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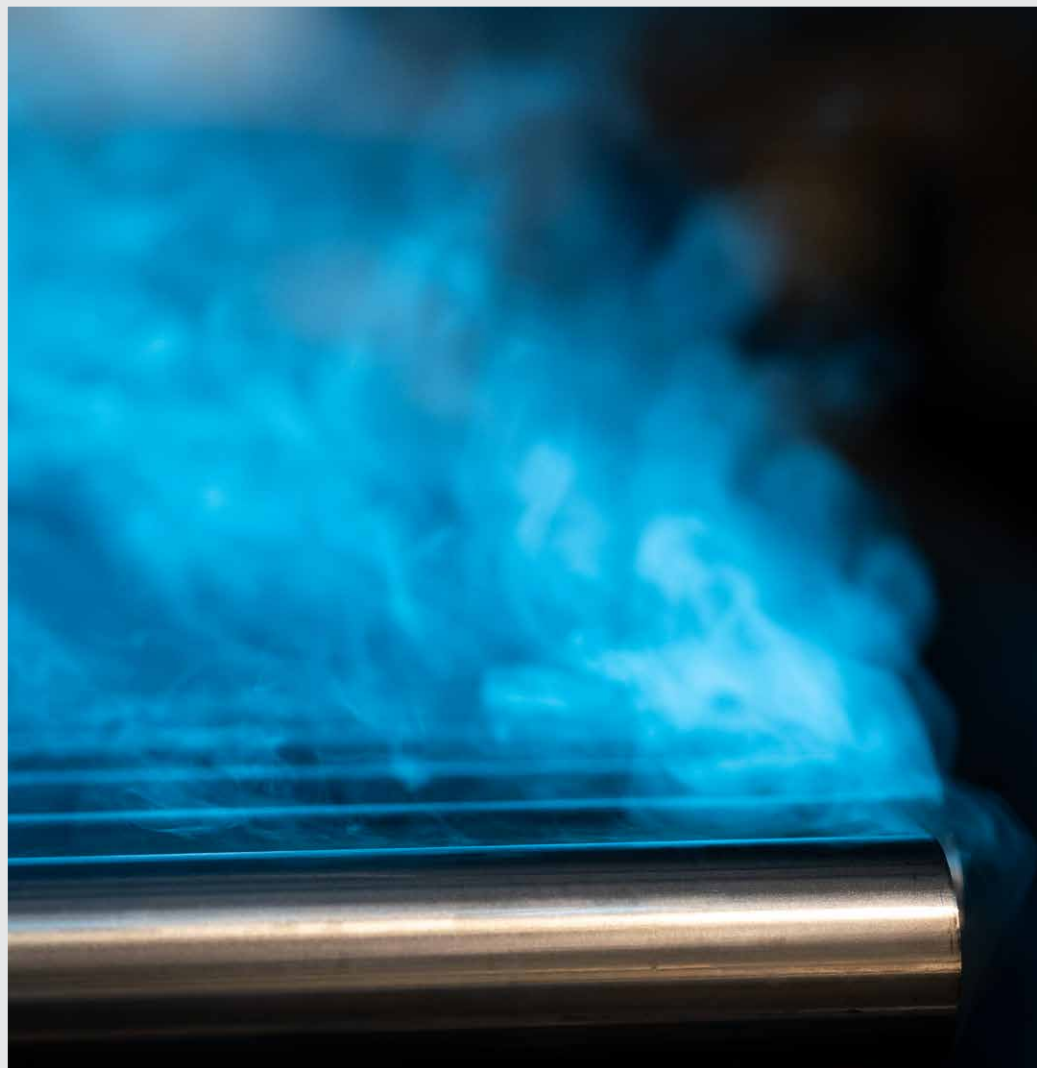
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PRESENTATION

**WE ARE
PREPARING FOR
THE FUTURE
TOGETHER
WITH OUR
STAKEHOLDERS.**





BORUSAN PIPE IN BRIEF

73.48% of Borusan Pipe's shares are owned by the Borusan Group. The company's shares were offered to the public in 1994 and are traded on Borsa Istanbul under the ticker symbol BRSAN in the Star Market (Float Rate: 19.85%).

Global Production and Operational Network

Borusan Pipe has a vast operational network with 10 facilities across 3 continents, covering a total area of 1 million m², an annual production capacity of 1.7 million tons, and 2,421 employees. The company operates in Türkiye, the United States (USA), Italy, Germany, and Romania as part of its strategy to be a global player at home in local markets.

Strong Growth in the U.S. Market

Borusan Pipe started production operations in the United States through Borusan Pipe U.S. Inc., established in 2014 with a USD 150 million investment, specializing in the production of well and drilling pipes for the oil and gas industry. The company operates its facility in Houston with an annual production capacity of 300,000 tons.

As part of its strategy to become a local manufacturer in global markets, Borusan Pipe acquired 100% of the shares of Berg Europipe Holding Corp. in the U.S. for USD 162 million in 2023. This acquisition integrated two facilities in Panama City and Mobile, which offer growth potential in the infrastructure and projects sector in North America, into Borusan Pipe's operations.

In 2024, the company established itself as a local manufacturer in the U.S. industrial and construction sector by commissioning a new SRM Line at its Houston Baytown Facility, with an annual production capacity of 100,000 tons, following a USD 50 million investment. Furthermore, Borusan Pipe has committed to investing USD 68 million in advanced forming technology at its Panama City Facility, which operates under its subsidiary, Borusan Berg Pipe Holding Corp., in the U.S. This investment, set to become operational by 2027, will further strengthen Borusan Pipe's position in the U.S. market and diversify its product portfolio.

Through these investments, Borusan Pipe has become a local steel pipe producer in the infrastructure and project, energy, and industrial and construction sectors in the United States. Currently, 53% of the company's production capacity and 69% of its sales revenue are derived from its operations in the U.S.

A GLOBAL PLAYER AT HOME IN LOCAL MARKETS

**BORUSAN PIPE
OPERATES ACROSS
THREE CONTINENTS,
PRODUCING AND
SELLING STEEL
PIPES FOR THE
INFRASTRUCTURE &
PROJECT, ENERGY,
AUTOMOTIVE,
AND INDUSTRIAL
& CONSTRUCTION
SECTORS.**



Founded by Asım Kocabıyık in 1958 as the first industrial venture of the Borusan Group, Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. (Borusan Pipe, Borusan Boru, “BBB”) has grown into one of the leading global manufacturers in the steel pipe industry, with 66 years of expertise.

Strategic Expansion in Europe

In 2024, Borusan Pipe launched its commercial operations in Ploiești, Romania, following the completion of a EUR 15 million investment in a service center. The Facility, covering 4,800 m² of area serves the automotive industry with an annual production capacity of 21 million units.

As part of its global expansion strategy, Borusan Pipe made its first foreign acquisition in 2001 with Borusan Vobarno Tubi S.p.A., an Italian company specializing in the production of high-value-added cold-drawn special pipes. The Facility, with an annual production capacity of 30,000 tons, manufactures steel pipes primarily for the automotive sector in the European market. This investment marked one of the initial steps in the company's broader objective to expand its international presence.

The commercial office opened in Germany in 2021 aligns with Borusan Pipe's objective of being closer to its customers in Europe and provides an opportunity to closely monitor developments in the region. This office allows the company to deliver

faster and more effective solutions to customer demands in the European market.

Ongoing Production Strength in Türkiye

Borusan Pipe continues its production and sales activities in the industrial and construction, automotive, and energy pipe business lines, with a total production capacity of 800,000 tons across its Gemlik, Halkalı, and Bursa facilities in Türkiye. As the company expands in global markets by leveraging its industrial and engineering expertise in Türkiye, it remains committed to adding value to and strengthening the industrial ecosystem of the national economy.



SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE

	Share Amount (TL 000)	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
Total	141,772	100.00

The table illustrates the current shareholding structure. Detailed information regarding the capital structure and subsidiaries can be found under the “Annexes – Other Information” and “Subsequent Events” headings.



BORUSAN GROUP

73.48%

Borusan Holding A.Ş.
64.4%Borusan Yatırım ve
Pazarlama A.Ş. 9.1%Float and Other
26.5%**BORUSAN Birleşik Boru Fabrikaları San. ve Tic. A.Ş. - BBB**Borusan Pipe
USA
100%Borusan Vobarno
Italy
100%Borusan Tube
Romania
100%Borusan Tube
Germany
100%

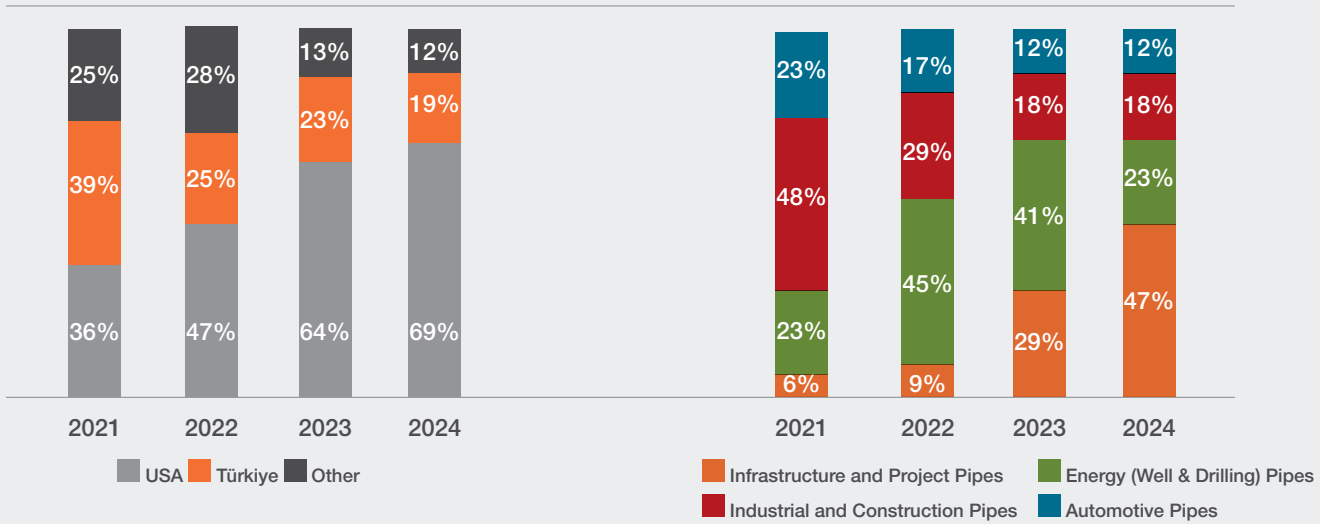
Borusan Berg Pipe Panama 100%



Borusan Berg Pipe Mobile 100%

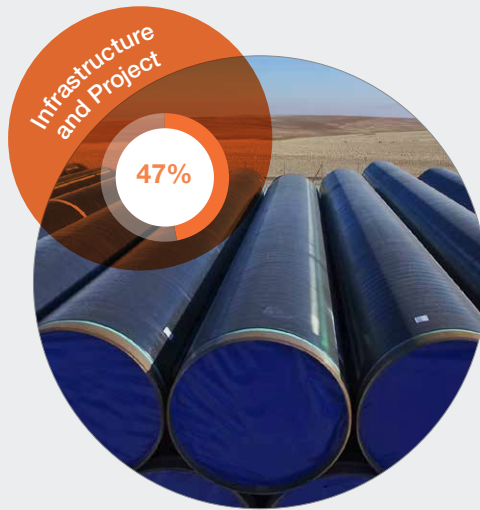
BORUSAN PIPE AT A GLANCE

Breakdown of Revenues by Regions and Industries (%)



BUSINESS LINES

Borusan Pipe distinguishes itself in the U.S. market with products that adhere to the American Petroleum Institute (“API”) standards, which define the production, testing, and performance requirements for pipes used in the oil and natural gas industry, as set by the API.



Products: Pipes for infrastructure projects such as water, oil, and natural gas pipelines
Spiral Welded Pipes, LSAW Line Pipes, ERW Line Pipes

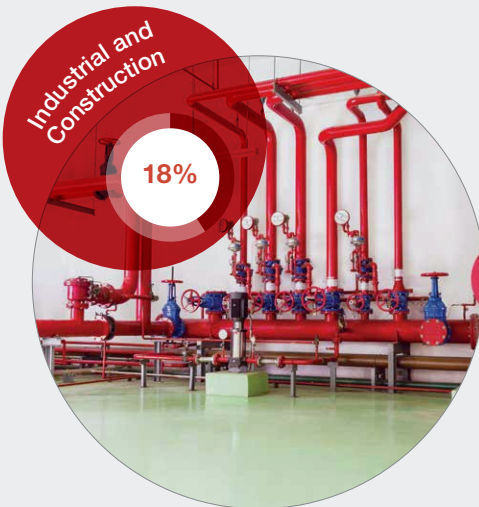
Production Centers: Panama City (USA), Mobile (USA)



Products: Pipes used in oil and natural gas exploration and extraction operations
ERW Line Pipes, OCTG Pipes

Production Centers: Houston (USA), Gemlik (TR)

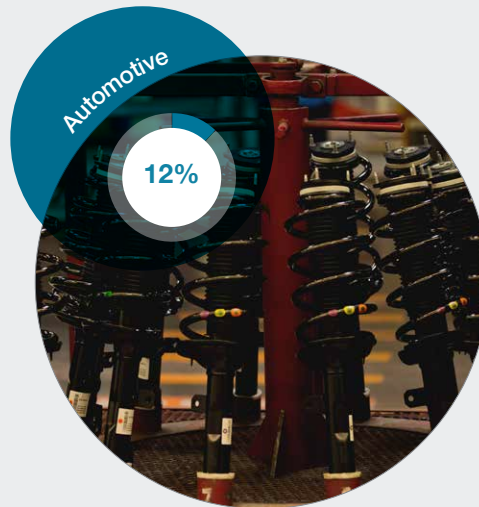
BUSINESS MODEL STRENGTHENED THROUGH SECTORAL AND MARKET DIVERSIFICATION



Products: Pipes and profiles used in industries and construction, such as plumbing pipes, fire safety system pipes, construction and piling pipes, concrete pump and industrial pipes, and pipes for machinery and agricultural tools

SRM Plumbing Pipes, ERW Natural Gas Pipes, Industrial Pipes and Profiles, Water Pipes, Construction Pipes and Profiles

Production Centers: Gemlik (TR), Halkalı (TR), Houston (USA)



Products: Pipes and special-shaped profiles used in vehicle chassis and body components, exhaust systems, and safety structures

Hydraulic Cylinder Pipes, Cold Drawn Pipes, Advanced Processed Pipes, Special Precision Pipes, and Profiles

Production Centers: Gemlik (TR), Halkalı (TR), Vobarno (IT)

Service Centers: Bursa (TR), Romania (RO)

Borusan Pipe maintains a strong presence in international markets, producing high-quality and safe pipes with globally recognized certifications. In the plumbing pipe sector, the company manufactures drinking water pipes certified by NSF (National Sanitation Foundation) and DVGW (Deutscher Verein des Gas - und Wasserfaches) in North America and Germany. Additionally, for fire safety system pipes, Borusan Pipe produces pipes certified by UL (Underwriters Laboratories) and FM (Factory Mutual) laboratories.

BORUSAN PIPE TIMELINE

ACHIEVING GLOBAL SUCCESS, POWERED BY THE STRONG FOUNDATIONS ESTABLISHED IN TÜRKİYE...

1958

Asım Kocabıyık plants the seeds from which Borusan Pipe will grow.

1968

Halkalı ERW Pipe Plant becomes operational.

1969

Borusan begins exporting its products.

1976

Gemlik ERW Pipe Plant becomes operational.

1979

Borusan Port becomes operational giving Borusan Pipe a strong competitive advantage.

2014

BBB's USD 150 million OCTG Pipe Plant investment in Houston becomes operational.

2016

A service center serving the automotive segment is established in Bursa.

2019

The Gemlik Automotive Pipe Line becomes operational.

2021

Commercial liaison office opens in Germany.

2022

BBB books USD 1.3 billion in revenues.

Borusan Pipe operates across three continents and ten facilities, fueled by innovative manufacturing capabilities and a global vision. The company serves key industries such as oil, automotive, construction, and energy with its broad product range and extensive engineering expertise, while strengthening its position in the sector through customer-focused solutions. Operating globally with over 4,000 product types, Borusan Pipe continues to expand its international presence through strategic investments and innovative solutions.

1994

Borusan Pipe AŞ shares start trading on the İstanbul Stock Exchange.

1998

Borusan Group consolidates its operations in Türkiye with Salzgitter GMBH.

2001

Borusan makes its first cross-border acquisition with the purchase of Vobarno Tubi SpA.

2004

Company is renamed Borusan Mannesmann.

2011

Gemlik HSAW Pipe Plant becomes operational.

2023

Berg Pipe's LSAW Plant (built in 1979) in Florida and HSAW Plant (built in 2007) in Alabama are acquired at an investment cost of USD 162 million.

Borusan Group purchases Salzgitter Mannesmann GmbH's 23% stake in BMB Holding A.Ş.

The company's legal name is officially registered on November 23, 2023 as Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan Pipe)

2024

The Romania Service Center, established with an investment of EUR 15 million, commences operations.

The SRM Facility, built with a USD 50 million investment in Baytown, USA, starts operations.

A decision is made to invest a total of USD 68 million in new production technology at the Panama City Facility in the USA over the course of 2025 and 2026.

CORPORATE MISSION, VISION & VALUES

MISSION

To produce goods and services which have a positive impact on the world and which benefit society.

VISION

To be a leading and renown global supplier of steel pipes and integrated solutions with a focus on high value added products having local production capabilities in target markets and unmatched cost competitiveness in all its products.



VALUES

WE TAKE INITIATIVE AND RESPONSIBILITY

We demonstrate effective individual leadership. We take action to do what our job requires. We work as a team. We create efficient and lean organizations.

WE AIM FOR EXCELLENCE

We are experts in our field. We set and achieve high standards of success. We're innovative and creative. We support continuous development.



BORUSAN PIPE'S STRATEGIC FOCUS

COMPETITIVE ADVANTAGES

- Recognition as a leading brand known for high quality
- Maximum customer satisfaction underpinned by a customer-centric, solution-focused approach
- Qualified human resource, agile and adapting to change with a vision to derive opportunities in challenges
- Preferred manufacturer of suppliers due to value-added products, continuous growth, and trusted partner approach
- Extensive portfolio of products continuously expanded by new investments
- Diversified product portfolio capable of uniquely addressing the dynamics of different markets and sectors

TRANSFORMATIONAL FOCUS

- Environmental, Social and Governance (ESG) focused cultural transformation
- Compliance Initiatives for the Carbon Border Adjustment Mechanism (CBAM)
- Digitalization and automation of processes
- Operational and commercial excellence
- Profitability-focused sustainable growth across business lines and operational territories
- Integration of new cross-border acquisitions and investments in the most effective manner
- Capitalizing on opportunities across diverse markets with hydrogen, carbon capture, and energy storage solutions
- Driving digital transformation through the SAP implementation project

STRATEGIC ACTIONS

- Infrastructure and Project: Expand in the North American market through the acquisition of Berg Pipe in the U.S.A. and investment in new production technology.
- Industry and Construction: Increase the proportion of new products in the portfolio and drive growth through the SRM investment in the U.S.A.
- Automotive: Leverage service center investment in Romania to penetrate Tier 1 and Tier 2 customer segments across Europe
- Energy: Support profitable revenue growth by prioritizing automation and robotics investments in existing lines
- Continuously assess productivity enhancing merger and acquisition opportunities

WE STRIVE FOR OUR CUSTOMERS' SATISFACTION

We're committed to help for the success of our customers. We create value, offering high-quality products and services for our customers. We value customer feedback.

WE ARE TRUSTWORTHY

We build open and honest relationships. We keep our promises. We compete fairly.

WE GIVE BACK TO SOCIETY

We support sociocultural enrichment. We encourage employees to take part in socially-beneficial initiatives. We're environmentally aware and responsible.

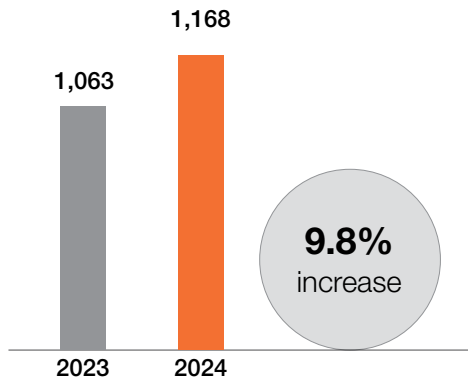
FINANCIAL AND OPERATIONAL INDICATORS

SUMMARY INCOME STATEMENT

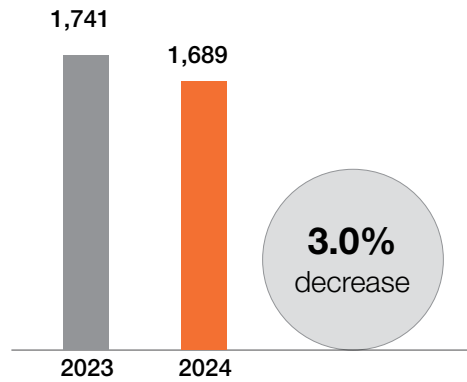
CONSOLIDATED (USD million)	2024	2023	Change (%)
Revenue	1,689.5	1,741.2	(3.0%)
Gross profit	112	318	(64.7%)
<i>Gross Profit Margin (%)</i>	6.6%	18.3%	(11.7 p.p.)
Operational Expenses	(81)	(85)	(4.5%)
<i>OPEX Margin (%)</i>	(4.8%)	(4.9%)	0.1 p.p.
Other	28.1	62.2	(54.8%)
EBIT	59	295	(79.9%)
<i>EBIT Margin (%)</i>	3.5%	17.0%	(13.5 p.p.)
Financial Expenses	(59)	(58)	1.5%
Profit Before Tax	1	238	(99.7%)
<i>PBT Margin (%)</i>	0.0%	13.6%	(13.6 p.p.)
Net Profit	(5)	194	n.m.
<i>Net Profit Margin (%)</i>	(0.3%)	11.1%	(11.4 p.p.)
Amortization	43	42	2.9%
Other	(1)	(21)	(97.1%)
EBITDA*	102	316	(67.8%)
<i>EBITDA Margin (%)</i>	6.0%	18.2%	(12.2 p.p.)

* EBITDA is calculated by including net other operating income, income from investing activities and excluding one-off income (expense) items.

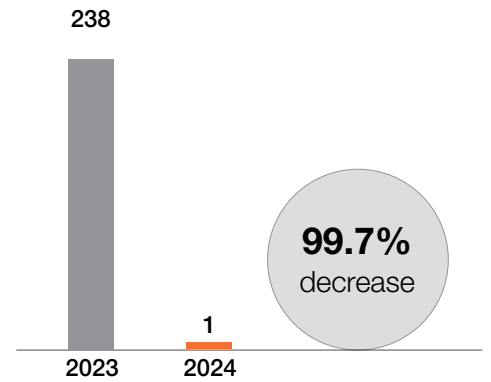
SALES VOLUME
(thousand tons)



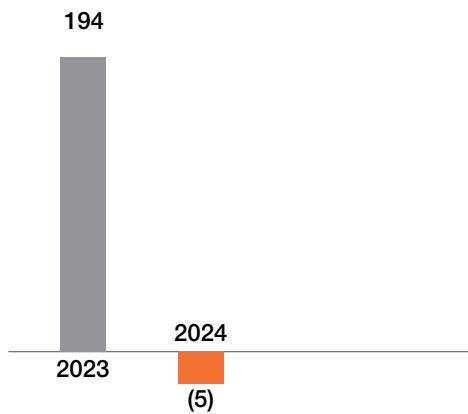
REVENUE
(USD million)



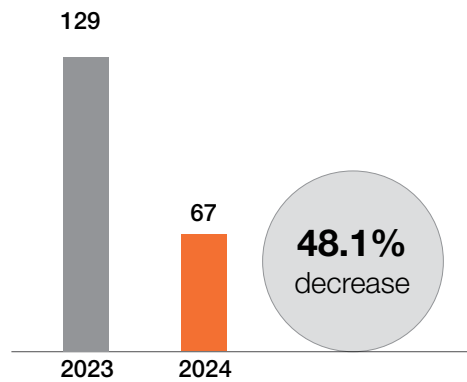
PROFIT BEFORE TAX
(USD million)



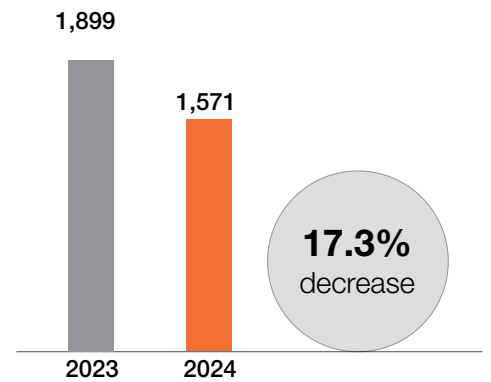
NET PROFIT
(USD million)



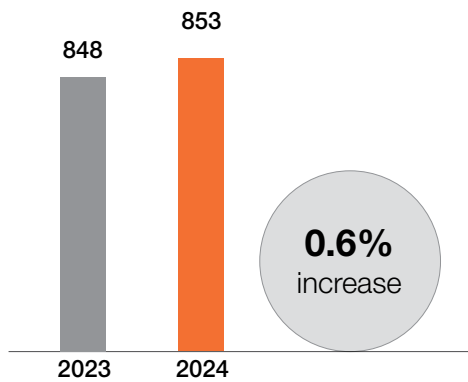
CASH and CAH EQUIVALENTS
(USD million)



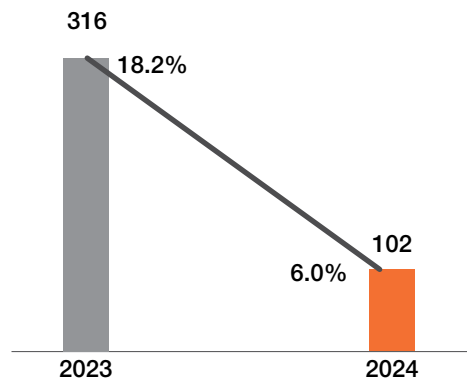
TOTAL ASSETS
(USD million)



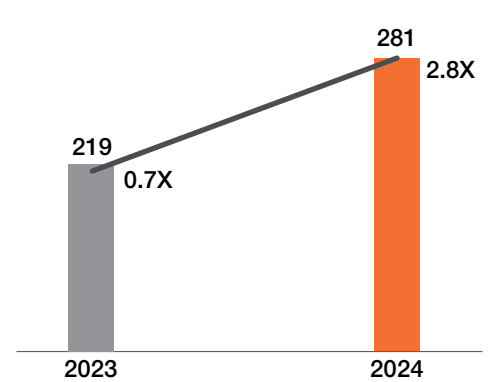
SHAREHOLDERS' EQUITY
(USD million)



EBITDA & EBITDA MARGIN
(USD million - %)



NET DEBT & NET DEBT / EBITDA
(USD million)



FINANCIAL AND OPERATIONAL INDICATORS

SUMMARY CASH FLOW STATEMENT

CONSOLIDATED (USD million)	2024	2023	Change (%)
Cash Flows from Operating Activities	19	313	(94%)
Cash Outflows from Investing Activities	(29)	(70)	(59%)
Cash Outflows from Financing Activities	(52)	(194)	(73%)
Change in Cash and Cash Equivalents	(63)	49	(229%)
Cash and Cash Equivalents at the Beginning of the Period	129	81	59%
Cash and Cash Equivalents at the End of the Period	67	129	(48%)

SUMMARY BALANCE SHEET

CONSOLIDATED (USD million)	2024	2023
Cash and Cash Equivalents	67	129
Trade Receivables	149	197
Inventories	353	537
Current Assets	698	1,084
Non-current Assets	874	816
TOTAL ASSETS	1,571	1,899
Short Term Financial Debt	260	265
Trade Payables	159	293
Short-Term Liabilities	539	874
Long Term Financial Debt	87	84
Long Term Liabilities	179	178
Paid-in capital	69	69
EQUITY	853	848
TOTAL LIABILITIES AND EQUITY	1,571	1,899

RATIOS

	2024	2023
Current Ratio	1.29	1.24
Liquidity Ratio	0.64	0.63
Inventory Turnover Ratio	4.13	2.65
Working Capital Turnover	32.2%	42.1%
Equity Ratio	56.7%	47.9%
Return on Assets (RoA)	(0.3%)	10.2%
Return on Equity (RoE)	(0.6%)	26.2%

CONSOLIDATED INCOME

STATEMENT: In 2024, Borusan Pipe's total sales volume increased by 9.8% year-on-year, reaching 1.168 million tons, while consolidated revenues declined by 3%, totaling USD 1,689 million. During this period, the share of the company's revenues from global markets grew by 4 percentage points compared to the previous year, accounting for 81% of total revenue.

However, due to market price pressures, intensified competition, and a continuous decline in raw material prices throughout the year, gross profit decreased by 64.7% year-on-year, amounting to USD 112 million. EBITDA dropped by 67.8%, reaching USD 102 million. The EBITDA margin fell by 12.2 percentage points, down to 6.0% from 18.2% in 2023. Profit Before Tax stood at USD 1 million, with the company recording a net loss of USD 5 million for 2024.

CONSOLIDATED CASH FLOW

STATEMENT: Borusan Pipe continues to prioritize measures to enhance cash flow, aiming to strengthen its balance sheet and ensure financial stability.

In 2024, the company implemented effective cash management strategies to support this goal. Cash inflow from operating activities amounted to USD 19 million, while net cash outflows from investing activities totaled USD 29 million, and net cash outflows from financing activities reached USD 52 million.

As of the end of 2024, the company's cash and cash equivalents decreased to USD 67 million. The Net Financial Debt/EBITDA ratio remained stable at 2.8X, consistent with the end of the third quarter. Net financial debt rose by 28.3% compared to 2023, reaching USD 281 million.

CONSOLIDATED BALANCE SHEET:

Current assets decreased to USD 698 million, while the company's total assets fell by 17.3%, totaling USD 1,571 million. During this period, net working capital increased by 17.0%, reaching USD 324 million.

Borusan Pipe aims to reduce its debt and enhance cash flow in 2025 by prioritizing stringent financial discipline and operational efficiency.

2024 PERFORMANCE AND FORWARD-LOOKING

EXPECTATIONS: In 2024, Borusan Pipe achieved financial and operational results in line with its expectations.

Looking ahead to 2025, the company anticipates its sales volume to range between 1.05 and 1.20 million tons, with revenue expected to be between USD 1.6 billion and USD 1.8 billion. The EBITDA margin is projected to fall within the range of 5.0% to 7.0%.

