

KUZEY BORU ANONİM ŞİRKETİ

**1 January – 30 June 2024 Financial Statements for the
Accounting Period**

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 30 June 2024

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

ASSETS	Notes	30 June 2024	31 December 2023
Cash and cash equivalents	3	367,255,023	876,978,517
Trade receivables			
- <i>Receivables from third parties</i>	5	996,527,860	559,358,533
Other receivables			
- <i>Receivables from third parties</i>	7	848,601	159,695
Inventories	8	681,063,317	486,682,410
Prepaid expenses	9	179,747,617	45,034,997
Other current assets	14	6,752,003	197,798
Total current assets		2,232,194,421	1,968,411,950
Other receivables			
- <i>Receivables from third parties</i>	7	8,077	8,077
Tangible assets	10	1,356,107,557	1,229,743,595
Intangible assets	11	809,348	881,156
Prepaid expenses	9	-	104,727
Deffered tax assets	23	67,015,797	-
Total non-current assets		1,423,940,779	1,230,737,555
TOTAL ASSETS		3,656,135,200	3,199,149,505

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 30 June 2024

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

LIABILITIES	Notes	30 June 2024	31 December 2023
Current borrowings	6	60,532,580	47,214,640
Current portions of non-current borrowings	6	137,222,830	428,512,230
Current leasing borrowings	6	24,703,376	22,331,760
Other financial liabilities	6	1,402,239	937,873
Trade payables			
- Payables to third parties	5	480,280,618	168,912,498
Other payables			
- Payables to third parties	7	1,043,108	693,620
Payables for employee benefits	13	13,352,600	9,183,815
Deferred income	9	105,122,674	281,170,462
Current provisions			
- Current provisions for employee benefits	13	4,567,988	3,326,356
- Other provisions for employee benefits	13	3,297,183	4,402,359
Other Current liabilities	14	10,153,106	9,419,664
Total current liabilities		841,678,302	976,105,277
Non-current borrowings	6	115,384,838	42,556,456
Non-current leasing borrowings	6	51,378,123	48,378,973
Trade payables			
- Payables to third parties	5	205,904,911	-
Non-current provisions			
- Non-Current provisions for employee benefits	13	2,834,007	2,465,212
Deferred tax liability	23	-	42,457,105
Total non-current liabilities		375,501,879	135,857,746
Paid-in capital	15	100,000,000	80,000,000
Positive distinction from share capital adjustment	15	265,712,179	262,113,500
Other refills	15	-	24,946,918
Premiums (discounts) related to shares	15	828,706,902	828,706,902
Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit and Loss			
- Fixed assets revaluation increases/decreases	15	273,210,133	273,210,133
- Remeasurement gains/losses of defined benefit plans	15	1,651,329	(1,173,738)
Restricted reserves separated from profit	15	19,271,818	6,158,164
Previous years' profits		601,459,188	339,777,836
Net profit for the period		348,943,470	273,446,767
EQUITY		2,438,955,019	2,087,186,482
TOTAL LIABILITIES		3,656,135,200	3,199,149,505

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

KUZЕЙ BORU ANONİM ŞİRKETİ

Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 30 June 2024

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

	Notes	1 January – 30 June 2024	1 January – 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Revenues	16	2,015,923,428	999,125,521	966,679,954	638,803,165
Cost of sales (-)	16	(1,498,510,281)	(760,262,963)	(713,760,133)	(477,749,650)
Gross profit		517,413,147	238,862,558	252,919,821	161,053,515
General and administrative expenses (-)	17	(57,413,198)	(56,330,772)	(35,524,472)	(39,132,910)
Marketing, sales, and distribution expenses (-)	18	(144,858,054)	(54,629,230)	(56,561,574)	(28,658,492)
Research and development expenses (-)	19	(63,000)	-	(63,000)	-
Other income from main operations	20	24,143,234	9,172,477	7,257,911	6,707,428
Other operating expenses (-)	20	(27,023,619)	(19,431,732)	(15,430,383)	(10,769,504)
Operating profit		312,198,510	117,643,301	152,598,303	89,200,037
Expenses from investment activities (-)	21	613,590	708,739	-	708,739
Operating profit before financing expense		312,812,100	118,352,040	152,598,303	89,908,776
Financing revenues	22	122,655,290	1,724,220	43,124,736	360,729
Financial expenses (-)	22	(125,992,921)	(107,131,015)	(78,405,443)	(91,245,682)
Net monetary (loss) / gain		(39,459,653)	156,479,719	3,725,227	63,565,286
Profit before tax		270,014,816	169,424,964	121,042,823	62,589,109
Period tax expense	23	(6,705,993)	(8,428,288)	(3,268,524)	(1,333,739)
Deferred tax (expense)	23	85,634,647	(15,150,663)	56,182,488	(1,206,447)
Period profit		348,943,470	145,846,013	173,956,787	60,048,923
OTHER COMPREHENSIVE INCOME		2,825,067	901,914	(929,969)	(12,546,646)
Items that will not be reclassified subsequently to profit or loss:					
Gains on remeasurement of defined benefit plans	13	3,668,918	1,127,392	(1,337,797)	(15,683,308)
Deferred tax revenue	23	(843,851)	(225,478)	407,828	3,136,662
TOTAL COMPREHENSIVE INCOME		351,768,537	146,747,927	173,026,818	47,502,277

