



---

**BORUSAN BİRLEŞİK BORU FABRİKALARI SANAYİ ve TİCARET A.Ş.**

**1 January – 31 March 2025**

**Interim Report**

---

## TABLE OF CONTENTS

<b>I. INTRODUCTION.....</b>	<b>1</b>
1. Board of Directors and Board Committees.....	1-2
2. Senior Management.....	2
3. Payments Made to the Senior Management .....	3
4. Employees .....	3
5. Shareholders.....	3-4
6. Capital Increases Realized During the Period.....	4
7. Amendments Made to Articles of Association During the Period .....	4
8. Securities Issued During the Period .....	4
<b>II. EVALUATION REGARDING OPERATIONS .....</b>	<b>4</b>
1. Economic Outlook and Sectoral Assessment.....	4-7
2. Borusan Boru and Its Subsidiaries .....	8-9
3. 9M 2024 Management Evaluation.....	9-10
4. Other Material Disclosures .....	10-11
5. Subsequent Events .....	11
6. Investments.....	11
7. Research and Development.....	11
8. Capital Market Instruments .....	11
9. Donation and Aids.....	11
10. Share Price and Market Capitalization .....	11
<b>III. INFORMATION REGARDING FINANCIAL STRUCTURE.....</b>	<b>12</b>
1. Comparative Ratios with Previous Years .....	12
2. Forward Looking Expectations .....	13
3. Capital Adequacy .....	13
4. Measure Taken to Improve Financial Structure of The Company .....	13
<b>IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT .....</b>	<b>13-14</b>
<b>V. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT .....</b>	<b>14</b>
<b>VI. OTHER INFORMATION .....</b>	<b>14</b>

## I. INTRODUCTION

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (the "Company") and its Subsidiaries (hereinafter collectively referred to as the "Group") are engaged in the production and sale of longitudinally and spiral welded steel pipes. The Company is registered in Türkiye and its shares have been traded on the Istanbul Stock Exchange since 1994.

**Title of the Company** : Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.  
**Reporting Period** : 01.01.2025 – 31.03.2025  
**Trade Registry Number** : 69531  
**Head Office Address** : Meclisi Mebusan Caddesi No: 35-37, 34427 Fındıklı - İstanbul

As of March 31, 2025, the consolidated subsidiaries of the Company, the controlling interest of the Company in these subsidiaries and their scope of activities are as follows:

Business Activity	Subsidiary	Country	Ratio
Holding	Borusan Pipe Holding BV "(BP Holding BV)"	Holland	100.0%
Steel Pipe	Borusan Pipe US Inc "(BP US)"	USA	100.0%
Steel Pipe	Borusan Vobarno Tubi SPA "(Vobarno)"	Italy	100.0%
Steel Pipe	Borusan Tube International GmbH "(Borusan Tube Germany)"	Germany	100.0%
Holding	Borusan Pipe Cooperative U.A. "(BP Coop)"	Holland	99.0%
Steel Pipe	Borusan Pipe Espana SA "(BP Espana)"	Spain	99.0%
Steel Pipe	Borusan Tube Products S.A. "(Borusan Tube Romania)"	Romania	100.0%
Holding	Borusan Berg Pipe Holding Corp. "(Berg Pipe)"	USA	100.0%
Steel Pipe	Berg Pipe Mobile Corp.	USA	100.0%
Steel Pipe	Berg Pipe Panama City Corp.	USA	100.0%

### 1. Board Members and Board Committees

As of March 31, 2025, the members of Board of Directors and their respective duties are listed below.

Name - Surname	Title	Dependent/ Independent	Executive/ Non-Executive
Ahmet Kocabıyık	Chairman		Non-Executive
Semih Abidin Özmen	Vice Chairman		Non-Executive
Erkan Muharrem Kafadar	Managing Director		Executive
Defne Kocabıyık Narter	Board Member		Non-Executive
İbrahim Romano	Board Member	Independent	Non-Executive
Bülent Bozdoğan	Board Member	Independent	Non-Executive
Tayfun Bayazıt	Board Member	Independent	Non-Executive

The chairman of the board of directors and the general manager are different people. During the reporting period, there was no situation that abolished the independence of the independent members of the board of directors.

There is no prohibition imposed by the Company on members of the board of directors, and no action has been taken in this context.

As of March 31, 2025, the Board Committees and their members are as follows.

### Audit Committee

Name - Surname	Title	Essence of the Board Membership
Bülent Bozdoğan	Audit Committee Chairman	Independent BoD Member
İbrahim Romano	Audit Committee Member	Independent BoD Member

### Corporate Governance Committee

Name - Surname	Title	Essence of the Board Membership
İbrahim Romano	Corporate Governance Committee Chairman	Independent BoD Member
Tayfun Bayazıt	Corporate Governance Committee Member	Independent BoD Member
Erkan Muharrem Kafadar	Corporate Governance Committee Member	Managing Director
Selman Çataltaş*	Corporate Governance Committee Member	Not a BoD Member

### Early Detection of the Risk Committee

Name - Surname	Title	Essence of the Board Membership
Tayfun Bayazıt	Early Detection of the Risk Committee Chairman	Independent BoD Member
Semih Abidin Özmen	Early Detection of the Risk Committee Member	Vice Chairman

## 2. Senior Management

As of March 31, 2025, the Group's senior management in charge of execution consists of the individuals listed in the table below, along with their duties and titles.