The outlook for demand in its key operating markets, raw material prices, exchange rate fluctuations, and potential new regulations in the U.S. steel sector are expected to continue influencing profitability.

2025 GUIDANCE

In 2024, Borusan Pipe's results aligned with expectations.

Looking ahead to 2025, it is anticipated that the market challenges experienced in 2024 will persist. As a result, a stable trend in sales volume and revenue is expected to continue. Effective cost management is anticipated to mitigate profit pressures, with the EBITDA margin forecasted to range between 5% and 7%. The outlook for demand in key operating markets, raw material prices and exchange rates fluctuations as well as potential new regulations in the U.S. steel sector, are expected to continue influencing profitability.

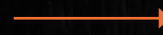
In the normal course of business, guidance is provided four times a year, coinciding with the release of quarterly financial results.

2024 (ACTUAL)

2025 (Guidance)

Sales Volume (million tons)

1.17



1.05-1.20

Revenue (USD billion)

1.7



1.6-1.8

EBITDA Margin (%)

6.0%



5% - 7%



BORUSAN

CHAIRMAN'S MESSAGE



Dear Stakeholders,

The year 2024 has presented us with a set of challenges, shaped by global economic uncertainties, weak demand, and rising cost pressures. Amidst intensified competition and volatile raw material prices, Borusan Pipe has responded with strategic initiatives that highlight our flexibility and resilience.

Our strong foundation, built since our inception in 1958, has positioned us as a leading player in the global steel pipe market. With 66 years of industrial expertise, we have successfully expanded our production and engineering capabilities to the U.S. and European markets. Today, we lead our sector across three continents, operating 10 facilities with a dedicated workforce of 2,421 employees.

Remaining committed to our long-term strategy, we have enhanced operational efficiency, strengthened cost discipline, and implemented initiatives that support sustainable

growth despite market fluctuations. In North America, we have solidified our presence with four facilities across three U.S. states. Simultaneously, we have enhanced our competitive edge through strategic investments in Europe. By expanding our industrial and engineering expertise from Türkiye to global markets, we continue to create value not only for our company but also for the wider national economy.

Sustainability remains at the heart of our strategy, as we aim to build a more livable future with a focus on people, climate, and innovation. In addition to fostering the development of our workforce, we are reducing our carbon footprint through climate-friendly production processes and driving industry leadership via continuous innovation. The steps we are taking in the green transformation process are designed to build a sustainable future for both today and tomorrow.

We are steadfast in maintaining our financial discipline despite pressures on profitability. As we adapt to the dynamic market environment, we remain aligned with our strategic priorities, ensuring we meet the expectations of all our

stakeholders. With our innovative product portfolio and efficiency-driven investments, we continue to progress toward our vision of creating lasting value without compromise.

Looking ahead to 2025, we see substantial opportunities for transformation and innovation, alongside inevitable challenges. By further reinforcing our financial discipline, we will strengthen our position in key strategic markets. We remain focused on delivering value and leading the transformation of the industry through closer collaboration with our customers.

As Borusan Pipe, we will continue to maintain our pioneering stance in the industry, driven by our reliability, solid foundations, and forward looking vision. We will uphold our principles of transparency, effective management, and strong performance as the cornerstone of our collaboration with stakeholders.

I would like to express my heartfelt gratitude to every member of the Borusan Pipe family and to all of our stakeholders. I wish for 2025 to be a year of success for us all.

Sincerely,

Ahmet Kocabiyik

Chairman of the Board of Directors

CEO'S MESSAGE



Dear Shareholders, Business Partners, and Colleagues,

The year 2024 has been one that required us to reassess our business models, swiftly adapt to changing market conditions, and accelerate our transformation processes.

Fluctuations in global markets, price and cost pressures, evolving customer expectations, and heightened competition have reshaped our strategic priorities, urging us to become more agile and resilient. Throughout this period, we at Borusan Pipe have not only responded to market dynamics but also strengthened our business processes, taking decisive steps for the future through strategic investments.

In Türkiye, shrinking demand and rising costs placed significant pressure on our financial results. In response to these challenges, we implemented measures to enhance production efficiency, further optimized our supply chain management, and streamlined both our operational and commercial processes, ensuring that we maintained our market position.

In the U.S., despite the contraction in the OCTG segment and cost pressures at our Baytown operations, the strong performance of Berg Pipe and increased demand for infrastructure projects supported our regional growth strategy. We are confident that the SRM investment we launched in 2024 will further strengthen our presence in this market in the coming years.

In Europe, we focused on maintaining our competitive edge and developing new business opportunities despite rising operational costs and declining demand. Our 2024 investment in Romania has strengthened our supply chain management in the region, enabling us to respond more swiftly to customer needs. This new facility will solidify our presence in Europe and contribute to our long-term growth objectives.

Aligned with our sustainability vision, we have accelerated efforts focusing on people, climate, and innovation. While investing in the development of our employees and prioritizing occupational health and safety, we are reducing our carbon footprint through climate-friendly production processes. Additionally, we are embracing digitalization to transform the way we operate. By framing our future investments on a sustainable foundation, we are reinforcing our long-term growth strategy.

Looking ahead to 2025, we will continue to maintain our strong market position through innovative production models, digitalization, and customer-centric solutions. Our continued success will be driven by the dedication of our colleagues, who swiftly adapt to change, and the invaluable support of our business partners.

I would like to extend my sincere thanks to all our colleagues, business partners, and stakeholders who have contributed to this transformation process. As Borusan Pipe, we will continue to move forward with confidence, inspired by our strong engineering heritage.

Sincerely,

Zafer Atabey
Chief Executive Officer

BOARD OF DIRECTORS



Ali Ahmet Kocabiyik

Chairman

Ali Ahmet Kocabiyik completed his undergraduate studies in Economics and Mechanical Engineering at the University of Birmingham in the United Kingdom, after graduating from İstanbul High School. He then earned a Master's degree in Mechanical Engineering from Carnegie Mellon University in Pittsburgh, USA. In 1990, he completed the Owner/President Management (OPM) program at Harvard Business School.

Mr. Kocabiyik began his professional career in 1980 as a pattern engineer at Blaw-Knox Foundry in Pittsburgh, USA. Since 1983, he has held various senior leadership positions within the Borusan Group. He currently serves as the Chairman of the Board of both Borusan Group and Borusan Pipe.

Ahmet Kocabiyik has been honored with the "Decoration of Science and Arts" by the Austrian Government and the "Gold Medal in the Arts" by the Kennedy Center Foundation in the U.S.A. In 2013, he was awarded an Honorary Doctorate by İstanbul Technical University for his contributions to education, culture, and the arts. He is a member of the Board of Directors of the Borusan Kocabiyik Foundation and a founding member of the Efes Foundation.



Semih Özmen

Vice Chairman

Semih Özmen completed his undergraduate and doctoral studies in Mechanical Engineering at the University of Birmingham before beginning his professional career in 1983 at Isuzu Motors. From 1986 to 1987, he worked in Japan, where Isuzu's headquarters is located, to specialize in steel part design and manufacturing.

In 1988, Mr. Özmen started working at Borusan Pipe as the Director responsible for New Product Design. Between 1992 and 2016, he held several senior positions, including Vice President of Purchasing and Supply Chain, Executive Vice President of the Automotive Pipe Segment, and CEO of Borusan Pipe.

From 2017 to 2023, Mr. Özmen served as the Chairman of the Board of Borusan Pipe. Since 2023, he has continued his leadership roles as the Chairman of the Board of Borusan Berg Pipe and as a Board Member of Borusan Pipe.

Additionally, Semih Özmen holds key positions within the Borusan Group, including Chairman of the Board of Borusan EnBW Enerji, Board Member of Borçelik, and Board Member of Borusan Holding.



Erkan Muharrem Kafadar

Executive Board Member

Erkan Kafadar completed his secondary and high school education at İstanbul High School and graduated from the Faculty of Business Administration at İstanbul University.

Mr. Kafadar joined Borusan Group in 1991 as a trainee at Borusan Pipe. Throughout his 34-year career, he has held various roles in Sales, Marketing, Customer Technical Services, and Purchasing at Borusan Pipe and Borçelik. During this time, he also served as the General Manager of Borçelik for 9 years.

Between 2015 and 2019, Erkan Kafadar was a member of the Executive and Steering Committees of Borusan Holding. On January 1, 2020, he was appointed as the Group CEO of Borusan Holding. In addition to this role, Mr. Kafadar serves as Chairman of the Board, Vice Chairman of the Board, and Board Member in all operational companies of Borusan Group and is an Executive Board Member at Borusan Pipe.

Erkan Kafadar is also a Board Member of the Turkish Metal Industrialists' Union (MESS), a member of the Turkish Industrialists and Business People's Association (TÜSİAD), a Disciplinary Board Member of the Turkish Confederation of Employer Associations (TİSK), a Board Member of the Sabancı University İstanbul International Center for Energy and Climate Research (IICEC), and a Member of the 43rd Professional Committee of the İstanbul Chamber of Industry (İSO).



Defne Kocabiyik Narter

Board Member

Defne Kocabiyik Narter completed her double major in Economics and Psychology at New York University in 2014. After gaining experience at various start-up companies, she joined Borusan Group in 2015 as a Business Development and Marketing Analyst at Borusan Pipe U.S. in Houston, USA. Between 2015 and 2019, she worked as the Sales Manager in the export department of Borusan Pipe.

Mrs. Narter is currently a Board Member at Borusan Pipe, Borusan Makina ve Güç Sistemleri (Caterpillar), and Borusan Otomotiv Group. She also serves as a member of the Audit Department and the Ethics Committee at Borusan Holding, and as the Chair of the Investment Committee at Borusan Corporate Venture Capital (CVC).



İbrahim Romano

Independent Board Member

İbrahim Romano graduated from the Department of Economics at Boğaziçi University in 1992 and earned his Master's degree in International Relations from Istanbul University in 1993. He began his professional career in 1994 as an Assistant Manager at Yatırım Bank, and between 1996 and 2002, he worked as a Manager at Dundas Ünlü, a company he co-founded. Following Standard Bank's partnership with Dundas Ünlü, he became the Head of the Corporate Finance Department at Standard Ünlü, which has operated as ÜNLÜ & Co since 2012.

Mr. Romano currently serves as the Managing Director of the Corporate Finance Department and as an Executive Board Member overseeing Investment Banking Advisory at ÜNLÜ & Co. He also continues his roles as a Board Member of ÜNLÜ & Co and as an Independent Board Member of Borusan Pipe.



Bülent Bozdoğan

Independent Board Member

Bülent Bozdoğan graduated from the Department of Business Administration at Middle East Technical University (ODTÜ) in 1980 and began his career as an independent auditor at PwC. Between 1982 and 1991, he held various managerial positions in the finance and commercial departments at Unilever Türkiye. In 1991, he joined Brisa, a company within the Sabancı Group, where he served as the Deputy General Manager responsible for Finance, Planning, and Control Functions.

From 2001 to 2009, Mr. Bozdoğan worked as the Deputy General Manager for Finance (CFO) at DUSA International LLC, a Sabancı-Du Pont joint venture, and later at Kordsa Global A.Ş. following the company's acquisition by Sabancı Holding. From 2009 to 2017, he served as the Head of the Audit Department at Sabancı Holding. After a 26-year career at Sabancı Holding, he retired. Between 2018 and 2019, he served as the Chairman of the Executive Board at Dedeman Holding, which operates in the mining and tourism sectors.

Bülent Bozdoğan currently serves as an Independent Board Member at Carrefoursa, Akçansa, Kordsa Indonesia, and Borusan Pipe.



Tayfun Bayazıt

Independent Board Member

Tayfun Bayazıt, after completing his undergraduate studies in Mechanical Engineering, earned his MBA in Finance and International Relations from Columbia University in 1983. He began his banking career at Citibank and held senior management positions at Çukurova Group, including Deputy General Manager at Yapı Kredi, General Manager at İnterbank, and CEO at Banque de Commerce et de Placement S.A. in Switzerland, over a span of 13 years.

In 1999, Mr. Bayazıt was appointed Vice Chairman of the Board of Doğan Holding and Executive Director of Dışbank. In 2001, he became the CEO of Dışbank. He was elected Chairman of the Board in 2003, and following Fortis' acquisition of a majority stake in Dışbank in July 2005, he was appointed CEO of Fortis Türkiye and a Member of the Fortis Global Management Committee. In 2006, he assumed the role of Chairman of the Board at Fortis Türkiye.

In 2007, Mr. Bayazıt returned to Yapı Kredi (a joint venture between UniCredit and Koç) as Executive Director and General Manager, and in 2009, he became Chairman of the Board. In August 2011, he left his position at Yapı Kredi to establish his own management and consulting firm.

Tayfun Bayazıt currently serves as the Chairman of the Board at Polisan Holding, Marsh McLennan Group Türkiye, and Aura Portföy. He also holds independent board membership roles at Borusan Pipe and various other publicly listed companies. Mr. Bayazıt is a Member of the High Advisory Council of TÜSiAD and is actively involved in several civil society organizations, including the Global Relations Forum, Education Volunteers Foundation of Türkiye (TEGV), Darüşşafaka, and the World Resources Institute.

EXECUTIVE COMMITTEE



Zafer Atabey
Chief Executive Officer

Zafer Atabey graduated from the Faculty of Economics and Administrative Sciences at Boğaziçi University. He began his career at Borusan Pipe in 1991, where he held various roles in the Marketing and Sales departments for 10 years. In 2001, he became the Trade Manager at the Vobarno factory in Italy, and in 2005, he was appointed General Manager of the same facility.

Returning to Türkiye in 2008, Zafer Atabey served as Deputy General Manager in various segments at Borusan Pipe. In 2013, he was appointed as a Board Member at Borusan Pipe U.S. Inc., and in 2015, he became Vice Chairman of the Executive Committee at Borusan Pipe. Since January 2017, Mr. Atabey has served as the Chief Executive Officer at Borusan Pipe.



Anil Karaca
**Executive Committee Member
Financial Affairs and Foreign
Trade**

Anil Karaca graduated from the Department of Business Informatics at Marmara University and completed the AMP program at Harvard Business School. He began his career in 2001 as an auditor at PwC. From 2004 to 2011, Mr. Karaca managed the financial reporting and controlling functions at Anadolu Efes.

Between 2012 and 2014, Mr. Karaca served as CFO at Efes Kazakhstan, and from 2014 to 2016, he worked as CFO at Çelik Motor, where he also led the leasing function. From 2016 to 2017, he served as Board Member and CFO at Şişecam Flat Glass Group, and from 2017 to 2021, he was the General Manager of Şişecam Automotive.

Anil Karaca has been a Member of the Executive Committee at Borusan Pipe since October 2021, overseeing financial affairs, strategy, legal, and foreign trade functions. He also serves as a Board Member at Borusan Pipe U.S., Borusan Berg Pipe, and Borusan Vobarno.



Oğuzhan Kuşçuoğlu
**Executive Committee Member
Construction and General
Industry Segment**

Oğuzhan Kuşçuoğlu graduated from the Department of Economics at Boğaziçi University and began his career in 2001 at Maersk Line in a Business Development role.

In 2004, he joined Borusan Pipe as a supervisor in the Export Sales function and was later promoted to Manager in 2011.

In 2015, Mr. Kuşçuoğlu became Export Sales Director, and from 2017 to 2023, he served as Executive Vice President of the Construction and General Industry Segment. During this period, he managed both Export and Domestic Market Sales. In 2019, he took on responsibility for Purchasing and Procurement, and from 2021 onward, he also oversaw the Production Departments at the Gemlik ERW Factories.

As part of his segment responsibilities, Mr. Kuşçuoğlu was also in charge of the production and sales of the SRM production Facility, which began operations in the USA in 2024. Since 2023, he has continued as a Member of the Executive Committee responsible for the Construction and General Industry Segment at Borusan Pipe.

**Ali Okyay****Executive Committee Member
Automotive Segment**

Ali Okyay graduated from the Department of Industrial Engineering at Boğaziçi University and began his career in 2000 at Borusan Pipe as a Domestic Sales Specialist.

Between 2003 and 2006, he managed Six Sigma Black Belt Projects at Borusan Group. In 2006, he was appointed Export Manager, and in 2013, he became the Automotive Segment Manager. In 2014, he was promoted to Sales Director of the Automotive Segment.

In 2017, Mr. Okyay was appointed Deputy General Manager responsible for Purchasing and Supply Chain processes. From 2019 to 2023, he served as Executive Vice President of the Automotive Segment at Borusan Pipe. Since 2023, he has continued as a Member of the Executive Committee responsible for the Automotive Segment at Borusan Pipe.

**Josh Croix****Executive Committee Member
U.S. OCTG Segment**

Josh Croix holds a Bachelor's degree in Mechanical Engineering from Texas A&M University and completed a certificate program in Advanced Management at Rice University. He began his career in 1997 as a Project Engineer at Bredero Shaw in Scotland, advancing to senior roles in various global locations, including Nigeria, Singapore, Thailand, Indonesia, Malaysia, the United States, and Brazil, ultimately becoming General Manager. He later transitioned into a commercial role, focusing on mergers and acquisitions, expansion, and new product development.

In 2010, Mr. Croix served as Director of Business Development and Marketing at Pipestream, a Shell Technology Venture Capital Company. In 2013, he joined Borusan Pipe as Executive Vice President for large-diameter pipe sales in the North American market. He transitioned to the OCTG segment in 2015, first as Commercial Affairs Director and later as Operations Director. In 2024, Mr. Croix was appointed General Manager of Borusan Pipe U.S. Inc. and a Member of the Executive Committee responsible for the Borusan Pipe USA OCTG Segment.

**Uğur Onbaşı****Executive Committee Member
U.S. Large-Diameter Pipe
Segment**

Uğur Onbaşı graduated from the Department of International Relations (in English) at the Faculty of Economics and Administrative Sciences, Marmara University.

Between 1999 and 2004, Mr. Onbaşı worked in the Export Department of Borusan Pipe. From 2004 to 2006, he served as Project Manager for Six Sigma Black Belt Projects. In 2007, he was appointed Raw Material Purchasing Manager, and in 2013, he became the Trade Director for the Infrastructure Project Segment at Borusan Pipe.

From 2015 to 2023, Uğur Onbaşı served as Executive Vice President of the Türkiye Infrastructure Project Segment. He currently serves as a Member of the Executive Committee responsible for the U.S. Large-Diameter Pipe Segment at Borusan Pipe and is the Chairman of the Executive Committee at Borusan Berg Pipe, based in the United States.

EXECUTIVE COMMITTEE



Dimitris Dimopoulos

**Executive Committee Member
U.S. Operations Technical and
Quality Processes**

Dimitris Dimopoulos holds a degree in Metallurgical Engineering from Athens National Technical University and a diploma in Management Studies from ALBA Graduate Business School in Greece.

With 30 years of experience in large-diameter steel pipe production for the energy sector, Mr. Dimopoulos joined Borusan Pipe in October 2011, focusing on quality, technology, sales, procurement, and strategy. In 2024, he was appointed a Member of the Executive Committee responsible for the technical and quality processes of Borusan Pipe's U.S. operations.



Serdar Birlikci

**Executive Committee Member
Digital Technology and New
Products**

Serdar Birlikci graduated from the Department of Electronic Engineering at Hacettepe University in 1995 and earned an MBA from Sabanci University in 2002. He began his career in 1995 as part of Microsoft's Technical Support team. From 1996 to 2002, he held various roles at Ericsson, overseeing different areas of IT, including technology and operations, project management, quality, and compliance. He also served as the IT Director responsible for Türkiye, Azerbaijan, and Israel.

Between 2003 and 2019, Mr. Birlikci held various roles at PepsiCo, progressing from Business Solutions Manager to CIO, where he led the Global Agile Transformation program during this period. From 2019 to 2022, he served as CIO at Groupama Sigorta before joining Borusan Pipe in April 2022.

Serdar Birlikci currently serves as a Member of the Executive Committee responsible for Global IT and Digital Transformation processes at Borusan Pipe.



Nihan Alhan

**Executive Committee Member
People and Sustainability**

Nihan Alhan graduated from the Department of English Linguistics at Hacettepe University and completed her MBA at Bahçeşehir University. She began her career as an English teacher in 2003. From 2005 to 2014, Mrs. Alhan served as Human Resources Manager at Yazaki Automotive Yan Sanayi, managing Human Resources and Occupational Health and Safety functions.

Between 2014 and 2021, she worked at Autoliv Cankor Otomotiv as the Country Human Resources and Industrial Relations Manager and as the Compensation and Benefits Coordinator for the Autoliv European Region.

Since 2021, Mrs. Alhan has been a Member of the Executive Committee responsible for Human Resources and Sustainability at Borusan Pipe.



Joel Johnson

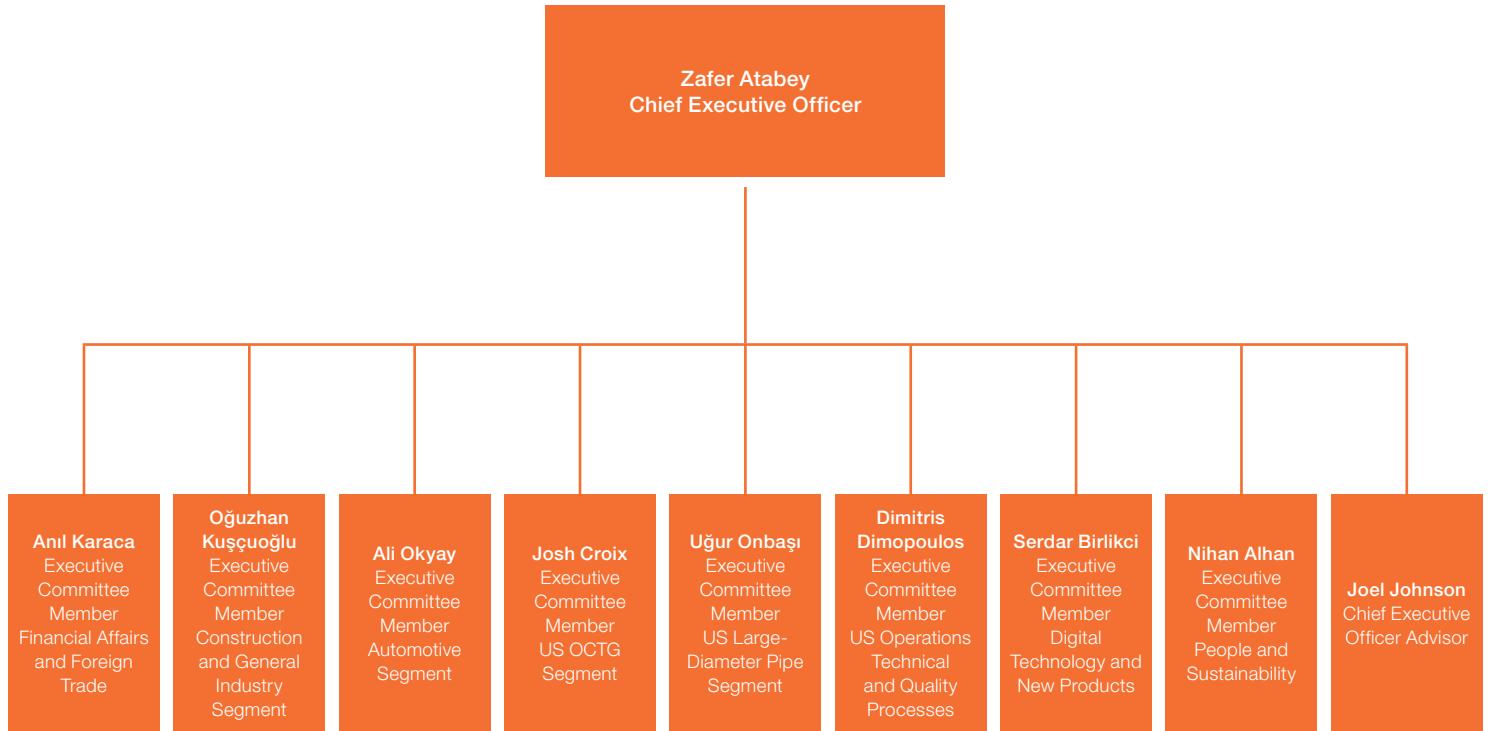
Chief Executive Officer Advisor

Joel Johnson holds a Bachelor's degree in Construction Management Engineering from North Dakota State University and an MBA from Heriot-Watt University in Scotland. He began his career in 1992 as a Project Coordinator at Bredero Shaw, where, between 1992 and 2007, he served in various roles, including Project Manager, Operations Manager, General Manager of the Africa Region, Vice President of Latin American Procurement, and finally, Vice President of Business Development.

In 2008, Mr. Johnson joined Welspun Tubular, where he served as Vice President of North and South America for five years. Between 2013 and 2014, he worked as President and CEO at OMK Tube, Inc., and from 2014 to 2015, he served as a Pipe and Coating Consultant at Johnson Piper LLC.

In 2015, Joel Johnson joined Borusan Pipe U.S. as CEO. In 2024, he was appointed a Member of the Board of Directors of Borusan Berg Pipe and as the Advisor to the Chief Executive Officer of Borusan Pipe.

ORGANIZATIONAL CHART



BORUSAN PIPE IN 2024

**BUSINESS PROCESSES
DRIVEN BY QUALIFIED
HUMAN CAPITAL
AND CUSTOMER
FOCUS, AIMING FOR
EFFICIENCY AND
EXCELLENCE**





STEEL AND STEEL PIPE INDUSTRY IN 2024

According to data released by the World Steel Association (worldsteel), global crude steel production in 2024 declined by 0.9% compared to the previous year, totaling 1.8826 billion tons.

Production in the Asia and Oceania region decreased by 1.0% to 1.358 billion tons, while output in the European Union (EU-27) rose by 2.6% to 129.5 million tons. Meanwhile, North America recorded a 4.2% decline in production to 105.9 million tons, and Russia, other CIS countries, and Ukraine saw a 4.2% drop to 84.8 million tons.

China maintained its position as the world's largest steel producer, despite a 1.7% decrease in production, totaling 1.005 billion tons of crude steel. India ranked second, increasing its output by 6.3% to 149.6 million tons, while Japan recorded a 3.4% decline with 84 million tons of production.

Türkiye, which ranked eighth globally in 2023 with 33.7 million tons of crude steel output, increased its production by 9.4% in 2024, reaching 36.9 million tons and maintaining its position in the global ranking.

The Turkish steel pipe industry ranks fourth globally and first in Europe, with an average annual production of 4.5 million tons.

The sector, having played a key role in major international projects such as Baku-Tbilisi-Ceyhan, Blue Stream, Shah Deniz, and TANAP (Trans-Anatolian Natural Gas Pipeline Project), accounts for 5% of global welded steel pipe production.

In Türkiye's welded steel pipe sector, approximately 60% of annual production is consumed domestically, while the remaining volume is exported to over 140 countries.

In 2024, exports in the Turkish steel pipe industry increased by 7.4% year-over-year, reaching 2.23 million tons, with Romania, the United Kingdom, and Iraq standing out as the leading export markets.

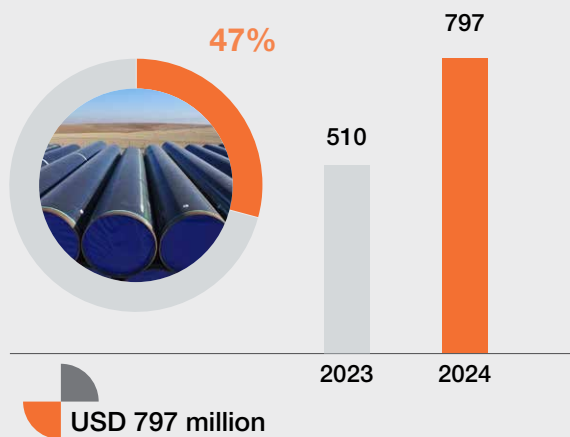
BORUSAN PIPE BUSINESS LINES

As part of its risk-balanced business strategy, Borusan Pipe carries out steel pipe manufacturing and sales activities across four main business lines:

Infrastructure & Project / Energy (Well & Drilling) / Industrial & Construction / Automotive

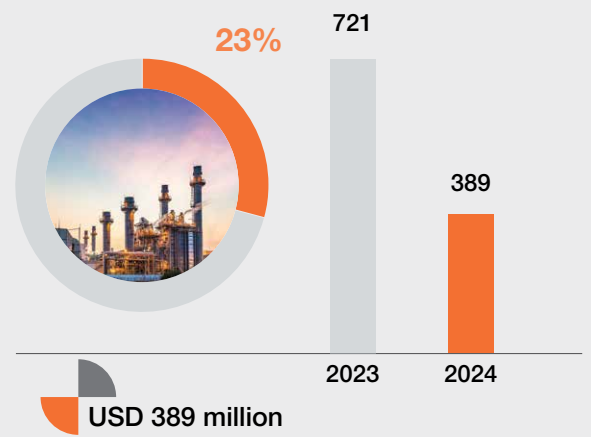
INFRASTRUCTURE AND PROJECT

(%) Revenue (USD million)



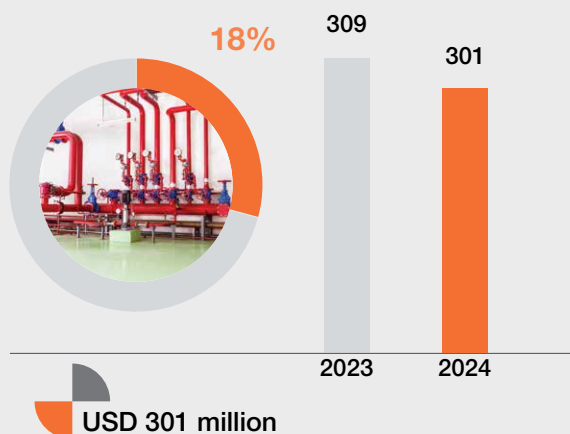
ENERGY

(%) Revenue (USD million)



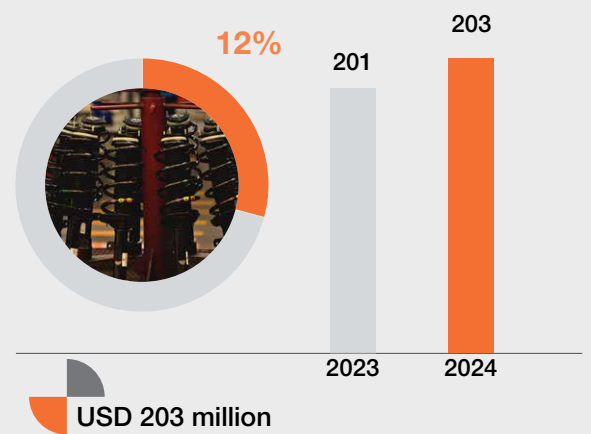
INDUSTRY AND CONSTRUCTION

(%) Revenue (USD million)



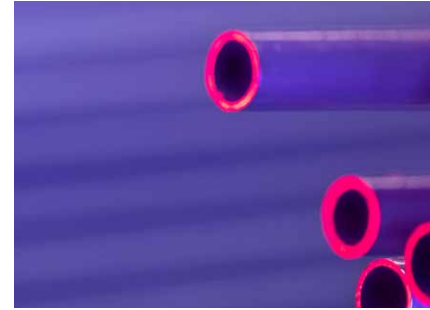
AUTOMOTIVE

(%) Revenue (USD million)



BORUSAN PIPE BUSINESS LINES

BORUSAN PIPE MANUFACTURES STEEL PIPES FOR INFRASTRUCTURE PROJECTS WITH A COMMITMENT TO HIGH QUALITY STANDARDS AND LONG-LASTING SOLUTIONS.



