

KUZEY BORU ANONİM ŞİRKETİ
FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD OF
1 JANUARY-30 JUNE 2025

KUZEY BORU A.Ş.

Statement of Financial Position for the Period Ended at 30 June 2025

(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL") as of June 30, 2025, unless otherwise stated.)

		Limited Audited Current Period 30 June 2025	Independent Audited Prior Period 31 December 2024
Current Assets	Notes		
Cash and Cash Equivalents	3	145,466,065	355,752,223
Financial Assets	4	-	57,133,248
Trade Receivables		2,174,375,823	1,213,438,045
<i>Receivables from Third Parties</i>	6	2,174,375,823	1,213,438,045
Other Receivables		3,853,961	1,584,631
<i>Receivables from Third Parties</i>	7	3,853,961	1,584,631
Inventories	9	1,717,849,110	1,144,863,346
Prepaid Expenses	8	437,136,476	376,366,288
Assets Related to Current Period Tax	15	3,864,369	-
Other Current Assets	14	99,166,210	6,008,644
Total Currents Assets		4,581,712,014	3,155,146,425
Other Receivables		-	10,908
<i>Receivables from Third Parties</i>	7	-	10,908
Property, Plant and Equipment	10	3,042,227,469	3,039,061,290
Intangible Assets	11	4,604,718	4,177,853
<i>Other Intangible Assets</i>	15	125,472,511	121,811,764
Deferred Tax Assets		3,172,304,698	3,165,061,815
Total Non-Current Assets		7,754,016,712	6,320,208,240

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Statement of Financial Position for the Period Ended at 30 June 2025

(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL") as of June 30, 2025, unless otherwise stated.)

		Limited Audited Current Period	Independent Audited Prior Period
	Notes	30 June 2025	31 December 2024
Current Liabilities			
Short Term Borrowings	5	71,837,604	-
Short Term Portion of Long Term Borrowings	5	541,852,283	148,305,590
Short Term Leasing Liabilities	5	224,284,820	227,666,549
Other Financial Borrowings	5	547,470	3,234,934
Trade payables		1,529,005,822	1,117,459,268
<i>Payables to Third Parties</i>	6	1,529,005,822	1,117,459,268
Employee Benefit Obligations	12	23,322,771	15,805,630
Other Payables		22,205,554	1,459,430
<i>Payables to Third Parties</i>	7	22,205,554	1,459,430
Deferred Revenues	8	231,664,933	157,668,023
Current Income Tax Liability	15	4,664,191	-
Short-Term Provision		9,696,134	12,574,335
<i>Short Term Provision for the Employee Benefits</i>	12	4,453,062	4,898,754
<i>Other Short Term Provisions</i>	13	5,243,072	7,675,581
Other Current Liabilities	14	42,891,862	6,379,907
Total Current Liabilities		2,701,973,444	1,690,553,666
Long Term Borrowings	5	265,971,965	2,909,831
Long Term Financial Leasing Liabilities	5	533,715,147	648,921,264
Trade Payables		162,828,399	446,582,595
<i>Payables to Third Parties</i>	6	162,828,399	446,582,595
Long-Term Provision		7,170,567	4,348,089
<i>Long Term Provision for the Employee Benefits</i>	12	7,170,567	4,348,089
Total Non-Current Liabilities		969,686,078	1,102,761,779
Equity		4,082,357,190	3,526,892,795
Equity Attributable to the Parent	16	4,082,357,190	3,526,892,795
Paid-in Share Capital		600,000,000	100,000,000
Adjustment to Share Capital		192,185,429	395,710,157
Share Premium / (Discounts)		819,157,543	1,119,157,543
Other Comprehensive Income/ (Loss) Not To Be Reclassified to Profit or Loss		392,476,084	393,860,129
<i>Fixed Assets Revaluation and Remeasurement Gain (Loss)</i>		368,966,615	368,966,615
<i>Income/(Loss) on Remeasurements of Defined Benefit Plans</i>		23,509,469	24,893,514
Restricted Reserves Allocated From Net Profit		512,166,186	21,683,848
Retained Earnings		1,005,998,780	739,939,863
Net Profit or Loss		560,373,168	756,541,255
TOTAL LIABILITIES AND EQUITY		7,754,016,712	6,320,208,240

KUZEY BORU A.Ş.