Name - Surname	Duty	Profession	Work Experience in the Company (years)	Professional Experience (years)
Zafer Atabey	Chief Executive Officer- CEO	Business and Administration	34	34
Uğur Onbaşı	Executive Committee Member - USA Large Diameter Pipe Segment	Business and Administration	26	29
Ali Okay	Executive Committee Member - Automotive Segment	Industrial Engineer	25	25
Oğuzhan Kuşcuoğlu	Executive Committee Member - Construction and General Industry Segment	Economist	21	24
Anıl Karaca	Executive Committee Member - Financial Affairs and Foreign Trade	Business and Administration	4	24
Nihan Alhan	Executive Committee Member - Human and Sustainability	Business and Administration	4	22
Serdar Birlikçi	Executive Committee Member - Digital Technologies and New Product	Electronic Engineer	4	30
Josh Croix	Executive Committee Member - USA OCTG Segment	Engineer	12	28

Dimitris Dimopoulos	Executive Committee Member - Chief Technical and Quality Officer for US Operations	Engineer	14	30
Joel Johnson	Advisor to the Chairman of the Executive Committee	Engineer	11	35

### 3. Payments Made to the Senior Management

Senior management is composed of the Company's board members and executive committee members. Senior managers are paid fees such as performance-based bonuses, incentives. These fees are determined taking into account current potential risks, capital and liquidity condition as well as possibility and timing of the realization of revenues planned to be generated in the future and in a manner not to impair the shareholders' equity. While senior managers can be paid performance-based incentives, it is ensured with care that such payments have a positive impact on the Company's corporate values. The total amount of salaries and side benefits paid to the senior management for the period ending on March 31, 2025 is \$25,939 ths.

### 4. Employees

As of March 31, 2025, the Group has a total of 2,374 employees.

Number of Employees	31 March 2025	31 March 2025
Blue Collar	1,847	1,895
White Collar	527	526
<b>Total</b>	<b>2,374</b>	<b>2,421</b>

### 5. Shareholders

On September 6, 2024; the Board of Directors of Borusan Pipe has resolved to initiate the procedures for the merger of the company with BMB Holding A.Ş., the owner of shares representing 73.48% of its capital, through the "transfer" of all assets and liabilities of BMB Holding A.Ş. as a whole to Borusan Pipe ("Merger Transaction").

The Disclosure Document regarding the merger transaction was approved by the Capital Markets Board (CMB) with Bulletin No. 2024/53, dated November 21, 2024. Following the receipt of the necessary approvals, an Extraordinary General Assembly meeting was held on December 31, 2024. During the Extraordinary General Assembly, the merger transaction and the amendment of Article 6 titled "Capital" of the company's Articles of Association were approved. The resolutions were registered with the trade registry on January 10, 2025, thereby completing the merger transaction and the amendment of the relevant article of the Articles of Association.

As part of this process, Borusan Pipe's capital has increased to TL 141,771,582.28, up from TL 141,750,000; resulting in direct ownership of 64.40% by Borusan Holding A.Ş. and 9.08% by Borusan Pazarlama ve Yatırım A.Ş. in the company's capital.

Trade Name of Shareholder	Amount of Share	Share (%)
Borusan Holding A.Ş.	91.302	64,40
Borusan Yatırım ve Pazarlama A.Ş.	12.877	9,08
Float and Other	37,593	26.52
<b>Total (TRY 000)</b>	<b>141,772</b>	<b>100.00</b>

The company's related party transactions and the obligations arising from these transactions are presented in consolidated financial statements and footnotes for the period. (Footnote 23: Related Party Disclosures) The Group has taken an appropriate counter-action in each transaction. No voting rights are granted for the owners of usufruct shares.

## 6. Capital Increases Realized During the Period

In connection with the merger of Borusan Boru with BMB Holding A.Ş., through the transfer of all assets and liabilities of BMB Holding as a whole to Borusan Boru, the capital of Borusan Boru increased from TL141,750,000.00 to TL141,771,582.28 following the completion of the merger.

## 7. Amendments Made to the Articles of Association During the Period

At the Extraordinary General Assembly Meeting of Borusan Boru held on December 31, 2024, regarding the merger of BMB Holding A.Ş. into Borusan Boru through the transfer of all assets and liabilities as a whole, the amendment to Article 6 of the Articles of Association titled "Capital" was approved. The resolutions adopted were registered with the trade registry on January 10, 2025, thereby completing the merger and the amendment to the relevant article of the Articles of Association.

## 8. Securities Issued During the Period

No securities has been issued during the period.

# II. EVALUATION REGARDING OPERATIONS

## 1. Economic Outlook and Sectoral Assessment

According to the World Economic Outlook ("WEO") report published by the IMF in January 2025, the global economy was estimated to have grown by 3.2% in 2024, maintaining its stability throughout the year, and was projected to follow a similar trajectory in 2025. However, the outlook has shifted since the release of the January 2025 WEO report, following the announcement by the United States of a broad set of new tariffs covering nearly all imported goods, which prompted governments worldwide to reassess their policy priorities. In response to these developments, the IMF revised its global GDP growth forecast for 2025 from 3.3% in the January report to 2.8% in the April 2025 WEO update.