INFRASTRUCTURE & PROJECT PIPES

Steel pipes produced for Borusan Pipe's Infrastructure & Project business line are manufactured in large diameters and with high durability, serving a broad range of applications.

These pipes are primarily used for the safe, long-distance transportation of energy resources such as natural gas, oil, and water. They feature external coatings tailored to environmental conditions and internal linings designed based on the characteristics of the transported fluids.

The steel raw materials used in production are selected for their high toughness, uniform structure, and traceability - ensuring durability under the demanding conditions of the energy sector. At Borusan Pipe, quality is monitored throughout every stage of the production process, and products are delivered with a variety of coating and delivery options tailored to customer needs.

Borusan Pipe manufactures steel pipes for infrastructure projects with a focus on delivering durable, long-life solutions that meet the highest quality standards.

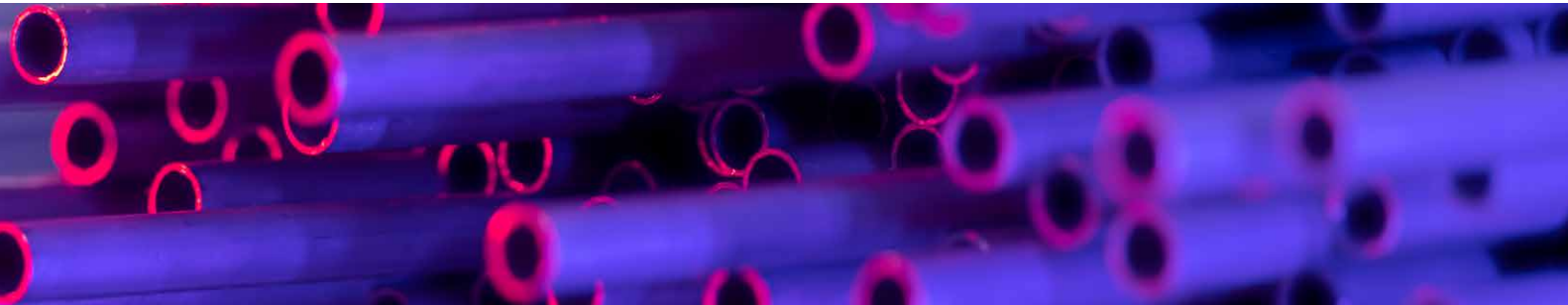
Pipes in this business line are produced in the USA by Borusan Berg Pipe, acquired from Berg Europe Holding Corp. in April 2023 for USD 162 million. Production is carried out at the Mobile Facility (annual capacity: 220,000 tons) and the Panama City Facility (annual capacity: 330,000 tons).

Thanks to their strategic locations and high production capacities, the Mobile and Panama City facilities offer significant opportunities to capitalize on growing infrastructure investments in the North American energy sector and the expansion of U.S. energy exports.

In September 2024, Borusan Pipe's subsidiary Borusan Berg Pipe signed a contract worth approximately USD 363 million with Blackcomb Supply Co., LLC, a subsidiary of WhiteWater Midstream, LLC, for the Blackcomb Mainline Project in North America. Deliveries under the project are scheduled to begin and conclude in 2025.

In addition to the Blackcomb Mainline Project, Borusan Berg Pipe continues to produce for other infrastructure projects across the North American market.

In 2024, sales volume in the Infrastructure & Project business line increased by 37.2% year-over-year, while revenue grew by 56.2%, reaching USD 797 million. This growth was largely driven by the consolidation of Berg Pipe's financials from April 2023 onward, along with continued project activity in the USA. As a result, the Infrastructure & Project business line's share of total revenue rose by 18 percentage points year-over-year to reach 47%.



ENERGY (WELL & DRILLING) PIPES

The oil and natural gas pipes (OCTG – Oil Country Tubular Goods) produced by Borusan Pipe for its Energy (Well & Drilling) business line are high-pressure-resistant steel pipes used in the extraction and transportation of underground energy resources. These pipes play a critical role not only in oil and gas operations but also in sustainability-focused projects such as carbon capture and geothermal energy.

Throughout the production process, the reliability and durability of these pipes are ensured not only through the use of high-toughness steel, but also by maintaining material homogeneity, meeting precise mechanical specifications, and upholding strict traceability standards.

Borusan Pipe delivers highly reliable solutions tailored to the energy sector's deep-well, high-pressure, and challenging environmental requirements - applying rigorous quality metrics at every stage of production. These pipes are manufactured in compliance with American Petroleum Institute (API) standards, which define the production, testing, and performance criteria for pipes used in the oil and gas industry. Borusan Pipe's adherence to these standards reinforces its reputation for quality and reliability in the U.S. market.

Pipes for this business line are produced in the U.S. at Borusan Pipe U.S.' Baytown Facility, which has an annual production capacity of 300,000 tons.

Additionally, the Gemlik Facility in Türkiye - primarily serving the industrial and construction segment with a capacity of 550,000 tons - can also produce

for the energy segment. The U.S. remains the primary market for Borusan Pipe's Energy (Well & Drilling) operations.

The Baytown Facility ensures the highest standards of quality and precision in OCTG pipe manufacturing and also supplies products for carbon capture and renewable energy applications.

In 2024, the sales volume in the Energy (Well & Drilling) business line declined by 16.9%, while revenue dropped by 46.1%, reaching USD 389 million. The segment's share of total revenue fell by 18 percentage points year-over-year, to 23%.

This decline was primarily driven by a contraction in the U.S. OCTG market, caused by falling global oil prices, a reduction in active rig counts, and weaker demand conditions across the sector, compounded by a high base effect from the previous year. In particular, investment decisions in the energy sector were delayed due to a more cautious market approach, while technological advancements that optimized pipe usage per well further limited demand for OCTG products.

In addition, the ongoing supply surplus in the market and aggressive pricing strategies from lower-cost producers placed additional pressure on pricing dynamics. Collectively, these factors constrained Borusan Pipe's performance in the Energy (Well & Drilling) business line.

Despite the challenges faced by the energy sector in 2024, demand for sustainability-focused projects such as carbon capture and geothermal energy increased. High-specification products manufactured at the Baytown Facility enhanced the company's competitive edge in this emerging segment.

BORUSAN PIPE BUSINESS LINES

INDUSTRIAL & CONSTRUCTION PIPES

Borusan Pipe operates in the Industrial & Construction business line with a diverse product portfolio that includes various types of pipes such as construction and piling pipes, concrete pump pipes, and industrial pipes - as well as steel profiles. These products serve a wide range of sectors including construction, machinery and agricultural equipment, metalworking, port, breakwater, and quay constructions, fire protection systems, and water installations.

In this segment, Borusan Pipe stands out in global markets for its superior performance and quality standards in SRM installation pipes, offering reliable solutions for drinking water systems, fire safety networks, and a variety of industrial applications requiring high pressure resistance and long service life.

Water installation pipes meet international standards with certifications from North America and Germany - namely, NSF (National Sanitation Foundation) and DVGW (Deutscher Verein des Gas- und Wasserfaches) for drinking water systems, and UL (Underwriters Laboratories) and FM (Factory Mutual) for fire protection systems.

Pipes for this business line are produced at the Gemlik ERW Facility (Electric Resistance Welding), which also supports the Energy segment with an annual capacity of 550,000 tons, and at the Halkali Facility, which primarily serves the automotive segment with an annual capacity of 110,000 tons.

In the first quarter of 2024, Borusan Pipe completed a USD 50 million investment in the Baytown SRM Facility, a line with an annual

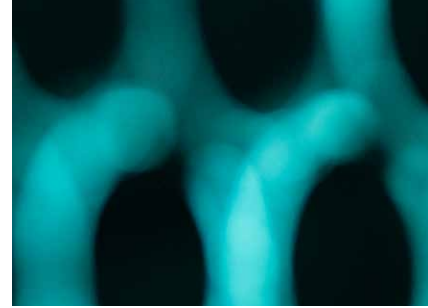
production capacity of 100,000 tons. Commercial operations began in the second half of the year, establishing Borusan Pipe as a local manufacturer in the U.S. for the industrial and construction segment.

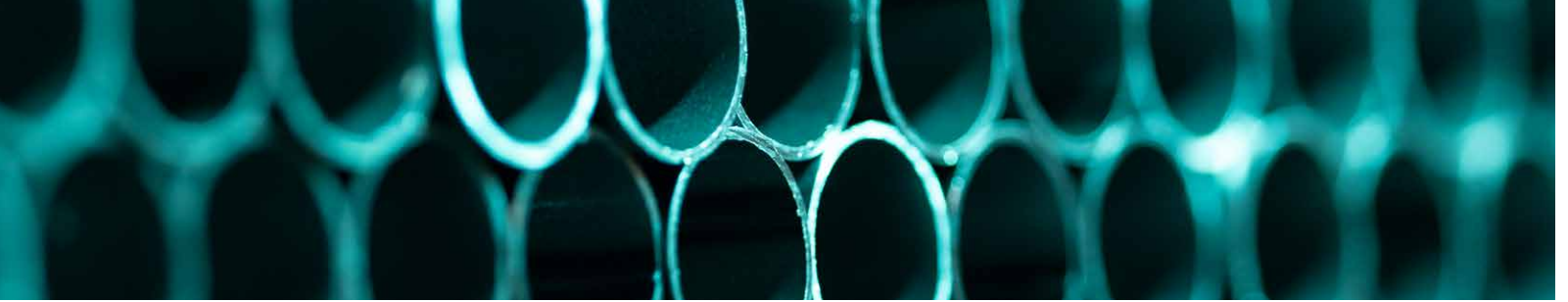
Borusan Pipe's industrial and construction pipes are produced in compliance with EN 10217 and EN 10255 standards set by the Turkish Standards Institute (TSE), which define performance requirements related to pressure, surface quality, mechanical properties, dimensional tolerances, and intended applications of steel pipes.

Additionally, products are manufactured in accordance with ASTM standards issued by the American Society for Testing and Materials, which outline international criteria for material quality, durability, and performance—ensuring alignment with high quality expectations in global markets.

In 2024, despite phased interest rate cuts in Europe, continued weak demand in both Europe and Türkiye, combined with declining raw material prices, led to a 2.5% year-over-year decline in revenue for the industrial and construction segment, which closed the year at USD 301 million. The segment's share of total revenue remained flat compared to the previous year at 18%, while sales volume increased by 10.3% year-over-year.

The U.S., Baytown SRM Line Facility, which began commercial operations in the second half of 2024, is expected to gradually ramp up production in line with improving market demand, contributing more significantly to the company's financial performance in the upcoming period.





AUTOMOTIVE PIPES

Borusan Pipe manufactures steel pipes and profiles specifically designed to meet the dynamic and evolving needs of the automotive industry, delivering products that comply with the sector's stringent standards for precision, performance, and durability.

Serving a wide range of vehicles—from passenger cars to light and heavy commercial vehicles—Borusan Pipe's products are used in critical automotive systems, including engine and transmission assemblies, body and chassis structures, steering columns, and suspension systems. With their precisely processed and welded steel structures, these components meet rigorous performance and safety requirements.

The automotive sector's dynamic structure demands long-term project continuity and uninterrupted supply chain operations. Projects in Borusan Pipe's Automotive business line are typically long-term and project-based, with pricing determined by escalation formulas valid throughout the project lifecycle - enhancing financial predictability and stability.

To ensure timely and consistent product delivery, Borusan Pipe has aligned its production processes with the just-in-time (JIT) delivery model required by the automotive industry. This approach prioritizes the delivery of products in the precise quantity and at the exact time they are needed - supporting the seamless continuity of customers' supply chains.

In line with the industry's changing requirements, pipes produced from high-quality steel raw materials are designed and formed to meet

specific customer needs, offering a homogeneous structure, high strength, and strong resistance to environmental conditions. The company's production processes are built to adapt swiftly to demand fluctuations, with a strategic focus on balancing operational efficiency and customer satisfaction.

Borusan Pipe's automotive pipes are manufactured at several facilities:

- In Türkiye:
 - Gemlik Automotive Facility, with an annual production capacity of 110,000 tons
 - Halkalı Facility, also serving the industrial and construction segment, with a capacity of 140,000 tons
 - Bursa Service Center
- In Europe:
 - Vobarno Facility in Italy, with an annual capacity of 30,000 tons
 - Romania Service Center, which became operational in 2024

As part of its advanced processing operations, Borusan Pipe enhances the functional features of its automotive products using techniques such as cutting, bending, drilling, and computer numerical control (CNC) machining.

Borusan Pipe prioritizes quality in the production of automotive pipes, adopting a manufacturing approach aligned with internationally recognized standards. Pipes produced at its facilities in Europe and Türkiye comply with globally accepted management system standards, including

BORUSAN PIPE BUSINESS LINES

ISO 9001 for quality management systems and ISO 14001 for environmental management systems both established by the International Organization for Standardization (ISO).

Additionally, the Gemlik and Halkalı facilities hold IATF 16949 certification, a quality management standard specifically developed for the automotive industry. This certification affirms the company's commitment to improving supply chain processes, meeting customer requirements, and preventing defects—underscoring Borusan Pipe's ability to deliver reliable, high-quality, and sustainable solutions.

Products are also manufactured in accordance with TS EN 10305-2, TS EN 10305-3, and TS EN 10305-5 standards defined by the Turkish Standards Institution (TSE), which set technical delivery conditions for steel pipes in terms of durability, surface quality, and mechanical properties.

To further enhance customer satisfaction, Borusan Pipe operates a Voice of the Customer (VOC) system, developed to better understand and respond to customer needs. Feedback collected through this platform is used to provide tailored services. This customer-centric approach is supported by the company's ISO 10002 Customer Satisfaction Management System certification.

Borusan Pipe also maintains a strong focus on employee well-being and workplace safety. The company holds ISO 45001 certification for Occupational Health and Safety Management

Systems, demonstrating compliance with international standards and its commitment to providing a safe, healthy work environment.

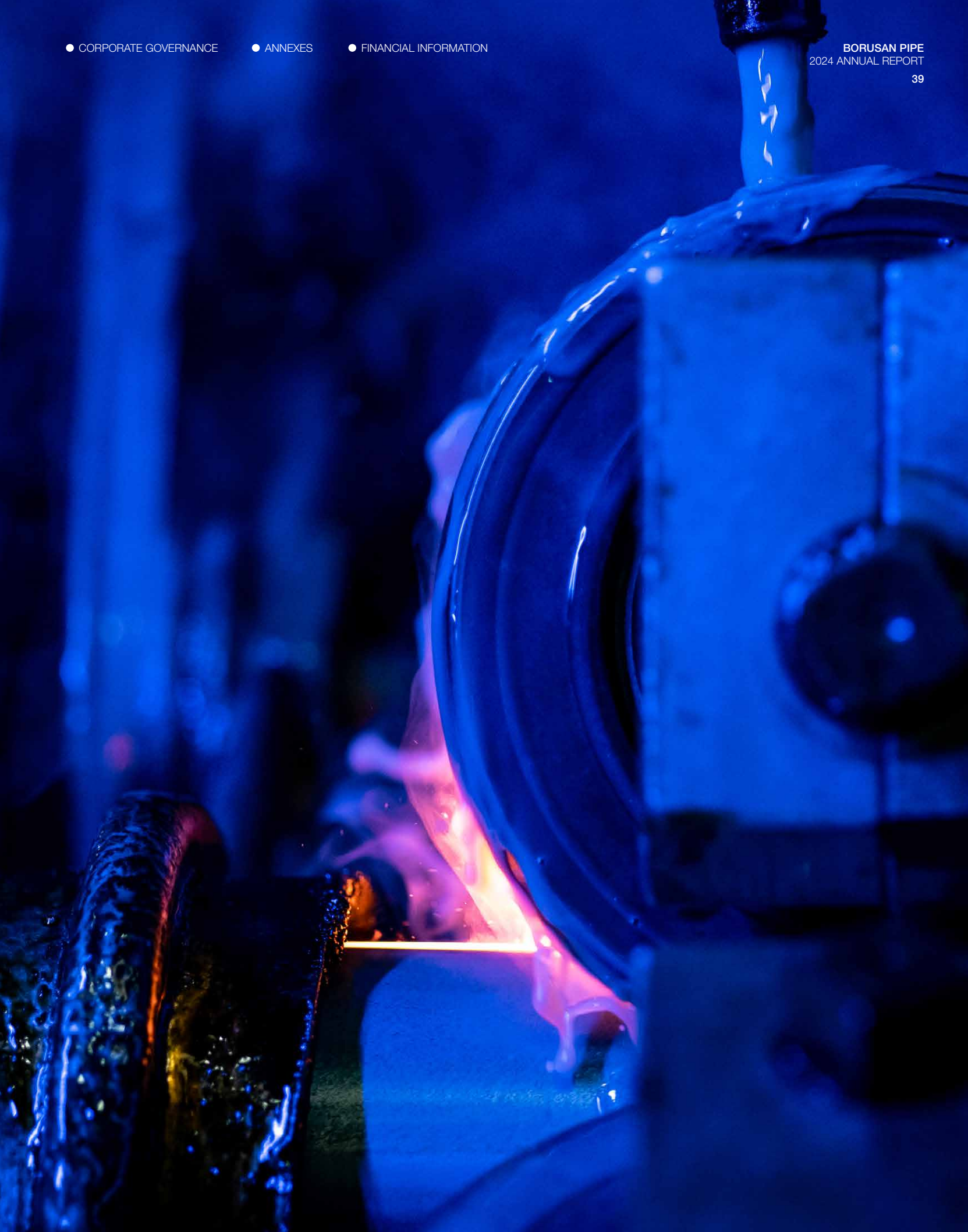
With strategically located production facilities in Europe and Türkiye, Borusan Pipe ensures timely delivery and flexible supply solutions to the automotive industry - enhancing operational efficiency and supporting competitiveness in the sector.

In 2024, despite a year-over-year contraction in the European and Turkish automotive markets - resulting in weaker demand for automotive pipes, declining raw material prices, and intensified pricing pressure - the Automotive business line achieved a 4.9% increase in sales volume and a 0.8% increase in revenue, reaching USD 203 million.

This growth was largely driven by Borusan Pipe's quality-oriented strategy and its proven ability to meet customer expectations through reliable, on-time delivery in a highly competitive market.

The Automotive business line's share of total revenue remained stable at 12%, consistent with the previous year.

The Romania Facility, which began commercial operations in the second half of the year, is expected to gradually ramp up production and contribute more significantly to financial performance going forward - particularly in line with demand conditions in the European automotive market.



PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

BORUSAN PIPE IS AMONG THE LEADING LOCAL MANUFACTURERS OF STEEL PIPES IN THE UNITED STATES SERVING A BROAD RANGE OF SECTORS - FROM INFRASTRUCTURE AND PROJECTS TO ENERGY, INDUSTRIAL, AND CONSTRUCTION.

U.S. OPERATIONS

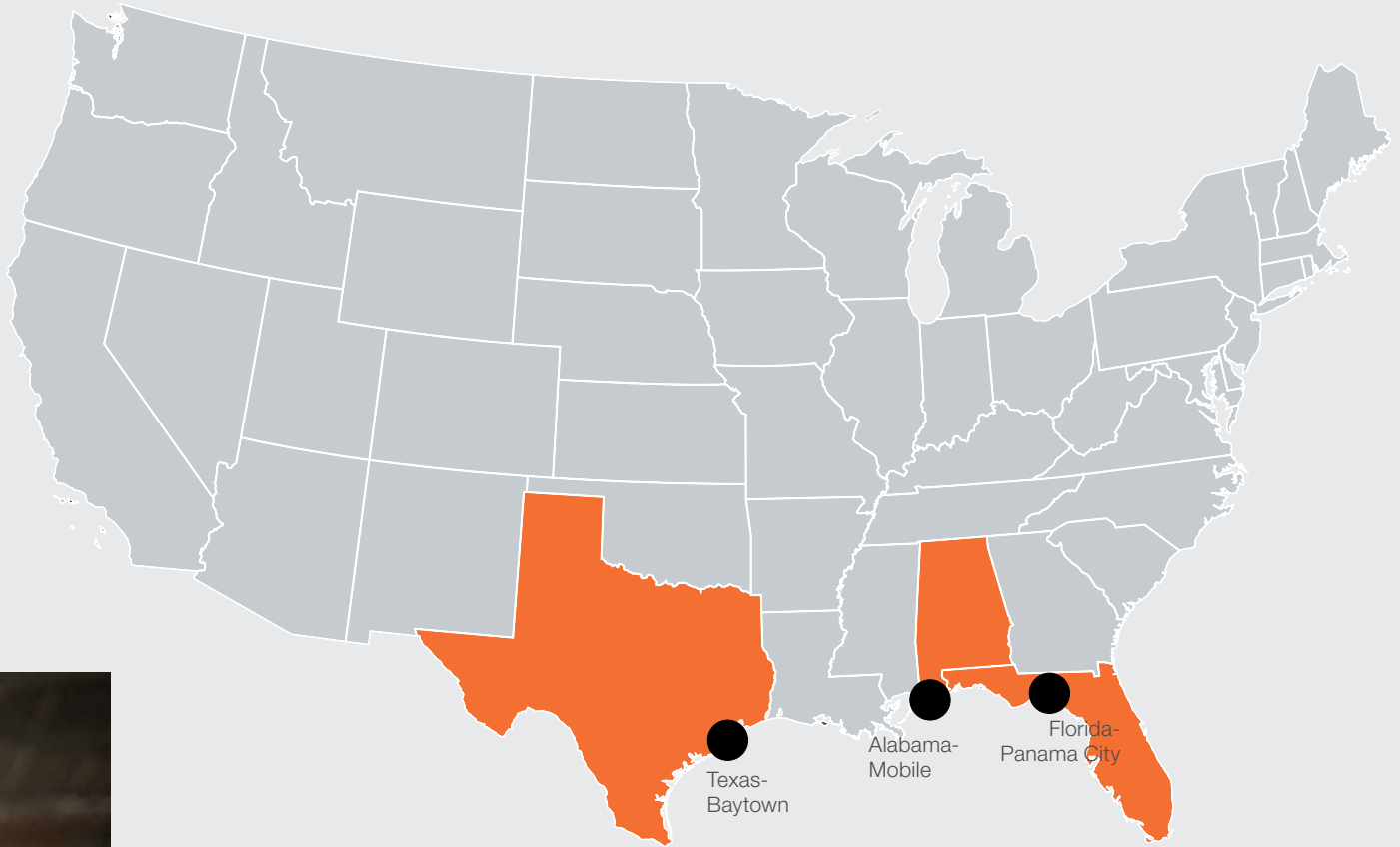
Borusan Pipe holds a strong position as a local manufacturer of steel pipes in the United States with four facilities located in the states of Texas, Alabama, and Florida.

The Panama City and Mobile facilities serve the infrastructure and project sectors, while the Baytown Facility specializes in the production of Energy (Well & Drilling) pipes. In 2024, the Baytown SRM Facility commenced operations, producing pipes for the industrial and construction sectors, making Borusan Pipe a local manufacturer in the U.S. in all its business sectors except for automotive.

Borusan Pipe is among the leading local manufacturers in the U.S. in the production of steel pipes, spanning from infrastructure and projects to energy, industrial, and construction sectors.



The U.S. facilities account for 53% of the company's total production capacity.



Facility	Business Line	Capacity (annual)
Texas-Baytown	Energy (Well & Drilling)	300,000 (tons)
Texas-Baytown (SRM Facility)	Industrial & Construction Energy (Well & Drilling)	100,000 (tons)
Florida-Panama City	Infrastructure & Project	330,000 (tons)
Alabama-Mobile	Infrastructure & Project	220,000 (tons)
Total		950,000 (tons)

PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

Date of Establishment: 2014

Area: 500,000 m²

Capacity: 300,000 tons/year

Product Portfolio: OCTG pipes (Well and drilling pipes)

Product Specifications: Diameters ranging from 2.375" to 13.375", wall thickness up to 0.625"

Number of Employees: +400



BAYTOWN FACILITY

OCTG

Borusan Pipe's Baytown, Texas Facility serves the Energy (Well & Drilling pipes) sector with high-quality and safety standards in steel pipe production.

The Facility, with an annual production capacity of 300,000 tons, delivers superior-quality products in the OCTG segment. Specializing in pipes for oil and natural gas extraction processes, the Facility manufactures pipes with a wide range of specifications - from 2.375" to 13.375" in diameter and wall thicknesses up to 0.625" - all tailored to meet specific customer requirements.

Reflecting Borusan Pipe's commitment to technology and sustainability, the Baytown Facility plays a crucial role in producing products that are critical for the energy sector. The Facility addresses the needs of sustainability-focused projects, such as carbon capture, by supplying high-specification products that meet the demands of these initiatives. The pipes used in such projects are made from materials entirely sourced and produced in the U.S., offering the advantage of local production.

Despite fluctuations in demand within the OCTG segment due to challenges in the energy sector in 2024, the Baytown Facility capitalized on opportunities by focusing on high-value products, such as those used in carbon capture projects.

The advanced logistics support systems used at the Facility, along with real-time inventory tracking and field inspection processes, enhance customer satisfaction and supply chain efficiency. Prioritizing safety and quality at every stage of production, the products manufactured at the Facility undergo rigorous third-party inspection processes conducted on-site, ensuring adherence to high-quality standards.

Since 2022, the Baytown Facility has implemented process improvements aimed at reducing its carbon footprint. The Facility conducts sustainability analyses and continuously takes steps to minimize environmental impact while aligning with Environmental, Social, and Governance (ESG) standards. Additionally, within the framework of its safety policies, the Facility implements safety management systems that meet customer ESG criteria and are recognized within the industry.

The Facility produces products in accordance with API 5L and API 5CT standards, operating under an ISO 9001-certified Quality Management System (QMS). Furthermore, the Baytown Facility actively

Borusan Pipe's Baytown, Texas Facility **serves the Energy (Well & Drilling pipes)** sector with high-quality and safety standards in steel pipe production.

participates in material qualification efforts for global hydrogen projects, which are considered a key step in contributing to the sustainability goals of the energy sector in the future.

The Facility strengthens its position in projects incentivized by the U.S. government due to its local content advantage, simultaneously supporting both energy and sustainability objectives. By focusing on high-value products and sustainability-driven projects, the Baytown Facility not only meets the needs of customers in the energy sector but also supports Borusan Pipe's long-term environmental and economic goals.



Date of Establishment: 2024

Area: 15,000 m²

Capacity: 100,000 tons/year

Product Portfolio: SRM (Stretch-Reduced Mill) Standard Pipes, API Tubes, and Mechanical Tubes

Product Specifications: Diameters from 1/2" to 3", wall thickness up to 0.275"

Number of Employees: +100

SRM FACILITY

The SRM Line at Borusan Pipe's Baytown Facility, which commenced operations in 2024, is a USD 50 million investment, established on a 15,000 m² area, and has an annual production capacity of 100,000 tons. The Facility aims to become the industry leader in the small-diameter pipe market for the industrial and construction sectors in the United States.

Equipped with Stretch-Reduced ERW (Electric Resistance Welded) technology, the Facility ensures precise pipe shaping, accurate size control, smooth surface finishes, and enhanced weld seam durability, which enables the products to perform under high pressure and extreme conditions. The SRM Line manufactures pipes with diameters ranging from 1/2" to 3", tailored to customer requirements. Product diversity is achieved through the production of API 5CT tubes for oil and gas wells, as well as mechanical tubes for various applications.

All materials used in production are sourced from local suppliers in the United States, and the pipes are entirely manufactured within the country. This approach ensures full compliance with local standards and supports supply chain flexibility and speed advantages.

Strategically located, the Baytown Facility benefits from proximity to the Port of Houston and easy access to highway and rail networks, enabling the fast and efficient transportation of products to various regions across the United States. These advantages help the Facility establish a strong position as a local manufacturer in the U.S. domestic market, allowing Borusan Pipe to offer faster delivery, lower logistics costs, and uninterrupted supply to its customers.

Borusan Pipe's quality-focused approach has been integrated into the production processes at the Baytown SRM Line Facility. The Facility operates in compliance with internationally recognized ASTM (American Society for Testing and Materials) standards, which are developed for material quality, durability, and performance, particularly in the production of small-diameter pipes for the industrial and construction sectors.

The ASTM standards, widely used throughout the industry in the United States, are especially critical for ensuring the reliability and compliance of products in the construction and industrial sectors. Adherence to these standards provides a competitive advantage for products in the local market and enhances the perception of quality among customers.

PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

Date of Establishment: 1979 (Joined Borusan Pipe in 2023)

Area: 28,600 m²

Capacity: 330,000 tons/year

Product Portfolio: Longitudinally Welded (SAWL) Line Pipes

Product Specifications: Diameters from 24" to 60", wall thickness up to 1.5"

Number of Employees: +200

BORUSAN BERG PIPE PANAMA CITY FACILITY

The Panama City Facility in Florida, acquired by Borusan Pipe through the purchase of Berg Pipe in 2023, serves the production of large-diameter infrastructure and project pipes.

The Facility offers high-quality products in the large-diameter, longitudinally welded (SAWL) line pipe segment with an annual production capacity of 330,000 tons. The Facility employs the Three-Roll Bending method to process steel plates with high precision and shape them into pipes. This method allows for the production of pipes up to 12 meters in length, which can be extended to 24 meters through double-jointing, followed by coating processes. The pipes produced at the Facility are critical for infrastructure projects in the energy sector, offering high durability and reliability while being customized to meet the technical requirements of customers.

The Panama City Facility enjoys significant logistical advantages, thanks to its strategic location. Situated in the Port of Panama City in the northwest of Florida, the Facility benefits from its proximity to the Gulf of Mexico, making it ideally positioned for maritime transportation. This geographical advantage enables the Facility to provide fast and efficient product delivery, particularly for infrastructure projects in the energy sector. Additionally, the region is well-connected to highway and rail networks, facilitating the easy transportation of products to different regions of the U.S. and international markets. The effective management of

logistics processes supports the timely and reliable delivery of services to customers.

