

KUZEY BORU ANONİM ŐİRKETİ

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 30 September 2024

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

ASSETS	Notes	30 September 2024	31 December 2023
Cash and cash equivalents	3	441,553,993	955,200,967
Trade receivables			
- <i>Receivables from third parties</i>	5	1,302,912,621	609,250,742
Other receivables			
- <i>Receivables from third parties</i>	7	939,013	173,939
Inventories	8	589,622,122	530,092,243
Prepaid expenses	9	270,685,067	49,051,911
Other current assets	14	779,375	215,441
Total current assets		2,606,492,191	2,143,985,243
Other receivables			
- <i>Receivables from third parties</i>	7	8,797	8,797
Tangible assets	10	1,886,242,713	1,339,431,067
Intangible assets	11	859,206	959,753
Prepaid expenses	9	-	114,068
Total non-current assets		1,887,110,716	1,340,513,685
TOTAL ASSETS		4,493,602,907	3,484,498,928

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Financial Position

As of 30 September 2024

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

LIABILITIES	Notes	30 September 2024	31 December 2023
Current borrowings	6	62,510,564	51,425,969
Current portions of non-current borrowings	6	164,310,962	466,733,550
Current leasing borrowings	6	82,809,272	24,323,650
Other financial liabilities	6	2,285,674	1,021,527
Trade payables			
- Payables to third parties	5	598,387,106	183,978,717
Other payables			
- Payables to third parties	7	1,594,762	755,488
Payables for employee benefits	13	11,706,769	10,002,969
Deferred income	9	76,787,820	306,249,574
Current provisions			
- Current provisions for employee benefits	13	4,954,857	3,623,052
- Other current provisions	13	3,388,177	4,795,029
Other Current liabilities	14	10,211,500	10,259,855
Total current liabilities		1,018,947,463	1,063,169,380
Non-current borrowings	6	4,045,385	46,352,296
Non-current leasing borrowings	6	340,071,281	52,694,154
Trade payables			
- Payables to third parties	5	447,150,780	-
Non-current provisions			
- Non-Current provisions for employee benefits	13	3,212,664	2,685,098
Deferred tax liability	23	2,516,570	46,244,083
Total non-current liabilities		796,996,680	147,975,631
Paid-in capital	15	100,000,000	80,000,000
Positive distinction from share capital adjustment	15	295,028,852	292,628,451
Premiums (discounts) related to shares	15	902,623,746	902,623,746
Other refills	15	-	27,172,068
Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit and Loss			
- Fixed assets revaluation increases/decreases	15	297,579,220	297,579,220
- Remeasurement gains/losses of defined benefit plans	15	(3,317,364)	(1,278,430)
Restricted reserves separated from profit	15	17,983,290	6,707,444
Previous years' profits		661,417,239	370,084,456
Net profit for the period		406,343,781	297,836,962
EQUITY		2,677,658,764	2,273,353,917
TOTAL LIABILITIES		4,493,602,907	3,484,498,928

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 30 September 2024

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

	Notes	1 January – 30 September 2024	1 January – 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Revenues	16	3,300,967,955	1,839,436,025	1,105,233,430	751,193,104
Cost of sales (-)	16	(2,463,977,264)	(1,414,007,569)	(831,806,759)	(585,932,647)
Gross profit		836,990,691	425,428,456	273,426,671	165,260,457
General and administrative expenses (-)	17	(71,797,367)	(54,368,129)	(20,041,103)	(4,364,819)
Marketing, sales, and distribution expenses (-)	18	(220,546,172)	(100,243,810)	(63,367,593)	(40,741,905)
Research and development expenses (-)	19	(3,653,793)	-	(3,585,174)	-
Other income from main operations	20	31,519,770	14,419,313	5,223,071	4,428,693
Other operating expenses (-)	20	(79,477,583)	(23,315,707)	(50,588,179)	(2,913,191)
Operating profit		493,035,546	261,920,123	141,067,693	121,669,235
Expenses from investment activities (-)	21	1,334,986	2,298,207	666,667	1,526,252
Operating profit before financing expense		494,370,532	264,218,330	141,734,360	123,195,487
Financing revenues	22	190,354,288	2,648,996	56,758,710	770,984
Financial expenses (-)	22	(107,317,950)	(101,849,207)	(35,438,764)	(23,284,437)
Net monetary (loss) / gain		(156,575,655)	99,244,181	(36,321,987)	(20,956,626)
Profit before tax		420,831,215	264,262,300	126,732,319	79,725,408
Period tax expense	23	(11,636,488)	(7,337,299)	(4,332,351)	1,842,754
Deferred tax (expense)	23	(2,850,946)	(70,137,999)	(96,123,810)	(53,635,967)
Period profit		406,343,781	186,787,002	26,276,158	27,932,195
OTHER COMPREHENSIVE INCOME		(2,038,934)	(286,353)	(5,115,984)	(1,268,713)
Items that will not be reclassified subsequently to profit or loss:					
Gains on remeasurement of defined benefit plans	13	(2,647,966)	(357,941)	(6,644,135)	(1,585,891)
Deferred tax revenue		609,032	71,588	1,528,151	317,178
TOTAL COMPREHENSIVE INCOME		404,304,847	186,500,649	21,160,174	26,663,482