### Projections for the US Economy (Median)\*

	2025		2026		2027		Long- run	
	Mar.25	Dec.24	Mar.25	Dec.24	Mar.25	Dec.24	Mar.25	Dec.24
Real GDP Growth (%)	1.7	2.1	1.8	2.0	1.8	1.9	1.8	1.8
Personal Consumption Inflation (%)	2.7	2.5	2.2	2.1	2.0	2.0	2.0	2.0
Unemployment Rate (%)	4.4	4.3	4.3	4.3	4.3	4.3	4.2	4.2
Federal Funds Rate (%)	3.9	3.9	3.4	3.4	3.1	3.1	3.0	3.0

(\*) Projections of the Federal Reserve officials.

Source: The USA Federal Reserve

In the United States, the economy maintained strong momentum largely driven by consumer spending in the third quarter of 2024, recording an annual growth rate of 2.7%, following a 3.0% expansion in the second quarter. Shortly after the release of the IMF's January 2025 World Economic Outlook (WEO) report - which projected U.S. growth at 2.8% for 2024 and 2.7% for 2025 - US Administration announced a sweeping set of new tariffs. The retaliatory

measures introduced by U.S. trade partners in response have adversely affected both economic activity and the broader outlook. A 90-day suspension was announced to allow for bilateral negotiations; however, tariffs of up to 145% on Chinese-origin products remained in effect. While the tariffs - the implementation of which remains surrounded by considerable uncertainty - are expected to negatively impact global growth, making assumptions to formulate consistent and timely projections has become more difficult than ever. In its April 2025 World Economic Outlook (WEO) report, the IMF revised its growth forecast for the U.S. economy downward by 0.9 percentage points to 1.8%, citing political uncertainty, trade tensions, and more moderate demand. Similarly, the Federal Reserve lowered its 2025 growth projection in March by 0.4 percentage points from its December estimate, revising it to 1.7%.

On the inflation front, the U.S. Consumer Price Index (CPI) rose by 2.8% year-over-year in February, but decelerated to 2.4% in March, largely due to declining fuel prices.

In its March monetary policy meeting, the Federal Reserve held the federal funds rate steady in the target range of 4.25% to 4.50%, in line with its dual mandate of promoting maximum employment and achieving 2% inflation over the longer term.

<b>European Central Bank (ECB) Euro Area Projections</b>								
	<b>2024</b>		<b>2025</b>		<b>2026</b>		<b>2027</b>	
	<b>Mar.25</b>	<b>Dec.24</b>	<b>Mar.25</b>	<b>Dec.24</b>	<b>Mar.25</b>	<b>Dec.24</b>	<b>Mar.25</b>	<b>Dec.24</b>
<b>Real GDP Growth (%)</b>	0.8	0.7	0.9	1.1	1.2	1.4	1.3	1.3
<b>Inflation (%)</b>	2.4	2.4	2.3	2.1	1.9	1.9	2.0	2.1

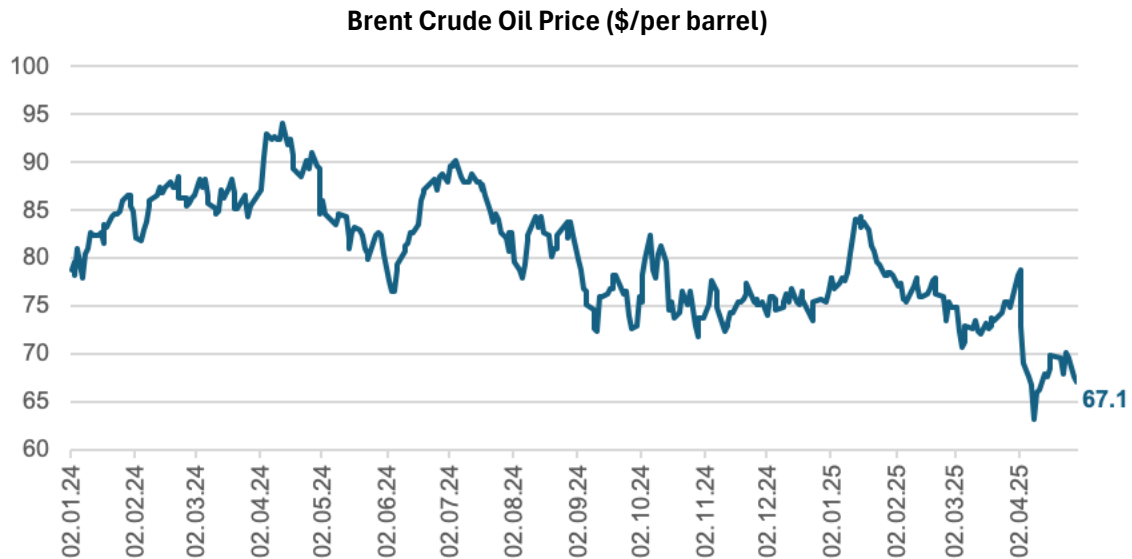
*Source: ECB*

In the Euro Area, year-over-year growth stood at 0.5% in the second quarter of 2024, rising to 1.0% in the third quarter, primarily driven by household consumption. In its January 2025 World Economic Outlook (WEO) report, the IMF projected Euro Area growth at 0.8% for 2024 and 1.0% for 2025. However, in the April 2025 WEO report, it revised these forecasts to 0.9% for 2024 and 0.8% for 2025.

