

KUZEY BORU ANONİM ŞİRKETİ

**1 January - 31 March 2024 Financial Statements for the
Accounting Period**

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 31 March 2024

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

ASSETS	Notes	31 March 2024	31 December 2023
Cash and cash equivalents	3	500,757,620	808,984,313
Financial investments	6	151,793,806	-
Trade receivables			
- <i>Receivables from third parties</i>	5	862,773,234	515,990,157
Other receivables			
- <i>Receivables from third parties</i>	8	7,835,748	147,314
Inventories	9	687,505,692	448,948,780
Prepaid expenses	10	87,638,168	41,543,328
Other current assets	15	5,480,270	182,462
Total current assets		2,303,784,538	1,815,796,354
Other receivables			
- <i>Receivables from third parties</i>	8	4,707	7,450
Tangible assets	11	1,227,360,894	1,134,398,687
Intangible assets	12	723,450	812,838
Prepaid expenses	10	-	96,607
Total non-current assets		1,228,089,051	1,135,315,582
TOTAL ASSETS		3,531,873,589	2,951,111,936

The accompanying notes form an integral part of the financial statements.

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 31 March 2024

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

LIABILITIES	Notes	31 March 2024	31 March 2023
Current borrowings	7	149,259,340	43,553,978
Current portions of non-current borrowings	7	196,206,937	395,288,671
Current leasing borrowings	7	16,957,472	20,600,326
Other financial liabilities	7	1,680,438	865,158
Trade payables			
- Payables to third parties	5	332,295,250	155,816,316
Other payables			
- Payables to third parties	8	826,510	639,842
Payables for employee benefits	14	12,028,358	8,471,772
Deferred income	10	339,307,360	259,370,656
Current provisions			
- Current provisions for employee benefits	14	3,708,225	3,068,456
- Other provisions for employee benefits	14	3,529,381	4,061,034
Other Current liabilities	15	7,824,552	8,689,336
Total current liabilities		1,063,623,823	900,425,545
Non-current borrowings	7	33,586,475	39,256,954
Non-current leasing borrowings	7	60,864,922	44,628,037
Trade payables			
- Payables to third parties	5	278,517,750	-
Non-current provisions			
- Non-Current provisions for employee benefits	14	2,679,453	2,274,078
Deferred tax liability	23	2,263,328	39,165,307
Total non-current liabilities		377,911,928	125,324,376
Paid-in capital	16	100,000,000	80,000,000
Positive distinction from share capital adjustment	16	237,357,655	235,588,637
Other refills	16	-	23,012,725
Premiums (discounts) related to shares	16	764,455,310	764,455,310
Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit and Loss			
- Fixed assets revaluation increases/decreases	16	252,027,509	252,027,509
- Remeasurement gains/losses of defined benefit plans	16	2,473,534	(1,082,735)
Restricted reserves separated from profit	16	14,724,471	5,680,707
Previous years' profits		557,879,805	391,776,942
Net profit for the period		161,419,554	173,902,920
EQUITY		2,090,337,838	1,925,362,015
TOTAL LIABILITIES		3,531,873,589	2,951,111,936

The accompanying notes form an integral part of the financial statements.

KUZLEY BORU ANONİM ŞİRKETİ

Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 31 March 2024

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

	Notes	1 January – 31 March 2024	1 January – 31 March 2023
Revenues	17	967,893,164	332,385,717
Cost of sales (-)	17	(723,906,626)	(260,609,393)
Gross profit		243,986,538	71,776,324
General and administrative expenses (-)	18	(20,191,642)	(15,864,471)
Marketing, sales, and distribution expenses (-)	19	(81,450,647)	(23,957,166)
Other income from main operations	20	15,576,164	2,273,929
Other operating expenses (-)	20	(10,694,385)	(7,990,625)
Operating profit		147,226,028	26,237,991
Expenses from investment activities (-)	21	566,017	-
Operating profit before financing expense		147,792,045	26,237,991
Financing revenues	22	73,364,363	1,257,776
Financial expenses (-)	22	(43,897,909)	(14,653,706)
Net monetary (loss) / gain		(39,836,655)	85,710,558
Profit before tax		137,421,844	98,552,619
Period tax expense	23	(3,170,954)	(6,544,492)
Deferred tax (expense)	23	27,168,664	(12,863,088)
Period profit		161,419,554	79,145,039
OTHER COMPREHENSIVE INCOME		3,556,270	12,405,862
Items that will not be reclassified subsequently to profit or loss:			
Gains on remeasurement of defined benefit plans	14	4,618,533	15,507,327
Deferred tax revenue	23	(1,062,263)	(3,101,465)
TOTAL COMPREHENSIVE INCOME		164,975,824	91,550,901

The accompanying notes form an integral part of the financial statements.

