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

**1 January – 30 June 2024**

**Interim Report**

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## 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 Turkey 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** : 01.01.2024 – 30.06.2024  
**Trade Registry Number** : 69531  
**Head Office Address** : Meclisi Mebusan Caddesi No: 35-37, 34427 Fındıklı - İstanbul

As of June 30, 2024, 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 "(Borusan Pipe US)"	USA	100.0%
Steel Pipe	Borusan Vobarno Tubi SPA "(Vobarno)"	Italy	99.0%
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

According to the Ordinary General Assembly resolution dated May 27, 2024, the members of the board of directors 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.

The opinion of the Capital Markets Board (CMB) regarding the Independent Board Members was shared on the Public Disclosure Platform (PDP) on April 19, 2024, at <https://www.kap.org.tr/en/Bildirim/1275449>. Additionally, the independence declarations of the

relevant independent members were published on the PDP on April 30, 2024, at <https://www.kap.org.tr/en/Bildirim/1279631>.

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

In accordance with the decision dated June 14, 2024, the Board of Directors ("BoD") has determined the memberships of the Board Committees, and the related decision has been shared on the Public Disclosure Platform (PDP) at <https://www.kap.org.tr/en/Bildirim/1299798>.

According to the decision, the Board Committees and their members are as follows.

### **Audit Committee**

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

### **Corporate Governance Committee**

<b>Name - Surname</b>	<b>Title</b>	<b>Essence of the Board Membership</b>
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
Ekin Taş	Corporate Governance Committee Member	Not a BoD Member

### **Early Detection of the Risk Committee**

<b>Name - Surname</b>	<b>Title</b>	<b>Essence of the Board Membership</b>
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

The senior management appointments were announced via the PDP disclosures dated July 11, 2024, at <https://www.kap.org.tr/en/Bildirim/1311777> and July 22, 2024, at <https://www.kap.org.tr/en/Bildirim/1314455>.

Accordingly, 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	33	33
Uğur Onbaşı	Executive Committee Member-USA Large Diameter Pipe Segment	Business and Administration	25	28
Ali Okyay	Executive Committee Member-Automotive Segment	Industrial Engineer	24	24
Oğuzhan Kuşcuoğlu	Executive Committee Member-Construction and General Industry Segment	Economist	20	23
Anıl Karaca	Executive Committee Member-Financial Affairs and Foreign Trade	Business and Administration	3	23
Nihan Alhan	Executive Committee Member-Human Resources and Sustainability	Business and Administration	3	21
Serdar Birlikçi	Executive Committee Member-Digital Technologies and New Products	Electronic Engineer	3	29
Josh Croix	Executive Committee Member-USA OCTG Segment	Engineer	11	27
Dimitris Dimopoulos	Executive Committee Member- Chief Technical and Quality Officer for US Operations	Engineer	13	29
Joel Johnson	Advisor to the Chairman of the Executive Committee	Engineer	10	34

## 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 June 30, 2024 is TRY95,951 ths.

## 4. Employees

As of June 30, 2024, the Group has a total of 2,599 employees.

Number of Employees	30 June 2024	31 December 2023
Blue Collar	2,041	2,057
White Collar	558	535
<b>Total</b>	<b>2,599</b>	<b>2,592</b>

**5. Capital Increases Realized During the Period**

The capital of the company is TRY141,750 ths. No capital increase has been realized during the period.

**6. Securities Issued During the Period**

No securities has been issued during the period.

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

There have been no amendments to the articles of association during the period.

**8. Shareholders**

Trade Name of Shareholder	Amount of Share	Share (%)
BMB Holding A.Ş. ("BMBH")	104,157	73.48
Float and Other	37,593	26.52
<b>Total (TRY 000)</b>	<b>141,750</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.

**II. EVALUATION REGARDING OPERATIONS**

**1. Economic Outlook and Sectoral Assessment**

The USA economy grew by 2.5% y-o-y in 2023 and by 1.4% y-o-y in the first quarter of 2024. According to initial estimates, it grew by 2.8% annually in the second quarter of 2024. In its July 2024 report, the IMF revised its 2024 growth forecast for the USA economy down by 0.1 points compared to April, estimating it at 2.6%. The Fed, on the other hand, maintained its growth forecast for 2024 at 2.1% in June.