The European Central Bank (ECB), for its part, revised its 2024 growth forecast from 0.7% to 0.8% in its March 2025 report, citing strong private and public sector spending throughout the year. For 2025, the ECB lowered its growth projection from 1.1% to 0.9%, anticipating that the newly imposed tariffs between the United States and China would negatively impact the Euro Area's exports and investment activity.

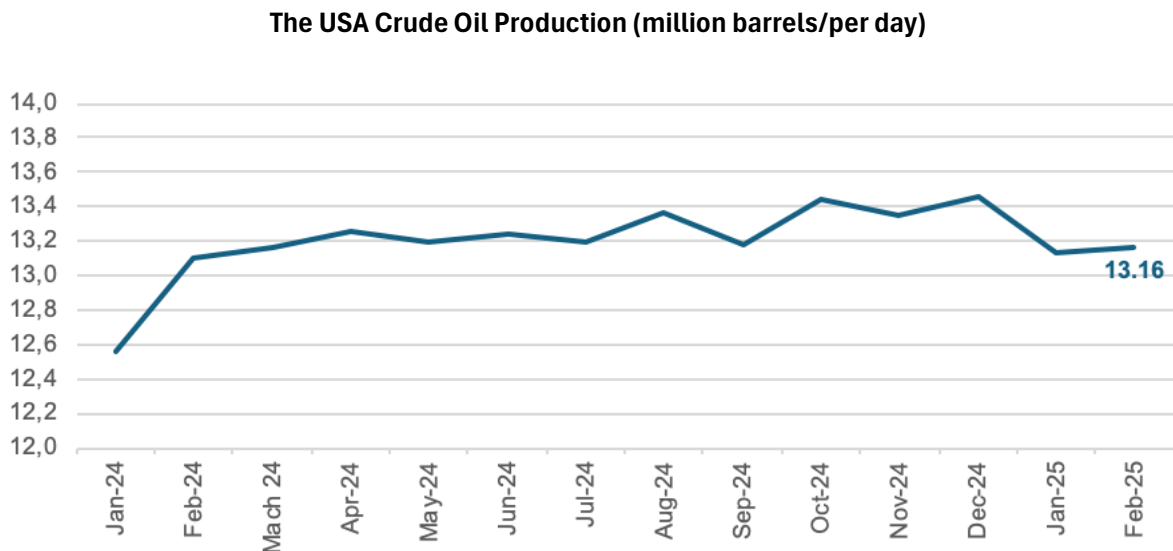
In the Euro Area, the Consumer Price Index (CPI) rose by 2.2% year-over-year in March, driven primarily by price increases in the services sector.

At its April meeting, the ECB decided to cut all three key interest rates by 25 basis points, citing progress in the disinflation process, a slowdown in wage growth, and the continued impact of tight monetary policy. Accordingly, the deposit facility rate was revised to 2.25%, the main refinancing rate to 2.40%, and the marginal lending facility rate to 2.65%.



Source: Refinitiv

According to the Short-Term Energy Outlook published by the U.S. Energy Information Administration (EIA) on April 10, following the signing of an order by the US Administration imposing a 10% tariff on all imports, Brent crude oil prices fell from \$78 to around \$66 per barrel in the first week of April, amid recent developments in trade policy and oil production. Meanwhile, several OPEC+ member countries announced that planned production increases, initially scheduled for July, would be brought forward to May. By the end of April, Brent crude oil was priced at \$67 per barrel. The EIA forecasts that global oil inventories will rise in 2025 due to the easing of production cuts by OPEC+ members beginning mid-year, increasing output from non-OPEC producers, and a slowdown in oil demand growth. As a result, the average Brent crude oil price is projected to be \$68 per barrel in 2025. However, factors such as existing sanctions on Russia, Iran, and Venezuela continue to create additional uncertainty on crude oil prices.



Source: EIA Short-Term Energy Outlook, April 2025

In 2024, crude oil production in the United States increased by 2.1% compared to the previous year, averaging 13.21 million barrels per day. As of February 2025, monthly crude oil production stands at 13.16 million barrels per day.



The EIA projects U.S. crude oil production to reach an average of 13.5 million barrels per day in 2025.

