

KUZEY BORU ANONİM ŞİRKETİ

**1 January – 31 December 2024 Financial Statements for the
Accounting Period**

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 31 December 2024

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

ASSETS	Notes	31 December 2024	31 December 2023
Cash and cash equivalents	3	304,911,493	1,015,091,980
Financial investments	5	48,968,307	-
Trade receivables			
- <i>Receivables from third parties</i>	6	1,040,025,004	647,450,707
Other receivables			
- <i>Receivables from third parties</i>	8	1,358,171	184,845
Inventories	9	981,250,346	563,328,978
Prepaid expenses	10	321,754,280	52,127,462
Other current assets	15	6,601,347	228,949
Total current assets		2,704,868,948	2,278,412,921
Other receivables			
- <i>Receivables from third parties</i>	8	9,349	9,349
Tangible assets	11	2,604,747,503	1,423,413,272
Intangible assets	12	3,580,794	1,019,928
Prepaid expenses	10	-	121,220
Deferred tax assets	25	104,403,583	-
Total non-current assets		2,712,741,229	1,424,563,769
TOTAL ASSETS		5,417,610,177	3,702,976,690

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 31 December 2024

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

LIABILITIES	Notes	31 December 2024	31 December 2023
Current borrowings	7	745,547	54,650,372
Current portions of non-current borrowings	7	126,365,616	495,997,701
Current leasing borrowings	7	195,130,607	25,848,741
Other financial liabilities	7	2,772,628	1,085,577
Trade payables			
- Payables to third parties	6	957,762,597	195,514,168
Other payables			
- Payables to third parties	8	1,250,862	802,857
Payables for employee benefits	14	13,546,839	10,630,154
Deferred income	10	135,135,606	325,451,395
Current provisions			
- Current provisions for employee benefits	14	4,198,671	3,850,217
- Other current provisions	14	6,578,660	5,095,677
Other Current liabilities	15	6,094,241	10,903,147
Total current liabilities		1,449,581,874	1,129,830,006
Non-current borrowings	7	2,493,986	49,258,580
Non-current leasing borrowings	7	556,183,598	55,998,073
Trade payables			
- Payables to third parties	6	382,761,250	-
Non-current provisions			
- Non-Current provisions for employee benefits	14	3,726,701	2,853,453
Deferred tax liability	25	-	49,143,583
Total non-current liabilities		945,165,535	157,253,689
Paid-in capital	16	100,000,000	80,000,000
Positive distinction from share capital adjustment	16	324,867,972	315,992,218
Premiums (discounts) related to shares	16	959,218,172	959,218,172
Other refills	16	-	28,875,754
Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit and Loss			
- Fixed assets revaluation increases/decreases	16	316,237,409	316,237,409
- Remeasurement gains/losses of defined benefit plans	16	21,335,969	(1,358,587)
Restricted reserves separated from profit	16	18,584,998	7,128,000
Previous years' profits		634,194,683	393,288,717
Net profit for the period		648,423,565	316,511,312
EQUITY		3,022,862,768	2,415,892,995
TOTAL LIABILITIES		5,417,610,177	3,702,976,690

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

KUZEY BORU ANONİM ŞİRKETİ

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

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

	Notes	1 January – 30 December 2024	1 January – 31 December 2023
Revenues	17	3,954,814,066	2,954,440,858
Cost of sales (-)	17	(3,162,828,685)	(2,034,678,065)
Gross profit		791,985,381	919,762,793
General and administrative expenses (-)	18	(110,510,666)	(93,530,405)
Marketing, sales, and distribution expenses (-)	19	(324,342,423)	(182,282,148)
Research and development expenses (-)	20	(10,271,030)	-
Other income from main operations	21	46,450,978	29,093,046
Other operating expenses (-)	21	(113,771,435)	(20,320,797)
Operating profit		279,540,805	652,722,489
Revenues from investment activities	22	16,388,349	2,023,834
Expenses from investment activities (-)	22	-	(241,775)
Operating profit before financing expense		295,929,154	654,504,548
Financing revenues	23	231,447,425	24,762,290
Financial expenses (-)	23	(158,830,199)	(215,109,799)
Net monetary (loss) / gain	24	134,617,219	(173,895,038)
Profit before tax		503,163,599	290,262,001
Period tax expense	25	(15,066,094)	(7,097,185)
Deferred tax (expense)	25	160,326,060	33,346,496
Period profit		648,423,565	316,511,312
OTHER COMPREHENSIVE INCOME		22,694,556	253,053,785
Items that will not be reclassified subsequently to profit or loss:			
Fixed assets revaluation increases	11	-	312,054,663
Deferred tax expenses	25	-	(58,510,249)
Gains on remeasurement of defined benefit plans	14	29,473,450	(637,180)
Deferred tax revenue	25	(6,778,894)	146,551
TOTAL COMPREHENSIVE INCOME		671,118,121	569,565,097