In the USA, the Consumer Price Index (CPI) decreased by 0.1% m-o-m in June and showed a 3.0% y-o-y increase, which was below expectations.

In its June meeting, the Fed kept the policy rate unchanged at the 5.25%-5.5% range, in line with expectations. While the Fed revised its core inflation forecast for 2024 upwards, it also lowered the expected total rate cuts for 2024 from three cuts totaling 75 basis points to one cut of 25 basis points.

Projections for the USA Economy (Median)*								
	2024		2025		2026		Long-run	
	Jun-24	Dec.23	Jun-24	Dec.23	Jun-24	Dec.23	Jun-24	Dec.23
<b>Real GDP Growth (%)</b>	2.1	2.1	2.0	2.0	2.0	2.0	1.8	1.8
<b>Personal Consumption</b>								
<b>Expenditures (PCE) Inflation (%)</b>	2.6	2.4	2.3	2.2	2.0	2.0	2.0	2.0
<b>Unemployment Rate (%)</b>	4.0	4.0	4.2	4.1	4.1	4.0	4.2	4.1
<b>Federal Funds Rate (%)</b>	5.1	4.6	4.1	3.9	3.1	3.1	2.8	2.6

(\*) Projections of the Federal Reserve officials.

Source: The USA Federal Reserve

In 2023, the Euro area economy grew by 0.5% compared to the previous year, and by 0.4% y-o-y in the first quarter of 2024. In the second quarter of 2024, the Euro area economy grew by 0.6% y-o-y, exceeding expectations. In its July report, the IMF raised its growth forecast for the Euro area in 2024 by 0.1 percentage points, updating it to 0.9% y-o-y.

In the Euro area, the Consumer Price Index (CPI) increased by 2.5% in June compared to the same period the previous year.

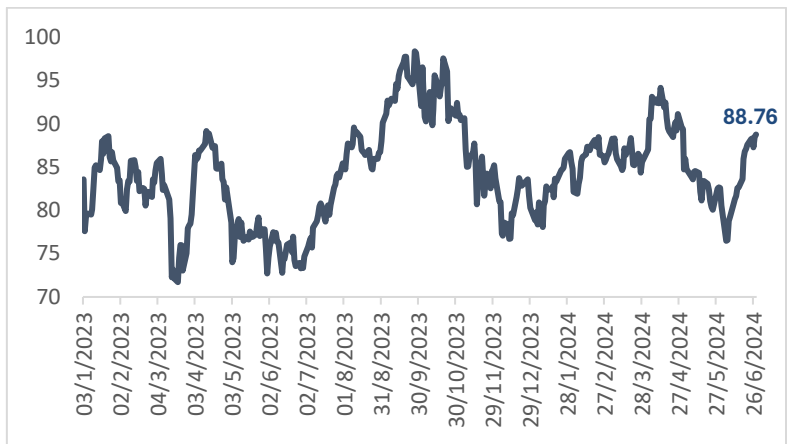
In its June meeting, the European Central Bank (ECB) decided to cut interest rates for the first time in nearly five years, reducing the refinancing, deposit, and marginal lending rates by 25 basis points to 4.25%, 3.75%, and 4.50%, respectively. The ECB made no changes in its July meeting.

European Central Bank (ECB) Euro Area Projections						
	2024		2025		2026	
	Jun-24	Dec.23	Jun-24	Dec.23	Jun-24	Dec.23
<b>Real GDP Growth (%)</b>	0.9	0.6	1.4	1.5	1.6	1.6
<b>Inflation (%)</b>	2.5	2.3	2.2	2.0	1.9	1.9

Source: ECB

The price of Brent crude oil per barrel fluctuated during the second quarter of the year, averaging \$85.76, an 8.5% increase compared to the same period the previous year. After ending the first quarter of 2024 at \$85.57 per barrel, Brent crude oil finished June at \$88.76 per barrel, driven by the extension of OPEC+ production cuts and a decrease in market oversupply.