The Panama City Facility reflects Borusan Pipe's quality-focused production approach, supplying reliable and high-performance products for infrastructure projects in the energy sector. The advanced production systems and field inspection processes used at the Facility enhance product quality and improve supply chain efficiency.

Aligned with Borusan Pipe's commitment to prioritizing safety and quality at every stage of production, the products undergo rigorous third-party inspection processes on-site, ensuring compliance with international standards.

The Facility operates under an ISO 9001 and API Spec Q1 certified Quality Management System, and products are manufactured in accordance with API 5L standards.

In December 2024, Borusan Pipe decided to invest a total of USD 68 million in 2025 and 2026 for the implementation of the JCO method, an advanced forming technology used in the production of longitudinally welded steel pipes at the Panama City Facility.

Scheduled to commence operations in 2027, this investment aims to strengthen the competitive advantage and enhance the market position of Borusan Pipe, enabling it to become the sole local producer in a market of approximately 150,000 tons annually, currently dominated only by imported products.

The Borusan Berg Pipe Panama City Facility, **serves the production of large-diameter infrastructure and project pipes.**



BORUSAN BERG PIPE MOBILE FACILITY

The Mobile Facility in Alabama, acquired by Borusan Pipe through the purchase of Berg Pipe in 2023, specializes in the production of large-diameter spiral-welded (HSAW) pipes. The Facility responds to critical infrastructure project needs in the energy sector by delivering products that meet high-quality standards, with an annual production capacity of 220,000 tons.

The spiral-welded production method employed at the Facility enhances the durability of the pipes, ensuring reliable performance, particularly in high-pressure energy projects. Pipes produced using this method are manufactured up to 18 meters in length and are finished with coating processes. The products are customizable to meet the specific technical requirements of customers, providing high-performance solutions that comply with international standards.

The Mobile Facility stands out for its strategic location. Located just 10 kilometers from the Port of Mobile in Alabama, the Facility is ideally positioned for maritime transportation. Its access to both highway and rail networks enables the rapid and efficient delivery of products to various regions within the U.S. and international markets. These logistical advantages help shorten delivery times and ensure effective management of supply chain processes.

The Mobile Facility combines Borusan Pipe's high-quality standards with modern production technologies and comprehensive inspection mechanisms, ensuring compliance with international norms. Operating under an ISO 9001 and API Spec Q1 certified Quality Management System, the Facility produces pipes that meet API 5L standards and ensures quality assurance through rigorous third-party inspection processes.



Date of Establishment: 2007 (Joined Borusan Pipe in 2023)

Area: 30,800 m²

Capacity: 220,000 tons/year

Product Portfolio: Spiral Welded Line Pipes (HSAW)

Product Specifications: Diameters from 24" to 56", wall thickness up to 0.79"

Number of Employees: +190

PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

BORUSAN PIPE OPERATES IN TÜRKİYE'S STEEL PIPE PRODUCTION SECTOR WITH A WIDE PRODUCT PORTFOLIO, SPANNING FROM INDUSTRIAL TO CONSTRUCTION, FROM ENERGY (WELL & DRILLING) TO AUTOMOTIVE SECTORS.

TÜRKİYE

Borusan Pipe has a strong manufacturing network, specializing in steel pipe production in Türkiye with a total of four facilities located in Gemlik, Halkalı, and Bursa.

At the two facilities within the Gemlik Campus, Borusan Pipe manufactures ERW pipes serving industrial, construction, and Energy (Well & Drilling) business lines, as well as cold-drawn pipes for the automotive sector. The Halkalı Facility produces ERW pipes for the Industrial & Construction business lines, along with cold-drawn pipes for the automotive industry. The Bursa Service Center, on the other hand, provides advanced processing services for the automotive sector.

Borusan Pipe holds a prominent position among local manufacturers in Türkiye's steel pipe manufacturing, with a diverse product portfolio spanning from industrial to construction, from Energy (Well & Drilling) to automotive sectors.



The facilities in Türkiye account for 45% of Borusan Pipe's total production capacity.



Facility	Business Line	Capacity (annual)
Gemlik	Industrial & Construction, Energy	550,000 (tons)
Gemlik	Automotive	110,000 (tons)
Halkali	Industrial & Construction, Automotive	140,000 (tons)
Total		800,000 (tons)
Bursa (Service Center)	Automotive	21 million units (Advanced Processing)



PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

Date of Establishment: 1976 (Electric Resistance Welded (ERW) Pipe Facility), 2019 (Cold Drawn Pipe Facility)

Area: 388,000 m² (ERW Facility), 70,000 m² (Automotive Facility)

Capacity: 550,000 tons/year (ERW Facility), 110,000 tons/year (Automotive Facility)

Product Portfolio: Industrial & Construction, Energy, Automotive Pipes

Product Specifications: Diameters from 3/8" to 133/8", wall thickness up to 13.06 mm

Number of Employees: +800



BORUSAN PIPE GEMLİK CAMPUS

Borusan Pipe continues its steel pipe manufacturing operations at its Gemlik Campus, which houses both the Electric Resistance Welded (ERW) Pipe Facility and the Cold Drawn Pipe Facility.

The land and buildings of the spiral welded line pipe facility, serving the production of large-diameter pipes within the Infrastructure & Project business line, were sold to Borçelik Çelik Sanayii Ticaret A.Ş., a subsidiary of Borusan Group, on February 22, 2024, for USD 66 million. The sale aimed at the optimization of large-diameter pipe production.

The Gemlik Campus is a crucial part of Borusan Pipe's manufacturing operations in Türkiye. The ERW pipe production capacity serving the Industrial and Construction as well as Energy (Well & Drilling) business lines is 550,000 tons per year. On the other hand, the cold drawn pipe facility for Automotive Pipes has a total capacity of 110,000 tons per year, with drawing making up 50,000 tons and welding 60,000 tons of the total.

As part of the improvement efforts for the automotive production facility at the Gemlik Campus, the ABM90 Online Pipe Straightening Line Project has been implemented. This project fully automated the straightening line process, enabling pipes to be fed into the straightening line automatically from the visual inspection station, without the need for manual intervention. This application not only improved process efficiency but also enhanced operational flexibility.

The Gemlik Campus offers significant logistical advantages due to its strategic location. The Borusan Port, located within the Campus, ensures the fast and effective delivery of products to global markets. The operational ease provided by the port generates time and cost advantages for both domestic and international deliveries. Additionally, the Campus' proximity to highway and railway networks enhances operational efficiency in the shipment process.

Borusan Pipe continues its operations in Türkiye at the **Gemlik Campus, Halkalı Facility, and Bursa Service Center.**

HALKALI FACILITY

Established in 1958 with 27 employees and 5 product types, Borusan Pipe began its operations at the Halkalı Facility in 1968. This Facility, on which the foundation of Borusan Pipe was laid, currently operates on a 67,000 m² area and continues its activities with an annual production capacity of 100,000 tons of ERW pipes and 40,000 tons of cold-drawn pipes.

The Facility produces Electric Resistance Welded (ERW) pipes for the industrial and construction sectors, as well as cold-drawn pipes for the automotive industry. The production infrastructure

has been strengthened in recent years through technological investments. New automated equipment has replaced older machines, and an automatic feeding system has been installed on all pipe beveling machines. These investments enhance both production efficiency and operational flexibility.

Located in İstanbul, the Halkalı Facility offers proximity to the domestic market and easy access to logistics networks, making it strategically advantageous. This location ensures the continuity of production operations and provides flexibility in supply processes.



Date of Establishment: 1968

Area: 67,000 m²

Capacity: 140,000 tons/year

Product Portfolio: Industrial & Construction, Automotive Pipes

Product Specifications: Diameters from 6 mm to 93 mm, wall thickness up to 4 mm

Number of Employees: +300

Date of Establishment: 2016

Area: 10,000 m²

Capacity: 21 million units/year

Product Portfolio: Automotive Pipes

Product Specifications: Precision cutting, processing, and shaping services

Number of Employees: +50

BURSA SERVICE CENTER

The Bursa Service Center was established in 2016, on an area of 10,000 m², as part of Borusan Pipe's strategy to offer value-added solutions to the automotive sector. The Facility processes precision pipes produced at the Halkalı Facility and prepares them for use in various parts of motor vehicles, providing fast and efficient solutions to meet customer needs.

The Facility specializes in the processing and precision cutting of shock absorber tubes and pipes for specific use within the automotive sector. Equipped with advanced technology and

high precision, the Bursa Service Center has a capacity to process 21 million units annually. The Facility offers solutions that provide competitive advantages to global customers in the automotive sector and stands out as a reliable business partner in the industry by fully complying with international quality standards.

The Bursa Service Center is located in Bursa, a city known for its strong industrial infrastructure, benefiting from proximity to industrial clusters and logistics networks. These advantages ensure sustainability in production activities while offering flexibility in the supply chain and enabling fast delivery capabilities.

PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

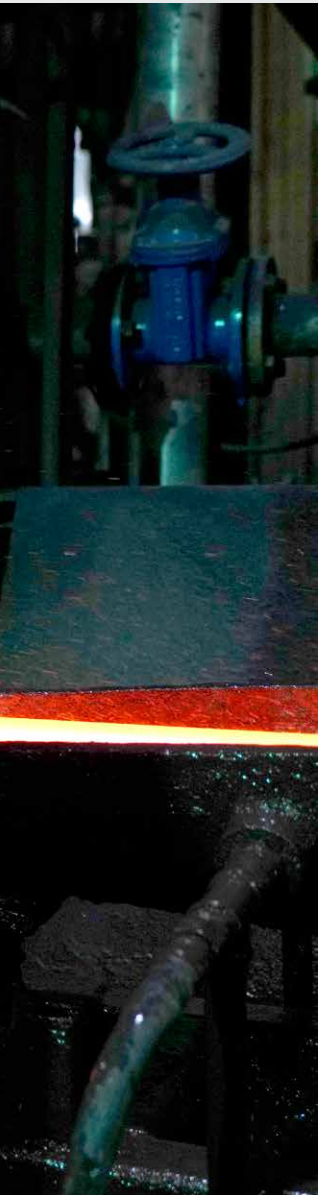
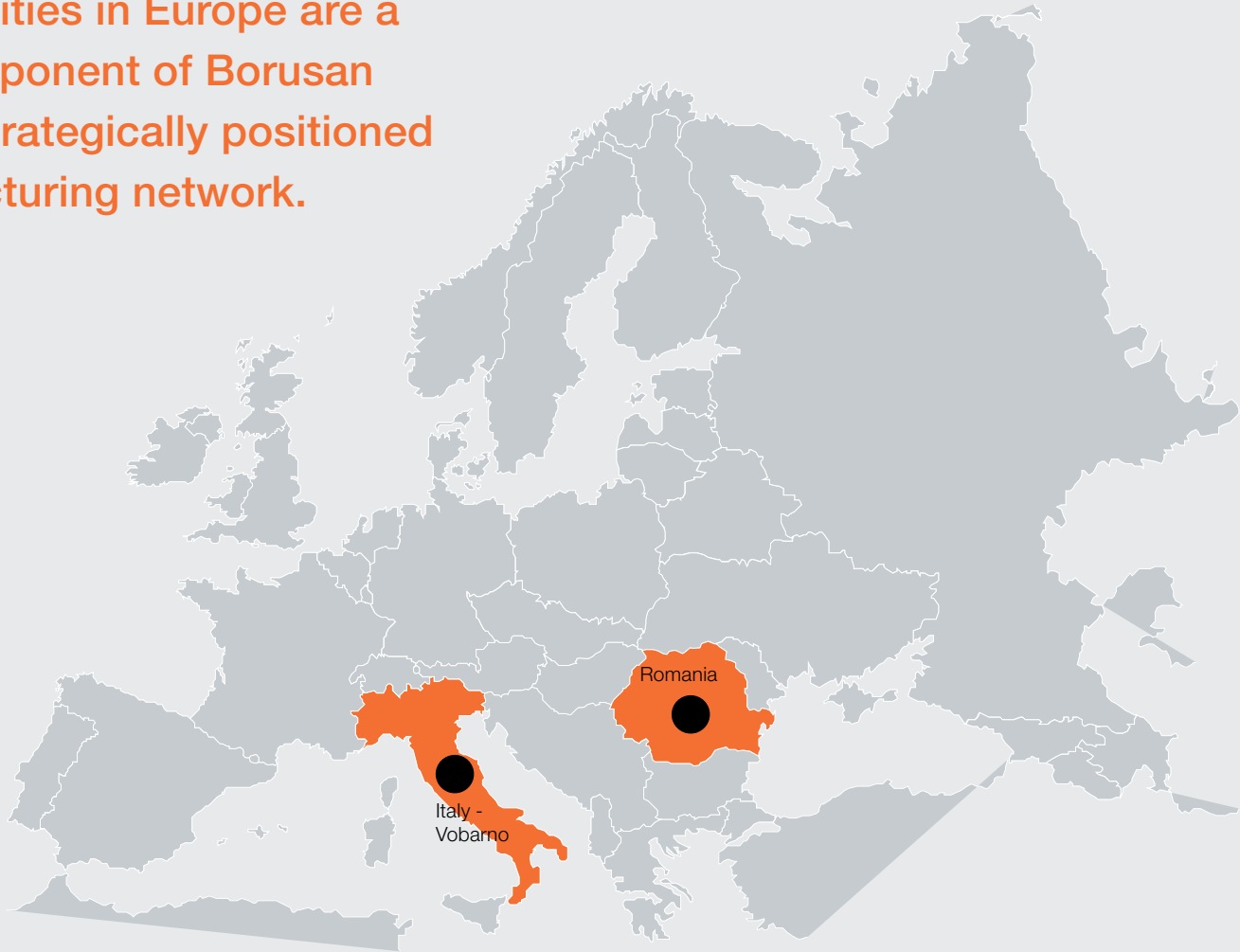
THROUGH ITS STRATEGIC INVESTMENTS IN EUROPE, BORUSAN PIPE CONTINUES TO DELIVER HIGH VALUE-ADDED AND INNOVATIVE SOLUTIONS TO THE AUTOMOTIVE SECTOR.

EUROPEAN FACILITIES

Borusan Pipe strengthens its operations in the Automotive business line with two facilities located in Italy and Romania, Europe.



The facilities in Europe are a key component of Borusan Pipe’s strategically positioned manufacturing network.



Facility	Business Line	Capacity (annual)
Italy - Vobarno	Automotive	30,000 (tons)
Romania (Service Center)	Automotive	21 million units (Advanced Processing)

PRODUCTION FACILITIES, CAPACITY, AND PRODUCTS

Date of Establishment: 2001 (Acquired by Borusan Pipe)

Area: 24,000 m²

Capacity: 30,000 tons/year

Product Portfolio: Automotive, Hydraulic, and Mechanical Application Pipes

Product Specifications: Diameters from 13.97 mm to 130.05 mm, wall thickness up to 9.91 mm

Number of Employees: +80

ITALY – VOBARNO FACILITY

Borusan Vobarno Tubi was acquired by Borusan Pipe in 2001 as the first strategic investment in the European market. The Facility is recognized as a key supplier in the European automotive sector due to its expertise in the production of high-value-added cold-drawn special steel pipes and its adherence to superior quality standards. It stands out particularly for its sales to countries with strong automotive industries such as Italy, Germany, Spain, and France.

The product portfolio includes pipes with diameters ranging from 13.97 mm to 130.05 mm and wall thicknesses up to 9.91 mm. These products are manufactured in compliance with EN 10305-2 standards, meeting the stringent requirements for high precision, narrow tolerances, and superior surface quality required by the European automotive and mechanical sectors, and tailored to customer-specific dimensions.

The Facility's quality-focused approach involves continuous improvement activities and the integration of modern technologies to meet the expectations of automotive customers.

Continuity in product quality is ensured through 100% visual and dimensional inspections, 100% Eddy Current Testing, ultrasonic testing upon request, as well as compression and expansion tests. The products are delivered with a Material Test Certificate (MTC), which documents their compliance with international standards for chemical and mechanical features and includes third-party validation.

In 2024, the Romania Facility was **honored with the “Investor of the Year Award” and the “Corporate Social Responsibility Award”** by the Prahova Chamber of Commerce and Industry.



ROMANIA ASERVICE CENTER

As part of Borusan Pipe's strategic growth plans in Europe, the Service Center in Ploiești, Romania, was completed in the first quarter of 2024, with a production capacity of 21 million units per year on a 4,800 m² area. After trial production runs, the Facility began its commercial operations in the second half of the year.

The Facility, established with an investment of EUR 15 million, benefited from an investment incentive approved by the Romanian Ministry of Finance amounting to EUR 5.8 million. Approximately EUR 831,000 of this incentive

was utilized in the third quarter of 2024, with the remaining amount expected to be utilized in 2025.

The Romania Facility represents a significant step in Borusan Pipe's global strategy to be "a global player at home in local markets." The Facility's location in Ploiești is notable for its proximity to key hubs within the European automotive supply chain. This strategic positioning offers customers the advantage of rapid deliveries and provides a significant edge in supply chain processes by reducing logistics costs. As a result, Borusan Pipe has enhanced its ability to offer more flexible and efficient services to its customers.

The Facility utilizes advanced technology processes such as short cutting, brushing, and line washing to serve shock absorber manufacturers within the automotive supply chain across the European continent, primarily in Eastern Europe. By meeting high-quality standards and offering competitive cost advantages, Borusan Pipe strengthens its position as one of Europe's leading steel pipe manufacturers while continuing to provide innovative solutions to meet the automotive sector's needs with high value-added products.

In 2024, the Romania Facility was honored with the "Investor of the Year Award" and the "Corporate Social Responsibility Award" by the Prahova Chamber of Commerce and Industry.



Date of Establishment: 2024

Area: 4,800 m²

Capacity: 21 million units/year

Product Portfolio: Automotive Pipes

Product Specifications: Shock absorber tubes, precision cutting, and processing services

Number of Employees: +40

EXPORTS

Borusan Pipe has adopted a strategic approach to position itself as a global player at home in local markets, aiming to strengthen its competitive advantage in alignment with trade policies, capitalize on logistical efficiencies, and respond more swiftly to customer demands.

As part of this strategy, the company enhanced its local production capacity in the United States. Following this expansion, Europe emerged as its primary export market, while Borusan Pipe continued to be a key player in steel pipe exports from Türkiye.

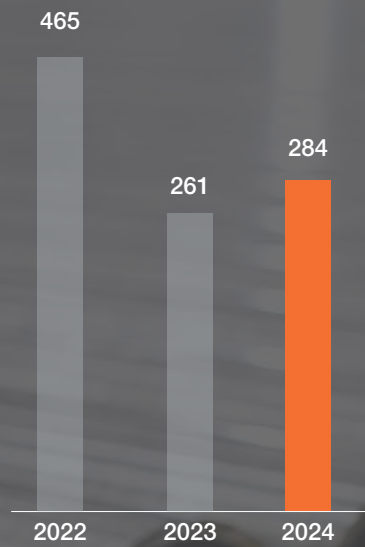
According to the 2023 export leaders list announced by the Steel Exporters' Association in December 2024, Borusan Pipe ranked as Türkiye's second-largest exporter in the longitudinally and spirally welded pipe category, and placed among the top 10 exporters across all steel product categories.

Having implemented its strategy in the U.S. as a global player at home in local markets, and despite a decline in demand in Europe, which had become its main export market, Borusan Pipe increased its export revenues by 9.0% year-over-year in 2024, reaching USD 284 million.



EXPORTS
in 2024
USD 284 million

EXPORTS
(USD million)



INVESTMENTS

Borusan Pipe continues to invest with the aim of enhancing its competitive edge, expanding into new markets, and driving sustainable growth across its existing business lines. With the completion of key investments in 2024 and the announcement of new projects, the company has further strengthened its position in global markets.

USA – BAYTOWN SRM INVESTMENT

In line with its goal to expand production capacity in the U.S. market, Borusan Pipe completed its SRM Line investment at the Baytown Facility in Houston during the first quarter of 2024. Following trial production, commercial operations commenced in the third quarter. Through this investment, Borusan Pipe established itself as a local manufacturer in the industrial and construction segments, gaining access to customers who primarily source from domestic producers.

ROMANIA – PLOIEȘTI SERVICE CENTER INVESTMENT

As part of its strategy to grow its Automotive business line, Borusan Pipe completed a EUR 15 million investment in a service center facility in Ploiești, Romania, in the first quarter of 2024. After trial production, commercial operations began in the third quarter. The Facility, spanning 4,800 m² with an annual production capacity of 21 million units, enables advanced processing of steel pipes tailored to the specific needs of the automotive industry further strengthening the company's regional presence.

Additionally, under the scope of this investment, Borusan Pipe benefited from approximately EUR 831,000 (TL 31.7 million) of a EUR 5.8 million investment incentive approved by the Romanian Ministry of Finance in the third quarter of 2024. The remaining portion is expected to be utilized in 2025.

USA – PANAMA CITY ADVANCED FORMING TECHNOLOGY INVESTMENT

In December 2024, Borusan Pipe approved a total investment of USD 68 million to be made over 2025 and 2026 in advanced forming technology for longitudinally welded steel pipe production at its Panama City Facility, operated by its U.S. - based subsidiary, Borusan Berg Pipe Holding Corp.

As part of this investment, an advanced manufacturing technology will be commissioned, enabling flat steel plates to be progressively shaped into 'J', then 'C', and finally 'O' forms - facilitating the production of large-diameter pipes. This will allow the company to expand its product portfolio to include smaller-diameter, thicker-walled pipes suited for long-distance energy transmission projects, offshore pipeline applications, and renewable energy platforms such as wind power.

Scheduled to become operational in 2027, the Facility will position Borusan Pipe as the only domestic manufacturer in the U.S. steel pipe market using this advanced technology. The investment is expected to unlock an additional market potential of 150,000 tons annually and further strengthen the company's position in the U.S. market, by capitalizing on the advantages of local production over imported alternatives.

USD 68 million

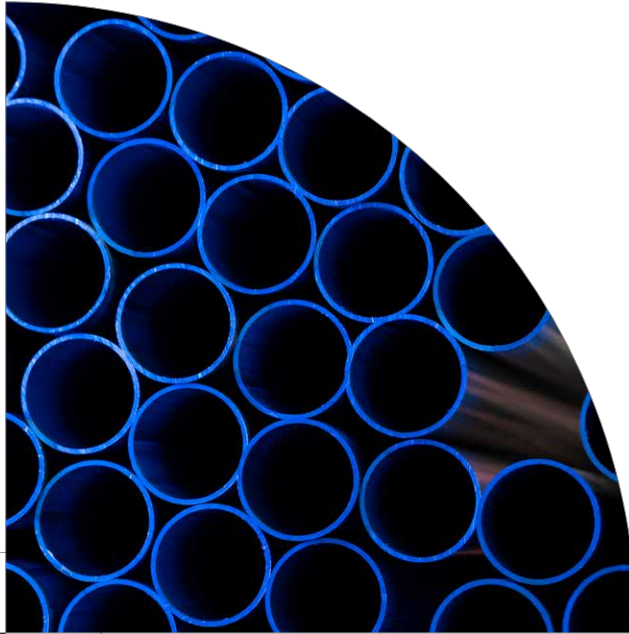
USA, Panama City
Advanced Forming
Technology Investment

PRODUCT DEVELOPMENT AND INNOVATION

PRODUCT DEVELOPMENT: PIONEERING INDUSTRY TRANSFORMATION

Borusan Pipe considers its innovation-driven approach - focused on delivering value-added solutions tailored to customer needs while embracing sustainable manufacturing practices in the steel pipe industry - as a core strategy. New product development processes are guided by industry trends, global standards, and customer expectations, with ongoing efforts to generate innovative solutions that enhance both efficiency and quality.

Key pillars of the company's product development strategy include Industry 4.0 integration, environmental sustainability, advanced engineering solutions, and customized production models aligned with customer requirements. By moving beyond traditional manufacturing methods and leveraging innovative material technologies and advanced production techniques, Borusan Pipe continues to strengthen its global competitive position.



FOCUS AREAS IN PRODUCT DEVELOPMENT

1. CUSTOMER- AND INDUSTRY-DRIVEN INNOVATIVE PRODUCTS

- New-generation pipe solutions with high strength, durability, and dynamic fatigue resistance have been developed and delivered to customers.
- The company's position in global markets has been strengthened through tailored product solutions for the energy, automotive, and construction sectors.
- New pipe types have been created for various industries through the development of specialized steel materials and custom process designs.

HIGHLIGHTED INITIATIVES AND OUTCOMES IN 2024

As of 2024, Borusan Pipe developed new pipe types for the automotive, infrastructure, energy, and white goods sectors, securing initial orders for these products. Designed for high-strength and durability applications, these solutions were customized to meet customer needs across diverse geographies and were manufactured in compliance with international quality standards.

Additionally, patent initiatives are coordinated by the company's innovation unit to strengthen intellectual capital and ensure the sustainability of innovation processes. In 2024, patent research was conducted for seven projects, and one official patent application was filed.

FORWARD-LOOKING INITIATIVES

New product development is seen not only as a domain of technical innovation but as an integral component of Borusan Pipe's long-term growth strategy. In response to global market trends and evolving customer expectations, the company continues to develop pipe solutions that are more durable, environmentally friendly, and integrated with digital technologies.

Guided by its vision to lead the transformation of the industry, Borusan Pipe aims to further expand its innovative product portfolio while reinforcing its commitment to sustainable manufacturing.

2. VALUE-ADDED MANUFACTURING AND COATING SOLUTIONS

- High-corrosion-resistance products have been developed using advanced surface coatings and specialized treatments.
- Tailored manufacturing solutions and innovative production processes have been designed to meet specific customer and market needs.

3. SUSTAINABILITY-ORIENTED PRODUCT DEVELOPMENT

- Pipes developed in compliance with international standards such as LEED and BREEAM green building certifications contribute to reduced environmental impact.
- Material optimization and efficiency improvements in production processes support the reduction of the carbon footprint of steel pipes.
- Environmental Product Declarations (EPDs) provide transparent, full life-cycle analyses to demonstrate products' environmental performance to customers.

4. INTEGRATED PRODUCT DEVELOPMENT THROUGH DIGITALIZATION

- R&D efforts continue to address pipeline needs through data-driven solutions such as IoT-based technologies and digital traceability systems.
- Product development processes are accelerated and made more efficient through production optimization, digital quality control, and continuous process improvement.

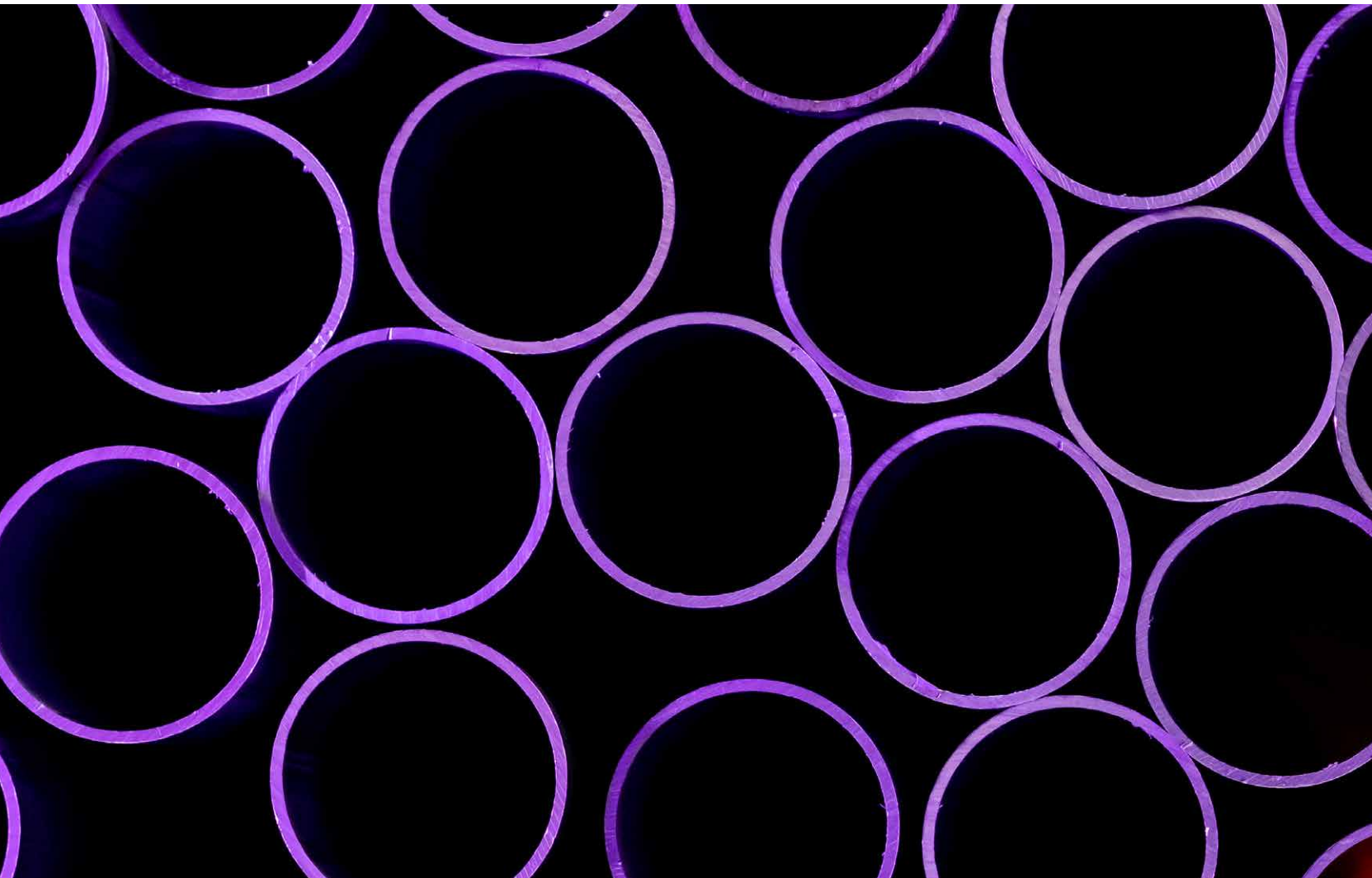
PRODUCT DEVELOPMENT AND INNOVATION

INNOVATION: SHAPING THE FUTURE FROM WITHIN

Borusan Pipe views innovation not merely as the generation of new ideas, but as a core value that drives growth and sustainable competitive advantage. In line with this vision, the FutureUP Internal Innovation Program was launched under the Factory Innovation Network, which also connects the company with the external innovation ecosystem. The program aims to enhance

employee innovation capabilities and bring forward thinking projects to life.

FutureUP is a long-term innovation initiative designed to help Borusan Pipe employees develop their innovation competencies, generate new business models and product ideas, and deliver projects aligned with the company's strategic goals.



