,414,613	(122,818,395)
Adjustments for increase/(decrease) in trade payables (+/-)	4	657,450,251	850,806,081
Adjustments for decrease/(increase) in other payables related to operations (+/-)		65,739,684	(1,446,119)
Adjustments for increase/(decrease) in contract liabilities (+/-)		(67,530,922)	41,311,318
Adjustments for depreciation and amortization expense		19,256,595	17,857,221
Adjustments for impairment (reversal) (+/-)		13,968,180	(144,229,521)
Adjustments for provisions (+/-)		(78,116,281)	(51,074,336)
Adjustments for fair value gain/(loss) (+/-)		-	-
Total adjustments related to net profit (loss) reconciliation for the period (+/-)		82,736,413	77,687,916
Cash flows from operating activities (+/-)		(3,397,315)	46,063,180
Tax refunds (returns) (+/-)		(44,241,713)	(17,033,210)
Other cash inflows (outflows) (+/-)		-	-
Adjustments for monetary gain/(loss)		(160,298,530)	(137,007,975)
Net cash flow from operating activities (+/-)		(207,937,558)	(107,978,005)
Cash flows from investing activities			
Cash inflows from the sale of property, plant and equipment		-	1,597,347
Cash outflows from the purchase of property, plant and equipment (-)	7	(17,440,498)	-
Other cash inflows (outflows) (+/-)		49,895,536	34,029,784
Adjustments for monetary gain/(loss)		1,770,841	155,264
Net cash flow from investing activities (+/-)		34,225,879	35,782,395
Cash flows from financing activities			
Proceeds from borrowings		25,238,465	-
Repayments of borrowings		(34,047,524)	-
Cash outflows related to lease obligations (-)		(2,171,126)	1,930,709
Adjustments for monetary gain/(loss)		(103,417,916)	24,367,822
Net cash flow from financing activities (+/-)		(114,398,101)	26,298,531
Net increase/(decrease) in cash and cash equivalents (+/-)		(288,109,779)	(45,897,079)
Cash and cash equivalents at the beginning of the period	3	626,476,646	531,618,054
Cash and cash equivalents at the end of the period	3	338,366,867	485,720,975

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY – 31 MARCH 2024

(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 March 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.

Türk Prysmian - Prysmian Powerlink Ordinary Partnership-2, one of the subsidiaries of the Group; DB.KAB.9 was established in 2014 in line with the opinion of the Revenue Administration on taxation of the work within the scope of Lapseki - Sütluce-2 380kV Submarine Cable Project. 99.99% of the shares of this subsidiary is owned by the Company and remaining 0.01% of the remaining shares are owned by Prysmian Powerlink SRL.

The 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 Istanbul has its registered office in Istanbul. The average number of personnel employed by the Group in the period ending as of 31 March 2024 is 588 (31 December 2023: 589).

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The interim condensed 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. TFRS; It is updated with communiqués in order to comply with the changes in International Financial Reporting Standards. It includes TFRSs and related annexes and comments.. The interim condensed consolidated financial statements have been presented in accordance with the formats determined in the “Announcement on TMS Taxonomy” published by POA on October 4, 2022 and the Financial Statement Examples and User Guide published by the CMB.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY – 31 MARCH 2024

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

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

2.1 Basis of Presentation (Continued)

The condensed 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.

The Group has prepared its condensed consolidated financial statements for the period ended March 31, 2024, within the framework of the CMB's Communiqué Serial: II, 14.1 and the announcements explaining this communiqué, in accordance with the TAS 34 “Interim Financial Reporting” standard. prepared accordingly. The interim condensed consolidated financial statements and footnotes are presented in accordance with the formats recommended by the CMB, including the mandatory information.

Businesses are free to prepare their interim consolidated financial statements as a full set or as a summary in accordance with TAS 34 standard. In this context, the company preferred to prepare condensed financial statements in the interim periods.

The interim condensed consolidated financial statements of the Group do not contain all the explanations and footnotes that are required to be included in the year-end consolidated financial statements. For this reason, it should be read together with the consolidated financial statements of the Group as of 31 December 2023.

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.

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

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

In the event that a situation or event arises that may cause any change in at least one of the criteria listed above, the Group re-evaluates whether it has control over its investment.