**Brent Crude Oil Price (\$/per barrel)**

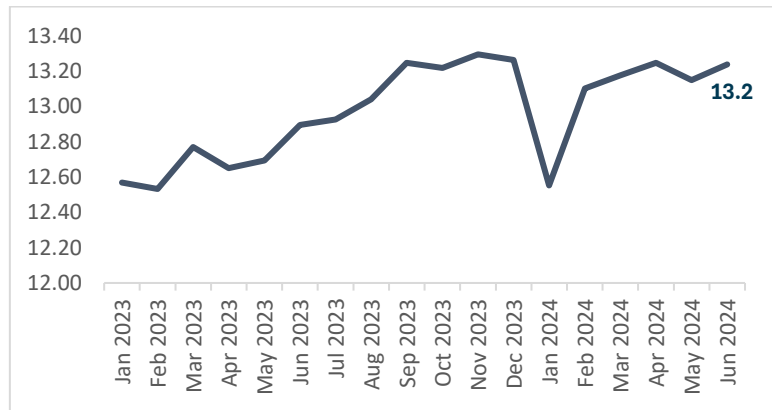


Source: Refinitiv

In its July report, the U.S. Energy Information Administration (EIA) stated that it expects oil prices to rise in the second half of 2024 due to a decrease in global oil inventories, with an average price of \$89 per barrel during this period. The EIA's forecast for the average oil price for the entire year of 2024 is \$86 per barrel.

In the US, crude oil production in the first quarter of 2024 increased by 4% compared to the same period the previous year, averaging 13.2 million barrels per day. As of June, the monthly crude oil production level stands at 13.2 million barrels per day.

**The USA Crude Oil Production (million barrels/per day)**



Source: EIA Short-Term Energy Outlook, April 2024

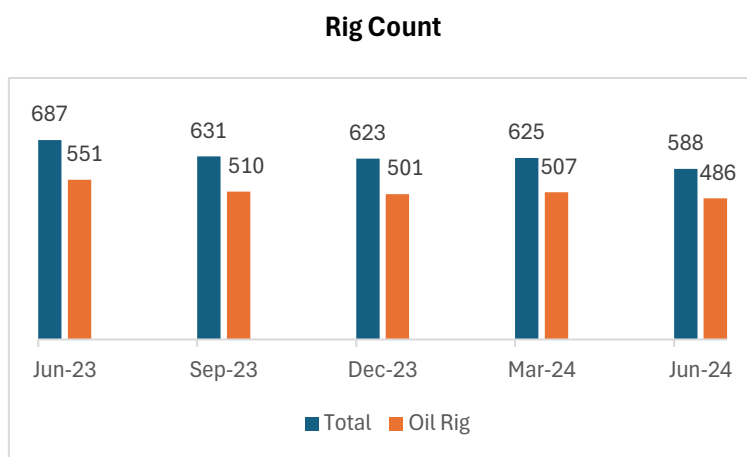
According to the EIA's July 2024 report, U.S. crude oil production is estimated to average 13.2 million barrels per day in 2024.



EIA Oil Forecasts				
	2022	2023	2024	2025
<b>Brent Crude Oil Price (\$/per barrel)</b>	101.0	82.0	86.0	88.0
% change		-0.19	0.05	0.02
<b>The USA Crude Oil Production (million barrels/ per day)</b>	11.9	12.9	13.2	13.8
% change		0.08	0.02	0.05

Source: EIA Short-Term Energy Outlook Report, July 2024

As of the last week of June 2024, the total number of rigs in the USA decreased by 99 compared to the same period the previous year, bringing the total to 588. The number of oil rigs fell by 65, reaching 486.



Source: Baker Hughes

The Turkish economy grew by 5.7% y-o-y in the first quarter of 2024. During this period, all sectors on the production side contributed positively to growth, while on the expenditure side, the highest contribution came from consumption expenditures. One of the leading indicators of growth, the industrial production index, averaged 101.6 in April-May, showing a 0.3% contraction compared to the same period the previous year.

In June, annual inflation in Turkey decreased for the first time since October 2023, partly due to the high base effect from the previous year, reaching 71.6% y-o-y.