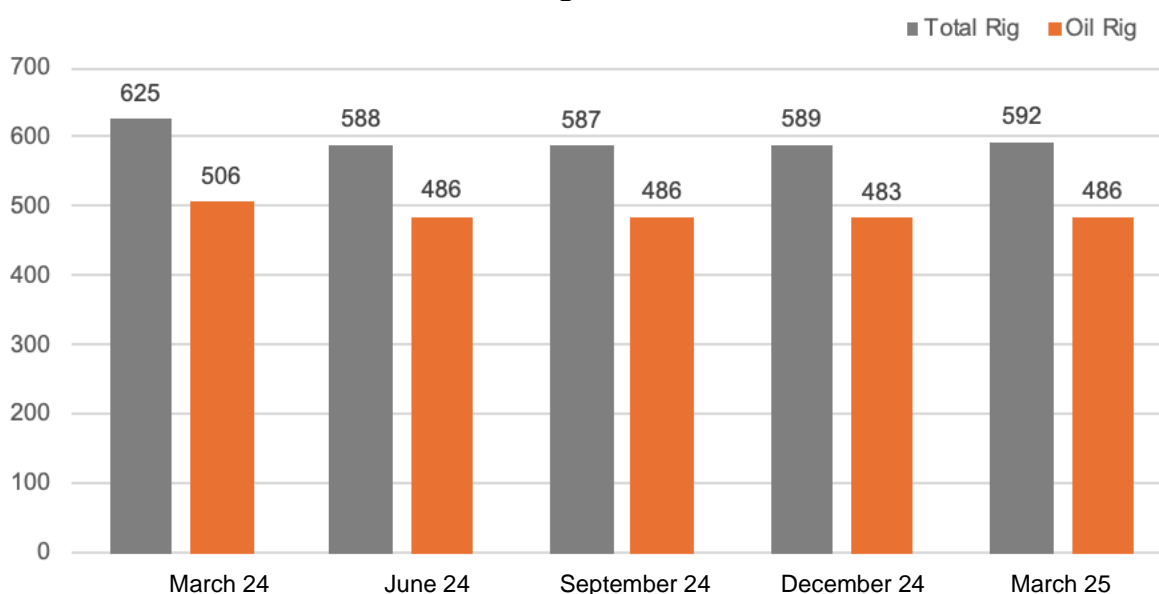
### EIA Oil Forecasts

	2023	2024	2025	2026
<b>Brent Crude Oil Price (\$/per barrel)</b>	82.0	81.0	68.0	61.0
% change		-1.2%	-16.0%	-10.3%
<b>The USA Crude Oil Production (million barrels/ per day)</b>	12.9	13.2	13.5	13.6
% change		2.3%	2.3%	0.7%

Source: EIA Short-Term Energy Outlook, April 2025

As of March 2025, the total number of rigs in the United States decreased by 33 year-over-year, reaching 592, while the number of oil rigs declined by 20, falling to 486.

### Rig Count



Source: Trading Economics

According to data released by the Turkish Statistical Institute (TurkStat) in February 2025, the Turkish economy grew by 3.2% in 2024. On the production side, the main contributors to growth were the construction sector, taxes and subsidies, and financial and insurance activities. On the expenditure side, fixed capital investments, household consumption expenditures, and net exports positively contributed to the growth. Based on the calendar-adjusted industrial production index - a leading indicator of growth - the recovery that began in November in Türkiye continued to strengthen, reaching an annual growth rate of 7.0% in December, marking the highest level since July.

In March 2025, inflation rose by 38.10% year-over-year and by 51.26% based on the twelve-month moving average.

The Central Bank of the Republic of Türkiye (CBRT) implemented additional measures to support its tight monetary policy stance in March. At its Monetary Policy Committee ("the Committee") meeting held on April 17, the Committee decided to raise the policy rate - the one-week repo auction rate - from 42.5% to 46%. In addition, the Committee increased the Central Bank's overnight lending rate from 46% to 49%, and the overnight borrowing rate from 41% to 44.5%. During the meeting, it was emphasized that the tight monetary policy stance would be

maintained until a lasting decline in inflation and price stability is achieved. The Committee stated that it would set the policy rate at a level that ensures the necessary tightness to support disinflation and noted that should a significant and persistent deterioration in inflation be foreseen, the monetary policy stance would be further tightened.

#### Medium Term Program (2025 – 2027)

	2023	2024	2025	2026	2027
<b>Real GDP Growth (%)</b>	5,1	3,5	4,0	4,5	5,0
Unemployment Rate (%)	9,4	9,3	9,6	9,2	8,8
<b>CPI End of Year (% change)</b>	64,8	41,5	17,5	9,7	7,0

Source: The Presidency of Strategy and Budget

In January, international credit rating agency Moody's maintained Türkiye's credit rating at "B1" with a "positive" outlook, opting not to make any changes. Similarly, Fitch Ratings affirmed the country's rating at "BB-" with a "stable" outlook. In April, S&P also kept Türkiye's long-term credit rating unchanged at "BB-" and maintained the outlook as "stable."

According to data released by the World Steel Association (worldsteel), global crude steel production in the first three months of 2025 decreased by 0.4% compared to the same period of the previous year, amounting to 468.6 million tons. During this period, the top three producing countries were China with 259.3 million tons (up 0.6%), India with 40.1 million tons (up 6.8%), and Japan with 20.4 million tons (down 4.9%). The United States ranked fourth with 19.7 million tons of production, marking a 0.6% decrease year-over-year.

In Türkiye, which ranks seventh in global steel production, crude steel output in the first three months of 2025 decreased by 3.4% year-over-year, amounting to 9.3 million tons. According to data from the Turkish Steel Producers Association (TÇÜD), finished steel product consumption during the same period contracted by 7.3% on an annual basis, declining to 9.1 million tons.