In cases where the company does not have majority voting rights on the investee company, it has control power over the investee company, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment. The Group considers all relevant events and circumstances in assessing whether the majority of the votes in the relevant investment is sufficient to exercise control, including the following:

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

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY – 31 MARCH 2024

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

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

2.1 Basis of Presentation (Continued)

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.

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

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 Summary of significant accounting policies

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

2.5 Significant accounting estimates, assumptions and judgments

The Group continued to predicate the assumptions explained in the notes of the consolidated financial statement dated 31 December 2023 on the assumptions taken as basis for the fiscal period ending on 31 March 2024.

2.6 Effects of seasonality on operations

Operations of the companies within the scope of consolidation may increase or decrease by period. Accordingly the results of the period ending on 31 March 2024 may not serve as an indicator for the year round.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY – 31 MARCH 2024

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

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

2.7 Amendments in Turkish Financial Reporting Standards

a. Standards, amendments, and interpretations applicable as of 31 March 2024:

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

b. Standards, amendments, and interpretations that are issued but not effective as of 31 March 2024:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY – 31 MARCH 2024

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

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash	17,772	7,782
Bank	239,734,632	474,143,659
- Time deposit	235,390,094	465,026,944
- Demand deposit	4,344,538	9,116,715
Cheques and notes	51,265,722	56,763,612
Credit card receivables	47,348,741	95,561,593
	338,366,867	626,476,646

The Group's time deposits are in TRY and Euro with average maturities less than one week and annual weighted average effective interest rates are 48.90% and 1.50% respectively. (31 December 2023: Time deposits are in TRY, USD and Euro and annual weighted average effective interest rates are 41.10%, 2% and 2%, respectively). Checks and credit card receivables have a maturity of less than 3 months.

The maturity of foreign-currency-linked deposit is 6 months amounting to TRY59,075,600 which shown in financial investments as of 31 March 2024 (31 December 2023: TRY67,974,526).

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 March 2024, the Group has blocked deposits for POS receivables amounting to TRY47,348,741 (31 December 2023: TRY95,561,593).

NOTE 4 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 March 2024	31 December 2023
Trade receivables	1,718,587,508	1,610,062,399
Trade receivables from related parties	578,787,179	395,177,621
Notes receivables	341,282,394	258,929,417
Less: Provision for impairment	(155,981,378)	(170,457,265)
	2,482,675,703	2,093,712,172

The average maturity period of the Group's trade receivables is 3 months (31 December 2023: 3 months). The carrying value of trade receivables approximates their fair value. Details of trade receivable balances in foreign currency are shown in Note 21.

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

	2024	2023
1 January	(170,457,265)	(204,561,528)
Provisions no longer required	(28,033,451)	(1,355,818)
Monetary gain/(loss)	42,509,338	22,763,964
31 March	(155,981,378)	(183,153,382)

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

NOTE 4 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

Short-term trade payables	31 March 2024	31 December 2023
Trade payables to related parties	2,184,572,007	2,141,504,262
Trade payables	1,878,682,045	1,820,503,611
Expense accruals	39,201,702	1,940,284
	4,102,455,754	3,963,948,157

Average payment term of the Group's trade payables is 3 months (31 December 2023: 3 months).

The Group has financial risk management policies implemented to ensure that all its debts are paid within the lending period.

As of 31 March 2024, the Group has commercial debt of TRY11,134,284 (USD344,250) with letter of credit (31 December 2023: TRY12,032,911 (USD354,600)).

NOTE 5 - INVENTORIES

	31 March 2024	31 December 2023
Raw materials	609,718,049	650,765,029
Semi products	120,225,425	88,136,934
Finished product	307,375,118	408,009,079
Trade goods	292,970,402	275,878,213
Less: Provision for inventory impairment	(53,245,590)	(24,801,521)
	1,277,043,404	1,397,987,734

The movement of the inventory depreciation for the interim accounting periods ending on 31 March 2024 and 2023 is as follows:

	2024	2023
1 January	(24,801,521)	(53,514,474)
Decrease/(increase) during the period	(28,444,069)	34,044,888
31 March	(53,245,590)	(19,469,586)

In the accounting period of 1 January - 31 March 2024, the cost of first materials and materials associated with the cost of sales is TRY2,112,322,513 (31 March 2023: TRY2,800,484,070) (Note 14).