In its July meeting, the Central Bank of the Republic of Turkey (CBRT) kept the policy rate, the one-week repo auction rate, unchanged at 50%. In its statement regarding the decision, the CBRT noted a significant weakening in the underlying trend of monthly inflation in June and indicated that domestic demand, while still at an inflationary level, continues to slow down. Additionally, the CBRT emphasized that a tight monetary policy stance will be maintained until a significant and permanent decline in the underlying trend of monthly inflation is achieved and inflation expectations converge to the projected forecast range.

<b>Medium Term Program (2024-2026)</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Real GDP Growth (%)</b>	5.5	4.5	4.0	4.5	5.0
Unemployment Rate (%)	10.4	9.4	10.3	9.9	9.3
<b>CPI End of Year (% change)</b>	64.3	64.8	33.0	15.2	8.5

Source: The Presidency of Strategy and Budget

International credit rating agency Moody's upgraded Turkey's credit rating by two notches in its July assessment, raising it from B3 to B1. The credit rating outlook was also revised to 'positive.'

Global crude steel production in the first half of the year remained unchanged from the same period the previous year, at 954.6 million tons. During this period, China's crude steel production decreased by 1.1% y-o-y to 530.6 million tons, while India's crude steel production increased by 7.4% y-o-y to 74.2 million tons. Japan's crude steel production in the first half of the year decreased by 2.6% y-o-y to 42.7 million tons.

In the first half of 2024, crude steel production in Turkey increased by 16.9% y-o-y, reaching 18.6 million tons. With this growth rate, Turkey became the second fastest-growing producer among the world's top 15 crude steel-producing countries, ranking 8th overall. Steel (final product) consumption, however, declined by 4% y-o-y in the first half of the year, falling to 19 million tons, influenced by annual contractions of 14%, 16%, and 13% in April, May, and June, respectively.

In the first half of the year, Turkey's steel exports increased by 45.1% y-o-y, reaching 6.5 million tons. During this period, the export value rose by 23.6% y-o-y to 4.8 billion dollars. In the same period, import volume decreased by 13.3% y-o-y to 8.2 million tons, while the import value declined by 19.5% y-o-y to 6.5 billion dollars. In the first half of 2024, the export-to-import ratio was 73.6% (1H23: 47.9%).

In the first half of 2024, Turkey's steel pipe exports increased by 10.1% in tonnage compared to the same period of the previous year, reaching 1.1 million tons. Romania, the USA, and the United Kingdom stand out as the most important 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 66 years of experience.

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

Borusan Boru operates on 3 continents with 11 facilities, covering an area of 1.1 million square meters, with a production capacity of 2 million tons and over 2,500 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 Turkey with over 1,500 employees, maintaining an annual production capacity of approximately 1,100 thousand tons, including 750 thousand tons of longitudinal welded steel pipes and 300 thousand tons of spiral welded steel pipes. In the

<sup>1</sup> Borusan Group is the 100% owner of BMB Holding, which owns 73.48% of the capital.

first quarter of 2024, the company completed the sale of land and buildings related to the large-diameter pipe production facility located in Gemlik to Borçelik, a company within the Borusan Group, for a total price of \$66 million. This move aimed to strategically position the production facilities in line with the company's strategic objectives and optimize the production of large-diameter pipes. Evaluations are ongoing regarding the sale or relocation of machinery and equipment associated with the production of large-diameter pipes located on the land sold at the Gemlik Facility. The machinery, equipment, land, and buildings used in the production of pipes, which have been manufactured in Turkey for many years and are currently located at our Gemlik Facilities, and offered to customers in the industrial, construction, and automotive segments, are not included in the scope of the relevant sales transaction. The company continues its production activities at Gemlik, Halkalı and Bursa facilities in Turkey.

In addition to Turkey, 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 renowned 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. The production activities at the well and drilling pipe manufacturing facility, with a capacity of 300 thousand tons for oil and natural gas extraction activities, commenced in the third quarter of 2014. The facility, built on approximately 500,000 square meters of land, operates with over 400 employees.