In the first three months of 2025, Türkiye's steel exports rose by 18.5% year-over-year in volume terms, reaching 3.8 million tons. Export revenues also increased by 8.4%, totaling \$2.6 billion. During the same period, import volume grew by 4.6% to 4.2 million tons, while the value of imports declined by 4.2% to \$3.0 billion. As a result, the export-to-import coverage ratio rose to 84.6% in the first quarter of 2025, up from 74.7% in the same period of the previous year.

In the steel pipe segment specifically, Türkiye's steel pipe exports declined by 5.5% year-over-year in volume during the first quarter of 2025, amounting to 507 thousand tons. Romania, the United Kingdom, and Iraq emerged as the key export markets.

## 2. Borusan Boru and its Subsidiaries

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan Boru), established in 1958, pioneers the development of the industry with its 67 years of experience.

73.48% of the company's shares are owned by Borusan Group<sup>1</sup>, one of Türkiye's leading conglomerates. In terms of ownership structure, the remaining 26.52% is publicly traded and consists of other shares.

<sup>1</sup> 64.40% of the Company's share capital is held by Borusan Holding A.Ş., and 9.08% is held by Borusan Yatırım ve Pazarlama A.Ş.

Borusan Boru operates on 3 continents with 10 facilities, covering an area of 1 million square meters, with a production capacity of 1.7 million tons and over 2,300 employees. It offers a range of 4,000 different product varieties and holds a leading position as a welded steel pipe manufacturer in global markets.

The Company continues its operations in Türkiye with over 1,200 employees and a total production capacity of 800,000 tons across its facilities in Gemlik, Halkalı, and Bursa.

In addition to Türkiye, Borusan Boru specializes in high-value-added cold drawn special tube production with an annual production capacity of 30 thousand tons on approximately 24 thousand square meters of enclosed area in the Vobarno region of Italy. It is a renown manufacturer in its sector in Europe both due to the quality of its products and services and through its sales to countries such as Italy, Germany, Spain and France, where automotive industry is strong.

The company also continues its production and sales activities in the USA through its subsidiary, Borusan Pipe US Inc., established with a total investment expenditure of \$150 million, and Berg Pipe, which it acquired in April 2023 for \$162 million. Production activities at the Baytown facility, a 300,000-ton capacity plant for manufacturing well and drilling pipes used in oil and natural gas extraction, commenced in the third quarter of 2014. The facility, built on approximately 500,000 square meters of land, operates with over 400 employees. Berg Pipe's Mobile facility, spanning 30,800 square meters, has an annual production capacity of 220,000 tons of spiral welded pipes, while the Panama City facility, covering 28,600 square meters, has an annual capacity of 330,000 tons of longitudinal submerged arc welded (LSAW) pipes.

The Company's SRM facility, established on a 15,000 m<sup>2</sup> area in Baytown, USA with an investment of \$50 million and an annual production capacity of 100,000 tons, commenced commercial operations in the third quarter of 2024. This investment has enabled the addition of construction and industrial segment products - previously not locally manufactured in the U.S. - to the Company's portfolio, thereby allowing entry into a market segment that exclusively favors domestic producers.

In line with Borusan Boru's strategy to expand its automotive business line, a service center was established in Ploiești, Romania, with an investment of €15 million. Built on a 4,800 m<sup>2</sup> area and equipped with an annual production capacity of 21 million units, the facility also began commercial operations in the third quarter of 2024.

In December 2024, Borusan Boru announced its decision to invest a total of \$68 million in 2025 and 2026 in the implementation of the JCO forming method - an advanced technology used in longitudinal welded steel pipe production - at its Panama City facility. Scheduled to become operational in 2027, this investment aims to position Borusan Boru as the sole domestic producer in a market segment of approximately 150,000 tons per year that is currently supplied exclusively through imports. The project is expected to enhance the Company's competitive advantage and strengthen its market position in the sector.

### **3. 1Q 2025 Management Evaluation**

Borusan Boru, one of the world's leading global steel pipe manufacturers, operates across four distinct business segments and aims to mitigate risks through diversification by assuming the role of a local producer in multiple geographies. In line with its strategic objectives, the Company closely monitors sector developments both domestically and internationally and evaluates all potential acquisition and merger opportunities.

In the first three months of 2025:

In the *Infrastructure and Projects* business line, sales volume declined by 76.0% compared to 1Q 2024 due to the base effect stemming from the completion of major projects in the previous year. Accordingly, revenue in this business line decreased by 74.3% to \$79.0 million, accounting for 25% of consolidated revenue.

In the *Industrial and Construction* business line, the sales volume - having declined in 2024 due to weak demand in operating regions - increased by 37.2% year-over-year, supported by a favorable base effect and with the contribution of the SRM factory which became operational in 3Q24. Business line revenue rose by 39.5% to \$104.2 million, contributing 32% to consolidated revenue.

In the *Automotive* business line, sales volume dropped by 5.2% year-over-year due to continued weak demand – primarily in the European market - for pipe products. Increased price pressure from heightened competition led to an 11.2% decline in revenue, which stood at \$50.1 million, representing 16% of consolidated revenue.