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

NOTE 6 - PREPAID EXPENSES AND DEFERRED TAX

Short-term prepaid expenses	31 March 2024	31 December 2023
Order advances for projects (*)	176,084,401	195,908,737
Expenses for incoming months (**)	14,424,503	6,744,602
	190,508,904	202,653,339

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

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

Short-term contractual obligations and deferred income	31 March 2024	31 December 2023
Order advances received (except for contractual obligations)	245,435,800	244,591,463
Contractual obligations (*)	45,914,147	134,864,669
	291,349,947	379,456,132

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

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	31 March 2024
Cost				
Land	82,056,742	-	-	82,056,742
Buildings	1,000,153,133	-	-	1,000,153,133
Machinery and equipment	4,198,267,547	17,440,498	-	4,215,708,045
Vehicles	109,534,736	-	-	109,534,736
Fixtures	305,088,266	-	-	305,088,266
Specific costs	1,495,804	-	-	1,495,804
Ongoing investments	1,228,325	-	-	1,228,325
	5,697,824,553	17,440,498	-	5,715,265,051
Less: Accumulated depreciation				
Buildings (-)	(788,899,412)	(5,004,593)	-	(793,904,005)
Machinery and equipment (-)	(3,988,212,052)	(8,609,884)	-	(3,996,821,936)
Vehicles (-)	(99,254,144)	(986,006)	-	(100,240,150)
Fixtures (-)	(294,407,593)	(1,086,887)	-	(295,494,480)
Specific costs (-)	(1,495,804)	-	-	(1,495,804)
	(5,172,269,005)	(15,687,370)	-	(5,187,956,375)
Net book value	525,555,548			527,308,676

As of 31 March 2024, the Group has depreciation and amortization expenses amounting to TRY19,256,595, TRY15,687,370 for tangible assets, TRY2,989,896 for right-of-use assets and TRY579,329 for intangible assets. TRY10,011,343 of the aforementioned current period depreciation and amortization expenses is reflected to the cost of sales, TRY9,148,727 to general administrative expenses, TRY92,911 to marketing expenses and TRY3,614 to research and development expenses. As of 31 March 2024, there is no pledge or mortgage on tangible assets.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY – 31 MARCH 2024

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2023	Additions	Disposals	31 March 2023
Cost				
Land	82,056,742	-	-	82,056,742
Buildings	1,000,153,133	-	-	1,000,153,133
Machinery and equipment	4,172,998,571	-	-	4,172,998,571
Vehicles	112,113,850	-	(1,597,347)	110,516,503
Fixtures	302,633,931	-	-	302,633,931
Specific costs	1,495,804	-	-	1,495,804
Ongoing investments	1,228,325	-	-	1,228,325
	5,672,680,356	-	(1,597,347)	5,671,083,009
Less: Accumulated depreciation				
Buildings (-)	(765,857,458)	(5,760,489)	-	(771,617,947)
Machinery and equipment (-)	(3,958,237,417)	(8,658,724)	-	(3,966,896,141)
Vehicles (-)	(99,348,807)	(1,277,693)	1,586,124	(99,040,376)
Fixtures (-)	(292,019,171)	(2,388,422)	-	(294,407,593)
Specific costs (-)	(1,495,804)	-	-	(1,495,804)
	(5,116,958,657)	(18,085,328)	1,586,124	(5,133,457,861)
Net book value	555,721,699			537,625,148

As of 31 March 2023, the Group has depreciation and amortization expenses amounting to TRY17,857,221, TRY16,499,204 for tangible assets, TRY899,053 for right-of-use assets and TRY458,964 for intangible assets. TRY10,408,115 of the aforementioned current period depreciation and amortization expenses is reflected to the cost of sales, TRY7,348,772 to general administrative expenses, TRY96,578 to marketing expenses and TRY3,756 to research and development expenses. As of 31 March 2023, there is no pledge or mortgage on tangible assets.