In line with its strategy to become a local player in global markets, the company acquired 100% of the shares of Berg Europipe Holding Corp on April 13, 2023, for \$162 million and started operating under the name Borusan Berg Pipe. The Florida Facility, situated on 28,600 square meters of land, has an annual longitudinal submerged arc welded (LSAW) pipe production capacity of 330,000 tons, while the Alabama Facility, spanning 30,800 square meters, has an annual spiral welded pipe production capacity of 220,000 tons.

The company completed the installation investment of the SRM line it initiated in the Houston, Baytown campus in the first quarter of 2024 and commenced trial production activities. The company aims to add products in the construction and industrial sectors to its portfolio in the USA market through this line and target segments where entirely local producers are preferred. It is expected that the gradual commencement of commercial activities at the facility will contribute to the consolidated financial statements in the second half of the year.

In the first quarter of 2024, Borusan Boru completed its investment in Romania, which it initiated as part of its strategy to expand its automotive business segment. The investment, valued at €15 million, encompasses a facility with 4,800 square meters of enclosed area and a production capacity of 21 million units. Trial production activities have also commenced. It is expected that the gradual commencement of commercial activities at the facility will contribute to the consolidated financial statements in the second half of the year.

### **3. 1H 2024 Management Evaluation**

Borusan Boru, as one of the world's leading global steel pipe manufacturers, aims to balance its risks by operating in four different business lines and taking on the role of a local producer in various geographical locations. In addition, in line with its targets, Borusan Boru closely monitors the developments in its sector, for all kinds of acquisition and merger opportunities both in domestic market and abroad.

In the first half of 2024;

The infrastructure and project business line significantly increased its revenue to \$488.4 million compared to the same period last year, due to the contribution of Berg Pipe, which was consolidated into the financials in April 2023, and ongoing projects.

Despite weak demand in the regions where it operates, declining raw material prices, and increased competition putting pressure on pricing, the revenue of the industry and construction business line increased by 2.7% y-o-y, reaching \$144.9 million.

Despite the weak outlook for pipe demand, the revenue of the automotive business line increased by 7.7% compared to the same period last year, reaching \$107.7 million.

In the energy business line, revenues decreased by 57.7% year-on-year to \$199.6 million, driven by the continued normalization of prices due to balanced supply-demand conditions and a decline in the rig count.

On a consolidated basis, product sales volume increased by approximately 41.9% compared to the previous year, reaching 619,000 tons. Around 81% of total sales revenue was generated in global markets, maintaining strong performance in international markets.

Revenue generated from the sale of high added value added, particularly pressure, precision and spiral pipes, in total revenue is 85% as of 1H24. During this period, the share of revenue from the sales of high value-added drilling and well pipes in the American market was 21% of total revenue, due to a decrease in the rig number and the balancing of supply and demand in the market.

With the acquisition of Berg Pipe, sales volume of high value-added spiral welded pipes increased significantly compared to the previous year, The share of revenue generated from the sales of these pipes in total revenue realized as 51% in 1H24.

As a result, consolidated revenue increased by 19.9% y-o-y, reaching \$940.7 million.

Profit margins in the energy business line continued to normalize as expected due to balanced supply-demand dynamics in the market. During this period, the following factors emerged as pressures on profit margins: (i) increased competition and the impact of falling raw material prices on pricing, (ii) rising labor costs in Turkiye in dollar terms, and (iii) rising financing costs. Despite these challenges, (i) increased sales volume, (ii) cost-reduction measures and efficient management of expenses, (iii) balancing weak demand conditions by operating across different business lines and geographies, led to an EBITDA margin of 9.1% in the first half of the year, in line with expectations. EBITDA in the first half of the year was \$86 million, a decrease of 60.0% compared to the same period last year, also influenced by a high base effect from the previous year.

Profit Before Tax decreased by 81.6% y-o-y to \$31 million, while net profit declined by 84.2% to \$20 million.

Net debt increased from \$219 million in the end of 2023 to \$375 million, with the Net Debt/EBITDA<sup>2</sup> ratio rising from 0.7x to 2.0x over the same period.

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<sup>2</sup> Net Debt/EBITDA ratios are calculated using EBITDA for the last twelve months.

