

Strategic Investment Decision Regarding Manufacturing Infrastructure in Türkiye

Material Event Disclosure

Update Notification Flag	No
Correction Notification Flag	No
Date Of The Previous Notification About The Same Subject	-
Postponed Notification Flag	No

Our Board of Directors, with a resolution dated June 19, 2025, has approved the implementation of a strategic investment project aimed at enhancing our manufacturing infrastructure in Türkiye, in line with the Company's objectives of sustainable growth, profitability, and operational efficiency.

As part of this project, the welding and cold-drawn pipe production lines currently located at our İstanbul Halkalı facility — which serves customers in the automotive, construction, and industrial sectors — along with the machinery and equipment at our Bursa Service Center — primarily serving the automotive industry — are planned to be relocated to our Gemlik Campus.

By bringing together these operations with the existing pipe production activities already carried out at the Gemlik Campus, the Company aims to streamline manufacturing processes, improve operational efficiency, reduce fixed costs, increase capacity utilization, and achieve an estimated improvement of approximately USD 30 million in working capital.

The total projected financial scope of the project includes approximately USD 29 million in capital expenditures (CAPEX), along with approximately USD 27 million in one-time cash outflows related to relocation, installation, and other operational preparations. The investment is planned to be financed through the Company's internal resources and/or external financing depending on market conditions. Upon completion, the investment is expected to contribute positively to the Company's consolidated EBITDA margin by approximately 50 to 100 basis points (bps).

Furthermore, our Gemlik Campus is expected to become a strategic hub with high operational efficiency, integrating production activities across the automotive, construction, and industrial sectors. The consolidation of operations at a single location is intended to enhance coordination, accelerate decision-making processes, and create synergies in resource utilization.

This project reflects not only the physical relocation of activities from multiple sites into a single manufacturing campus, but also marks a transition toward a more stable and efficient business structure that supports the Company's long-term competitiveness. The investment is planned to be implemented in phases over a period of 24 months, without causing any disruption to ongoing production activities. A well-planned and considerate transition process will be put in place to ensure a smooth adjustment for our employees.

Additionally, the projected investment amount, timeline, and financial impacts are based on current assumptions and may be subject to change depending on developments throughout the process.

Material developments regarding the project will be disclosed to the public and our investors in a timely manner.

The Turkish translation of this disclosure is also available and in case of any discrepancy, the Turkish version shall prevail.

We proclaim that our above disclosure is in conformity with the principles set down in "Material Events Communiqué" of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we're personally liable for the disclosures.