NOTE 8 - INTANGIBLE ASSETS

	1 January 2024	Additions	31 March 2024
Cost			
Rights	30,792,009	-	30,792,009
	30,792,009	-	30,792,009
Accumulated amortisation			
Rights (-)	(27,339,375)	(579,329)	(27,918,704)
	(27,339,375)	(579,329)	(27,918,704)
Net book value	3,452,634		2,873,305

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

NOTE 8 - INTANGIBLE ASSETS (Continued)

	1 January 2023	Additions	31 March 2023
Cost			
Rights	30,792,009	-	30,792,009
	30,792,009	-	30,792,009
Accumulated amortisation			
Rights (-)	(25,777,285)	(458,964)	(26,236,249)
	(25,777,285)	(458,964)	(26,236,249)
Net book value	5,014,724		4,555,760

NOTE 9 - OTHER ASSETS AND LIABILITIES

Other current assets	31 March 2024	31 December 2023
Transferred VAT (*)	379,145,018	384,671,993
Receivables from tax office (**)	12,757,424	27,321,539
	391,902,442	411,993,532

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

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

Other non-current assets	31 March 2024	31 December 2023
Deferred VAT (*)	385,939,488	401,924,725
	385,939,488	401,924,725

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

Other short-term current liabilities	31 March 2024	31 December 2023
Taxes and funds payable	88,122,513	63,570,353
Other	267,834	308,182
	88,390,347	63,878,535

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

NOTE 10 - BORROWINGS

Short-term borrowings	31 March 2024	31 December 2023
Short-term borrowings	69,033,121	199,116,509
Liabilities arising from lease transactions	7,341,249	8,411,216
	76,374,370	207,527,725

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

Long-term borrowings

Long-term borrowings	8,789,573	11,938,559
	8,789,573	11,938,559

Details of the Group's bank loans and financial payables are as follows:

31 March 2024

Currency	Maturity	Effective interest rate (%)	Short-term	Long-term
TRY	3-12 months	37	69,033,121	-
			69,033,121	-

31 December 2023

Currency	Maturity	Effective interest rate (%)	Short-term	Long-term
TRY	3-12 months	27.08	142,798,769	-
EUR	3-12 months	8.42	56,317,740	-
			199,116,509	-

The movement table of financial borrowings is as follows:

	31 March 2024	31 December 2023
1 year	69,033,121	199,116,509
	69,033,121	199,116,509

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NOTE 11 - CONTINGENT ASSETS AND LIABILITIES

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

	31 March 2024	31 December 2023
A. Total amount of CPM given for the Group's own legal personality	1,062,487,830	1,127,795,816
B. Total amount of CPM given on behalf of fully consolidated companies	648,803,624	733,408,434
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 Group has not given any other guarantee, pledge and mortgage (31 December 2023: None) All letters of guarantee listed in paragraph A consist of performance letters extended by the Group to customs, various bidding authorities and customers due to sales contracts.

NOTE 12 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

	31 March 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
Paid in share capital		216,733,652		216,733,652

As of 31 March 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 TRY2,041,265,535 and represent the difference between the inflation-adjusted total amounts of cash and cash equivalents additions to paid-in-capital and their amounts before inflation adjustments.

Restricted reserves:

	31 March 2024	31 December 2023
Legal reserves	81,580,173	81,580,173
	81,580,173	81,580,173

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NOTE 12 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Continued)

According to the Turkish Commercial Code, the general legal reserve is appropriated at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. After paying five percent dividend to the shareholders, 10% of the total amount to be distributed to the shareholders reserved as other legal reserves.

According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the issued capital or the capital, it can be used only to cover the losses, to continue the business when the works are not going well or to prevent unemployment and to mitigate the results.

Distribution of dividend:

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

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

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 13 - CONTRACTUAL ASSETS AND LIABILITIES

	31 March 2024	31 December 2023
Costs on work-in-progress	4,034,674,730	4,191,187,292
Recognized profits less/losses (net)	962,402,787	947,285,045
Minus: Realized progress payments (-)	(4,726,024,695)	(4,697,691,515)
	271,052,822	440,780,822

The Group takes the completion percentage of the contract activities as a basis in the transfer of the income and expenses of the mentioned construction works to the financial statements. The Group has signed the relevant contracts, which constitute the majority of the mentioned construction works, on 30 September 2021 for Çanakkale Strait Lapseki3 Sütlüce3 Lot1 and İzmit Gulf Hersek-Dilovası Lot2 projects. The income and expenses calculated according to the completion percentage related to the mentioned construction works are reflected in the interim condensed financial statements with 97% and 91% completion percentages, respectively, as of the current period.

