

**KUZEY BORU ANONİM ŞİRKETİ
FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD OF
1 JANUARY-31 MARCH 2025**

KUZEY BORU A.Ş.

Statement of Financial Position for the Period Ended at 31 March 2025

(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL") as of March 31, 2025, unless otherwise stated.)

	Notes	Current Period 31 March 2025	Prior Period 31 December 2024
Current Assets			
Cash and Cash Equivalents	3	52,792,900	335,594,025
Financial Assets	4	-	53,895,873
Trade Receivables	6	1,907,480,845	1,144,680,292
Other Receivables	7	2,697,063	1,494,841
Inventories	9	1,002,025,115	1,079,991,278
Prepaid Expenses	8	473,759,257	355,040,022
Assets Related to Current Period Tax	15	1,782,274	-
Other Current Assets	14	15,267,256	5,668,173
Total Current Assets		3,455,804,710	2,976,364,504
Other Receivables	7	-	10,290
Property, Plant and Equipment	10	2,864,040,989	2,866,857,164
Intangible Assets	11	3,899,793	3,941,121
Deferred Tax Assets	15	96,720,343	114,909,472
Total Non-Current Assets		2,964,661,125	2,985,718,047
TOTAL ASSETS		6,420,465,835	5,962,082,551

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Statement of Financial Position for the Period Ended at 31 March 2025

(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL") as of March 31, 2025, unless otherwise stated.)

	Notes	Current Period 31 March 2025	Prior Period 31 December 2024
Current Liabilities			
Short Term Portion of Long Term Borrowings	5	178,814,773	139,902,063
Short Term Leasing Liabilities	5	200,551,896	214,766,144
Other Financial Borrowings	5	1,883,885	3,051,631
Trade payables	6	1,280,797,378	1,054,140,013
Employee Benefit Obligations	12	23,226,721	14,910,026
Other Payables	7	1,487,152	1,376,733
Deferred Revenues	8	286,055,461	148,733,987
Current Income Tax Liability	15	3,880,195	-
Short-Term Provision		11,051,365	11,861,828
<i>Short Term Provision for the Employee Benefits</i>	12	5,901,361	4,621,173
<i>Other Short Term Provisions</i>	13	5,150,004	7,240,655
Other Current Liabilities	14	6,553,128	6,018,398
Total Current Liabilities		1,994,301,954	1,594,760,823
Long Term Borrowings	5	99,451,605	2,744,950
Long Term Financial Leasing Liabilities	5	532,306,297	612,151,055
Trade Payables	6	232,466,200	421,277,621
Long-Term Provision		4,838,666	4,101,710
<i>Long Term Provision for the Employee Benefits</i>	12	4,838,666	4,101,710
Total Non-Current Liabilities		869,062,768	1,040,275,336
Equity		3,557,101,113	3,327,046,392
Equity Attributable to the Parent	16	3,557,101,113	3,327,046,392
Paid-in Share Capital		100,000,000	100,000,000
Adjustment to Share Capital		367,621,446	367,621,446
Share Premium / (Discounts)		1,055,742,058	1,055,742,058
Other Comprehensive Income/ (Loss) Not To Be Reclassified to Profit or Loss		396,089,579	371,542,599
<i>Fixed Assets Revaluation and Remeasurement Gain (Loss)</i>		348,059,641	348,059,641
<i>Income/(Loss) on Remeasurements of Defined Benefit Plans</i>		48,029,938	23,482,958
Restricted Reserves Allocated From Net Profit		20,455,163	20,455,163
Retained Earnings		1,411,685,126	698,012,213
Net Profit or Loss		205,507,741	713,672,913
TOTAL LIABILITIES AND EQUITY		6,420,465,835	5,962,082,551

KUZEY BORU A.Ş.

Statement of Comprehensive Income at 1 January-31 March 2025

(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL") as of March 31, 2025, unless otherwise stated.)

	Notes	Current Period 01 January 2025	Prior Period 01 January 2024
		31 March 2025	31 March 2024
Revenue	17	1,104,880,547	1,336,697,524
Cost of Sales (-)	17	(806,562,799)	(999,742,772)
GROSS PROFIT / (LOSS)		298,317,748	336,954,752
General Administrative Expenses (-)	18	(39,234,519)	(27,885,431)
Marketing Expenses (-)	18	(58,269,853)	(112,486,463)
Research and Development Expenses (-)	18	(6,584,896)	-
Other Income from Operating Activities	19	58,100,935	21,511,278
Other Expense from Operating Activities (-)	20	(9,890,625)	(14,769,355)
OPERATING PROFIT / (LOSS)		242,438,790	203,324,781
Gains from Investment Activities	21	6,676,126	781,691
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		249,114,916	204,106,472
Financial Income	22	169,334,757	101,318,995
Financial Expense (-)	22	(197,137,490)	(60,624,693)
Monetary Gain/ (Loss)	23	1,608,753	(55,015,950)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		222,920,936	189,784,824
Tax Income / (Expense) from Continued Operations		(17,413,195)	33,141,756
Current Income Tax Expense	15	(3,880,195)	(4,379,209)
Deferred Tax Income / Expense	15	(13,533,000)	37,520,965
PROFIT / (LOSS) FOR THE PERIOD		205,507,741	222,926,580
Attributable to:		205,507,741	222,926,580
Equity Holders of the Parent		205,507,741	222,926,580
Earnings per Share	24	2.06	2.23
Items Not To Be Reclassified To Profit or Loss		24,546,980	4,911,343
Remeasurement Gain (Loss) from Defined Benefit Plans		32,729,307	6,548,457
Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss		(8,182,327)	(1,637,114)
OTHER COMPREHENSIVE INCOME		24,546,980	4,911,343
TOTAL COMPREHENSIVE INCOME		230,054,721	227,837,923

KUZEY BORU A.Ş.