Statement of Comprehensive Income at 1 January-30 June 2025

(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL") as of June 30, 2025, unless otherwise stated.)

		Limited Audited Current Period 01 January 2025 30 June 2025	Limited Audited Prior Period 01 January 2024 30 June 2024
	Notes		
Revenue	17	2,430,606,238	2,722,477,518
Cost of Sales (-)	17	(1,860,391,073)	(2,023,718,011)
GROSS PROFIT / (LOSS)		570,215,165	698,759,507
General Administrative Expenses (-)	18	(72,341,444)	(77,535,753)
Marketing Expenses (-)	18	(109,768,032)	(195,628,857)
Research and Development Expenses (-)	18	(14,766,754)	(85,081)
Other Income from Operating Activities	19	225,434,325	32,605,113
Other Expense from Operating Activities (-)	20	(149,960,828)	(36,495,035)
OPERATING PROFIT / (LOSS)		448,812,432	421,619,894
Gains from Investment Activities	21	7,906,798	828,645
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		456,719,230	422,448,539
Financial Income	22	186,137,483	165,644,322
Financial Expense (-)	22	(368,568,264)	(170,151,748)
Monetary Gain/ (Loss)	23	284,164,529	(53,289,730)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		558,452,978	364,651,383
Tax Income / (Expense) from Continued Operations		1,920,190	106,592,088
Current Income Tax Expense	15	(4,664,191)	(9,056,353)
Deferred Tax Income / Expense	15	6,584,381	115,648,441
PROFIT / (LOSS) FOR THE PERIOD		560,373,168	471,243,471
Items Not To Be Reclassified To Profit or Loss		(1,384,045)	3,815,215
Remeasurement Gain (Loss) from Defined Benefit Plans		(1,845,393)	5,086,953
Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss		461,348	(1,271,738)
OTHER COMPREHENSIVE INCOME		(1,384,045)	3,815,215
TOTAL COMPREHENSIVE INCOME		558,989,123	475,058,686

KUZEY BORU A.Ş.

Statement of Changes in Shareholders' Equity for the Period 1 January – 30 June 2025
(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL")
as of June 30, 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		Actuarial gain/(loss) arising from defined benefit plans	Retained earnings/(losses)		Total equity
				Gain/(loss) on revaluation and reclassification	Other gains/(losses)		Restricted reserves	Accumulated profit/(loss)	
01 January 2024	80,000,000	389,029,424	1,119,157,543	368,966,615	(1,585,117)	42,006,996	451,855,671	369,286,187	2,818,717,320
Transfers	20,000,000	4,859,968	-	-	-	(15,980,665)	360,406,884	(369,286,187)	-
Total Comprehensive Income	-	-	-	-	3,815,215	-	-	-	3,815,215
Net Profit/ (Loss) for the Period	-	-	-	-	-	-	-	471,243,471	471,243,471
30 June 2024	100,000,000	393,889,392	1,119,157,543	368,966,615	2,230,098	26,026,331	812,262,555	471,243,471	3,293,776,006
01 January 2025	100,000,000	395,710,157	1,119,157,543	368,966,615	24,893,514	21,683,848	739,939,863	756,541,255	3,526,892,795
Transfers	-	-	-	-	-	490,482,338	266,058,917	(756,541,255)	-
Total Comprehensive Income	-	-	-	-	(1,384,045)	-	-	-	(1,384,045)
Capital Increase	500,000,000	(203,524,728)	(300,000,000)	-	-	-	-	-	(3,524,728)
Net Profit/ (Loss) for the Period	-	-	-	-	-	-	-	560,373,168	560,373,168
30 June 2025	600,000,000	192,185,429	819,157,543	368,966,615	23,509,469	512,166,186	1,005,998,780	560,373,168	4,082,357,190

KUZEY BORU A.Ş.