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NOTE 14 - REVENUE AND COST OF SALES

	1 January - 31 March 2024	1 January - 31 March 2023
Domestic sales	4,162,092,323	4,525,375,170
Export sales	972,740,247	728,744,783
Sales returns (-)	(11,100,913)	(1,790,026)
Sales discounts (-)	(1,944,649,539)	(1,456,775,809)
Net sales	3,179,082,118	3,795,554,118
Cost of sales (-)	(2,782,759,485)	(3,585,159,718)
Gross profit from operations	396,322,633	210,394,400

The breakdown of cost of sales is as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Raw material expenses	2,112,322,513	2,800,484,070
Cost of service sold	288,225,067	254,791,269
Cost of merchandise sold	192,046,814	305,913,312
General production expense	127,971,751	149,998,415
Personnel expenses	52,181,997	63,564,537
Depreciation and amortization expenses	10,011,343	10,408,115
	2,782,759,485	3,585,159,718

NOTE 15 - RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
Research and development expenses:		
Personnel expenses	4,766,976	3,879,350
Test, measurement and document expenses	1,082,290	1,908,314
Depreciation and amortization	3,614	3,756
Other	1,090,218	875,120
	6,943,098	6,666,540

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NOTE 16 - MARKETING EXPENSES, SELLING AND DISTRIBUTION EXPENSES GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
Marketing, selling and distribution expenses:		
Logistics expenses, sales, distribution and letter of guarantee commissions	231,015,398	81,382,804
Personnel expenses	23,001,254	22,610,437
External service expenses	147,862	80,352
Depreciation and amortization	92,911	96,578
Other	5,425,104	7,580,945
	259,682,529	111,751,116
General administrative expenses:		
License and service expenses	40,264,382	46,888,281
Personnel expenses	25,061,534	19,940,451
Depreciation and amortization	9,148,727	7,348,772
Consultancy expenses	1,122,956	1,767,512
Donations and membership dues	840,938	965,630
Insurance expense	669,993	1,280,536
External service expenses	533,199	424,909
Other	3,729,378	9,151,661
	81,371,107	87,767,752

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NOTE 17 - OTHER INCOME/(EXPENSES) FROM OPERATING ACTIVITIES

Details of other income from main operations are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Realized income from derivative financial instruments		
held for trading	97,965,981	-
Cost reflection revenues	3,100,085	11,742,087
Interest income of trade receivables	-	239,871
Other	57,870,797	6,497,605
	158,936,863	18,479,563

Details of other expense from main operations are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Realized expenses from derivative financial		
instruments held for trading	(229,720,442)	-
Foreign exchange loss from commercial activities, net	(52,406,006)	(28,213,632)
Valuation expenses from derivative financial		
instruments held for trading	(42,614,256)	(37,129,514)
Other	(20,774,066)	(8,387,339)
	(345,514,770)	(73,730,485)

NOTE 18 - INCOME TAXES

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

	31 March 2024	31 December 2023
Tax income/(expense)	-	-
Prepaid taxes and funds (-)	327,747,648	326,212,201
Period profit tax asset	327,747,648	326,212,201

In Turkey, the corporation tax rate is 25% for 2024 (2023: 20%). 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.

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NOTE 18 - INCOME TAXES (Continued)

Companies calculate temporary tax at the rate of 25% (2023:20%) on their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the state. There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 25th day of the fourth month following the month in which the accounting period is closed. Authorities authorized for tax inspection can examine the accounting records within five years, and if erroneous transactions are detected, tax amounts may change due to tax assessment. According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits

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

	1 January - 31 March 2024	1 January - 31 March 2023
Corporate tax expense current period	-	-
Deferred tax assets/(liabilities)	(20,005,219)	(11,512,898)
Total tax income/(expense)	(20,005,219)	(11,512,898)

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NOTE 18 - INCOME TAXES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided as follows:

Deferred tax assets/(liabilities)	Cumulative temporary differences		Deferred income tax assets/(liabilities)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Inventory impairment	91,765,738	99,165,493	(22,941,435)	(24,791,373)
Year-round construction projects	552,045,856	635,203,965	(138,011,464)	(158,800,991)
Trade receivables	(17,665,609)	(20,326,690)	4,416,402	5,081,672
Litigation	(2,331,253)	(2,682,424)	582,813	670,606
Provision for severance pay	(138,840,413)	(159,754,810)	34,710,103	39,938,702
Derivative instruments	11,755,725	13,526,563	(2,938,931)	(3,381,641)
Unused leave allowances	(24,630,003)	(28,340,174)	6,157,501	7,085,043
Tangible and intangible assets	(180,454,986)	(293,488,452)	45,113,746	73,372,113
Provisions	(180,387,999)	(207,560,968)	45,097,000	51,890,242
Trade payables	(55,899,817)	(64,320,355)	13,974,954	16,080,089
Financial losses	(283,041,929)	(325,678,299)	70,760,482	81,419,575
Other	3,433,640	3,752,382	858,410	938,097
Deferred tax assets/(liabilities), net			57,779,581	89,502,134

Movements of deferred tax assets and liabilities as follows:

	2024	2023
1 January	89,502,134	89,709,730
Associated with the profit or loss	(20,005,219)	(11,512,898)
Monetary gain/(loss)	(11,717,334)	(10,051,189)
31 March	57,779,581	68,145,643

NOTE 19 - EARNINGS PER SHARE

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

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

	31 March 2024	31 December 2023
Net profit per share of the parent	(86,133,728)	(99,945,454)
Weighted average number of ordinary shares issued	216,733,652	216,733,652
Earnings per share	(0.3974)	(0.4611)
Loss/gain per share	(0.3974)	(0.4611)

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

NOTE 20 - RELATED PARTY DISCLOSURES

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

	31 March 2024	31 December 2023
	Trade receivables	Trade receivables
Prysmian Spain, S.A.	99,254,393	384,726
Prysmian Kabel und Systeme GmbH	91,920,810	75,491,583
Prysmian Cavi e Sistemi Italia S.r.l.	71,243,821	29,597,778
Prysmian Power Link S.r.l.	55,451,559	109,222,842
LLC Rybinskelektrokabel	53,200,512	53,561,337
Conducen SRL	39,546,531	19,125,476
Singapore Cables Manufacturers Pte	38,527,399	33,126,624
Prysmian OEKW GmbH	35,197,375	6,603,178
Prysmian Group Norge AS	27,315,308	219,025
Prysmian Finland Oy	21,472,357	7,848,871
General Cable Celcat, Energia	9,128,257	-
General Cable de Mexico	8,116,039	8,740,655
MCI – Draka Cable Co. Ltd.	6,074,155	-
General Cable Industries, Inc.	5,446,918	-
Prysmian S.P.A.	3,480,118	3,362,740
Prysmian Group Baltics AS	2,817,268	17,716,374
Draka Comteq UK Limited	2,771,868	1,828,723
Prysmian Cables et Systèmes Fr	2,713,464	248,389
Prysmian Cabluri Si Sisteme S	2,542,773	8,767,056
Other	2,566,254	19,332,244
	578,787,179	395,177,621

	31 March 2024		31 December 2023	
	Trade			
	payables	Other payables	Trade payables	Other payables
Prysmian S.P.A.	1,669,642,032	-	1,490,030,649	-
Prysmian Power Link S.r.l.	269,742,185	-	434,814,468	-
Oman Cables Industry SAOG	79,220,915	-	-	-
Prysmian Wuxi Cable Company Lt	70,460,654	-	41,848,393	-
Prysmian Cavi e Sistemi Italia S.r.l.	45,890,760	-	34,376,309	-
Prysmian Netherlands B.V.	21,129,975	-	16,980,341	-
Prysmian Cavi e Sistemi S.r.l.	10,486,333	-	5,239,893	-
Prysmian Kabel und Systeme GmbH	7,382,193	-	-	-
Prysmian Cables (Shangai)	5,731,583	-	-	-
General Cable Celcat, Energia	3,806,475	-	-	-
Prysmian Powerli	-	-	93,223,961	-
Oman Aluminium Processing Industrie	-	-	10,643,085	-
Prysmian MKM Magyar Kabel Muve	-	-	2,597,604	-
Draka Holding BV (*)	-	175,000,000	-	201,361,341
Other	1,078,902	-	11,749,559	-
	2,184,572,007	175,000,000	2,141,504,262	201,361,341

(*) It consists of short-term financial debts that the Group receives from its partners for its operational activities. As of 31 March 2023, the effective weighted interest rate of other debts in TL currency is 38.70% and their maturity is less than one year.