KUZEY BORU ANONİM ŞİRKETİ

Statement of Changes in Equity For The Year Ended 31 March 2024

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

							Other accumulated comprehensive income or expenses that will not be reclassified to profit or loss			
	Paid in capital	Positive distinction from share capital adjustment	Premiums (discounts) related to shares	Other reserves	Restricted reserves separated from profit	Fixed assets revaluation increases	Defined benefit plan remeasurement differences	Previous years' profits	Net profit/ (loss) for the period	Equity total
1 January 2023	60,000,000	220,033,913	-	-	1,190,958	49,963,601	(701,881)	103,733,441	232,431,759	666,651,791
Transfers	20,000,000	15,756,722	-	-	-	-	-	196,675,037	(232,431,759)	-
Other comprehensive income/expense	-	-	-	-	6,936,674	-	12,405,861	-	-	19,342,535
Net profit for the period	-	-	-	-	-	-	-	-	79,145,039	79,145,039
31 March 2023	80,000,000	235,790,635	-	-	8,127,632	49,963,601	11,703,980	300,408,478	79,145,039	765,139,365
1 January 2024	80,000,000	235,588,637	764,455,310	23,012,725	5,680,707	252,027,509	(1,082,735)	391,776,942	173,902,920	1,925,362,015
Transfers	20,000,000	1,769,018	-	(23,012,725)	9,043,764	-	-	166,102,863	(173,902,920)	-
Other comprehensive income/expense	-	-	-	-	-	-	3,556,269	-	-	3,556,269
Net profit for the period	-	-	-	-	-	-	-	-	161,419,554	161,419,554
31 March 2024	100,000,000	237,357,655	764,455,310	-	14,724,471	252,027,509	2,473,534	557,879,805	161,419,554	2,090,337,838

The accompanying notes form an integral part of the financial statements.

KUZEY BORU ANONİM ŞİRKETİ

Statement of Cash Flow

For The Year Ended 31 March 2024

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

	Notes	1 January – 31 March 2024	1 January – 31 March 2023
A. CASH FLOWS FROM BUSINESS ACTIVITIES			
Profit for the Period		161,419,554	79,145,039
Adjustments to Reconcile Profit for the Period			
Adjustments for depreciation and amortization	11,12	15,134,481	12,935,802
Corrections regarding lawsuit provisions	14	-	2,618,869
Fixes regarding leave provisions	14	1,041,478	483,737
Adjustments regarding interest income	22	(72,809,525)	(1,171,196)
Adjustments regarding severance pay expense	14	6,345,572	16,887,015
Adjustments for impairment of trade and other receivables		-	(204,068)
Net monetary loss/gain		(28,241,984)	(38,075,011)
Adjustments regarding tax expense/income	23	(37,964,242)	10,382,314
Operating Profit Before Changes in Working Capital		44,925,334	83,002,501
Adjustments for increase/decrease in trade receivables		(346,783,077)	(334,630,070)
Adjustments regarding increase/decrease in trade receivables		(238,556,912)	(202,695,690)
Adjustments related to increase/decrease in stocks		(7,685,691)	23,099
Adjustments for increases/decreases in other receivables related to activities		(45,998,233)	(46,780,955)
Adjustments for increases/decreases in prepaid expenses		(5,297,808)	(8,519,376)
Adjustments for increases/decreases in other assets		454,996,684	(1,959,371)
Adjustments regarding increase/decrease in commercial payables		186,668	2,839,553
Adjustments for increases/decreases in other payables related to operations		79,936,704	385,932,472
Adjustments related to increase/decrease in deferred revenues		(864,784)	(2,779,438)
Adjustments for increases/decreases in other liabilities		3,556,586	2,050,360
Adjustments regarding increases/decreases in employee benefits	22	72,809,525	1,171,196
Interest received	14	(1,023,952)	(802,556)
Cash Flows from Operations		10,201,044	(123,148,276)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows from the sale of tangible and intangible assets	11,12	(108,186,905)	(8,049,882)
Cash inflows from the sale of tangible and intangible assets	11,12	179,605	-
Cash Flows from Investment Activities		(108,007,300)	(8,049,882)
C. CASH FLOWS FROM FINANCE ACTIVITIES			
Cash inflows/outflows arising from other receivables from related parties/other payables to related parties		-	(2,027,874)
Cash inflows from financial borrowings	6	252,807,805	261,297,689
Cash Outflows Related to Debt Payments		(280,787,375)	(92,604,764)
Change in financial assets		(151,793,806)	4,489,749
Interest paid	22	(30,647,061)	(8,967,614)
Cash flows from financing activities		(210,420,437)	162,187,187
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(308,226,693)	30,989,029
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		808,984,313	28,115,389
Balance at the end of the period		500,757,620	59,104,418

The accompanying notes form an integral part of the financial statements.