#### 4. Other Material Disclosures

- On May 27, 2024, our company's Ordinary General Assembly Meeting was held at the address İstinye Mahallesi, Sarıyer Caddesi No.77 Sarıyer/İstanbul (Borusan Oto Servis ve Ticaret A.Ş. İstinye Şubesi), and the meeting results were announced to the public through KAP. The related KAP announcement and the documents attached can be accessed at <https://www.kap.org.tr/en/Bildirim/1291424>.
- As announced in our material disclosure dated May 30, 2024, our Board of Directors resolved to appoint Mr. Ali Ahmet Kocabıyık as the Chairman of the Board, Mr. Semih Abidin Özmen as the Vice Chairman of the Board, and Mr. Erkan Muharrem Kafadar as the Executive Board Member and to register and promulgate the task assignment of the Board of Directors at the trade registry. Thus, our Board of Directors is composed of Mr. Ali Ahmet Kocabıyık as the Chairman, Mr. Semih Abidin Özmen as the Vice Chairman, Mr. Erkan Muharrem Kafadar as the Executive Board Member, Ms. Defne Kocabıyık Narter as the Board Member, Mr. İbrahim Romano as the Independent Board Member, Mr. Bülent Bozdoğan as the Independent Board Member, and Mr. Tayfun Bayazıt as the Independent Board Member. <https://www.kap.org.tr/en/Bildirim/1292912>.
- As announced in our material disclosure dated June 14, 2024, Our Board of Directors, in accordance with Capital Markets Board's Communiqué II-17.1. on Corporate Governance, resolved the following appointments:
  - Mr. Bülent Bozdoğan as the Chairman of the Audit Committee and Mr. İbrahim Romano as the member
  - Mr. İbrahim Romano as the Chairman of the Corporate Governance Committee, Mr. Erkan Muharrem Kafadar, Mr. Tayfun Bayazıt, and Mrs. Ekin Taş as the members
  - Mr. Tayfun Bayazıt as the Chairman of the Early Detection of Risk Committee, Mr. Semih Abidin Özmen as the member. <https://www.kap.org.tr/en/Bildirim/1299798>.
- Borusan Holding A.Ş., our indirect shareholder, has informed us that as of 28 June 2024, it has acquired Borusan İstikbal Ticaret Türk A.Ş. through a merger. The notification from Borusan Holding A.Ş. regarding this transaction is below.

"As of 28 June 2024, Borusan Holding A.Ş. ("Borusan Holding") has acquired Borusan İstikbal Ticaret Türk A.Ş. ("Borusan İstikbal") through a merger and thus Borusan İstikbal has been dissolved. Borusan Holding's indirect shares in Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. ("Borusan Birleşik Boru") is 70,63%. Since Borusan Holding is the 100% owner of Borusan İstikbal, Borusan Holding's indirect shares in Borusan Birleşik Boru will not change as a result of the merger. As a matter of fact, there has been no change of management control of Borusan Birleşik Boru as a result of the merger."

- As announced in our material disclosures dated July 11, 2024 and July 22, 2024, The changes in our Executive Committee as part of the appointments in our United States (USA) operations are as follows:
  - Mr. Joel Johnson, who served as the Executive Committee Member responsible for the USA OCTG segment, has been appointed as the Advisor to the Chairman of the Executive Committee.
  - Mr. Josh Croix has been appointed as the Executive Committee Member responsible for the USA OCTG segment, replacing Mr. Joel Johnson.
  - Mr. Uğur Onbaşı, who is currently the Executive Committee Member responsible for the Türkiye Infrastructure Projects Segment and the USA Supply Chain & Procurement processes, has been appointed as the Executive Committee Member responsible for the USA Large Diameter Pipe Segment.
  - Mr. Dimitris Dimopoulos, who serves as the Chief Operating Officer of Borusan Berg Pipe in the United States (US), has been appointed as the Chief Technical and Quality Officer for US operations and Executive Committee Member.

<https://www.kap.org.tr/en/Bildirim/1311777>,  
<https://www.kap.org.tr/en/Bildirim/1314455>

## 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 is TRY1,037,322. No investment incentive has been utilized within scope of these investments.

## 7. Research and Development

On the product development front, the focus continued on value-added advanced processes and coatings in the first half of 2024. In addition, development of innovative pipe type activities that address different areas of use for all business lines, continue.