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 September 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	270,647,528	-	-	1,406,213	58,994,073	(828,740)	122,482,328	274,441,714	787,143,116
Transfers	20,000,000	22,219,429	-	-	8,190,416	-	-	224,031,869	(274,441,714)	-
Other comprehensive income/expense	-	-	-	-	-	-	(286,353)	-	-	(286,353)
Net profit for the period	-	-	-	-	-	-	-	-	186,787,002	186,787,002
30 September 2023	80,000,000	292,866,957	-	-	9,596,629	58,994,073	(1,115,093)	346,514,197	186,787,002	973,643,765
1 January 2024	80,000,000	292,628,451	902,623,746	27,172,068	6,707,444	297,579,220	(1,278,430)	370,084,456	297,836,962	2,273,353,917
Transfers	20,000,000	2,400,401	-	(27,172,068)	11,275,846	-	-	291,332,783	(297,836,962)	-
Other comprehensive income/expense	-	-	-	-	-	-	(2,038,934)	-	-	(2,038,934)
Net profit for the period	-	-	-	-	-	-	-	-	406,343,781	406,343,781
30 September 2024	100,000,000	295,028,852	902,623,746	-	17,983,290	297,579,220	(3,317,364)	661,417,239	406,343,781	2,677,658,764

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

KUZEY BORU ANONİM ŞİRKETİ

Statement of Cash Flow

For The Year Ended 30 September 2024

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

	Notes	1 January – 30 September 2024	1 January – 30 September 2023
A, CASH FLOWS FROM BUSINESS ACTIVITIES			
Profit for the Period			
Adjustments to Reconcile Profit for the Period		406,343,781	186,787,002
Adjustments for depreciation and amortization	10,11	59,341,421	46,014,629
Corrections regarding lawsuit provisions	13	(141,204)	2,422,653
Fixes regarding leave provisions	13	2,288,110	2,643,556
Adjustments for unrealized foreign currency translation differences		41,197,941	22,254,066
Adjustments regarding interest income	21	(187,711,695)	(1,886,519)
Adjustments regarding severance pay expense	13	2,235,471	4,641,990
Adjustments for impairment of trade and other receivables		-	103,386
Net monetary loss/gain		(232,767,599)	(185,043,898)
Adjustments regarding tax expense/income	23	(43,118,481)	82,668,031
Operating Profit Before Changes in Working Capital		47,667,745	160,604,896
Adjustments regarding increase/decrease in trade receivables		(693,661,879)	(127,059,708)
Adjustments related to increase/decrease in stocks		(59,529,879)	(144,900,026)
Adjustments for increases/decreases in other receivables related to activities		(765,074)	(1,536,426)
Adjustments for increases/decreases in prepaid expenses		(221,519,088)	(52,762,474)
Adjustments for increases/decreases in other assets		(563,934)	257,615
Adjustments regarding increase/decrease in commercial payables		861,559,169	147,624,049
Adjustments for increases/decreases in other payables related to operations		839,274	2,125,728
Adjustments related to increase/decrease in deferred revenues		(229,461,754)	(57,829,442)
Adjustments for increases/decreases in other liabilities		(48,355)	(24,712,896)
Adjustments regarding increases/decreases in employee benefits		1,703,800	7,296,869
Interest received	22	188,298,345	2,063,914
Severance pay paid	13	(3,647,139)	(1,615,334)
Cash Flows from Operations		(109,128,769)	(90,443,235)
B, CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows from the sale of tangible and intangible assets	10,11	(606,308,931)	(179,707,421)
Cash inflows from the sale of tangible and intangible assets	10,11	256,411	61,638
Cash Flows from Investment Activities		(606,052,520)	(179,645,783)
C, CASH FLOWS FROM FINANCE ACTIVITIES			
Cash inflows/outflows arising from other receivables from related parties/other payables to related parties			
Cash inflows from financial borrowings	6	758,466,232	756,860,531
Change in financial assets		-	(5,719,001)
Interest paid	22	(51,812,194)	(65,270,055)
Cash outflows related to debt payments		(505,119,723)	(425,734,334)
Cash flows from financing activities		201,534,315	260,137,141
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(513,646,974)	(9,951,877)
D, CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		955,200,967	33,196,993
Balance at the end of the period		441,553,993	23,245,116

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