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NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

Sales transactions with related parties are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
	Sales	Sales
Prysmian Cavi e Sistemi Italia S.R.L	187,604,190	26,039,581
Prysmian Kabel und Systeme GmbH	108,897,748	60,696,205
Prysmian Spain, S.A.	99,216,727	12,970,291
Prysmian Power Link S.r.l.	55,884,236	145,070
Singapore Cables Manufacturers Pte Ltd	50,232,092	5,487,293
Conducen SRL	39,305,751	-
Prysmian Group Norge AS	32,632,085	59,581,301
Prysmian OEKW GmbH	28,862,799	-
Prysmian Finland Oy	20,240,070	7,632,393
General Cable Celcat, Energia	9,096,677	-
General Cable Industries, Inc.	7,017,963	-
Draka Denmark Optical Cable AS	6,566,923	13,896,367
Draka Comteq UK Ltd	6,414,602	6,068,559
Prysmian Cabluri si Sisteme S.A.	4,216,285	5,544,006
LLC Rybinskelektrokabel	3,465,337	10,325,136
Prysmian Group Baltics AS	2,827,271	422,909
Oman Cable Industry SAOG	1,590,985	21,768,224
Prysmian Cables & Systems Ltd.	550,010	8,208,023
Prysmian Cables et Systemes France SAS	91,140	7,749,061
Other	7,558,070	4,421,198
	672,270,961	250,955,617

Purchase transactions with related parties are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Prysmian Spa	247,810,578	253,639,847
Oman Cables Industry SAOG	79,220,915	4,313,339
Prysmian Wuxi Cable Company Lt	70,924,354	36,330,788
Prysmian Cavi e Sistemi Italia S.R.L	50,007,276	52,002,110
Prysmian Power Link S.r.l.	42,097,971	-
Prysmian Kabel und Systeme GmbH	36,333,423	187,799,334
Draka Comteq UK Ltd	12,707,651	35,574,157
Prysmian Cables (Shangai)	7,784,428	7,357,029
Prysmian Netherlands B.V.	6,822,021	1,425,860
Oman Aluminium Processing Industrie	861,205	11,138,305
Prysmian MKM Magyar Kabel Muve	-	58,728,313
Prysmian Cables & Systems Ltd.	-	30,351,259
Draka Kabel Sverige AB	-	15,585,910
Prysmian Cabluri si Sisteme S.A.	-	13,635,546
Other	5,297,257	23,312,033
	559,867,079	731,193,830

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NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

Benefits provided to senior executives are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Payments and other short-term benefits	2,174,054	7,489,464
Other	35,059	117,990
	2,209,113	7,607,454

Service purchases made with related parties are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Prysmian S.P.A.	26,549,770	34,433,122
Prysmian Cavi e Sistemi S.r.l.	10,053,504	9,299,524
	36,603,274	43,732,646

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).

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NOTE 21 - FOREIGN CURRENCY POSITION