Statement of Changes in Shareholders' Equity for the Period 1 January – 31 March 2025
 (Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL")
 as of March 31, 2025, unless otherwise stated.)

	Paid-in capital	Reacquired stocks (-)	Share premium/discount	Other accumulated comprehensive income and expense not to be reclassified to profit or loss		Retained earnings/(losses)				Equity holders of the parent
				Gain/(loss) on revaluation and reclassification	Actuarial gain/(loss) arising from defined benefit plans	Restricted reserves	Accumulated profit/(loss)	Net income		
1 January 2024	80,000,000	325,356,929	1,055,742,058	348,059,641	(1,495,298)	39,626,728	541,058,959	240,166,592	2,628,515,609	
Transfers	20,000,000	40,546,913	-	-	-	(19,291,670)	229,394,415	(240,166,592)	30,483,066	
Total Comprehensive Income	-	-	-	-	4,911,343	-	-	-	-	4,911,343
Net Profit/ (Loss) for the Period	-	-	-	-	-	-	-	-	222,926,580	222,926,580
31 March 2024	100,000,000	365,903,842	1,055,742,058	348,059,641	3,416,045	20,335,058	770,453,374	222,926,580	2,886,836,598	
1 January 2025	100,000,000	367,621,446	1,055,742,058	348,059,641	23,482,958	20,455,163	698,012,213	713,672,913	3,327,046,392	
Transfers	-	-	-	-	-	-	713,672,913	(713,672,913)	-	-
Total Comprehensive Income	-	-	-	-	24,546,980	-	-	-	-	24,546,980
Net Profit/ (Loss) for the Period	-	-	-	-	-	-	-	-	205,507,741	205,507,741
31 March 2025	100,000,000	367,621,446	1,055,742,058	348,059,641	48,029,938	20,455,163	1,411,685,126	205,507,741	3,557,101,113	

KUZEY BORU A.Ş.

Comprehensive Cash Flow Statement for 01 January – 31 March 2025 Accounting Period
 (Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL")
 as of March 31, 2025, unless otherwise stated.)

	Notes	Current Period	Prior Period
		01 January 2025 31 March 2025	01 January 2024 31 March 2024
A) CASH FLOWS FROM OPERATING ACTIVITIES		(423,036,950)	(775,188,784)
Profit/(Loss) for the Year		205,507,741	222,926,580
Adjustments to Reconcile Profit/(Loss) for the Year		42,802,593	(421,285,377)
Adjustments Related to Depreciation and Amortization Expenses	10,11	40,814,698	20,901,299
Adjustments Related to Provisions		24,918,638	8,564,685
Adjustments Related to Provisions (Cancellation) for Employee Benefits	12	26,347,294	8,564,685
Adjustments Related to Lawsuit Provisions (Cancellation)	13	(1,428,656)	-
Adjustments Related to Interest Income	22	(17,736,476)	(100,552,742)
Adjustments Related to Tax Expense/Income	15	17,413,195	(33,141,756)
Adjustments Related to Gain/Loss on Disposal of Current Assets	20	(457,538)	(781,691)
Monetary Loss/(Gain)	24	(22,149,924)	(316,275,172)
Changes in Working Capital		(667,228,087)	(575,415,870)
Decrease / (Increase) in Financial Investments	4	48,968,307	(209,633,059)
Decrease / (Increase) in Trade Receivables from Third Parties	6	(867,455,841)	(675,532,717)
Decrease / (Increase) in Other Related Third Party Receivables Related to Operations	7	(1,329,542)	(10,673,205)
Adjustments for Decrease / (Increase) in Inventories	9	(20,774,769)	(500,522,907)
Decrease / (Increase) in Prepaid Expenses	8	(151,179,666)	(79,656,487)
Increase / (Decrease) in Trade Payables to Third Parties	6	172,739,730	687,739,827
Increase / (Decrease) in Employee Benefits Obligations	12	9,679,882	8,139,851
Decrease / (Increase) in Other Third Party Payables Related to Operations	7	236,290	501,600
Increase / (Decrease) in Deferred Income	8	150,919,855	209,225,802
Decrease / (Increase) in Other Assets Related to Operations	14	(10,117,310)	(7,121,245)
Increase / (Decrease) in Other Liabilities Related to Operations	14	1,084,977	2,116,670
Cash Flows from Operations Activities		(418,917,753)	(773,774,667)
Other Provision Payments	12	(2,336,923)	(1,414,117)
Income Tax Returns/Income Taxes Paid	15	(1,782,274)	-
B) CASH FLOWS FROM INVESTING ACTIVITIES		(19,763,181)	(47,827,783)
Cash Inflows From the Sale of Property, Plant and Equipment	10	682,621	1,029,732
Cash Outflows From Tangible Fixed Asset Purchase	10	(38,015,781)	(149,410,257)
Cash Outflows From Intangible Asset Purchase	11	(166,497)	-
Interest Received	22	17,736,476	100,552,742
C) CASH FLOWS FROM FINANCING ACTIVITIES		129,316,474	89,089,697
Proceeds from Borrowings	5	198,258,765	129,958,871
Cash Outflows Related to Debt Repayments	5		1,455,591
Cash Used for Repayment of Other Borrowings	5	(888,743)	-
Interest Paid	22	(68,053,548)	(42,324,765)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		(313,483,657)	(733,926,870)
Effects of Inflation		30,682,532	308,254,003
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(282,801,125)	(425,672,867)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		335,594,025	1,117,238,316
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		52,792,900	691,565,449