In the *Energy* business line, normalizing sales volume increased by 8.8%. However, due to balanced pricing dynamics driven by supply-demand conditions, revenue declined by 5.5% year-over-year to \$85.7 million, with this business line contributing 27% to consolidated revenue.

Borusan Boru sustained its strong performance in global markets by generating 77% of its total sales revenue from international markets.

As a result, on a consolidated basis, sales volume declined by approximately 27.5% year-over-year, reaching 259 thousand tons, while sales revenue decreased by 39.7% to \$319.1 million.

While production costs and expenses increased, particularly due to the inflationary environment in Türkiye, pricing challenges arising from limited demand in operating markets continued to weigh on operational profitability.

In the first three months of the year, EBITDA declined by 62.0% compared to the same period of the previous year, amounting to \$17.6 million, while the EBITDA margin decreased to 5.5%.

Borusan Boru recorded \$6.9 million in Loss Before Tax (1Q24 Profit Before Tax: \$20.1 million) and \$7.9 million in Net Loss (1Q24 Net Profit: \$11.9 million).

Net financial debt decreased by 11% compared to 2024, declining to \$251 million, driven by effective cash management.

#### **4. Other Material Disclosures**

The announcements regarding Borusan Boru's 2024 Ordinary General Assembly Meeting are as follows:

- Disclosure dated [March 25, 2025](#), regarding the Board of Directors' resolution for convening the Ordinary General Assembly Meeting.
- Disclosure dated [March 25, 2025](#), regarding the Board of Directors' resolution on profit distribution.
- Disclosure dated [March 25, 2025](#), regarding the Board of Directors' resolution approving the independent audit firm.
- Disclosure dated [March 25, 2025](#), regarding the independent board members, including their résumés and declarations of independence.

- The 2024 Ordinary General Assembly Meeting was held on April 29, 2025, and was followed by the public disclosure of the announcements listed below:
  - [Resolution of the Ordinary General Assembly](#)
  - [Decision on Dividend Distribution](#)
  - [Approval of the Independent Audit Firm](#)
  - [Assignment of Duties among the Board Members](#)
  - [Determination of Board Committee Memberships](#)

## **5. Subsequent Events**

There has been no subsequent event occurring after the balance sheet date.

## **6. Investments**

The total amount of investment realized during the period was TL268,365 ths. (1Q 2024: TL589,986 ths)

## **7. Research and Development**

In the first three months of 2025, product development efforts continued in line with global market trends and customer expectations, focusing on more durable, environmentally friendly, and digitally integrated pipe solutions. In addition to new product development initiatives, various projects are also underway in the field of digital transformation. Research is ongoing on IoT technologies, customer-centric applications, and web-based developments aimed at enhancing customer value.

## **8. Capital Market Instruments**

No capital market instruments were issued during the period.

## **9. Donation and Aids**

Borusan Mannesmann supports various philanthropic organizations and foundations within the scope of social responsibility consciousness. In this context, total amount of donation and aids realized between January 1 – March 31, 2025 period is TL14,461 ths.

## **10. Share Price and Market Capitalization**

Borusan Boru's adjusted market capitalization, which was TL 61,104 million (USD 1,729 million) based on the share closing price as of December 31, 2024, stood at TL 52,633 million (USD 1,391 million) as of March 31, 2025, the last trading day of the first quarter.

### III. INFORMATION REGARDING FINANCIAL STRUCTURE

1. Information regarding other aspects that may give an opinion about the sales of the Company within the year, its efficiency, income generation capacity, profitability, debt/equity ratio and results of the operations, in comparison to previous years:

			<u>March-25</u>	<u>March-24</u>
Current Ratio	$\frac{\text{Current Assets}}{\text{Short Term Liabilities}}$	=	1.23	1.26
Liquidity Ratio	$\frac{\text{Current Assets} - \text{Inventories}}{\text{Short Term Liabilities}}$	=	0.64	0.56
Inventory Turnover Ratio	$\frac{\text{Cost of Sales}}{\text{Inventories}}$	=	3.03	2.40
Working Capital Utilization	$\frac{\text{Inventories} + \text{Trade Receivables}}{\text{Net Sales}}$	=	46.9%	47.7%
Equity Utilization Ratio	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities} - \text{Cash}}$	=	52.1%	49.4%
Profitability Ratio	$\frac{\text{Net Profit For The Period}}{\text{Net Sales}}$	=	-2.5%	2.2%
Asset Efficiency	$\frac{\text{Net Profit For The Period}}{\text{Total Assets}}$	=	-1.4%	7.3%
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	=	5.5%	8.8%
Return on Equity (ROE)	$\frac{\text{Net Profit For The Period}}{\text{Shareholders' Equity}}$	=	-2.9%	15.7%

<b>Note 1: Calculation of Earnings Before Tax, Interest, Depreciation (TRY 000)</b>	<u>March-25</u>	<u>March-24</u>
Operating Profit / (Loss)*	183,386	1,122,279
Depreciation Expenses	420,788	360,264
Other Extraordinary Items	34,135	(48,340)
<b>Earnings Before Tax, Interest, Depreciation (TRY 000)</b>	<b>638,309</b>	<b>1,434,203</b>

\* EBITDA is calculated including Net Operating Income, Income from Investment Activities and excluding extraordinary income (expense).