FUTUREUP: AN INNOVATION JOURNEY FOR OUR EMPLOYEES

FutureUP is built on three core dimensions designed to strengthen participants' innovation skills, encourage collaboration, and turn ideas into actionable projects:

1. COMPETENCY DEVELOPMENT

Employees receive comprehensive training in areas such as design thinking, creative problem-solving, trend analysis, business model development, and commercial acumen. These modules equip them to develop solutions to future challenges.

2. CONNECTION WITH THE EXTERNAL ECOSYSTEM

Participants may collaborate with startups, academics, techno parks, and technology firms through the Factory Innovation Network. This interaction allows them to stay updated on emerging trends and technological developments.

3. FROM IDEA TO PROJECT

Innovative ideas generated by employees are refined within thematic project groups and developed through three month sprint cycles. Participants receive mentorship support to bring these projects to life.

TRANSFORMATION THROUGH FUTUREUP

FutureUP is designed as a continuously evolving innovation platform open to employees from all business units at Borusan Pipe. One of its key outcomes is the cultivation of internal innovation ambassadors who help embed a culture of innovation company-wide.

Going beyond traditional R&D functions, FutureUP unleashes employees' creative potential and reinforces a culture of innovation across all

departments. Closely aligned with new product development and digital transformation priorities, it supports the delivery of innovative projects in line with corporate strategy.

At Borusan Pipe, through FutureUP, we place our employees at the center of innovation and are building a sustainable innovation ecosystem that fosters transformation from within.

DIGITAL TRANSFORMATION

Borusan Pipe views digital transformation not simply as technological adaptation, but as a strategic enabler of operational excellence, enhanced workplace safety, and sustainable production practices. As part of its Industry 4.0 and digitalization journey, the company has integrated robotic automation, AI-powered analytics systems, smart sensor technologies, and digital data management solutions into its manufacturing operations—delivering both operational efficiency and long-term competitive advantage.

Digital transformation projects implemented throughout 2024 were designed to increase productivity across production sites, optimize business processes, improve occupational safety by minimizing manual tasks, and contribute to sustainability goals by reducing resource consumption. This transformation is not only strengthening Borusan Pipe's current operations but also positioning the company for the production systems of the future.



INVESTING IN THE FUTURE THROUGH DIGITAL TRANSFORMATION

Borusan Pipe sees digital transformation not merely as a technological application, but as a strategic initiative that defines the future of manufacturing standards. Efforts are ongoing to make production processes more efficient, safer, and more sustainable through the deployment of AI-powered data analytics, robotic process automation, and sensor-based technologies. These digital investments address today's operational needs while laying the foundation for the smart manufacturing facilities of tomorrow.

KEY FOCUS AREAS WITHIN THE FRAMEWORK OF DIGITAL TRANSFORMATION

1. ENHANCING SAFETY AND EFFICIENCY THROUGH ROBOTIC AUTOMATION

Automating manual processes not only protects employee health and safety but also significantly improves operational efficiency. As of 2024, robotic systems have been deployed in precision-critical production stages such as coupling installation. This transformation has minimized ergonomic risks, reduced error rates, and significantly increased productivity.

2. AI-POWERED DATA ANALYTICS AND QUALITY CONTROL

Artificial intelligence and image processing technologies have been introduced to improve the efficiency of quality control processes on production lines. Projects such as scrap detection, weld seam inspection, and slit strip measurement have greatly enhanced the ability to detect quality issues in real time and respond swiftly. These advancements have led to substantial improvements in raw material efficiency by reducing scrap rates and minimizing rework.

3. PREDICTIVE MAINTENANCE AND PROCESS OPTIMIZATION THROUGH SMART SENSOR TECHNOLOGIES

Vibration and acoustic sensor systems have been implemented to predict potential failures

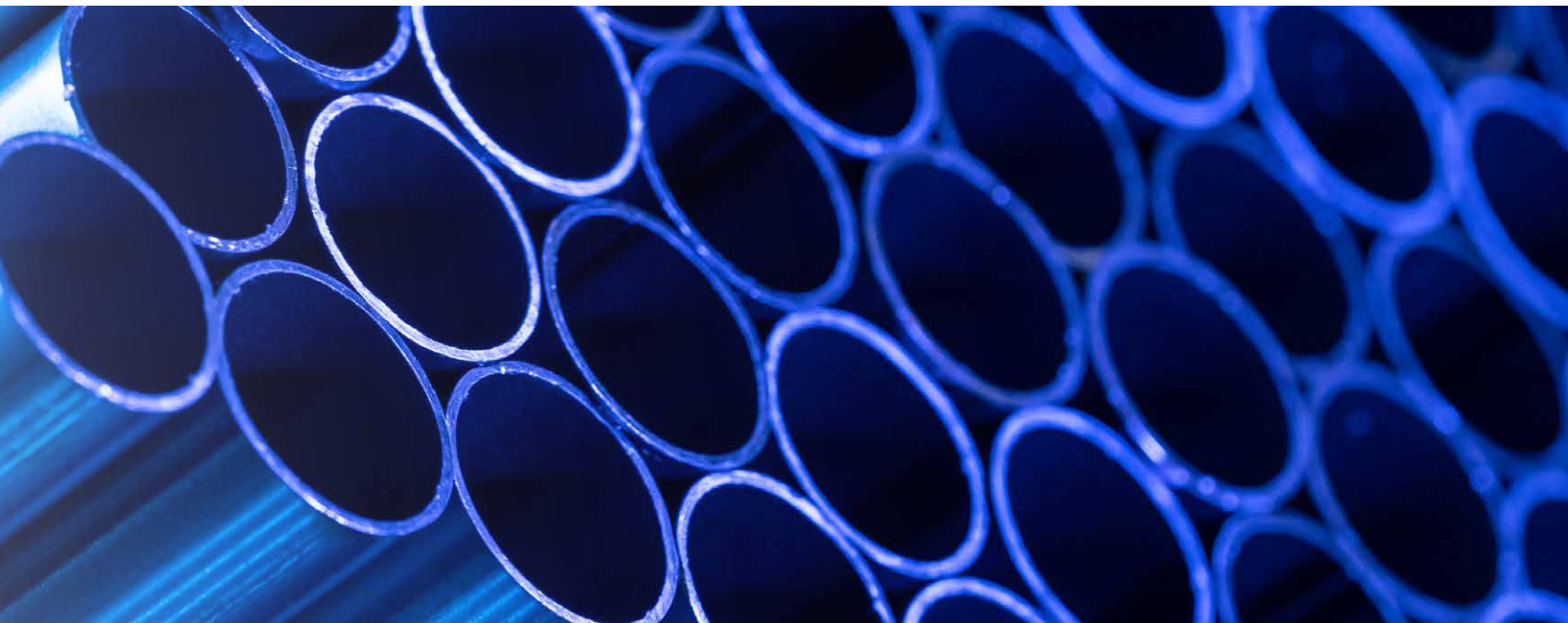
in machinery and equipment. By integrating vibration analysis into machines along critical production lines, they are now included in planned maintenance schedules, preventing unplanned downtime and ensuring operational continuity. In addition, acoustic sensors detect faults in the cold drawing process, contributing to a more stable and reliable production system.

4. DIGITALIZATION AND SUSTAINABILITY

Alongside the broader digital transformation initiatives under the SAP project, sustainability focused practices based on data integration have also been launched. In 2024, digitalizing visitor forms, eliminating physical paperwork, and shifting to cloud-based data management systems resulted in significant time savings and contributed meaningfully to the company's sustainability objectives.

5. SAFETY AND EMERGENCY MANAGEMENT

To improve emergency response capabilities in the event of natural disasters or critical incidents, the Assistant Mobile Application has been introduced. This application verifies employees' real-time location during events such as earthquakes, fires, and floods, enabling rapid safety checks and significantly accelerating crisis coordination.

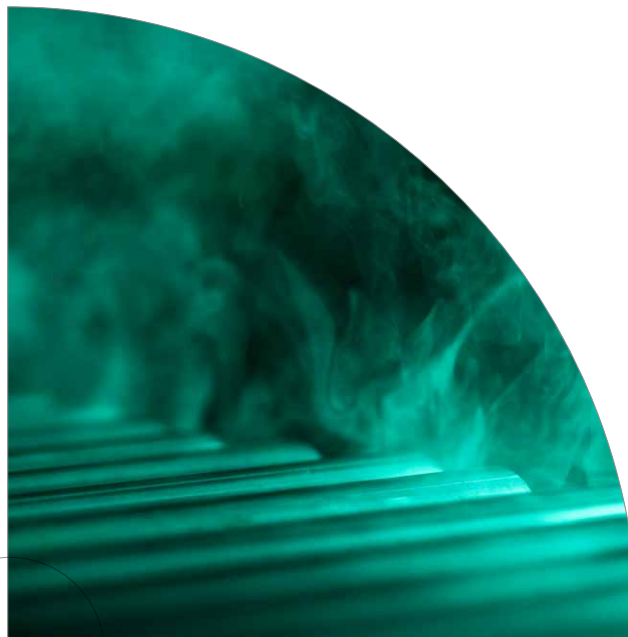


HUMAN RESOURCES

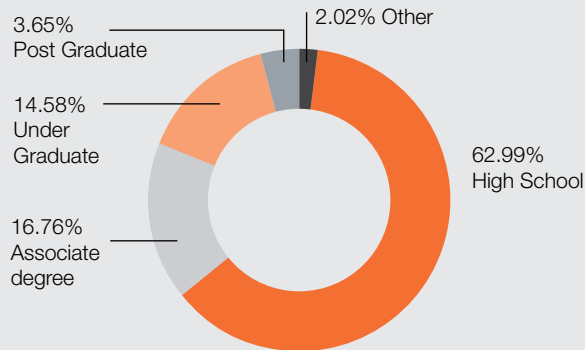
BORUSAN PIPE HAS DEFINED A “PEOPLE-ORIENTED APPROACH” AS THE CORNERSTONE OF ITS CORPORATE CULTURE, RECOGNIZING THAT HUMAN CAPITAL IS ITS MOST VALUABLE ASSET.

HUMAN RESOURCES POLICY

In the management of its human resources, Borusan Pipe acts upon within the framework of “Borusan Group Management Approaches & Practices” as well as “Business Principles, Business Ethics & Human Rights Practices”. Human Resources Policies address two key areas: the first outlines Borusan Group’s corporate governance approach, structure, process, internal principles and policies; the second details the group’s business principals, implementation of ethical guidelines, stakeholder relations, recruitment, workplace rules, compensation, and employee duties and responsibilities.



2024 Education Distribution (%)



As do all Borusan Group companies, Borusan Pipe unequivocally believes in and supports individuals' rights and freedoms wherever it may conduct its operations. Under no conditions whatsoever will the company tolerate any discrimination based on an individual's ethnicity, gender, color, race, nationality, religion, any other beliefs, and economic status. This zero-tolerance principle applies equally to hiring and promotion decisions, to the provision of work-related conditions and benefits, and to all dealings with customers, suppliers, and those with business partners of the company.

Borusan Pipe is statutorily obliged to ensure that working conditions, products, and services fully comply with all human health and safety standards.

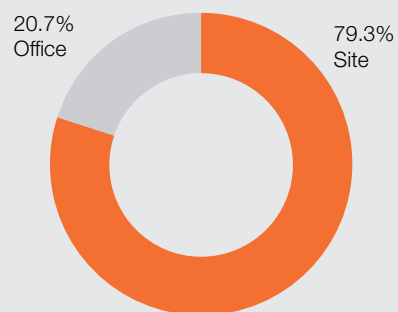
In addition, Borusan Pipe's human resources practices are implemented as outlined by two key objectives in "Borusan Group Human Resources

& Practices" document. The first is to encourage individual initiative for ownership of their work and its consequences; the second is to ensure success through personal development by fostering teamwork. The Borusan Pipe Human Resources Department's responsibilities include managing the company's relations with employees in all matters pertaining to employee rights & benefits, union membership, performance, compensation, and career management & progression.

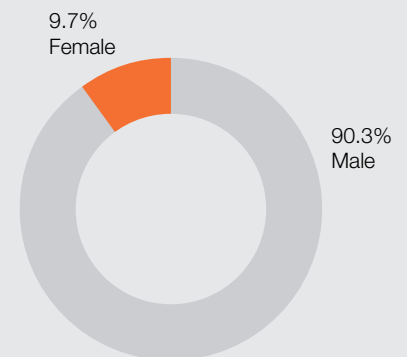
Recognizing that its employees are crucial to its success, Borusan Pipe prioritizes employee satisfaction and it strengthens employee loyalty by focusing on three key areas in the conduct of its human-resources management operations:

- Employee Satisfaction & Talent Management
- Inclusion & Equal Opportunity
- Human Rights

2024 Duty Distribution (%)



2024 Gender Distribution (%)



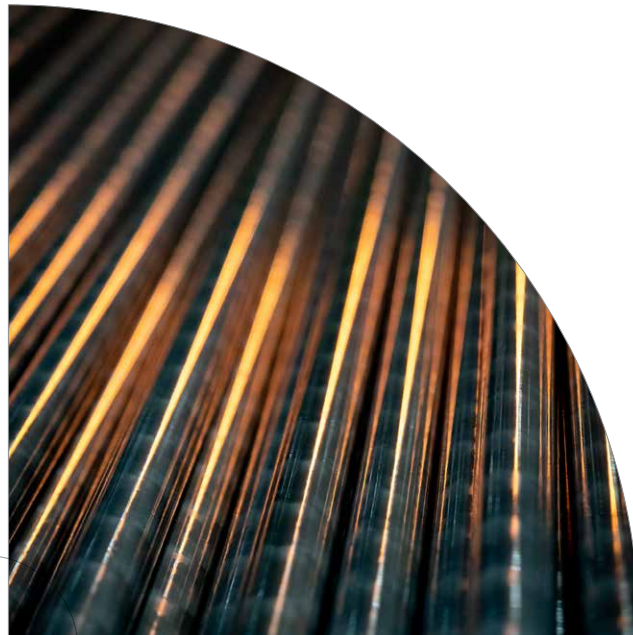
HUMAN RESOURCES

IN 2024, A TOTAL OF 32,327 HOURS OF TRAINING WERE PROVIDED TO EMPLOYEES.

In this context, the company prioritizes the well-being of its employees by supporting their technical and personal development, designing tailored working models, and fostering an inclusive work environment.

EMPLOYEE SATISFACTION & TALENT MANAGEMENT

The Borusan Pipe Human Resources Unit's (HRU) mission is to create an environment in its whole value chain which is safe, transparent, evenhanded, and respectful of human rights and which increases the satisfaction and consequently loyalty of its most valuable asset – the people who work for it. To help fulfill this mission, HRU conducts an annual employee satisfaction survey and uses the feedback as input for improving the employee experience.



Borusan Pipe offers a range of fixed and flexible fringe benefit options for all office employees. Fixed benefits include private health insurance covering both outpatient and inpatient treatments, annual health screenings of varying scope, and life insurance options. Additionally, for employees participating in the retirement plan, the company contributes an amount equal to the employees' monthly payroll-deductions, thereby supporting their long-term financial security. Another notable benefit is the childbirth allowance. In this context, all Borusan employees are supported with hospital expenses incurred due to childbirth, either for themselves or their spouses. Flexible benefits are offered through the Borusan Benefits Program, designed to provide the best employee experience by addressing diverse needs and continuously evolving through a strong feedback culture. This program enables employees to enhance their fixed budget with flexible benefit allocations and use the total budget across a variety of benefit options. The content of available benefits may vary depending on the employee's position within the company.

Reflecting its commitment to work-life balance and employee well-being, the company introduced paternity leave as a complement to mandatory maternity leave. Four employees claimed maternity leave benefits and 74 employees benefited from paternity leave in 2024.

The employee loyalty and satisfaction score among office personnel was 75% in 2024; among on-site personnel, it was 67%.

Borusan Pipe HR performance management processes are approached as a collaborative employee-company effort to support employees achieve their individual goals and reach their full potential on the one hand and to increase the effectiveness of the company's operations on the other. Regularly-conducted performance evaluations make feedback an intrinsic element of the company's corporate culture. This feedback is then used to create personalized progression plans for both employees and the organization as a whole.

Within the talent management process, every employee and their immediate supervisor meet annually to conduct a competency-based review of the employee's performance evaluations. The results of this review are then used to create development plans. The company supports career progression by encouraging employees to venture outside their comfort zone and take on diverse projects, seek feedback from peers across the organization, and learn from the experience of role models they admire.

Borusan Pipe manages its human resources with the awareness that its ability to achieve its goals is crucially dependent on it having a skilled and talented workforce. The company continuously updates its talent development programs both to expand the skills of its existing workforce and to position itself as an attractive employer for new talent.

Since 2021, Borusan Academy has been investing in the talent to be future leaders through its New Manager Development Program, which is carried out in collaboration with leading universities and organizations in Türkiye. This program is designed to instruct new managers in HR processes and competencies, with the ultimate aim of helping them to become skilled team leaders themselves.

Borusan Pipe provides a variety of training resources to increase its employees' professional and personal knowledge and skills. During 2024, company employees took part in a total of 32,327 hours of training focusing on professional development (8,171 hours), personal development (896 hours), occupational health & safety (13,971 hours), and miscellaneous issues (9,289 hours).

The Sustainability Talent Management Team - established in 2022 and composed of employees from different departments with the aim of further strengthening communication among Borusan Pipe employees and addressing the question, "What should we do in terms of talent management if we aspire to be a 200-year-old company?" - develops various projects.

HUMAN RESOURCES

“BORUSAN EQUALITY PLEDGE” TO EMPHASIZE GENDER EQUALITY

INCLUSION & EQUAL OPPORTUNITY

Although a heavy-industry company, Borusan Pipe nonetheless strives to make gender diversity and inclusion an integral element of its corporate culture. As is true of all Borusan Group companies, its mission is to help create a world in which women and men stand as equals under all circumstances.

In 2015, Borusan Holding established the “Borusan Equality Platform” to promote the adoption and internalization of gender equality at both corporate and individual levels. As a token of Borusan Pipe’s commitment to adopting and implementing the policies of this platform, its Chief Executive Officer Zafer Atabey undersigned the “Borusan Equality Pledge” on behalf of the company on March 5, 2020. An in-house Borusan Equality Team has been formed and tasked with organizing activities that promote greater awareness and acceptance of social gender equality throughout the company.

Some of the activities carried out by Borusan Pipe to promote workplace inclusion and opportunity equality are highlighted below.

- Nursing rooms have been refurbished to create a more hygienic, comfortable, and private environment for mothers with unweaned infants.
- A candidate talent pool has been developed to ensure a wider range of female employment at Gemlik and Halkalı Facilities.
- Benchmarking interviews were conducted with companies that prioritize social gender equality.
- “Seeing Life Equally” seminar was organized to

encourage dealers to embrace Borusan Pipe’s vision.

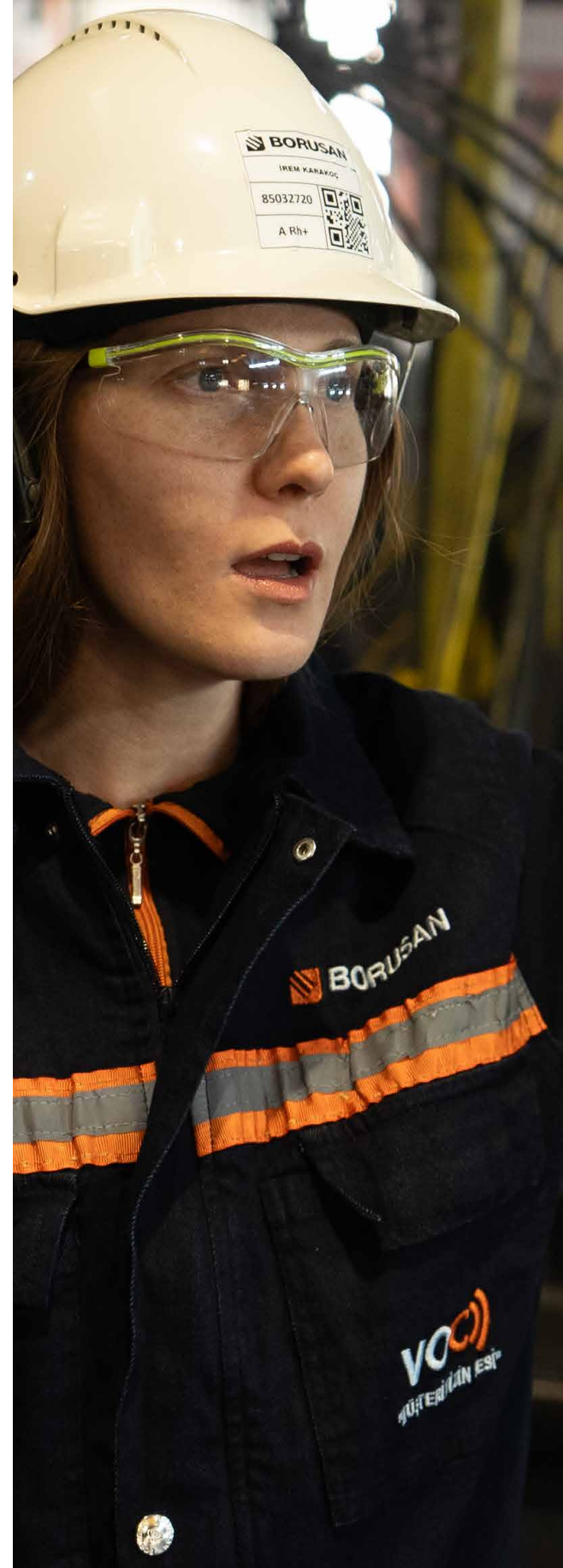
- Use of same type of helmet by all employees at the plants was ensured to emphasize equality.
- Free storybooks were distributed to company employees’ children that challenge gender stereotypes and promote equality.
- Initiatives were undertaken in partnership with the Bursa Women Engineers Association and various civil society organizations to empower qualified women for active roles in the business world.
- “Equality-Focused Leaders” seminar was conducted to promote diversity in managerial positions.
- Information about equal-opportunity initiatives at the company shared with personnel through “Borusan Equality Newsletter”, an in-house publication.
- Activities were organized to raise awareness and actively support International Women’s Day (March 8th) and the International Day for the Elimination of Violence Against Women (November 25th).

Borusan Pipe is mindful of the principle of gender equality in all matters pertaining to the presence of male and female employees in the workplace, to rights and opportunities, and to compensation and promotion. Policies are therefore in place to ensure that women are fairly represented in office positions, on-site, and managerial roles. For 2024, Borusan Pipe set itself the goal of employing women in 33% of office positions, 4.3% of on-site roles, and 24% of managerial roles. As of year-end these percentages were 34%, 3.4% and 23.40%, respectively.



HUMAN RIGHTS

Borusan Pipe, a signatory of the United Nations Global Compact, ensures that all its business processes adhere strictly to UNGC Human Rights Principles. Prepared by Borusan Holding, Orange Book (Turuncu Rehber) is a publication that sets out ethical guidelines which are to be followed by all group companies, of which Borusan Pipe is one, in the conduct of their business. Among other things, the guide promotes respect for human rights and forbids unethical behavior. Borusan Pipe positions “human” at the core of its strategic focus, recognizing people make the difference and add value in the business life. Hence, the company provides a healthy, safe, and fair work environment while proactively encouraging its employees to think and act creatively and innovative. Respecting human rights is a core element of the company’s corporate culture. This commitment is absolute and applies to all aspects of the company’s operations. Borusan Pipe respects employees’ right to form and join unions. The company supports the free exercise of this right. Borusan Pipe is a member of the Turkish Metal Industrialists’ Employers’ Union (MESS), which is the authorized union representing blue-collar employees. 79.3% of the people employed in Borusan Pipe’s operations in Türkiye are union members.



SUSTAINABILITY

SUSTAINABILITY MANIFESTO

WE INSPIRE FUTURE BY CHAMPIONING CLIMATE, PEOPLE, AND INNOVATION TODAY...

We know that resources are finite. We're aware that we're not the owners but the stewards of our planet and of every living thing on it. Inspired by future generations, we understand that we must leave them a viable legacy.

WE BELIEVE SUSTAINABILITY IS ACHIEVABLE VIA OUR FOCUS AREAS DEFINED BY ENTIRETY OF OUR VALUE CHAIN AND ACCORDING TO OUR PRIORITIES, AND THAT WE ADD VALUE BY MAKING A DIFFERENCE...

Since 1958 when our journey started as Borusan Pipe, we have been sharing and adding to Borusan Holding's vision of creating genuine value. By our core values and all resources, we serve as beacons for our industry. Our value-creation strategies prioritize Climate, People, and Innovation. This allows us to provide our internal and external stakeholders with processes and products that enhance their own operations. As an industry leader, we know we have responsibilities. This awareness is our greatest source of inspiration. Our sense of responsibility propels our pursuit of innovation and our leadership in its implementation. We work with our internal and external stakeholders to pinpoint areas where we can make a difference while always centering sustainability in our value-driven efforts. We shape our future strategies through the initiatives we carry out by expanding our focus areas.

WE CREATE VALUE FOR OUR PLANET BY TACKLING CLIMATE CHANGE...

Inspired by our respect for the natural world, we forge a path towards our goal of making a positive impact in tackling climate change. Faced with the critical challenges of the climate crisis, we take responsibility for protecting ecological balances. We are mindful of resource consumption and develop projects aimed at reducing our environmental footprint. We make our own contribution to climate health by coming up with carbon-neutral and circular-economy solutions and building them into our business models.

WE DREAM, WE DESIGN, WE MAKE IT HAPPEN BECAUSE WE CARE ABOUT PEOPLE...

Our core belief is that people drive business success. That's why we create a happy, healthy, safe, and inclusive workplace environment for our employees. We dream big with them and find inspiration in our track record of turning those dreams into reality.

WE EMBRACE INNOVATION BY DESIGNING INNOVATIVE IDEAS...

We understand that maintaining success requires an innovative outlook and strategic investment. To stay ahead, we transform our business model to keep pace with future needs. We carefully develop new products and innovation processes, leveraging our industry experience as a key driver for success. Driven by the responsibility that comes with being an industry leader as well as by our responsibilities towards nature and our stakeholders, we undertake projects, investments, and partnerships that foster an entrepreneurial and innovative spirit.

SUSTAINABILITY PRINCIPLES COMPLIANCE STATEMENT

BORUSAN PIPE SETS SUSTAINABILITY TARGETS THAT ARE FULLY ALIGNED WITH ALL ASPECTS OF THE BORUSAN GROUP'S CLIMATE, PEOPLE, AND INNOVATION GOALS. BECAUSE OF BOTH THE LOCATION AND THE NATURE OF ITS OPERATIONS, THE COMPANY GIVES PARTICULAR ATTENTION TO CLIMATE RELATED INITIATIVES.

The Borusan Pipe Sustainability Manifesto sets out the company's strategies for (1) reducing its own carbon emissions and waste to satisfy the net zero waste and emissions targets set by Borusan Holding and (2) contributing to the preservation of ecological balances.



SUSTAINABILITY MANAGEMENT

Borusan Pipe embraces the sustainability strategy of the Borusan Group and its holistic approach to dealing with climate, people, and innovation issues. The company is actively reshaping its business processes with policies and practices that reflect this commitment. Borusan Pipe embarked on its sustainability journey in 2021, publishing its first report compiled from 2020 data. Since then, it has made significant progress along the journey, racking up gains ranging from reducing its carbon footprint to improving workplace safety. Borusan Pipe's fourth sustainability report, released in 2024, details this progress. The Sustainability Report published in 2024 also encompasses all of Borusan Pipe's global operations.

Borusan Holding has been a United Nations Global Compact (UNGC) signatory since 2006. In 2021, four of its subsidiaries followed suit by becoming direct signatories themselves. As a member of the Borusan Group, Borusan Pipe is proud to be a part of UNGC, the world's largest corporate sustainability initiative. The company has also joined the ranks of influential organizations that closely follow, shape, and direct sustainability agendas at both global and local levels. In this context, the company has provided a detailed account of its efforts and, in 2024, continued to fulfill its commitments within a transparent framework by both securing additional participants for the Climate Accelerator Program and regularly submitting progress reports.

Sustainability efforts within the company are led by a dedicated team reporting to the Executive Committee Member in charge of Sustainability, with initiatives advanced through agile teams. The Sustainability Thematic Groups - consisting of

95 members across 7 agile teams - hold weekly meetings to identify current needs, risks, and opportunities. They regularly share their findings with the Borusan Pipe Sustainability Committee, demonstrating an inclusive model of governance. In 2024, sustainability initiatives were also launched at the company's facilities in Italy and the United States, with the goal of expanding the process to encompass all Borusan Pipe locations. Agile teams conduct weekly meetings to identify needs and challenges, taking appropriate actions as needed. At the end of each month, the Borusan Pipe Sustainability Leader presents progress updates on the sustainability journey to the Borusan Holding Sustainability Committee. A comprehensive year-end assessment was shared with employees as part of the 2023 Sustainability Report. Year-end sustainability meetings, attended by sustainability team leaders and the Executive Committee, are held to conduct a comprehensive evaluation and to review the goals and budget for the upcoming year. During quarterly Board of Directors meetings, presentations on sustainability targets are delivered, providing updates on progress and highlighting periodic risks and opportunities. At Borusan Pipe, the oversight of sustainability related risks and opportunities is entrusted to the Sustainability Executive Board, chaired by the CEO.

The continuity and outcomes of sustainability initiatives are also evaluated at both Borusan Holding and Borusan Pipe levels. To this end, the Holding Sustainability Board convenes at least four times a year, monitoring developments in the field of sustainability from an integrated perspective, making necessary decisions, and overseeing their implementation. Borusan Pipe's sustainability leaders and agile group leaders participate in the Holding Sustainability Board meetings.

SUSTAINABILITY

SUSTAINABILITY STRATEGY

The European Green Deal, which aims to transform the EU into a carbon-neutral continent by 2050, is a roadmap and a new economic growth strategy that includes the proposed laws and strategies to achieve this goal.

The targets set for carbon emission reduction will impact exports to the European Union through various channels. These include the implementation of a carbon tax, eco-labeling, and new standards for circular business models. Borusan Pipe is aware that once it completes the relevant compliance process, its competitive strength in the market will not be affected and it will not be exposed to additional costs.

Recently, Borusan Pipe has taken significant steps that reinforce its strategy of “becoming a local manufacturer in global markets”. The company aims to develop an inclusive strategy for the global market within the context of sustainability and to align all operations to the same level of impact. Throughout 2024, strategies focusing on commercial excellence, operational excellence, sustainability, and product innovation have been developed, and social responsibility projects aimed at a contemporary Türkiye have been carried out. The process of mandatory implementation of the (Türkiye Sustainability Reporting Standards - TSRS) CSRD has also been strategically managed, whereas all processes have been shared with stakeholders in a transparent manner.