	31 March 2024				31 December 2023			
	TRY Equivalent	USD	EUR	GBP	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	1,689,321,120	20,930,838	29,123,381	-	1,632,149,310	16,455,940	28,674,560	-
2a. Monetary Financial Assets (including cash bank accounts)	209,441,941	127,201	5,900,047	-	92,071,329	1,628,133	985,097	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	123,924,367	44,985	3,519,078	-	127,256,846	27,960	3,369,994	-
4. Current Assets (1+2+3)	2,022,687,428	21,103,024	38,542,506	-	1,851,477,485	18,112,033	33,029,651	-
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-	-	-
9. Total Assets (4+8)	2,022,687,428	21,103,024	38,542,506	-	1,851,477,485	18,112,033	33,029,651	-
10. Trade Receivables	2,740,232,752)	(12,959,024)	(66,571,608)	(1,765)	(2,531,037,056)	(3,998,873)	(63,740,130)	(46,409)
11. Financial Liabilities	-	-	-	-	(63,832,028)	-	(1,700,000)	-
12a. Other Monetary Liabilities	(525,572,277)	(8,081,157)	(7,577,759)	-	(583,642,557)	(7,964,882)	(8,345,455)	(160)
12b. Other Non-monetary Liabilities	(143,340,196)	-	(4,111,292)	-	(70,428,843)	-	(1,875,689)	-
13. Short-term Liabilities (10+11+12)	(3,409,145,225)	(21,040,181)	(78,260,659)	(1,765)	(3,248,940,484)	(11,963,755)	(75,661,274)	(46,569)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16 a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16. b Other Non-monetary Liabilities	-	-	-	-	-	-	-	-
17. Long-term Liabilities (14+15+16)	-	-	-	-	-	-	-	-
18. Total Liabilities (13+17)	(3,409,145,225)	(21,040,181)	(78,260,659)	(1,765)	(3,248,940,484)	(11,963,755)	(75,661,274)	(46,569)
19. Net Asset/(Liability) Position of the Off-Balance Sheet								
Foreign Exchange Based Derivatives (19a-19b)	1,124,322,110	(1,500,000)	33,700,000	-	1,086,940,579	-	29,000,000	-
19. a. The Amount of the Asset Type Off Balance	1,172,837,510	-	33,700,000	-	1,086,940,579	-	29,000,000	-
19. b. The Amount of the Liability Type Off Balance	(48,515,400)	(1,500,000)	-	-	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9+18+19)	(256,377,886)	(1,437,157)	(6,018,153)	(1,765)	(305,601,822)	6,148,278	(13,631,623)	(46,569)
21. Net Foreign Currency Asset/ (Liability) Position of (IFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16)	(1,363,621,461)	17,858	(39,125,939)	(1,765)	(1,451,556,749)	6,120,318	(44,125,928)	(46,569)
22. Total Fair Value of Financial Instruments Used for -								
Foreign Currency Hedging	1,124,322,110	(1,500,000)	33,700,000	-	1,086,940,579	-	29,000,000	-
23. Hedged Foreign Exchange Assets	(48,515,400)	(1,500,000)	-	-	-	-	-	-
24. Hedged Foreign Exchange Liabilities	1,172,837,510	-	33,700,000	-	1,086,940,579	-	29,000,000	-
25. Export	972,740,247	10,717,265	18,618,980	-	2,894,517,700	41,236,007	41,156,867	-
26. Import	550,038,330	951,951	15,188,591	-	9,789,946,654	349,298,737	-	-

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NOTE 21 - FOREIGN CURRENCY POSITION (Continued)

Exchange rate risk

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

Table of Sensitivity Analysis for Foreign Currency Risk:	31 March 2024	
	Profit/(Loss) Depreciation of foreign currency	Profit/(Loss) Appreciation of foreign currency
10% change in USD against TRY:		
USD net assets/liabilities	57,655	(57,655)
USD net effect	57,655	(57,655)
10% change in EUR against TRY:		
EUR net assets/liabilities	(136,412,586)	136,412,586
EUR net effect	(136,412,586)	136,412,586
10% change in Others average against TRY:		
Others net assets/liabilities	(7,215)	7,215
Others net effect	(7,215)	7,215
Total	(136,362,146)	136,362,146

Table of Sensitivity Analysis for Foreign Currency Risk	31 December 2023	
	Profit/(Loss) Depreciation of foreign currency	Profit/(Loss) Appreciation of foreign currency
Table of Sensitivity Analysis for Foreign Currency Risk:		
USD net assets/liabilities	20,731,145	(20,731,145)
USD net effect	20,731,145	(20,731,145)
10% change in EUR against TRY:		
EUR net assets/liabilities	(165,685,146)	165,685,146
EUR net effect	(165,685,146)	165,685,146
10% change in Others average against TRY:		
Others net assets/liabilities	(201,673)	201,673
Others net effect	(201,673)	201,673
Total	(145,155,674)	145,155,674

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

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NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS IN THE FRAMEWORK OF HEDGE ACCOUNTING)

Classification of financial instruments

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

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

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

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

Financial assets

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

Financial liabilities

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

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

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

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NOT 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS IN THE FRAMEWORK OF HEDGE ACCOUNTING) (Continued)

The table below consists of the Group's assets calculated at fair value as of 31 March 2024 and 31 December 2023.

Financial assets / liabilities	Reasonable value		Reasonable value level	Valuation Technique
	31 March 2024	31 December 2023		
Financial assets/ (liabilities) from foreign currency forward contracts	(29,240,883)	13,526,563	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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