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 December 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	291,379,097	-	-	1,494,382	62,692,996	(880,702)	131,246,808	290,564,335	836,496,916
Transfers	4,953,250	17,935,558	-	-	5,633,618	-	-	262,041,909	(290,564,335)	-
Other comprehensive income/expense	-	-	-	-	-	253,544,413	(477,885)	-	-	253,066,528
Share and equity based transactions	-	-	959,218,172	28,875,754	-	-	-	-	-	988,093,926
Capital increases	15,046,750	6,677,563	-	-	-	-	-	-	-	21,724,313
Net profit for the period	-	-	-	-	-	-	-	-	316,511,312	316,511,312
31 December 2023	80,000,000	315,992,218	959,218,172	28,875,754	7,128,000	316,237,409	(1,358,587)	393,288,717	316,511,312	2,415,892,995
1 January 2024	80,000,000	315,992,218	959,218,172	28,875,754	7,128,000	316,237,409	(1,358,587)	393,288,717	316,511,312	2,415,892,995
Transfers	20,000,000	8,875,754	-	(28,875,754)	11,456,998	-	-	305,054,314	(316,511,312)	-
Other comprehensive income/expense	-	-	-	-	-	-	22,694,556	-	-	22,694,556
Dividend payments	-	-	-	-	-	-	-	(64,148,348)	-	(64,148,348)
Net profit for the period	-	-	-	-	-	-	-	-	648,423,565	648,423,565
31 December 2024	100,000,000	324,867,972	959,218,172	-	18,584,998	316,237,409	21,335,969	634,194,683	648,423,565	3,022,862,768

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Cash Flow

For The Year Ended 31 December 2024

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

	Notes	1 January – 31 December 2024	1 January – 31 December 2023
A. CASH FLOWS FROM BUSINESS ACTIVITIES			
Profit for the Period			
Adjustments to Reconcile Profit for the Period		648,423,565	316,511,312
Adjustments for depreciation and amortization	11,12	104,733,554	57,201,189
Adjustments for losses/(expenses) on disposal of fixed assets	22	(783,262)	-
Corrections regarding lawsuit provisions	14	3,049,279	5,066,801
Fixes regarding leave provisions	14	1,531,924	2,419,084
Adjustments for unrealized foreign currency translation differences	7	67,791,182	-
Adjustments regarding interest income	23	(229,141,329)	(23,494,144)
Adjustments for fair value loss/gain		(15,605,087)	(58,696,817)
Adjustments regarding severance pay expense	14	32,405,854	2,878,259
Adjustments for impairment of trade and other receivables	6,8	41,871,047	9,595
Net monetary loss/gain		(244,613,571)	17,147,618
Adjustments regarding tax expense/income	23	(160,326,060)	(8,421,384)
Operating Profit Before Changes in Working Capital		249,337,096	310,621,513
Adjustments regarding increase/decrease in trade receivables	6	(434,445,344)	(330,340,412)
Adjustments related to increase/decrease in stocks	9	(417,921,368)	(242,224,396)
Adjustments for increases/decreases in other receivables related to activities	8	(1,173,326)	(152,610)
Adjustments for increases/decreases in prepaid expenses		(269,505,598)	(30,111,703)
Adjustments for increases/decreases in other assets		(6,372,398)	139,390
Adjustments regarding increase/decrease in commercial payables	6	1,145,009,679	144,834,709
Adjustments for increases/decreases in other payables related to operations	8	448,005	802,857
Adjustments related to increase/decrease in deferred revenues		(190,315,789)	224,095,009
Adjustments for increases/decreases in other liabilities		(4,808,906)	(29,253,244)
Adjustments regarding increases/decreases in employee benefits	14	2,916,685	5,736,834
Interest received	23	229,305,808	23,494,144
Severance pay paid	14	(1,182,070)	(2,633,336)
Cash Flows from Operations		301,292,474	75,008,755
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows from the sale of tangible and intangible assets	11,12	(1,288,892,608)	(278,852,632)
Cash inflows from the sale of tangible and intangible assets	11,12	1,047,219	69,537
Capital increases	11,12	-	21,724,313
Changes in financial assets		(33,363,220)	-
Cash Flows from Investment Activities		(1,321,208,609)	(257,058,782)
C. CASH FLOWS FROM FINANCE ACTIVITIES			
Cash inflows/outflows arising from other receivables from related parties/other payables to related parties		-	988,093,926
Cash inflows from financial borrowings	7	856,373,080	1,350,793,802
Interest paid	22	(73,858,141)	(134,604,056)
Paid dividends		(64,148,348)	-
Cash outflows related to debt payments		(96,614,609)	(1,021,970,951)
Cash flows from financing activities		621,751,982	1,182,312,721
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(398,164,153)	1,000,262,695
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(312,016,334)	(20,449,156)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,015,091,980	35,278,441
Balance at the end of the period	3	304,911,493	1,015,091,980

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