Borusan Pipe's sustainability strategy is built on four main pillars:

- Commercial excellence
- Operational excellence
- Sustainability
- New product innovation

Digital technologies and human resources management have been identified as supportive areas in the implementation of the sustainability strategy. Aligning with the Group's approach, Borusan Pipe has adopted the mission of offering value-added solutions to the business processes of its internal and external stakeholders, with a focus on i3.

Borusan Pipe voluntarily participates in the “Climate Change” and “Water Security” programs within the scope of the Carbon Disclosure Project (CDP), one of the world's leading platforms for combating climate change.

Borusan Pipe regularly monitors developments in the area of sustainability in order to identify sustainability-related risks and opportunities that can reasonably be expected to impact its future financial competence.

Company officials regularly participate in briefings at the Group level, carrying out studies to turn risks into opportunities and to ensure financial resilience.

Within the framework of its defined strategic focus areas, Borusan Pipe has designed processes to turn all identified risks into opportunities. The company is to strengthen its financial stance and maintain its competitive edge through actions focusing on competitiveness and transformation,

As part of the green transition, the electric arc furnace is being adopted as an alternative method in iron and steel production.





RISKS AND OPPORTUNITIES WITHIN THE SCOPE OF SUSTAINABILITY

Borusan Pipe also adopts the approach of the International Sustainability Standards Board (ISSB), which forms the foundation of the Turkish Sustainability Reporting Standards (TSRS). In addition, the company has adopted the “Guidance on Sector-Based Implementation of TSRS 2” as a reference, specifically recognizing Volume 9 - Iron and Steel Producers Guideline as its primary source document.

The company monitors and addresses developments related to its priority issues with a risk focused approach. Climate change is considered among both the physical and transition risks in terms of Borusan Pipe’s operations and investments.

Physical risks such as extreme weather events and natural disasters are observed to pose threats to the company’s infrastructure, supply chains, and operations. To mitigate these risks, Borusan Pipe proactively assesses vulnerabilities, develops action plans, and implements measures to enhance its resilience.

Risks and opportunities implemented within the framework of sustainability and climate change are discussed during the periodic Sustainability Executive Board meetings.

The Sustainability Leader regularly participates in Group Sustainability Board meetings, integrating sustainability risks into management processes with a holistic perspective.

The company monitors its sustainability performance in line with its targets and regularly reviews risks and opportunities by keeping track of global and regulatory trends. These risks and opportunities are also utilized to support Borusan Pipe’s sustainability performance and to manage challenges on the path toward achieving its goals.

The Board of Directors is the highest governance body, responsible not only for monitoring sustainability and climate-related risks and opportunities, but also for ensuring the necessary skills and competencies are in place for effective oversight.

Sustainability-related risks and opportunities are included on the agenda of the Sustainability Committee. In 2024, the following topics were discussed during the Committee meetings:

- Topics discussed within the scope of sustainability, risks, and opportunities
- Global risks anticipated for Borusan Pipe under the Carbon Border Adjustment Mechanism (CBAM) and the precautionary measures to be taken
- Potential reporting and tax implications of CBAM
- Planned initiatives related to the supplier ecosystem
- Requirements of the Turkish Sustainability Reporting Standards (TSRS)
- Budget allocation needed for decarbonization projects
- Digital transformation and procurement processes

At Borusan Pipe, updates on international and national developments, as well as on risk and opportunity management processes, are presented to the Board of Directors on a quarterly basis.

SUSTAINABILITY

STAKEHOLDER ENGAGEMENT AND PRIORITIZATION

Borusan Pipe regularly evaluates the expectations of stakeholders across its value chain.

In the fourth quarter of 2023, a new analysis was initiated by Borusan Holding to identify priority issues with a focus on sustainability.

Borusan Pipe continuously develops innovative products and services that align with the expectations and demands of its stakeholders. Recognizing as stakeholders all individuals, organizations, and communities that are affected by its activities or have an impact on its operations and ability to achieve its goals, Borusan Pipe actively involves them in the process of identifying its focus areas. The company aims to manage every stage of its value chain with

an environmental, social, and governance (ESG) perspective and places strong emphasis on stakeholder input across all business processes.


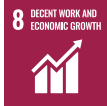
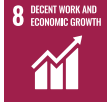

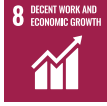
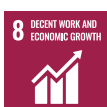






As part of the prioritization study conducted by Borusan Holding, and specifically in the context of Borusan Pipe's operations, an impact assessment was carried out within the framework of climate, people, and innovation. This analysis aimed to identify the company's key sustainability priorities.

The Borusan Pipe sustainability team contributed to the identification of priority focus areas through its dedicated efforts. As a result of both the Group level study and internal workshops, Borusan Pipe's priority issues were defined. Through surveys and workshops conducted with Holding representatives, the impact of each topic on Borusan Pipe - as well as Borusan Pipe's impact on these sustainability issues - was assessed.



OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

In all its reports, Borusan Pipe evaluates its priority issues in line with the **United Nations Sustainable Development Goals (SDGs)** and mobilizes all its resources with the aim of leaving a more livable world for future generations, in alignment with the UN's 2030 Sustainable Development Agenda.

High-Priority Issue	SDG Impact	
Occupational Health and Safety	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
Sustainable Economic Performance	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	
Information Security and Protection of Customer Privacy	12.a. Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	 
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
Customer Satisfaction and Service Quality	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	  
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	
Combating Climate Change and Adaptation	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	  
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	
Sustainable Supply Chain Management	12.a. Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	

The key stakeholders of Borusan Pipe include Borusan Group employees, shareholders, group companies, suppliers, media representatives, customers, business partners, local communities, students and academics, financial institutions, public authorities and local administrations, non-governmental organizations (NGOs), and professional associations.

The stakeholder engagement table is provided in the annex of our Sustainability Report.

SUSTAINABILITY

FOCUS AREA	SUB-TARGET AREA	TARGET DESCRIPTION		
CLIMATE	Emissions Reduction	TOTAL (Scope 1+ Scope 2) (Location-based)	Emission	
			Reduction	
		Direct (Scope 1)	Emission	
			Reduction	
		Indirect (Scope 2) (Location-based)	Emission	
			Reduction	
	Water	Reduce amount of water withdrawal	Reduction of water withdrawal	
		Increase amount of water recovered	Amount of water recycled	
INNOVATION	Revenue generated by new products			
PEOPLE OHS	Loss Prevention	Reduction in accident severity rate	Value	
		Reduction in Accident Frequency	Value	
PEOPLE BORUSAN EQUALITY PLATFORM	Gender Equality		Percentage of Women in Office	
			Percentage of Women on Site	
			Percentage of Women in Leadership Roles (All Levels)	
PEOPLE TALENT MANAGEMENT	Talent Retention		“Future Leaders” Turnover Rate	
			“Borusan Alpha” Turnover Rate	
	Employee Loyalty Score			

	UNIT	2021 Performance	2022 Performance	2023 Target	2023 Performance	2024 Target	2024 Performance	2030 Target
	Tons CO ₂ e	67,490	65,478	60,329	58,915	54,598	Not yet independently verified	43,943
	%	0	3.12	11.00	13	19		37
	Tons CO ₂ e	21,762	18,644	22,124	16,245	21,326		21,460
	%	0	14.71	2.00	25	2		5
	Tons CO ₂ e	45,728	46,833	38,205	42,670	33,272		22,483
	%	0	2.42	16.00	7	27		52
	%	0	33	5	32	5	Not yet independently verified	50
	%	0	13.2	5	17	15		50
	USD	-		-	9.8	TDB	13.8	20
	Rate of Incidence (Reported lost time/1,000 hours)	0.37	0.23	0.33	0.42	0.27	0.44	0.14
	Accident Frequency (Reported accidents/ 1,000,000 hours)	6.5	6.38	5.26	4.05	4.74	3.93	2.52
	%	26.1	28.1	30	33	31	33	36
	%	2.8	2.9	4	4.8	4.3	4.3	16
	%	17.5	18	16	22.7	17	24.5	27
	%	6	3	10	3	10	0	5
	%	2020 -25%	0	-	0	50	0	20
	%	74 Office / 72 Site	82 Office / 67 Site	80 Office / 70 Site	79 Office / 51 Site	78-80 White- Collar / 52-58 Blue-Collar	75 White-Collar / 67 Blue-Collar	85

SUSTAINABILITY

WE CREATE VALUE FOR OUR PLANET BY TACKLING CLIMATE CHANGE

COMBATING AND ADAPTING TO CLIMATE CHANGE

Decarbonization projects are monitored across all of our locations. Among the key initiatives delivering significant energy improvements are the green transformation project in the auxiliary facilities of our Gemlik Campus, utilization of waste heat, energy optimization in drawing processes, and regenerative braking systems at our U.S. Facility. These projects have resulted in approximately 2,500 tons of emission reductions.

Borusan Pipe continuously reviews its energy intensive production processes with a focus on energy efficiency, identifying potential savings areas and taking necessary actions. Energy efficiency efforts are monitored through the certified ISO 50001 Energy Management System.

In an era where circular initiatives are central to policy frameworks, Borusan Pipe regularly updates its risk and opportunity analyses by taking into account global trends. The company has intensified its efforts toward the use of renewable energy and, in 2024, certified the electricity procured for its production sites with I-REC certificates. Operating across four locations in Türkiye, Borusan Pipe sourced all the electricity used at its Gemlik and Halkalı facilities from renewable energy, accounting for 97% of its total electricity consumption.

WATER MANAGEMENT

Borusan Pipe recognizes that the water crisis is a complex issue that triggers numerous challenges and can only be addressed through a collective approach. Aligned with this understanding and the targets set by Borusan Holding, the company actively contributes to the solution by developing and implementing projects aimed at reducing reliance on freshwater resources, adopting alternative wastewater treatment methods, and minimizing water consumption across its products and processes.

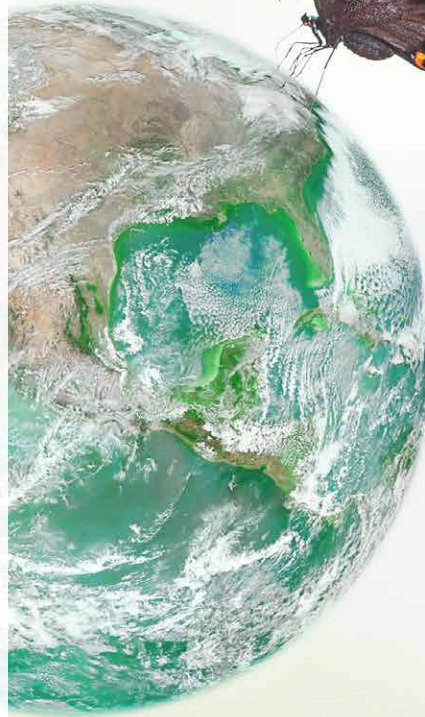
Water is particularly required during the finishing processes in pipe production. The quantity of water sourced and the quality of the resulting wastewater are continuously monitored to ensure compliance with regulations and to support the sustainability of relationships with both stakeholders and the environment.

Recognizing the Carbon Disclosure Project (CDP) as a transparent platform for water conservation, Borusan Pipe continued its participation in the platform in 2024. That same year, water footprint verification efforts also progressed, with water data validated by a third-party certification body in accordance with the ISO 14046-1:2014 standard. Through water reuse initiatives implemented across both its operations in Türkiye and global locations, approximately 30,000 m³ of water was recovered in 2024.



CIRCULARITY AND WASTE MANAGEMENT

Borusan Pipe adopts a circularity approach across all its operations, integrating innovation into business processes and shaping its business models around this principle. In 2024, two projects - "Separator Blades with Circular Production: A Second Chance for Waste" and "B'design" - were launched through the collaborative efforts of the Innovation and Circular Economy teams. For Borusan Pipe, the circular economy represents an operational philosophy that extends beyond simply converting waste into resources. It focuses on developing interconnected processes built on recycling, reuse, repurposing, and remanufacturing at every stage of the value chain, thereby driving efficiency and sustainable value creation. The source-segregated collection of waste generated during production processes is a critical aspect of Borusan Pipe's circular economy objectives. In accordance with waste management procedures, the characteristics and recovery potential of all segregated waste are evaluated within the framework of relevant regulations and processed using approved recovery methods. Through annual ISO 14001 Environmental Management System audits, Borusan Pipe verifies that the environmental impacts of its facilities align with internationally recognized standards. As of 2022, all company locations have obtained the "Zero Waste" certification issued by the Ministry of Environment, Urbanization, and Climate Change.



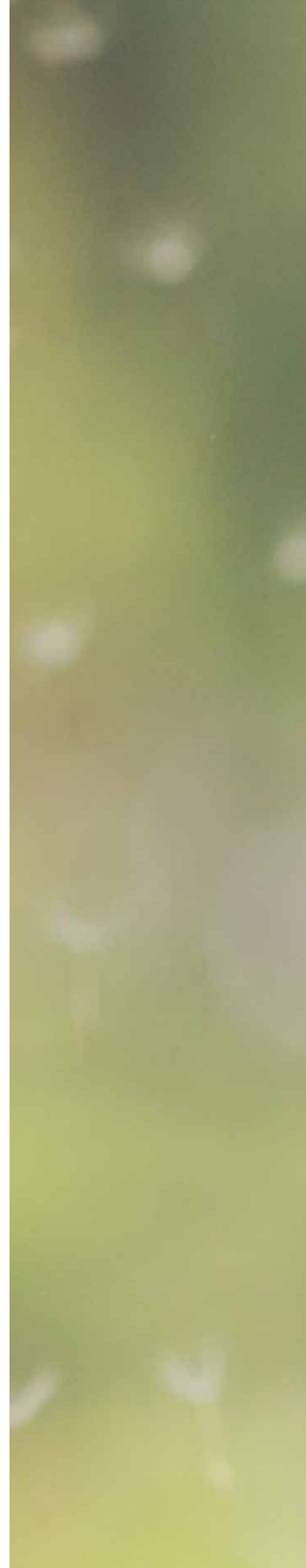
SUSTAINABILITY


WE DREAM, WE DESIGN, WE MAKE IT HAPPEN BECAUSE WE CARE ABOUT PEOPLE

Like all Borusan Group companies, Borusan Pipe regards its human resources as its most valuable asset and places a strong emphasis on the health, safety, and development of its employees. In line with this commitment, the company implements projects designed to eliminate manual operations to reduce accident risks, remove repetitive and physically demanding tasks to enhance working conditions in high-paced environments, and minimize ergonomic risks in tasks that require speed and close monitoring.

In line with the approach adopted across all Group Companies under the Borusan Holding umbrella, Borusan Pipe views each employee as a member of its extended family and considers the health and safety of its workforce a fundamental priority and responsibility. Occupational Health and Safety (OHS) activities are conducted with utmost care and precision, aiming to strengthen stakeholder confidence in the company. Within the framework of its “zero workplace accidents” target, Borusan Pipe implements risk assessments, performance evaluations, training programs, drills, and digital tools—while also advancing projects that promote a robust OHS culture embraced across all levels of the organization.

Human capital is the most central element in the execution of our activities. Our corporate culture is further strengthened when our shared values are embraced by our people and translated into meaningful impact. Creating a fair, safe, and healthy working environment for our employees, implementing projects that contribute to the development of the communities we operate in, and fostering transparent, accountable dialogue with stakeholders to build trust-based relationships are among the core principles that define who we are. To reinforce a people-centric corporate culture, numerous initiatives have also been developed by Borusan Holding. Borusan Pipe advances with the vision of creating and sustaining an organization that brings meaning to life through projects aligned with Holding-wide initiatives—an organization that is fulfilled, impactful, and empowered by its people. Human capital is Borusan Pipe’s most valuable asset, and its corporate culture is firmly rooted in a people-centric approach. The company places great value on its employees, recognizing them as the source of its strength. Employee satisfaction and engagement are key priorities. In this regard, Borusan Pipe is committed to providing both technical and personal development support, designing innovative work models, and fostering an inclusive work environment. The company measures employee satisfaction on an annual basis and generates ideas to enhance the experience of those who contribute to the company’s brand, aiming to be the voice of all employees.





As part of the talent management process, all employees participate in annual evaluations with their managers to assess their potential and develop tailored competency growth plans. Employees are encouraged and supported to step out of their comfort zones by participating in diverse projects, receiving feedback from colleagues across the organization, and gaining insights from the experiences of internal role models and leaders.

Driven by the belief that gender equality must be embraced and internalized at both the institutional and individual levels, the “Borusan Equals – Social Equality Platform” was launched in 2015. The platform aims to deliver tangible results across a wide spectrum - from human resources policies to corporate communications - by prioritizing gender equality. Borusan Group and Borusan Pipe are pioneers in ensuring gender equality across all decision-making and implementation processes in the workplace. They adopt inclusive policies to eliminate inequalities and take concrete actions to lead by example. Demonstrating its strong commitment to this cause, Borusan Pipe signed the Borusan Equality Pledge on March 5, 2020. Endorsed at the CEO level, this pledge signifies a company-wide dedication to advancing gender equality.

SUSTAINABILITY

WE EMBRACE INNOVATION BY DESIGNING INNOVATIVE IDEAS

Borusan Group integrates innovation throughout its entire organizational structure, striving to amplify the value it creates. Guided by a value-driven approach centered on innovation, the company leverages technology to redesign its processes, aiming to reduce operational risks while ensuring the effective and efficient use of resources and manpower. At Borusan Pipe, innovation initiatives are structured around three core pillars: new product development, innovation, and digital transformation.

Within the scope of new product development, the focus lies on the company's core business - steel pipe manufacturing - as well as advancements in coating and steel material technologies related to steel pipes, and the exploration of alternative connection methods.

Borusan Pipe has prioritized digital transformation efforts to ensure the most efficient use of its resources and, as of 2024, has initiated its investment in an Enterprise Resource Planning (ERP) system. Through this initiative, the company aims to manage the costs of its extensive product portfolio more effectively. The ERP Transformation Project is designed to strengthen business processes across all locations with efficient and streamlined systems. The company believes that business processes developed through lean and integrated strategies will play a vital role in shaping its future direction.

Innovation initiatives at Borusan Pipe are carried out under the newly established Factory Innovation Network. The structure of this network was shaped by insights derived from workshops held with entrepreneurs from incubator centers and internal stakeholders. The Factory concept was designed with an emphasis on collective intelligence, participatory governance, and maximizing overall value. The Factory Innovation Network serves as a platform that unites individuals and organizations striving to create value in the dynamic landscape of innovation, in collaboration with Borusan Pipe's team of experts. Through a range of programs conducted both internally and externally, Factory aims to develop scalable new products, services, and business models.





WE INSPIRE THE FUTURE BECAUSE WE EMBRACE i3

While Borusan Holding manages the direct environmental and social impacts of its operations and strives to create positive value, it also seeks to extend this approach across its entire value chain.

Operating across a broad spectrum of industries, from services to manufacturing, Borusan Holding's diverse business operations necessitate the development of responsible practices in supply chain management. Global geopolitical and socioeconomic shifts have further highlighted the need for enhanced resilience in supply chains. Strengthening this resilience requires comprehensive risk analysis, alongside the integration of sustainable practices and a responsible management approach. Recognizing the importance of embedding a culture of sustainability among its business partners and stakeholders, Borusan Holding introduced and implemented its Sustainable Procurement Policy in 2023. In alignment with this policy and its systematic framework, Borusan Pipe began evaluating its suppliers in 2024.

In 2024, the company participated in the EcoVadis platform, successfully underwent an assessment, and was awarded a Bronze Medal in recognition of its performance.

As part of its commitment to customer satisfaction, the company carries out customer satisfaction surveys, competitor product analyses, regular customer visits, and customer audits. For customers operating under the IATF 16949 standard, quality and delivery performance are evaluated on a monthly basis, and a customer satisfaction score is calculated accordingly. When a complaint is received through the customer's preferred communication channel, it is logged into the Customer Complaint Management (CCM) system by the Customer Quality and Project Management (CQPM) department, initiating the resolution process. The complaint is assessed by the relevant departments, and an 8D report is prepared. Once finalized, the report is shared with the customer, and the complaint is formally closed. Customer focus is at the core of Borusan Pipe's customer satisfaction policy. To ensure lasting customer satisfaction, customer requirements are carefully analyzed, and all relevant developments are closely tracked. Customer feedback is regarded as one of the most critical channels in stakeholder engagement. Borusan Pipe implements the VOC - Voice of the Customer Management System, which gathers customer requests and feedback and evaluates them in a systematic and holistic manner. Business processes are continuously refined to align with customer expectations, and products and services are developed accordingly. In a global first for the pipe industry, Borusan Pipe has been awarded the ISO 10002 Customer Complaint Management Quality System Certificate.

MANAGEMENT SYSTEMS

- ISO 14064-1:2006 Corporate Greenhouse Gas Emissions Verification
- ISO 14046 Corporate Water Footprint
- IATF 16949 Automotive Quality Management System
- Integrated Management System
 - ISO 9001:2015 Quality Management System
 - ISO 14001:2015 Environment Management System
 - ISO 45001:2018 Occupational Health and Safety Management System
 - ISO 10002:2018 Customer Satisfaction Management System
- ISO 50001:2018 Energy Management System
- ISO 17025:2017 General requirements for the Competence of Testing and Calibration Laboratories
- API 5L Line-Pipe Specification
- API 5CT Casing and Tubing Specification
- API Q1 Quality Management System

AWARDS

Award Category	Year of Award	Awarding Institution	Project Title	Award
Best Development Program for Frontline Leaders	2024	2024 Brandon Hall Group Excellence	Frontline Leader Development Program	Bronze
International Safety Award	2024	British Safety Council	OHS Management Systems and Applications	Distinction
International Safety Award	2024	British Safety Council	Success and Best Practices in Occupational Health and Safety of Companies	2024 Merit
Istanbul Chamber of Industry Green Transformation Awards	2024	Istanbul Chamber of Industry	Sustainability Management	Second Place Award
Investment of the Year Award	2024	Prahova Business Awards	The Investment in Romania	Award Presentation
Social Responsibility Award	2024	Prahova Business Awards	Sponsorship of sports events and the support provided during the earthquake period	Award Presentation
50 most influential CHRO Award	2024	Conducted by BMI Business School in cooperation with DataExpert	The 50 most influential CHRO / Nihan Alhan	Award Presentation
SAP Digital Transformation Award of the Year 2024	2024	SAP Türkiye	SAP Transformation Awards	Award Presentation

CORPORATE GOVERNANCE

**CORPORATE
GOVERNANCE AND
SUSTAINABILITY
COMPLIANCE
PRINCIPLES
IMPLEMENTED WITH
A FOCUS ON VALUE
GENERATION FOR ALL
STAKEHOLDERS**





STRUCTURE AND ACTIVITY OF THE BORUSAN PIPE BOARD OF DIRECTORS

Borusan Pipe is governed and represented by the company's Board of Directors. The authority and responsibility of the Board Members and Directors are included in the company's Articles of Association with reference to the relevant provisions of the Turkish Commercial Code (TCC). The Board of Directors is composed of a minimum of 5 and maximum of 9 members.

Term of office of Board Members is between 1 and 3 years. Board Members serve until new Board Members are elected and they may be re-elected. The General Assembly may change Board Members at any time, if it so deems necessary.

Half of the Board Members are elected from amongst candidates nominated by Group (A) shareholders. The Capital Market Law and regulations of Capital Markets Board ("CMB") are reserved for independent members, and other members to be elected to the Board of Directors. The company's Board Members are leading professionals in their respective fields and are appointed to have a guiding role in the projects carried out within the company, due to the experience and perspective they possess in their relevant fields. While there are no rules or restrictions for Board Members to be assigned other duties beyond the company, the fundamental principle is that their duties within the company are not affected negatively in terms of the time and attention they devote.

Board of Directors may establish commissions and committees responsible for the execution or supervision of the resolutions and policies associated with the company's operations. The legislation governing Capital Markets regulations are adhered to while establishing these committees.

The Board of Directors meets in accordance with a schedule prepared at the onset of the operating period. However, the Board shall meet also as and when necessitated by the company's business and conducts. The relevant articles and provisions of the Turkish Commercial Code apply to the decision quorum. The Capital Market Law and the CMB regulations in this matter are reserved.

A secretariat has been set up to ensure that the Board of Directors schedule is prepared and updated; the members attend the meetings; the Board of Directors report prepared by

the company's management is delivered to all members one week prior to the meeting date; and that meeting minutes are prepared and archived. The Chairman of the Board determines the agenda for Board meetings in line with the opinions of Board Members. Final invitation and agenda are delivered to each Board Member through appropriate means as per their request, 15 day in advance of each meeting. In addition to the resolutions made in the meetings, different opinions, suggestions and questions are also recorded in the meeting minutes. While deliberations are held, there is no decision that has not been taken unanimously by those who attended the meetings, so far. Board Members are not granted weighted vote rights and/or negative veto rights.

Remuneration of Board Members is determined by the General Assembly, which defines the remuneration to be paid to independent and non-independent Board Members in compliance with the Capital Market legislation.

While Board of Directors of Borusan Pipe has seven executive and non-executive members, the majority of Board is composed of Non-executive Members. The Chairman of the Board and the CEO of the company are different people.

The company is included in Group 1 as per the CMB announcement concerning "the Groups in Which Listed Companies Belong for 2024" pursuant to the Corporate Governance Communiqué no. II-17.1, and there are three independent members on the company's Board of Directors who are assigned in accordance with the CMB's Corporate Governance Principles and regulations. Independent Board Members have provided their declarations of independence. There has been no situation that terminated the independence as of the related operating period.

While the company did not impose any prohibition on the Board Members, no such transaction took place either.

The Board of Directors has been formed in 2023 General Assembly Meeting convened on May 27, 2024. Duties of the Board Members within and outside Borusan Pipe, and their resumes can be found on the company's website and in the related section of the Annual Report.

BOARD COMMITTEES

At Borusan Pipe, three committees that have been set up to assist the Board of Directors in duly fulfilling its duties and responsibilities based on the provisions of the Capital Market Law, CMB’s Corporate Governance Principles Communiqué and the Turkish Commercial Code, carry out their activities within the framework of defined guidelines or procedures.

Committee Members are sent reports that summarize and explicate the topics to be discussed during committee meeting, at least 3 business days prior to the meeting. The Committee’s scope of duty and resolutions are summarized by the Chairman of the Committee to all Board Members for their opinions and feedback during the Board Meeting. Resolutions made during Committee Meetings are written and Minutes are sent to all Committee Members and Board Members after the meetings. Decisions of action taken in previous meetings are reviewed in the following Board Meetings so as to monitor the progress. Resolutions made as a result of the studies independently carried out by Committees, are submitted to the Board of Directors as suggestions, and the final resolution is made by the Board of Directors.

The Board of Directors (“BoD”) has determined the members and duties of the Board Committees as per its resolution dated June 14, 2024.

Audit Committee

The Audit Committee is formed of at least two members and all Committee Members are elected from amongst Independent Board Members. The duties of the Committee are; to evaluate the findings of the independent auditor, important issues and problems and their potential consequences regarding the company’s accounting principles and practices within the framework of accounting standards and accounting principles presented to the company by the independent auditor, and to communicate with the company Management to make suggestions and recommendations for implementation. The Committee’s duties include reviewing and resolving the

complaints received by the company about its accounting, reporting and internal control systems as well as independent audit process. The Committee is also responsible from establishing the methods and the criteria for the evaluation of the warning and notifications submitted by employees, within the framework of confidentiality principle, related to accounting, reporting, internal control and independent audit.

Within the framework of this operating principle, the Audit Committee examines and reviews the result of the audits conducted by the Internal Audit Department of Borusan Holding. These audits are performed in accordance with the International Standards on the Internal Audit Professional Practice. Auditors in charge of the audits attend the meeting to ensure that the report is independently prepared and directly presented to the Board of Directors. The Committee evaluates the opinions of auditors and management; makes resolutions in the capacity of intermediary; decides to refer the issue to the Board of Directors in case the consensus cannot be reached regarding the audit results or measures that need to be taken. The Committee also reviews the action plans of the previous year to monitor and follow up the progress secured.

The external audit company, which is always designated from amongst the four largest auditors according to Borusan’s principles, makes an annual presentation on the company’s audited consolidated results, provides information and gives advice on critical issues, if any.

Board of Directors of Borusan Pipe has determined the members and duties of the Audit Committee as follows as per its decision dated June 14, 2024.

Name	Title	Whether Board Member or Not
Bülent Bozdoğan	Chairman of Audit Committee	Independent BoD Member
İbrahim Romano	Member of Audit Committee	Independent BoD Member

BOARD COMMITTEES

Corporate Governance Committee

The Corporate Governance Committee is formed of at least two members. If the Committee is formed of two/more than two members, then both members/majority of the members are elected from amongst Board Members who do not assume direct executive duties such as the CEO or Executive Committee Member and do not act in an executive capacity in matters associated with management. The Chairman of the Committee is elected from amongst Independent Board Members. It is mandatory to assign the Manager of the Investor Relations Department as a Member of the Committee.

The Corporate Governance Committee detect whether or not corporate governance principles are being complied within the company. In case of non-compliance, the Committee determines its reasons; identifies the conflicts of interest arising from and as a result of not fully complying with these principles; and presents its advice for improvement and development to the Board of Directors. In this framework, the Committee determines the actions on corporate governance principles, which have not been realized and implemented as yet, and that might be to the benefit of the company and its shareholders; submits the necessary suggestions for their adoption and realization in a manner that conforms to the structure of the company and its subsidiaries.

The Committee carries out studies about the internal guidelines and the revisions thereto, for the comprehension, adoption and implementation of corporate governance principles by the company employees, and presents the outcomes of such studies to the Board of Directors.

The Board of Directors may opt for not setting up a Nomination Committee and a Remuneration Committee, and may decide to structure these Committees under the Corporate Governance Committee. In such a case, all functions of the said Committees will be carried out by the Corporate Governance Committee.

Board of Directors of Borusan Pipe has determined the members and duties of the Corporate Governance Committee as follows as per its decision dated June 14, 2024.

Name	Title	Whether Board Member or Not
İbrahim Romano	Chairman of Corporate Governance Committee	Independent BoD Member
Erkan Muharrem Kafadar	Member of Corporate Governance Committee	Executive BoD Member
Tayfun Bayazıt	Member of Corporate Governance Committee	Independent BoD Member
Ekin Taş	Member of Corporate Governance Committee	Not a BoD Member

Early Detection of Risk Committee

The Early Detection of Risk Committee is formed of at least two members. If the Committee is formed of two/more than two members, then both members/majority of the members are elected from amongst Board Members who do not assume direct executive duties such as the CEO or Executive Committee Member and do not act in an executive capacity in matters associated with management. The Chairman of the Committee is elected from amongst Independent Board Members.