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Changes in Equity For The Year Ended 30 June 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	243,570,442	-	-	1,291,057	54,162,984	(760,874)	112,452,118	251,967,382	722,683,109
Transfers	20,000,000	18,762,033	-	-	7,519,693	-	-	205,685,656	(251,967,382)	-
Other comprehensive income/expense	-	-	-	-	-	-	(440,388)	-	-	(440,388)
Net profit for the period	-	-	-	-	-	-	-	-	145,846,013	145,846,013
30 June 2023	80,000,000	262,332,475	-	-	8,810,750	54,162,984	(1,201,262)	318,137,774	145,846,013	868,088,734
1 January 2024	80,000,000	262,113,500	828,706,902	24,946,918	6,158,164	273,210,133	(1,173,738)	339,777,836	273,446,767	2,087,186,482
Transfers	20,000,000	3,598,679	-	(24,946,918)	13,113,654	-	-	261,681,352	(273,446,767)	-
Other comprehensive income/expense	-	-	-	-	-	-	2,825,067	-	-	2,825,067
Net profit for the period	-	-	-	-	-	-	-	-	348,943,470	348,943,470
30 June 2024	100,000,000	265,712,179	828,706,902	-	19,271,818	273,210,133	1,651,329	601,459,188	348,943,470	2,438,955,019

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Cash Flow

For The Year Ended 30 June 2024

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

	Notes	1 January – 30 June 2024	1 January – 30 June 2023
A. CASH FLOWS FROM BUSINESS ACTIVITIES			
Profit for the Period		348,943,470	145,846,013
Adjustments to Reconcile Profit for the Period			
Adjustments for depreciation and amortization	10,11	32,691,573	27,186,780
Corrections regarding lawsuit provisions	13	(232,198)	332,379
Fixes regarding leave provisions	13	1,901,241	714,855
Adjustments for unrealized foreign currency translation differences		15,338,246	8,149,608
Adjustments regarding interest income	21	(120,965,128)	1,868,370
Adjustments regarding severance pay expense	13	6,251,356	879,956
Adjustments for impairment of trade and other receivables		-	118,757
Net monetary loss/gain		(142,935,823)	(155,378,385)
Adjustments regarding tax expense/income	23	(85,634,647)	15,150,663
Operating Profit Before Changes in Working Capital		55,358,090	44,868,996
Adjustments regarding increase/decrease in trade receivables		(437,169,327)	(216,759,919)
Adjustments related to increase/decrease in stocks		(194,380,907)	(127,583,072)
Adjustments for increases/decreases in other receivables related to activities		(688,906)	45,712
Adjustments for increases/decreases in prepaid expenses		(134,607,893)	(97,365,110)
Adjustments for increases/decreases in other assets		(6,554,205)	(6,696,392)
Adjustments regarding increase/decrease in commercial payables		517,273,031	3,712,649
Adjustments for increases/decreases in other payables related to operations		349,488	3,684
Adjustments related to increase/decrease in deferred revenues		(176,047,788)	197,458,025
Adjustments for increases/decreases in other liabilities		733,442	(9,790,508)
Adjustments regarding increases/decreases in employee benefits		4,168,785	4,097,242
Interest received	22	122,118,571	1,724,220
Severance pay paid	14	(1,724,798)	(540,524)
Tax payments		-	1,740,405
Cash Flows from Operations		(251,172,417)	(205,084,592)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows from the sale of tangible and intangible assets	10,11	(159,178,427)	(32,272,579)
Cash inflows from the sale of tangible and intangible assets	10,11	194,700	-
Cash Flows from Investment Activities		(158,983,727)	(32,272,579)
C. CASH FLOWS FROM FINANCE ACTIVITIES			
Cash inflows/outflows arising from other receivables from related parties/other payables to related parties		-	272,503
Cash inflows from financial borrowings	6	350,944,750	441,971,265
Cash Outflows Related to Debt Payments		(414,825,303)	(154,545,485)
Change in financial assets		-	(16,765,849)
Interest paid	22	(35,686,797)	(47,559,188)
Other cash inflows/outflows		-	(1,342,302)
Cash flows from financing activities		(99,567,350)	222,030,944
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(509,723,494)	(15,326,227)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		876,978,517	30,478,455
Balance at the end of the period	3	367,255,023	15,152,228

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