**2. Analysis and assessment of the management regarding the financial status and results of the operations, degree of realization of the planned operations, the Company's status in terms of strategic goals defined and the forward-looking expectations:**

**2025 Guidance**

	2020	2021	2022	2023	1Q25	2025 Initial Guidance	2025 Guidance Revision
<b>Sales Volume (mln tons)</b>	0.76	0.85	1,06	1,17	0.26	1.05 - 1.20	-
Revenue (\$ billion)	0.83	1,34	1.7	1.7	0.3	1.6 - 1.8	-
<b>EBITDA Margin (%)</b>	9.8%	14.9%	18.2%	6.0%	5.5%	5% - 7%	-

- In 1Q 2025, financial results came in below expectations due to ongoing sluggish demand, price-driven competition, and rising cost pressures. However, the favorable pricing environment - particularly prevailing in the U.S. market during 2Q 2025 - is expected to continue into 3Q 2025.
- Although the tariffs to be implemented by the U.S. are not expected to have a direct impact on steel products, their potential effects are anticipated to become more evident in the fourth quarter of 2025 and throughout 2026. At this stage, no revisions have been made to the year-end 2025 guidance.
- In line with its outlook for the remainder of the year, Borusan Boru expects to achieve a sales volume of between 1.05 and 1.20 million tons, revenue in the range of \$1.6 - 1.8 billion, and an EBITDA margin between 5% and 7% in 2025.
- Under normal circumstances, guidance is disclosed four times a year, in conjunction with quarterly financial disclosures.

**3. Evaluations and determinations of the management whether or not capital of the Company is sufficient or if it is insolvent:**

The Company is not insolvent according to evaluations conducted in accordance with the Article 376 of the Turkish Commercial Code.

**4. Measures considered to be taken for improving the financial structure of the Company, if any:**

In order to ensure sustainable profitability and support its financing capability by maintaining its strong capital structure, the Company carries out hedging derivative transactions for protection purposes in accordance with its internal procedures. In addition, it continues its activities in the field of treasury and corporate finance in order to strengthen its financial structure. In the upcoming period, the company will continue to rapidly implement measures to reduce working capital requirements and costs and to increase efficiency, with the vision of having the most competitive cost advantage in all its products and focusing on sustainable profitable operations in all business lines.

## **IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT**

### **Statement of Compliance with Corporate Governance Principles**

In the fiscal period between January 1 – March 31, 2025, the Company complied with certain criteria in the Corporate Governance Principles published by the Capital Markets Board,

reviewed its articles of association, procedures and practices in terms of compliance with principles, identified the areas where full compliance was not achieved, and carried out improvement studies in these areas. The Company Management has adopted, in principle, to comply with practices in the Corporate Governance Principles.

The Corporate Governance Compliance Report and the Corporate Governance Information Form, which includes updated information on corporate governance practices, for the period between January 1 – December 31, 2024 were published simultaneously with the year-end annual report on the PDP on [March 7, 2025](#):

[Corporate Governance Information Form](#)

[Corporate Governance Compliance Report](#)

## **V. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT**

### **Statement of Compliance with Sustainability Principles**

Borusan Boru sustainability teams carry out their studies targeting compliance with the Sustainability Principles Compliance Framework prepared in line with the amendment dated October 2, 2020, made by the Capital Markets Board in the Corporate Governance Communiqué. As per the resolution of the Capital Markets Board dated June 23, 2022 and numbered 34/977, compliance with the principles in the Sustainability framework and those that have not yet been complied with are explained. Borusan Mannesmann continues its studies to improve its compliance status in 2025, taking into account the interests of all stakeholders.

The [Sustainability Compliance Report](#) for the period January 1 – December 31, 2024, was published on the PDP on March 7, 2025.

## **VI. OTHER INFORMATION**

**Explanations regarding developments that significantly impacted the Company's operations during the period are provided above.**

**For further information, please refer to the resources below:**

[2024 Annual Report](#)

[Consolidated Financial Statements](#)

[Investor Presentations](#)

[Sustainability Reports](#)

All material announcements and financial reports are available on [Borusan Boru](#) page on PDP.



## **DISCLAIMER**

Some information in this report may contain certain “forward-looking statements”, including, without limitation BORUSAN BİRLEŞİK BORU FABRİKALARI SANAYİ ve TİCARET A.Ş. (Company)’s business projects, strategic objectives, future revenues, anticipated savings, financial results (including expenses, earnings, liquidity, cash flow and capital expenditures), industry or market conditions, demand for and pricing of our products, future developments regarding acquisitions, future-oriented financial information and “financial outlook” under applicable Capital Market Laws (collectively referred to herein as forward-looking statements). Forward-looking statements provide an opportunity for the potential investors to evaluate management’s forecasts and opinions in respect of the future before they make a decision to invest. These forward-looking statements reflect the Company’s views at the time such statement was made with respect to future events and are not a guarantee of future performance or developments and undue reliance should not be placed on them. Such forward- looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. Therefore, the members of the company's board of directors, advisors, or employees do not accept any responsibility for any direct or indirect loss arising from the use or content of the forward-looking expectations shared within this report.