The main duties and responsibilities of the Early Detection of Risk Committee include advising and making suggestions to the Board of Directors about the early detection and assessment of the strategic, operational, financial and other risks that may endanger the existence, development and continuity of the company. The Committee is also responsible from identifying potential impact and likelihood of these risks; managing these risks in accordance with the company's corporate risk appetite; reporting the identified risks and taking necessary measures for these risks; consulting with the decision-making mechanisms; and establishing and integrating an effective and efficient internal control system.

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES OF BORUSAN PIPE

The main risks the Committee deals with are as follows: credit risk that may arise from receivables from customers; operational risk that may arise from the Group's operations; market risk that may arise from changes in exchange and interest rates; liquidity risk that may arise in relation to sustaining operations and funding daily requirements; strategic risk that may arise in parallel with the developments in the sectors in which operations are pursued, and reputation risk associated with the powerful image and reputation of the company. The company effectively manages all risks and takes necessary actions with the aim of sustaining its profitability and the efficiency of its operations.

Board of Directors of Borusan Pipe has determined the members and duties of the Early Detection of Risk Committee as follows as per its decision dated June 14, 2024.

Name	Title	Whether Board Member or Not
Tayfun Bayazit	Chairman of the Early Detection of Risk Committee	Independent BoD Member
Semih Özmen	Member of the Early Detection of Risk Committee	BoD Member

At Borusan Pipe, the company management is responsible for, and in charge of, risk management and internal control function. The company management submits a report on a monthly basis to the Board of Directors, including the financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and predefined key performance indicators (KPIs) along with the explanations therefor.

Closely monitoring the global developments, the company has rendered its corporate risk management policies in an effective and systematic way, and formulated its corporate risk management process to identify the factors that may potentially affect its operations, to manage those factors in line with its risk appetite, and to take necessary measures.

Internal Control Unit, which was reorganized in 2021, promotes the detection and management of risks and opportunities in a proactive manner with the aim of supporting the company's strategic initiatives. In this context, foreseeable risk and opportunity projects are carried out during the year with the involvement of the departments within the company. Risks detected as a result of these projects are prioritized and risk owners take actions to mitigate the impact of the existing risk.

INVESTOR RELATIONS

Date of Initial Public Offering	: September 12, 1994
Ticker Symbol on Borsa İstanbul	: BRSAN
Stock Exchange/Market Traded on	: Borsa Istanbul Star Market
Paid-in Capital	: TL 141,771,582.28
Closing Price (December 31, 2024)	: TL 431.00
Market Capitalization (December 31, 2024)	: USD 1,729 million

Borusan Pipe is listed on Borsa İstanbul (BIST) under the ticker symbol BRSAN and is traded on the Star Market. According to the latest records from the Central Securities Depository (MKK), the company's effective free float ratio stands at 19.69%, while the publicly held shares account for 19.85% of its total capital.

As a publicly traded company, Borusan Pipe conducts its operations in full compliance with CMB regulations, adhering to the principles of transparency, accuracy, timeliness, adequacy, and continuity in its disclosures to investors.

Borusan Pipe Investor Relations is responsible for maintaining the two-way communication between the Board of Directors and shareholders within the regulatory framework defined by the CMB.

The Investor Relations Unit has been established with the aim of ensuring that shareholding rights are exercised in compliance with the legislation in force, provisions of the Articles of Association and other internal guidelines, intended for the exercise of these rights. The Investor Relations Unit fulfills shareholder requests and all its responsibilities related to public disclosure within the framework of the governing laws, by also adhering to the principle of maintaining the confidentiality of material information.

During 2024, efforts for compliance continued for improving the communication between Investors Relations and shareholders pursuant to the Capital Market legislation and CMB requirements. In this context, 2023 year-end and quarterly financial reports were publicly disclosed within legally defined periods of time. 2023 Ordinary General Assembly Meeting in May and the Extraordinary General Assembly Meetings in December were convened, using the EGM system actively and fulfilling all applicable regulatory requirements.

Borusan Pipe complied with public disclosure requirements by publishing the General Assembly documents and 52 material disclosures that might affect investor decisions through the Public Disclosure Platform ("KAP"). Furthermore, the website has also been updated following the disclosures made. Investors' queries for information, which were conveyed by phone and/or e-mail, were responded.

Investor Relations 2024 Annual Activity Report that has been prepared to inform Borusan Pipe Board of Directors has been presented to be Board of Directors on March 7, 2025.

The Head of Investor Relations at Borusan Pipe, who also serves as a member of the Corporate Governance Committee, holds Capital Market Activities Level 3 and Corporate Governance Rating Licenses, and reports to the Executive Committee Member responsible for Financial Affairs and Foreign Trade.

Contact information for Borusan Pipe Investor Relations:

Tel: 0 212 393 57 58

Fax: 0 212 293 31 65

E-mail: bb.investor@borusan.com

GENERAL ASSEMBLY MEETINGS

Borusan Pipe's arrangements concerning General Assembly meetings are available on the Investor Relations page, and also within the "Internal Guidelines on the Working Principles and Procedures of the General Assembly" document that can be found under "Corporate Governance" tab on the website. Publicly disclosed announcements in relation to the General Assembly Meetings are also posted under the same heading.

The 2023 Ordinary General Assembly Meeting of Borusan Pipe was held on May 27, 2024, at 14:00, at the İstinye Branch of Borusan Oto Servis ve Ticaret A.Ş., located at İstinye Mahallesi, Sarıyer Caddesi, No.77, Sarıyer / İstanbul. The invitation to the General Assembly, including the agenda in accordance with the relevant provisions of the Law and the Articles of Association, was duly announced in the Turkish Trade Registry Gazette dated April 30, 2024, No. 11072. In addition, Borusan Pipe sent the invitation by registered mail with return receipt to registered shareholders who had previously submitted their share certificates and provided their contact information. The invitation, along with the meeting date and agenda, was also published on the Public Disclosure Platform (KAP), the Borusan Pipe corporate website (<https://borusanboru.com/>), and the Electronic General Meeting System (e-GEM) of Merkezi Kayıt Kuruluşu A.Ş. (Central Securities Depository & Trade Repository of Türkiye) on April 30, 2024.

Access was provided to all kinds of information associated with the General Assembly and made available for review by shareholders both in hard copy at the company's Head Office, and on the website, including the annual report, financial statements and additional explanations regarding the General Assembly.

The General Assembly meeting was held, at the least cost for the shareholders and in the most convenient manner possible, so as not to cause any inequalities among the shareholders. The General Assembly was attended by members of the BoD, as well as the independent auditor of Borusan Pipe, Executive Committee, and by those officers in charge of General Assembly preparations. There was no participation by the media and stakeholders other than shareholders.

The main agenda items of the meeting included: the formation of the Meeting Chairmanship; the separate reading and discussion of the Board of Directors' Annual Report for 2023 and the Independent Auditor's Reports; the reading, discussion, and approval of the financial statements for 2023; approval of the appointments made during the year to the Board of Directors to fill vacancies in accordance with Article 363 of the Turkish Commercial Code; the release of the members of the Board of Directors from liability; determination of the number of board members and their election, including the presentation of independent board member nominees to the General Assembly for discussion and the election of independent members from among them; approval of the selection and term of office of the independent audit firm as determined by the Board of Directors; determination of the remuneration, attendance fees, bonuses, and other benefits to be paid to the members of the Board of Directors; determination of the method of use and distribution of profit, and dividend ratios; informing shareholders about donations made in 2023; determination of the upper limit for donations to be made in 2024; informing shareholders about guarantees, pledges, and mortgages granted in favor of third parties; and granting the necessary authorizations to board members as stipulated under Articles 395 and 396 of the Turkish Commercial Code.

No suggestions were submitted aside from the set agenda items.

GENERAL ASSEMBLY MEETINGS

As the company recorded a consolidated net profit of TL 4,963,851,011 for the fiscal year 2023 in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards, but reported a net loss of TL 1,143,442,612 in its statutory (legal) records—resulting in no distributable profit for the period as per legal records—it was resolved by majority vote not to distribute any dividends.

During 2023, as per CMB requirements, there was no act for which decision was left to the General Assembly due to negative votes cast by the majority of Independent Board Members on matters that need to be voted positively by their majority. General Assembly minutes were made available for review by shareholders at Borusan Pipe Head Office, and were publicly disclosed through the Public Disclosure Platform (KAP) and the e-GEM system (EGKS); also, all kinds of announcements, documents and so on related to the General Assembly were made available for the information of shareholders and all stakeholders on Borusan Pipe website.

Additionally, Borusan Pipe convened an Extraordinary General Assembly Meeting regarding to the merger transaction of the company with BMB Holding A.Ş. on December 31, 2024, at 14:00, at the İstinye Branch of Borusan Oto Servis ve Ticaret A.Ş., located at İstinye Mahallesi, Sarıyer Caddesi, No.77, Sarıyer / İstanbul.

The invitation to the General Assembly, including the agenda in accordance with the relevant provisions of the Law and the Articles of Association, was duly announced in the Turkish Trade Registry Gazette dated December 5, 2024, No. 11222. In addition, Borusan Pipe sent the invitation by registered mail with return receipt to registered shareholders who had previously submitted their share certificates and provided their contact information. The invitation, along with the meeting date and agenda, was also

published on the Public Disclosure Platform (KAP), the Borusan Pipe corporate website (<https://borusanboru.com/>), and the Electronic General Meeting System (e-GEM) of Merkezi Kayıt Kuruluşu A.Ş. (Central Securities Depository & Trade Repository of Türkiye) on December 3, 2024.

The main agenda items of the meeting were as follows: informing shareholders regarding the merger transaction (“Merger”) of BMB Holding with Borusan Pipe, whereby all assets and liabilities of BMB Holding Anonim Şirketi would be “acquired” in their entirety by Borusan Pipe; the submission, discussion, and resolution by the shareholders of the “Merger Agreement” - prepared by the Board of Directors of Borusan Pipe, within the framework of the Turkish Commercial Code No. 6102, the Corporate Tax Law No. 5520, the Capital Markets Board’s “Communiqué on Mergers and Demergers” No. II-23.2, the Capital Markets Law, and other applicable legislation - in connection with the merger transaction (“Merger”) whereby all assets and liabilities of BMB Holding Anonim Şirketi (registered with the Istanbul Trade Registry under registration number 402760-0) would be “acquired” in their entirety by Borusan Pipe through a full transfer of assets and liabilities and dissolved without liquidation (infisah), subject to the approval of the Capital Markets Board; - pursuant to the matters set forth in the Capital Markets Board’s letter dated 22.11.2024 and numbered E 29833736 106.01 63203, and conditional upon shareholder approval of the Merger Agreement and the “Merger Transaction” under Agenda Item 3 - the increase of the company’s capital by TL 21,582.28, from TL 141,750,000.00 to TL 141,771,582.28; and the submission, discussion, and approval by the shareholders of the amendment to Article 6 of the company’s Articles of Association, titled “Capital,” in line with the approvals of the Capital Markets Board and the Ministry of Trade of the Republic of Türkiye.

DIVIDEND POLICY

The Dividend Policy of Borusan Pipe has been prepared based on the CMB Communiqué Serial: II No: 19.1 on Dividends that entered into force upon its publication in the Official Gazette dated January 23, 2014, No: 28891.

A look at the company's profit and dividend performance in previous periods reveals that our company has booked profits even through the most distressed times of the economy and that we have distributed 50% or more of our net profit as dividends to our shareholders since we went public in 1994. This understanding is targeted to be sustained in the future within the framework of the Turkish Commercial Code, Capital Market legislation and CMB's practices and resolutions. Our company's profit distribution policy for 2014 and years to come is to distribute 50% or more of the distributable profit as dividends. Notwithstanding, the distribution ratio will be reviewed every year in view of the developments in domestic and overseas economic circumstances and the company's investment opportunities and financing facilities.

The Board of Director's proposal for profit distribution, along with the profit distribution table in the format and content determined by the CMB, are publicly disclosed as per CMB's guidelines concerning public disclosure of material events.

Matters pertaining to profit distribution are set forth in Article 23 of our Articles of Association as follows. The net profit, which remains after deducting the company's general expenses and depreciation as well as the statutory taxes payable by the company in its capacity as a legal entity from the amounts calculated at the end of the fiscal year and which is shown on the annual balance-sheet less losses of the previous year, if any, shall be distributed as follows in the order shown below:

First Legal Reserves:

- a) 5% thereof is set aside as legal reserve,

First Dividend:

- b) Out of the remaining amount, the first dividend is set aside at such rate and amount as determined by the CMB.

Without prejudice to the first dividends, the following profit items are set aside from out of the remaining net distributable profit:

- c) 10% share is reserved for holders of dividend shares.
- d) Maximum 5% of the amount remaining after payment of items specified in clauses (a) and (c) above may be, allocated as gain margin, to members of the Board of Directors and

company's directors and officers upon discretion of the General Assembly. The General Assembly shall determine the distribution of profit shares to the members of the Board of Directors, taking into account the relevant Capital Markets legislation.

- e) Maximum 5% of the sum may be allocated for the foundations that are established or participated by the company or such individuals and/or institutions related to the same.

Second Dividend:

- f) The portion remaining after deduction of sums specified in clauses a, b, c, d and e from the net profit may be, partially or fully, distributed by General Assembly to the shareholders pro rata to their shareholding as the second dividend share and it may be, partially or fully, set aside as extraordinary legal reserve.

Secondary Legal Reserves:

- g) One tenth of the amount that remains after a profit share equal to 5% of the paid-in capital is deducted from the portion decided to be distributed to shareholders and other individuals with a share in profit is set aside as secondary legal reserve pursuant to the 3rd clause, 2nd paragraph of Article 466 of the Turkish Commercial Code.
- h) Unless mandatory legal reserves are set aside and the first dividend stipulated in the articles of association for the shareholders is distributed in cash and/or in stocks; a decision cannot be made to set aside further legal reserves, to carry profits forward to the next year and to distribute dividends to preferred stockholders, holders of participating, founder's and common dividend shares, members of the board of directors, janitors and workers, foundations established for various purposes and such persons and/or other organizations.

Advance Dividend may be distributed pursuant to provisions of Capital Markets Law and in accordance with principles contained in Capital Markets legislation. The deduction of the advance payment is also made according to the provisions of the relevant legislation.

If it is decided to distribute dividends, the dividend will be paid in cash to those who are entitled, and the distribution time is determined by the Board of Directors at the latest as the end of the accounting period in which the General Assembly meeting where the distribution decision is made.

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Borusan Pipe adopts compliance to Corporate Governance Principles of transparency, fairness, responsibility and accountability. During the operating period between January 1 - December 31, 2024, the company complied with the mandatory principles of the CMB's Corporate Governance Principles, and carried out improvements for areas on which compliance is optional.

In relation to Principle 1.3.11, the General Assembly meeting was held open to shareholders but closed to the public. The minutes of the General Assembly meeting are made available to all stakeholders through the Public Disclosure Platform (KAP), the Electronic General Meeting System (e-GEM), and the company's website.

In relation to Principle 1.4.2, Group (A) shares carry five voting rights each at both ordinary and extraordinary general assembly meetings. However, the provisions of Article 479 of the Turkish Commercial Code regarding voting privileges remain reserved.

In relation to Principle 1.5.2, no expansion has been made in the scope of minority rights in the Articles of Association.

In relation to Principle 2.1.4, although the company's website is available in English, not all of the Turkish content has been translated. Efforts are ongoing to provide English translations of all content available on the website.

In relation to Principle 4.2.8, any damages that may arise from the faults of the company's board members during the performance of their duties are covered under Directors and Officers (D&O) liability insurance policies collectively procured by Borusan Holding A.Ş. for the group companies. Considering the company's capital and foreseeable risks, the current insurance coverage is deemed adequate, and the policy limits are reviewed regularly.

In relation to Principle 4.3.9, although no formal policy has yet been established regarding a target ratio and timeline for achieving a minimum of 25% female representation on the Board of Directors, the company currently has one female member on its seven-member Board, corresponding to 14.3%.

In relation to Principle 4.4.7, the assumption of external duties by board members has not been restricted, considering the significant value their professional and industry experience brings to the Board. Information regarding the external duties held by the company's board members is disclosed in the annual report.

In relation to Principle 4.5.5, within the framework of the Corporate Governance Principles, considering the requirement that committee chairpersons must be selected from among the independent members, the obligation that all members of the Audit Committee must be independent, and taking into account the knowledge and experience of the Board members, some members of the Board serve on more than one committee.

In relation to Principle 4.6.1, no Board performance evaluation has been conducted.

In relation to Principle 4.6.5, the remuneration of board members and executives with administrative responsibilities is disclosed in aggregate form, rather than on an individual basis, in the annual report, due to the confidentiality of personal information.

The principles, yet to be complied with, have not led to any conflict of interest among the stakeholders to date.

The Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) for the year 2024, prepared in accordance with the Capital Markets Board's resolution dated January 10, 2019, and numbered 2/49, and approved by the Board of Directors of Borusan Pipe, are included in the Annual Report (pages 98–113). These documents are also accessible via the Public Disclosure Platform (www.kap.org.tr) on the Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. company page.

Borusan Pipe is continuously working on compliance efforts for the necessary improvements to Corporate Governance Principles implementation.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There is no such a situation.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				General assembly meetings were held openly for shareholders but privately for the public. General assembly meeting minutes are made available to all stakeholders through the Public Disclosure Platform (KAP), E-GKS and the company's website.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.			X			Each Group (A) share shall have 5 votes in both ordinary and extraordinary meetings of the General Assembly. However, the provisions of Article 479 of the Turkish Commercial Code relating to voting privileges shall be reserved.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	The company does not have any reciprocal shareholding relationship that brings domination.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			There has been no expansion made regarding minority rights in the articles of association.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				While the company's website has an English version, not all Turkish content has been translated.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The damages that may be caused to the company due to the faults of our Board members during their tenure are covered by the Directors' and Officers' (D&O) liability insurance policies, which are collectively procured by Borusan Holding A.Ş. for the group companies. Considering the company's capital and foreseeable risks, the current insurance coverage is deemed adequate, and insurance limits are reviewed regularly.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			While there is no specific policy or target rate with a timeframe to achieve for the proportion of female members on the Board of Directors, with the condition not to be less than 25%, currently, out of the 7 members of the Company's Board of Directors, there is 1 female member (14.3%).
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attend the majority of the board meetings in person or via an electronic board meeting system.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			Due to the significant contribution of the Board members' professional experience and sectoral expertise to the Board, there are no restrictions on them holding positions outside the company. Information regarding the external positions held by the Company's Board members is included in the annual report.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Within the framework of Corporate Governance Principles, the necessity for committee chairs to consist of independent members, the requirement for all members of the audit committee to be independent, and considering the expertise and experience of board members, board members serve on multiple committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No consulting services have been procured.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			There is no such an evaluation.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The remuneration provided to the Board members and executives with administrative responsibilities is disclosed on an aggregate basis in the annual report due to the protection of personal information.

CORPORATE GOVERNANCE INFORMATION FORM

CORPORATE GOVERNANCE INFORMATION FORM	
1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	The company has held online and in-person meetings with more than 50 investors and analysts throughout the year.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1279626 and https://www.kap.org.tr/en/Bildirim/1362244
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Partial
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There are no transactions without unanimity.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction.
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations- Corporate Governance- Donation Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/193965
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 16
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	On May 27, 2024, the Ordinary General Assembly and on December 31, 2024, the Extraordinary General Assembly Meetings of Borusan Pipe were attended by the Company's shareholders and their representatives, Board Members, Company Auditor, General Secretary, and the employees involved in General Assembly preparations.

1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Evet (Yes)
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Each Group (A) share shall have 5 votes in both ordinary and extraordinary meetings of the General Assembly. However, the provisions of Article 479 of the Turkish Commercial Code relating to voting privileges shall be reserved.
The percentage of ownership of the largest shareholder	73.48%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	None
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations - Corporate Governance- Dividend Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	In the 2023 fiscal period, the Company recorded a loss of 1,143,442,612 TL in its legal records, while its consolidated net profit amounted to 4,963,851,011 TL in the financial statements prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards. Accordingly, since there is no distributable profit in the Company's legal records, it was resolved by a majority vote not to distribute dividends, with 32,446 TL nominal value negative votes against 117,453,819.25 TL positive votes.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/en/Bildirim/1291424

General Assembly Meetings	Ordinary General Assembly Meeting	Extra-Ordinary General Assembly Meeting
General Meeting Date	27.05.2024	31.12.2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	-	-
Shareholder participation rate to the General Shareholders' Meeting	82.88%	87.20%
Percentage of shares directly present at the GSM	0.02%	0.03%
Percentage of shares represented by proxy	82.86%	87.17%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Investor Relations - General Assembly	Investor Relations - General Assembly
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Investor Relations - General Assembly	Investor Relations - General Assembly
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	-	-
The number of declarations by insiders received by the board of directors	55	88
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/en/Bildirim/1291424	https://www.kap.org.tr/en/Bildirim/1370182

CORPORATE GOVERNANCE INFORMATION FORM

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations- Corporate Governance (Shareholding Structure, Policies, Compliance Report, Articles of Association, Trade Registry, Forms), General Assembly, Reports, Material Disclosures, Contact Details
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations- Corporate Governance- Shareholding Structure
List of languages for which the website is available	Turkish and partially English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members+A46:A53	In the Annual Report published on the Public Disclosure Platform (KAP), the roles of senior management within and outside the Company are included in the resumes under the sections 'Management and Assessments' and 'Corporate Governance,' while their independence declarations are presented under the section 'Appendices.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	The 'Corporate Governance Information Form' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	It is included under the 'Appendices' section in the Annual Report published on the Public Disclosure Platform (KAP).
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	It is included under the 'Appendices' section in the Annual Report published on the Public Disclosure Platform (KAP).
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	It is included under the 'Appendices' section in the Annual Report published on the Public Disclosure Platform (KAP).
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no reciprocal shareholding relationship
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Human Resources and Sustainability Sections

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	None
The number of definitive convictions the company was subject to in relation to breach of employee rights	8
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	The Ethics Committee
The contact detail of the company alert mechanism	Phone number: +90 212 393 52 52 and WhatsApp +90 549 821 69 58
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	None
Corporate bodies where employees are actually represented	Employees are represented by the Turkish Metal Industry Employers' Association and Italian Federation of Metalworking Industry Employers (Federmeccanica) and they can communicate their questions and comments to the Company through various activities organized by HR.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board encourages the management to develop a succession plan.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Borusan Pipe operates within the framework of "Borusan Group Management Approach and Practices" and "Business Principles, Business Ethics, and Human Resources Practices" in its human resources management. The first document covers Borusan Group's corporate governance philosophy, structure, operations, business principles, and policies. The second document encompasses Borusan Group's main human resources policies and practices, including the application of business principles, ethical rules, stakeholder relations, as well as recruitment, working arrangements, salary payments, and employee duties and responsibilities.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Borusan Pipe companies operate in human resources practices within the framework of the following principle stated in the document "Borusan Group Management Approach and Practices": Borusan Pipe believes in and supports individuals' rights and freedoms to the fullest extent in every place and environment where it operates. Accordingly, under no circumstances does the Group discriminate based on individuals' ethnic origin, gender, color, race, nationality, economic status, religion, and other beliefs. This applies to all aspects, including recruitment, promotion, working conditions provided, and all relationships with customers, suppliers, and partners. The Group is responsible for ensuring that working conditions, products, and services are compatible with human health and safety. Additionally, the Group's human resources practices are implemented in line with the two main objectives outlined in the "Borusan Group Human Resources and Practices" document. The first objective is to encourage individuals to take initiative and take ownership of their work and its consequences, while the second is to promote teamwork and ensure individual development for greater success. Among the responsibilities of the human resources department are managing relationships with employees regarding social rights and benefits, union relations, performance, career management, compensation, and career development. During the period, no complaints were received from employees, including discrimination issues.
The number of definitive convictions the company is subject to in relation to health and safety measures	2

CORPORATE GOVERNANCE INFORMATION FORM

3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Borusan Pipe - About Us - Orange Ethics Hotline
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	The 'Creating Social Impact' section of the 2023 Sustainability Report under the Sustainability Section in the corporate website.
Any measures combating any kind of corruption including embezzlement and bribery	Borusan Pipe adheres to policies and programs aimed at combating bribery and corruption, as well as ensuring tax integrity. Preventing conflicts of interest, professionally managing relationships with stakeholders, and preventing unlawful behavior are values that make up the corporate culture at Borusan Pipe. While unethical behaviors such as bribery, corruption, and abuse of authority are carefully avoided, efforts to eliminate such crimes are supported internationally, and activities are carried out within the framework of competition law and ethical rules. Borusan Pipe maintains transparent communication with public authorities and complies with competition laws. Upholding the same ethical, transparent, and fair approach in its relations with competitors, Borusan Pipe avoids any behavior contrary to competition. Demonstrating a firm stance against any action that could lead to monopolization and collusion while adhering to established confidentiality rules, the company creates policies and procedures to prevent anticompetitive behavior and provides online training to employees on this issue, conducting on-site inspections and audits. All Borusan Pipe employees undertake the responsibility of adhering to and guiding compliance with the "Orange Guide: Borusan Working Principles and Ethical Rules," which addresses topics such as human rights, environment, and public activities. As part of this responsibility, there is an Orange Ethics Hotline, which is accessible 24/7, where all information regarding compliance with ethical rules is communicated.

4. BOARD OF DIRECTORS - I**4.2. Activity of the Board of Directors**

Date of the last board evaluation conducted	None
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Ali Ahmet Kocabiyik-Chairman of the Board, Semih Abidin Özmen - Deputy Chairman of the Board, Erkan Muharrem Kafadar - Executive Board Member
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Internal Control and Internal Audit Activities
Name of the Chairman	Ali Ahmet Kocabiyik
Name of the CEO	Zafer Yaşar Atabey
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	They are not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	The company's website does not have a diversity policy aimed at increasing the proportion of female board members.
The number and ratio of female directors within the Board of Directors	1 – 14.3%

Board Members

Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/ or Finance or not
Ali Ahmet Kocabiyik	Non-Executive	Not Independent	27.05.2024				No
Semih Abidin Özmen	Non-Executive	Not Independent	2.01.2017				No
Erkan Muharrem Kafadar	Executive	Not Independent	30.03.2016				No
Defne Kocabiyik Narter	Non-Executive	Not Independent	28.03.2018				No
Bülent Bozdoğan	Non-Executive	Independent	6.07.2020	https://www.kap.org.tr/en/Bildirim/1279631	Considered	No	Yes
İbrahim Romano	Non-Executive	Independent	6.07.2020	https://www.kap.org.tr/en/Bildirim/1279631	Considered	No	Yes
Tayfun Bayazıt	Non-Executive	Independent	27.05.2024	https://www.kap.org.tr/en/Bildirim/1279631	Considered	No	Yes

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS - II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period.	5
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	5
The name of the section on the corporate website that demonstrates information about the board charter	Corporate Governance section of the 2024 Annual Report
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no policy restricting members from taking on other roles outside the company
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/859602

Composition of Board Committees - I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Audit Committee	Bülent Bozdoğan	Yes	Independent Board Member
Audit Committee	Audit Committee	İbrahim Romano	No	Independent Board Member
Corporate Governance Committee	Corporate Governance Committee	İbrahim Romano	Yes	Independent Board Member
Corporate Governance Committee	Corporate Governance Committee	Erkan Muharrem Kafadar	No	Executive Board Member
Corporate Governance Committee	Corporate Governance Committee	Tayfun Bayazıt	No	Independent Board Member
Corporate Governance Committee	Corporate Governance Committee	Ekin Taş	No	Not Board Member
Committee of Early Detection of Risk	Committee of Early Detection of Risk	Tayfun Bayazıt	Yes	Independent Board Member
Committee of Early Detection of Risk	Committee of Early Detection of Risk	Semih Abidin Özmen	No	Vice Chairman

4. BOARD OF DIRECTORS - III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The 'Board Committees' subsection under the 'Corporate Governance' section of the Annual Report published on the Public Disclosure Platform (KAP).
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Borusan Pipe in 2024
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations - Corporate Governance - Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Appendices - Payments Made to Senior Management

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	Audit Committee	100%	100%	8	4
Corporate Governance Committee	Corporate Governance Committee	75%	50%	3	4
Committee of Early Detection of Risk	Committee of Early Detection of Risk	100%	50%	6	6

CORPORATE GOVERNANCE INFORMATION FORM

DUTIES OF THE BOARD MEMBERS OUTSIDE THE COMPANY

Name - Surname	Duties and Title Within the Group	Duties and Title Outside the Group
Ali Ahmet Kocabıyık	Chairman and Executive Member of Borusan Holding BoD Chairman of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD Vice Chairman of Yeni Nesil BoD Chairman of Borusan Cat BoD	
Semih Abidin Özmen	Vice Chairman of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD Chairman of Borusan EnBw BoD Member of Borusan Holding BoD Member of Borçelik BoD Vice Chairman of Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. BoD Chairman of Sincan Elektrik Üretim Sanayi ve Ticaret A.Ş. BoD Chairman of Borusan Ezine Elektrik Üretim Sanayi ve Ticaret A.Ş. BoD Chairman of Borusan Trakya Elektrik Üretim Sanayi ve Ticaret A.Ş. BoD Chairman of Borusan Pipe U.S. Inc. BoD Chairman of Borusan Berg Pipe BoD	
Erkan Muharrem Kafadar	Vice Chairman of Borusan Yatırım ve Pazarlama A.Ş. BoD Executive Member of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD Executive Member of Borçelik Çelik Sanayii Tic. A.Ş. BoD Board Memberships of Borusan Automotive Group of Companies Vice Chairman and Executive Member of Supsan Motor Supapları Sanayii ve Ticareti A.Ş. BoD Vice Chairman of Borusan Sigorta Acenteliği A.Ş. BoD Executive Member of Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. BoD Executive Member of Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. BoD Executive Member of Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. BoD Chairman of Eta Elektronik Taşımacılık Ağı Taşımacılık ve Ticaret A.Ş. BoD Chairman of Bukoli Taşımacılık A.Ş. BoD Executive Member of Borusan Enbw Enerji Yatırımları ve Üretim A.Ş. BoD and Chairman of Other Companies within the Energy Group Vice Chairman of Borusan Berg Pipe Holding Corp. BoD Vice Chairman of Borusan Pipe U.S. Inc. BoD Chairman of Dijital Parça BoD	Member of Turkish Employers' Association of Metal Industries (MESS) BoD Member of Turkish Industry and Business Association (TÜSİAD) Member of the Disciplinary Board of Turkish Confederation of Employer Associations (TİSK) Member of the Sabancı University İstanbul International Center for Energy and Climate (IICEC) BoD Member of Türkiye – Germany Business Council BoD

Defne Kocabıyık Narter	Executive Member of Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. (Caterpillar) BoD Member of Borusan İş Makinaları Kiralama Sanayi ve Ticaret A.Ş. BoD Member of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD Member of Borusan Holding Audit Committee Member of Borusan Holding Ethics and Compliance Committee Member of FG Wilson Enerji Çözümleri Sanayi ve Ticaret A.Ş. BoD Member of Borusan Oto Servis ve Ticaret A.Ş. BoD Member of Borusan Otomotiv İthalat ve Dağıtım A.Ş. BoD Member of Borusan Otomotiv Pazarlama ve Ticaret A.Ş. BoD Member of Borusan Otomotiv Premium Kiralama ve Ticaret A.Ş. BoD Member of Borusan Oto Değerlendirme Pazarlama ve Hizmet A.Ş. BoD Member of Borusan Ventures BoD Member of Tazlar Tarım ve Gıda Ürünleri Sanayi ve Ticaret A.Ş. BoD	
İbrahim Romano	Independent Member of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD	Member of ÜNLÜ & Co BoD Managing Director of the ÜNLÜ & Co Corporate Finance Department Executive Committee Member in charge of ÜNLÜ & Co Investment Banking Advisory
Bülent Bozdoğan	Independent Member of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD	Independent Member of CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. BoD Independent Member of Akçansa Çimento Sanayi ve Ticaret A.Ş. BoD Independent Member of Kordsa Indonesia BoD
Tayfun Bayazıt	Independent Member of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD	Member of Aura Portföy Yönetimi A.Ş. BoD Member of Adel Kalemcilik Ticaret ve Sanayi A.Ş. BoD Member of Boyner Holding A.Ş. BoD Member of D-Market Elektronik Hizmetler ve Ticaret A.Ş. BoD Member of Marsh Sigorta ve Reasürans Brokerliği A.Ş. BoD Member of Polisan Holding A.Ş. BoD Member of Polisan Kansai Boya Sanayii ve Ticaret A.Ş. BoD Member of Polisan Yapıkim Yapı Kimyasalları Sanayi ve Ticaret A.Ş. BoD Member of Poliport Kimya Sanayi ve Ticaret A.Ş. BoD Member of Polisan Kimya Sanayi ve Ticaret A.Ş. BoD

DISCLOSURE ON COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

Borusan Pipe sustainability teams carry out their studies targeting compliance with the Sustainability Principles Compliance Framework prepared in line with the amendment dated October 2, 2020, published by the Capital Markets Board in the Corporate Governance Communiqué. For the operating period between January 1 and December 31, 2024, necessary explanations on matters where compliance is achieved, as well as those not yet complied are provided; regarding principles covered in the Sustainability Report, which became effective as per the CMB decision dated June 23, 2022 and numbered 34/977.