In addition to new product development, studies go on in many projects in the field of digital transformation. Research continues on IoT technologies, applications that could benefit the customer, and web developments.

## 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 – June 30,2024 period is TRY28,008 ths.

## 10. Share Price and Market Capitalization

The Company's market capitalization, which was TRY92,138 million (\$3,124 million) based on the closing value of its shares on January 2, 2024, realized as TRY63,929 million (\$1,944 million) as of the last trading date on June 28, 2024, at the end of the period.

### 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>June-24</u>	<u>June-23</u>
Current Ratio	$\frac{\text{Current Assets}}{\text{Short Term Liabilities}}$	=	1.33	1.22
Liquidity Ratio	$\frac{\text{Current Assets} - \text{Inventories}}{\text{Short Term Liabilities}}$	=	0.54	0.61
Inventory Turnover Ratio	$\frac{\text{Cost of Sales}}{\text{Inventories}}$	=	2.78	1.85
Working Capital Utilization	$\frac{\text{Inventories} + \text{Trade Receivables}}{\text{Net Sales}}$	=	43.0%	61.7%
Equity Utilization Ratio	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities} - \text{Cash}}$	=	50.6%	47.5%
Profitability Ratio	$\frac{\text{Net Profit For The Period}}{\text{Net Sales}}$	=	2.2%	16.3%
Asset Efficiency	$\frac{\text{Net Profit For The Period}}{\text{Total Assets}}$	=	1.1%	5.4%
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	=	9.1%	27.2%

<b>Note 1: Calculation of Earnings Before Tax, Interest, Depreciation (TRY 000)</b>	<b><u>June-24</u></b>	<b><u>June-23</u></b>
Operating Profit / (Loss)*	2,016,177	3,844,835
Depreciation Expenses	659,680	414,031
Within Cost of Sales	588,394	358,427
Within Marketing, Sales and Distribution Expenses	0	4,364
Within General Administrative Expenses	71,286	51,240
Period Expense / (Income) on Provisions for Severance Pay	41,433	(36,862)
Period Expense / (Income) on Provisions for Leave	17,742	0
Other Extraordinary Expense / (Income)	(33,698)	20,278
<b>Earnings Before Tax, Interest, Depreciation (TRY 000)**</b>	<b>2,701,334</b>	<b>4,242,282</b>

\* Financial ratios are calculated based on Income Statements of June 30, 2023 and June 30, 2024 periods.

\*\* 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:**

Despite the weak demand outlook and increasing competition in the first half of 2024, financial and operational results were in line with expectations. Following the 1H24 financial results, the company did not update its expectations for the year 2024.

2024 Guidance						
	2020	2021	2022	2023	1H24	2024 E
Sales Volume (mln ton)	0.63	0.76	0.85	1.06	0.62	1.05-1.20
Revenue (\$ billion)	0.5	0.8	1.3	1.7	0.9	1.7-2.0
EBITDA Margin (%)	9.9%	9.8%	14.9%	18.2%	9.1%	8%-10%

In the second half of the year, the weak demand outlook and cost pressures are expected to continue and due to the balanced supply/demand conditions in the energy sector, sales prices are expected to remain at long-term average.

In the ordinary course of events, expectations are disclosed four times a year, with quarterly financial results.

**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 – June 30, 2024, 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, 2023 were published simultaneously with the year-end annual report on the Public Disclosure Platform. Further information is available at the following links:

Corporate Governance Information Form: <https://www.kap.org.tr/en/Bildirim/1257175>

Corporate Governance Compliance Report: <https://www.kap.org.tr/en/Bildirim/1257176>

## **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 2024, taking into account the interests of all stakeholders.

Further information is available in the Sustainability Compliance Report disclosed on the PDP <https://www.kap.org.tr/en/Bildirim/1257177> on March 8, 2024.

## **VI. OTHER INFORMATION**

**The explanations regarding developments that significantly affected the Company's operations in this period are presented above. For other information, please refer to:**

### **I) Material Disclosures and Financial Reports Disclosed on PDP:**

[Borusan Boru Disclosures on PDP](#)

### **II) Investor Presentations:**

[Investor Presentations](#)

## **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.