Comprehensive Cash Flow Statement for 01 January – 30 June 2025 Accounting Period
(Amounts are expressed in TRY based on the purchasing power of the Turkish lira ("TL")
as of June 30, 2025, unless otherwise stated.)

		Limited Audited Current Period 01 January 2025 30 June 2025	Limited Audited Prior Period 01 January 2024 30 June 2024
	Notes		
A) CASH FLOWS FROM OPERATING ACTIVITIES		(843,517,865)	(627,091,227)
Profit/(Loss) for the Year		560,373,168	471,243,471
Adjustments to Reconcile Profit/(Loss) for the Year		130,967,125	(876,235,889)
Adjustments Related to Depreciation and Amortization Expenses	10-11	82,538,044	44,149,531
Adjustments Related to Provision for/Reversal of Impairment Loss		13,946,953	-
Adjustments Related to Provision for/Reversal of Impairment Loss	6	13,946,953	-
Adjustments Related to Provisions		27,627,672	7,095,337
Adjustments Related to Provisions (Cancellation) for Employee Benefits	12	31,300,183	9,738,234
Adjustments Related to Lawsuit Provisions (Cancellation)	13	(1,335,588)	(313,580)
Adjustments Related to Reconstruction Provisions (Cancellation)	12	(2,336,923)	(2,329,317)
Adjustments Related to Interest Income	22	(23,549,495)	(164,784,442)
Adjustments Related to Interest Expenses	22	110,889,498	48,194,540
Adjustments Related to Tax Expense/Income	15	(1,920,190)	(106,592,088)
Adjustments Related to Gain/Loss on Disposal of Current Assets	21	(1,344,761)	(828,645)
Monetary Loss/(Gain)	24	(77,220,596)	(703,470,122)
Changes in Working Capital		(1,530,993,789)	(222,098,809)
Decrease / (Increase) in Financial Investments	4	48,968,307	-
Decrease / (Increase) in Trade Receivables from Third Parties	6	(1,148,297,776)	(242,766,900)
Decrease / (Increase) in Other Related Third Party Receivables Related to Operations	7	(2,486,441)	(519,028)
Adjustments for Decrease / (Increase) in Inventories	9	(736,598,764)	(59,327,580)
Decrease / (Increase) in Prepaid Expenses	8	(114,556,885)	(99,276,599)
Increase / (Decrease) in Trade Payables to Third Parties	6	351,310,372	381,203,980
Increase / (Decrease) in Employee Benefits Obligations	13	9,775,932	1,520,994
Decrease / (Increase) in Other Third Party Payables Related to Operations	7	20,954,692	142,642
Increase / (Decrease) in Deferred Income	8	96,529,327	(196,893,378)
Decrease / (Increase) in Other Assets Related to Operations	14	(94,016,264)	(4,903,044)
Increase / (Decrease) in Other Liabilities Related to Operations	14	37,423,711	(1,279,896)
Cash Flows from Operations Activities		(839,653,496)	(627,091,227)
Income Tax Returns/Income Taxes Paid	15	(3,864,369)	-
B) CASH FLOWS FROM INVESTING ACTIVITIES		(61,236,832)	(49,092,302)
Cash Inflows From the Sale of Property, Plant and Equipment	10	1,804,179	1,091,585
Cash Outflows From Tangible Fixed Asset Purchase	10	(85,742,295)	(214,968,329)
Cash Outflows From Intangible Asset Purchase	11	(848,211)	-
Interest Received	22	23,549,495	164,784,442
C) CASH FLOWS FROM FINANCING ACTIVITIES		643,627,809	(324,962,345)
Proceeds from Borrowings	5	756,742,465	(276,767,805)
Cash Used for Repayment of Other Borrowings	5	(2,225,158)	-
Interest Paid	22	(110,889,498)	(48,194,540)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		(261,126,888)	(1,001,145,874)
Effects of Inflation		50,840,730	307,369,194
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(210,286,158)	(693,776,680)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		355,752,223	1,184,347,711
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		145,466,065	490,571,031