Pursuing the benefit of all stakeholders, Borusan Pipe continued its efforts on the improvement of compliance also in 2024. The work on necessary improvements is underway as per Borusan Pipe Sustainability Principles Compliance Framework.

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
A. GENERAL PRINCIPLES							
A1. Strategy, Policy and Goals							
A1.1.	The prioritized environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				Risks and opportunities have been identified and announced through the sustainability report.	"2023 Sustainability Report" pg 49-62
	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				As part of the management systems and Holding integration, numerous specially tailored policies have been established and disclosed to the public both in reports and on the website.	"2023 Sustainability Report" pg 24 - 29; 43 - 47; 81 - 121. Also "https://www.borusanboru.com/for-our-employees" and "https://www.borusanboru.com/for-our-world"
A1.2.	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				Short- and long-term goals have been aligned with the Holding's strategy and disclosed to the public through reports.	"2023 Sustainability Report" pg 72-75
A2. Implementation/Monitoring							
A2.1.	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				The entire management team responsible for executing ESG policies has been identified and publicly announced.	"2023 Sustainability Report" pg 33-41
	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				Sustainability team leaders and the Executive Committee conduct year-end sustainability meetings to evaluate overall performance and set goals and budgets for the following year. During quarterly Board of Directors meetings, presentations on sustainability targets are made, providing updates on progress and sharing periodic risks and opportunities.	"2023 Sustainability Report" pg 36
A2.2.	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				Action plans are developed and regularly shared with the public. In our 2023 Sustainability Report, these action plans are detailed under the section titled "Our Sustainability Journey".	"2023 Sustainability Report" pg 80-121

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
A2.3.	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				Performance indicators have been disclosed to the public through reports shared over the past four years.	"2023 Sustainability Report" pg 129-136
A2.4.	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Performance improvement actions have been disclosed to the public through reports shared over the past four years.	"2023 Sustainability Report" pg 80-121
A3. Reporting							
A3.1.	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				Sustainability and compliance principles are presented in a clear, accurate, and sufficient manner in the activity report.	"2023 Borusan Pipe Annual Reports"
A3.2.	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Alignment tables with the SDGs are regularly provided in the reports.	"2023 Sustainability Report" pg 70-71
A3.3.	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.				X	Such a case does not exist.	
A4. Verification							
A4.1.	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				The greenhouse gas and water withdrawal measurements provided in the report have been verified by a third party and are included in the appendices section of the report.	"2023 Sustainability Report" pg 145-147

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
B. ENVIRONMENTAL PRINCIPLES							
B1.	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				The ISO 14001 process has been shared in the report and on the website.	Our ISO 14001 certificate is available in the 'Certificates' section of our website
B2.	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				All details within the scope of environmental management have been shared in the "CLIMATE" section of the report.	"2023 Sustainability Report" pg 80-95
B4.	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X				In the report, the reward system has been defined within the scope of performance indicators.	"2023 Sustainability Report" pg 38
B5.	How the prioritized environmental issues have been integrated into business objectives and strategies has been disclosed.	X				Goals and their integration into business processes under the strategy headings of climate, people, and innovation are provided in the report.	"2023 Sustainability Report" pg 43-46
B7.	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				Goals and their integration into business processes under the strategy headings of climate, people, and innovation are provided in the report.	"2023 Sustainability Report" pg 43-44, 118
B8.	Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Collaborations with non-governmental organizations on environmental issues are shared with the public through the report.	"2023 Sustainability Report" pg 123

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
B9.	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Environmental indicators have been publicly shared both in the environmental performance section and in the 2023 Sustainability Journey section.	"2023 Sustainability Report" pg 134-135
B10.	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				The methods used in the measurements are provided in the report and the appendices section.	"2023 Sustainability Report" pg 3, 83, Annexes
B11.	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Environmental performance data from the last three years are provided in the report.	"2023 Sustainability Report" pg 133-136
B12.	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				Short and long term targets have been set and disclosed to the public at report with the comparatively.	"2023 Sustainability Report" pg 74-75, 133-136
B13.	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				The climate crisis mitigation strategy is provided in the report.	"2023 Sustainability Report" pg 80-95
B14.	The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				Systems like EPD and LCA, as well as sustainable product initiatives, have been shared with the public through reports.	Our EPDs are published on our website.

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				Efforts related to Scope 3 reduction are shared with the public through reports, and these efforts also continue under the sustainable procurement initiative.	"2023 Sustainability Report" pg 118
B15.	The environmental benefits/gains and cost savings of initiatives/ projects that aims reducing environmental impacts have been disclosed.	X				In the 2023 report, benefits/gains and cost savings are shared in the "Our Sustainability Journey" section.	"2023 Sustainability Report" pg 80-95
B16.	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				They are provided in the appendices section.	"2023 Sustainability Report" pg 74-75, 83-84, 133-136
B17.	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				They are provided in the appendices section.	"2023 Sustainability Report" pg 83-86
B18.	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.		X			Efforts to transition to renewable energy and zero or low-carbon electricity have commenced and have been shared with the public through reports. In addition, the majority of the electricity needs of Türkiye locations in 2023 was provided by delegated renewable energy facilities and reported with IREC certificates. Details are given in the report.	"2023 Sustainability Report" pg 82
B19.	The renewable energy production and usage data has been publicly disclosed.	X				Decarbonization projects are being monitored at the Gemlik and Halkalı locations as part of our 2023 Sustainability Journey. A significant step towards carbon neutrality has been taken at two different locations using I-REC certificates. Borusan Pipe also started feasibility studies for the establishment of a Wind Power Plant.	"2023 Sustainability Report" pg 82, 86
B20.	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Borusan Pipe reviews its high-energy-demand production processes with a focus on energy efficiency, identifying areas for savings and taking necessary actions. Energy efficiency efforts in the company are monitored through the certified ISO 50001 Energy Management System. Additionally, energy efficiency improvement projects aligned with the ISO 50001 Energy Management System have been developed. Details are presented at the report's CLIMATE section.	"2023 Sustainability Report" pg 83, 86

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
B21.	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				Water-related targets and KPIs are shared in detail in the CLIMATE section of the report. In addition, the amount of water supplied and the quality of the wastewater discharged are constantly monitored to ensure compliance with the legislation as well as the sustainability of relations with stakeholders and the environment. Borusan Pipe, which evaluates CDP as a transparent platform for water protection, received a C score within the scope of CDP in 2023. Water footprint verification activities continued in 2023, and water data was verified by a third-party certification firm according to ISO 14046-1:2014 standard.	"2023 Sustainability Report" pg 87, 88, 89
B22.	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				In the report, efforts related to carbon pricing have been shared in the risks and opportunities section.	"2023 Sustainability Report" pg 55, 83
B23.	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				X	There is currently no legal regulation in place.	
B24.	If carbon pricing is applied within the Company, the details have been disclosed.			X			
B25.	The platforms where the Company discloses its environmental information have been disclosed.	X				Sustainability reports are shared regularly. In addition, the rating platforms entered are indicated in the reports.	

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
C. SOCIAL PRINCIPLES							
C1. Human Rights and Employee Rights							
C1.1.	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				Borusan Pipe is a GC signatory, and the policies it has established under ILO and other agreements are shared on both its website and in its reports.	"2023 Sustainability Report" pg 25, 104-109
C1.2.	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				Borusan Pipe is a GC signatory, and the policies it has established under ILO and other agreements are shared on both its website and in its reports.	"2023 Sustainability Report" pg 25, 63, 104-109
C1.3.	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Borusan Pipe is a GC signatory, and the policies it has established under ILO and other agreements are shared on both its website and in its reports.	"2023 Sustainability Report" pg 106-109
C1.4.	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Borusan Pipe is a GC signatory, and the policies it has established under ILO and other agreements are shared on both its website and in its reports.	"2023 Sustainability Report" pg 24-26, 108
C1.5.	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				The human section of the report discusses processes such as compensation rights, union procedures, and their management methods.	"2023 Sustainability Report" pg 101-106

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				Borusan Pipe employees can report ethical issues 24/7 through the Orange Ethics Line application. This platform plays a significant role in guiding and engaging company employees on ethical principles, fostering both inclusivity and accountability.	"2023 Sustainability Report" pg 26-28. Also, it is detailed in the Borusan Orange Guide. Borusan Orange Guide Internet Link: https://www.borusan.com/Uploads/BORUSAN-TURUNCU-REHBER.pdf
	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				The human management section of the report outlines efforts related to employee satisfaction.	"2023 Sustainability Report" pg 5, 104, 105
C1.6.	The occupational health and safety policies have been established and disclosed.	X				Like all Borusan companies, Borusan Pipe considers its human resources as its most valuable asset and prioritizes the health, safety, and development of its employees. Borusan Pipe, like all Borusan companies, considers human resources as its most valuable capital and prioritizes the health, safety and development of its employees. Borusan Pipe has established OHS policies and ensures its management with ISO 45001 certification. Details are provided in the HUMAN management section of the report on HS.	2023 Sustainability Report pg 96. Also "https://www.borusanboru.com/for-our-employees"
	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				This information is shared in the appendices and the occupational health and safety management section of the report.	"2023 Sustainability Report" pg 100, 132, 133
C1.7.	The personal data protection and data security policies have been established and disclosed.	X				Borusan Pipe, which operates in various regions across the globe, implements high-level measures in the fields of cybersecurity and information security.	"2023 Sustainability Report" pg 29

	PRINCIPLES	COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT / LINK
		YES	NO	PARTIAL	NOT APPLICABLE		
C1.8.	The ethics policy have been established and disclosed.	X				Borusan Pipe has adopted Borusan Group's 7 Core Working Principles and Code of Ethics.	"2023 Sustainability Report" pg 24-28
C1.9.	The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				The efforts carried out under all relevant headings are mentioned in the report.	"2023 Sustainability Report" pg 65, 109, 115
C1.10.	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				The training provided to employees and the hours of training are detailed in the report and its appendices.	"2023 Sustainability Report" pg 38
C2. Stakeholders, International Standards and Initiatives							
C2.1.	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Borusan Pipe holds the ISO 10002 certification, and its policy has been shared.	"2023 Sustainability Report" pg 121. Also, our ISO 10002 certificate is available in the 'Certificates' section of our website
C2.2.	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Stakeholder communication is mentioned in the report.	"2023 Sustainability Report" pg 125-127
C2.3.	The international reporting standards that adopted in reporting have been explained.	X				It is mentioned in the "About the Report" section.	"2023 Sustainability Report" pg 3
C2.4.	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				It is provided in the appendices section of the Sustainability Report.	"2023 Sustainability Report" pg 3,7, 123
C2.5.	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X			Data entries are made with ESG rating organizations. It is stated in the report. Refinitiv studies have started.	
D. CORPORATE GOVERNANCE PRINCIPLES							
D1.	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				It is mentioned in the governance section.	"2023 Sustainability Report" pg 32-36
D2.	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				It is explained in the human section of the report.	"2023 Sustainability Report" pg 102-109

ANNEXES





OTHER INFORMATION

CAPITAL STRUCTURE AND SUBSIDIARIES

As of December 31, 2024, the shareholder structure is as follows:

SHAREHOLDING STRUCTURE		
	Share Amount (TL 000)	Share (%)
BMB Holding A.Ş.	104,157	73.48
Float and Other	37,593	26.52
Total	141,750	100.00

Borusan Pipe's consolidated subsidiaries, the percentages of shares controlled in these subsidiaries, and their fields of activity as of December 31, 2024 are as follows:

Field of Activity	Subsidiary	Location	Ultimate %
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	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%

On September 6, 2024, the Board of Directors of Borusan Pipe decided to initiate the merger process, subject to the approval of the General Assembly. Under this process, all assets and liabilities of BMB Holding A.Ş. (which owns 73.48% of Borusan Pipe's share capital) would be "acquired" by Borusan Pipe and merged into the company ("Merger Transaction").

The merger process was completed on January 10, 2025 upon registration in the trade registry. As a result, 64.40% of Borusan Pipe's capital is now directly owned by Borusan Holding A.Ş. and 9.08% by Borusan Pazarlama ve Yatırım A.Ş.

Detailed information regarding the merger process is provided in the "Subsequent Event" section of the report.

INVESTMENTS AND INCENTIVES

Total investments in the reporting period amounted to TL 2,422,828 thousand. The company did not benefit from any incentive for these investments. Regarding the investment in Romania, a total investment incentive of EUR 5.8 million was approved by the Ministry of Finance of Romania, of which TL 31.7 million (approximately EUR 831 thousand) has been utilized in the third quarter of 2024. The remaining amount is expected to be utilized next year.

REMUNERATION OF SENIOR MANAGEMENT

Senior management consists of the members of company's Board of Directors and the Executive Committee. Senior managers receive payments such as performance-based premiums, bonuses and so on. In determining such remuneration, existing potential risks, capital and liquidity position, and the probability and timing of future revenues planned to be derived are taken into consideration so as not to deteriorate the shareholders' equity. Senior managers may receive payments depending on the company's performance; however, strict attention is paid to ensure that such payments positively impact the company's corporate values. In the period ended on December 31, 2024, remunerations and similar benefits paid to senior management totaled TL 135,806 thousand.

EMPLOYEES

Total number of employees of the Group was 2,421 as of December 31, 2024.

CAPITAL INCREASES CARRIED OUT IN THE REPORTING PERIOD

No capital increase was made during the reporting period.

The information regarding the capital increase made as part of the merger transaction, where all assets and liabilities were acquired by Borusan Pipe of BMB Holding A.Ş. (which holds 73.48% of Borusan Pipe's capital), is provided in the "Subsequent Event" section of the report.

SECURITIES ISSUED IN THE REPORTING PERIOD

No securities issued during the period. However, the total of four coupon payments amounting to TL 225 million and the principal repayment of TL 500 million for the bond issued with ISIN code TRSBRNE2415, maturing on October 1, 2024, have been completed within the year.

CREDIT RATING ASSIGNED IN THE REPORTING PERIOD

According to the announcement published on Public Disclosure Platform by JCR Avrasya Derecelendirme A.Ş. on August 28, 2024, Long Term National Issuer Credit Rating of Borusan Pipe was affirmed at "A+ (tr) / (Stable Outlook)" and Short-Term National Issuer Credit Rating at "J1 (tr) / (Stable Outlook)". The Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as "BBB- / (Stable Outlook)".

CHANGES TO THE ARTICLES OF ASSOCIATION IN THE REPORTING PERIOD

No amendments were made to the articles of association during the period.

Information regarding the amendment to Article 6, titled "Capital" in the context of the merger between Borusan Pipe and BMB Holding A.Ş. is provided in the "Subsequent Event" section of the report.

DONATIONS AND AIDS

Borusan Pipe supports various charitable organizations and foundations in keeping with its commitment to social responsibility. In this scope, the donations and aids in the period from January 1 and December 31, 2024 amounted to TL 56,304 thousand.

INFORMATION ABOUT REGULATORY CHANGES THAT MAY MATERIALLY IMPACT THE COMPANY'S OPERATIONS

There were no regulatory changes that may materially impact the company's operations.

OTHER INFORMATION

INFORMATION ABOUT MATERIAL CHANGES IN THE SHARES OF FINANCIAL FIXED ASSETS

No transactions that reached or fell below the limits of participation rates as specified in the Turkish Commercial Code in the shares of financial fixed assets, in which Borusan Pipe directly participates, were conducted in 2024.

AFFILIATION REPORT FOR THE PERIOD JANUARY 1 AND DECEMBER 31, 2024

As per the disclosure required to be made about controlling and affiliated companies pursuant to Article 199 of the Turkish Commercial Code, the controlling shareholder of Borusan Pipe is Borusan Holding, and that no transactions were conducted with Borusan Holding that might cause Borusan Pipe to suffer losses and there were no measures that needed to be taken in this framework.

INFORMATION ON LAWSUITS AGAINST THE COMPANY AND ANY PROBABLE OUTCOMES THAT COULD IMPACT THE COMPANY'S FINANCIAL SITUATION AND OPERATIONS

No lawsuits significant enough, including those related to the environmental, social and corporate governance issues that may materially affect the financial situation and activities of Borusan Pipe, were filed.

INFORMATION ON ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED ON THE COMPANY AND ITS MANAGEMENT DUE TO PRACTICES IN VIOLATION OF REGULATIONS

There were no administrative or judicial sanctions imposed on the company or the members of its management due to regulatory violations.

INFORMATION ON CONFLICTS OF INTEREST WITH ORGANIZATIONS FROM WHOM THE COMPANY OBTAINS INVESTMENT CONSULTANCY, RATING OR SIMILAR SERVICES AND MEASURES TAKEN BY THE COMPANY TO PREVENT SUCH CONFLICTS OF INTEREST

There were no incidents that may cause any conflicts of interest with organizations from whom the company obtains investment consultancy, rating or similar services.

ASSESSMENT UNDER ARTICLE 376 OF THE TURKISH COMMERCIAL CODE

According to the assessments made pursuant to Article 376 of the Turkish Commercial Code, Borusan Pipe is not deep in debt.

STOCK PRICE PERFORMANCE

Closing price of Borusan Pipe shares on December 31, 2024 is TL 431.00 and its market capitalization is TL 61,094 million (share price: TL 591.00; market capitalization: TL 83,774 million as of December 31, 2023)

SUBSEQUENT EVENTS

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, effective as of September 6, 2024 (“Merger Transaction”).

In the context of the merger transaction, the financial statements as of June 30, 2024, have been used as the basis. Calculations such as the merger ratio, exchange ratio, and capital increase amount were determined based on a report prepared by an independent expert institution as per the Capital Markets Board’s Communiqué on Mergers and Demergers No: II-23.2, due to the fact that Borusan Pipe shares are listed on the stock exchange and that the company has to comply with capital markets regulations. Accordingly, all calculations related to the merger process, along with the Merger Agreement, Merger Report, and Disclosure Document, have been created based on the Expert Institution Report.

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.

Following the merger transaction, 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.

ADDITIONAL FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT (USD million)	2024	2023	Change (%)	4Q24	4Q23	Change (%)	3Q24
Revenue	1,689.5	1,741.2	(3.0%)	350.3	577.0	(39.3%)	399
Gross Profit	112	318	(64.7%)	9.3	37.6	(75.3%)	16
Gross Profit Margin (%)	6.6%	18.3%	(11.7 p.p.)	2.7%	6.5%	(3.8 p.p.)	4.1%
Operational Expenses	(81)	(85)	(4.5%)	(22)	(16)	33.5%	(21)
OPEX Margin (%)	(4.8%)	(4.9%)	0.1 p.p.	(6.3%)	(2.8%)	(3.5 p.p.)	(5.2%)
Other	28.1	62.2	(54.8%)	6.4	35.8	(82.2%)	6
EBIT	59	295	(79.9%)	(6)	57	n.m.	2
EBIT Margin (%)	3.5%	17.0%	(13.5 p.p.)	(1.8%)	9.9%	(11.7 p.p.)	0.4%
Financial Expenses	(59)	(58)	1.5%	(12)	(19)	(35.5%)	(13.9)
Profit Before Tax	1	238	(99.7%)	(18)	38	n.m.	(12)
PBT Margin (%)	0.0%	13.6%	(13.6 p.p.)	(5.3%)	6.6%	(11.9 p.p.)	(3.1%)
Net Income	(5)	194	n.m.	(16)	45	n.m.	(10)
Net Income Margin (%)	(0.3%)	11.1%	(11.4 p.p.)	(4.5%)	7.8%	(12.3 p.p.)	(2.5%)
Amortization	43	42	2.9%	12	9	28.5%	11
Other	(1)	(21)	(97.1%)	0	(26)	(101.3%)	(2)
EBITDA*	102	316	(67.8%)	6	40	(85.0%)	10
EBITDA Margin (%)	6.0%	18.2%	(12.2 p.p.)	1.7%	6.9%	(5.2 p.p.)	2.6%

* EBITDA is calculated including Net Other Operating Income, Income from Investment Activities and excluding Extraordinary Income (Expense).

CONSOLIDATED INCOME STATEMENT (TL million)*	2024	2023	Change (%)	4Q24	4Q23	Change (%)	3Q24
Revenue	55,066	42,175	30.6%	12,082	16,441	(26.5%)	13,338
Gross Profit	3,607	7,088	(49.1%)	321	1,113	(71.2%)	545
Gross Profit Margin (%)	6.6%	18.3%	(11.7 p.p.)	2.7%	6.5%	(3.8 p.p.)	4.1%
Operational Expenses	(2,668)	(2,034)	31.2%	(756)	(509)	48.6%	(698)
OPEX Margin (%)	(4.8%)	(4.9%)	0.1 p.p.	(6.3%)	(2.8%)	(3.5 p.p.)	(5.2%)
Other	913	1,318	(30.7%)	220	752	(70.7%)	204
EBIT	1,852	6,372	(70.9%)	(215)	1,356	n.m.	51
EBIT Margin (%)	3.5%	17.0%	(13.5 p.p.)	(1.8%)	9.9%	(11.7 p.p.)	0.4%
Financial Expenses	(1,915)	(1,409)	36.0%	(423)	(541)	(21.9%)	(464)
Profit Before Tax	(63)	4,964	n.m.	(638)	815	n.m.	(413)
PBT Margin (%)	0.0%	13.6%	(13.6 p.p.)	(5.3%)	6.6%	(11.9 p.p.)	(3.1%)
Net Income	(228)	4,103	n.m.	(539)	1,010	n.m.	(328)
Net Income Margin (%)	(0.3%)	11.1%	(11.4 p.p.)	(4.5%)	7.8%	(12.3 p.p.)	(2.5%)
Amortization	1,419	1,000	41.9%	407	270	50.7%	353
Other	(20)	(504)	(55.2%)	12	(620)	n.m.	(59)
EBITDA**	3,251	6,869	(55.7%)	204	1,006	(79.7%)	345
EBITDA Margin (%)	6.0%	18.2%	(12.2 p.p.)	1.7%	6.9%	(5.2 p.p.)	2.6%

* Margins for TL Consolidated Income Statement are based on USD dollar Income Statement.

** EBITDA is calculated including Net Other Operating Income, Income from Investment Activities and excluding Extraordinary Income (Expense).

ADDITIONAL FINANCIAL INFORMATION

Note 1: EBITDA (Earnings Before Tax, Interest, Depreciation and Amortization) Calculation (TL 000)	December 2024	December 2023
Operating Profit / (Loss)*	1,852,076	6,372,405
Depreciation Expenses	1,419,360	1,000,295
Within Cost of Sales	1,267,817	876,724
Within Marketing, Sales and Distribution Expenses	0	0
Within General Administrative Expenses	151,543	123,571
Expense / (Income) on Provision for Severance Pay	13,017	(7,228)
Period Expense / (Income) on Provisions for Leave	18,520	10,142
Other Extraordinary Expense / (Income)	(60,195)	(506,486)
EBITDA (TL 000)**	3,242,779	6,869,128

* Financial Ratios include the Income Statement items for the period December 31, 2023 - December 31, 2024.

** EBITDA is calculated by including Net Other Operating Income, Income from Investing Activities, and excluding Extraordinary Income (Expenses).

DECLARATIONS OF INDEPENDENCE

To: Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. Board of Directors

Pursuant to the provisions of the Corporate Governance Communiqué of the Capital Markets Board of Türkiye, I hereby present for the information of the Board of Directors as I apply as an independent board member candidate and declare as follows:

- a. Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature with Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., any corporate entity over which Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. has management control or significant influence or any shareholder having management control or significant influence over Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. or any corporate entity in which these shareholders have management control,
- b. I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., in the past five years,
- c. I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d. I will not be a full-time employee of public institutions and establishments after being elected as a member, except for as a faculty member at the university provided that it is allowed in the legislation,
- e. I am considered to be a resident of Türkiye as for the purposes of the Income Tax Law no. 193 dated December 31, 1960,
- f. I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the operations of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., maintaining my impartiality in possible conflicts of interest between Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and shareholders, and making decisions independently, taking into consideration the rights of stakeholders,
- g. I am capable of dedicating sufficient amount of time to be able to follow up the execution of the operations of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and to fully meet the requirements of the duties I undertake,
- h. I have not held a seat on the Board of Directors of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. for more than six years in the past ten years,
- i. I am not serving as an independent board member in more than three companies in which Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. or shareholders having management control over Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. have management control and in more than five companies in total listed on the stock exchange,
- j. I have not been registered and promulgated in the name of any corporate entity elected as a board member since there is no corporate entity elected as a board member.

Regards,

Name: BÜLENT BOZDOĞAN

Signature

DECLARATIONS OF INDEPENDENCE

To: Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. Board of Directors

Pursuant to the provisions of the Corporate Governance Communiqué of the Capital Markets Board of Türkiye, I hereby present for the information of the Board of Directors as I apply as an independent board member candidate and declare as follows:

- a. Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature with Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., any corporate entity over which Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. has management control or significant influence or any shareholder having management control or significant influence over Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. or any corporate entity in which these shareholders have management control,
- b. I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., in the past five years,
- c. I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d. I will not be a full-time employee of public institutions and establishments after being elected as a member, except for as a faculty member at the university provided that it is allowed in the legislation,
- e. I am considered to be a resident of Türkiye as for the purposes of the Income Tax Law no. 193 dated December 31, 1960,
- f. I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the operations of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., maintaining my impartiality in possible conflicts of interest between Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and shareholders, and making decisions independently, taking into consideration the rights of stakeholders,
- g. I am capable of dedicating sufficient amount of time to be able to follow up the execution of the operations of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and to fully meet the requirements of the duties I undertake,
- h. I have not held a seat on the Board of Directors of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. for more than six years in the past ten years,
- i. I am not serving as an independent board member in more than three companies in which Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. or shareholders having management control over Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. have management control and in more than five companies in total listed on the stock exchange,
- j. I have not been registered and promulgated in the name of any corporate entity elected as a board member since there is no corporate entity elected as a board member.

Regards,

Name: İBRAHİM ROMANO

Signature

DECLARATIONS OF INDEPENDENCE

To: Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. Board of Directors

Pursuant to the provisions of the Corporate Governance Communiqué of the Capital Markets Board of Türkiye, I hereby present for the information of the Board of Directors as I apply as an independent board member candidate and declare as follows:

- a. Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature with Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., any corporate entity over which Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. has management control or significant influence or any shareholder having management control or significant influence over Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. or any corporate entity in which these shareholders have management control,
- b. I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., in the past five years,
- c. I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d. I will not be a full-time employee of public institutions and establishments after being elected as a member, except for as a faculty member at the university provided that it is allowed in the legislation,
- e. I am considered to be a resident of Türkiye as for the purposes of the Income Tax Law no. 193 dated December 31, 1960,
- f. I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the operations of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., maintaining my impartiality in possible conflicts of interest between Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and shareholders, and making decisions independently, taking into consideration the rights of stakeholders,
- g. I am capable of dedicating sufficient amount of time to be able to follow up the execution of the operations of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and to fully meet the requirements of the duties I undertake,
- h. I have not held a seat on the Board of Directors of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. for more than six years in the past ten years,
- i. I am not serving as an independent board member in more than three companies in which Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. or shareholders having management control over Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. have management control and in more than five companies in total listed on the stock exchange,
- j. I have not been registered and promulgated in the name of any corporate entity elected as a board member since there is no corporate entity elected as a board member.

Regards,

Name: TAYFUN BAYAZIT

Signature

COMPANY INFORMATION

Company Name	Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.
Head Office Address	Beyoğlu, Salıpazarı, Pürtelaş Hasan Mah. Meclisi Mebusan Cad. No: 35-37 34427
Affiliated Trade Registry Office	İstanbul
Trade Registry Number	69531
Tax Office	İSTANBUL - Büyük Mükellefler Tax Office Directorate
Tax ID No	1800038140
Governing Legislation	Laws of the Republic of Türkiye
Phone Number	+90 212 393 58 00
Fax Number	+90 212 293 31 65
Website Address	www.borusanboru.com
E-mail Address	bb.investor@borusan.com
Capital	TL 141,771,582.28
Registered Capital	-
Stock Exchange/Market Traded on	Stars Market / Outright Purchases and Sales Market (For Qualified Investors)
Indices, in Which the Company is Included	BIST İSTANBUL / BIST INDUSTRIALS / BIST 100 / BIST 100-30 / BIST STARS / BIST BASIC METAL / BIST 500 / BIST 50 / BIST ALL SHARES
Listing Date	September 12, 1994
Ticker Symbol	BRSAN
Independent Auditor	Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Independent Auditor's Address	Maslak Mah. Eski Büyükdere Cad. No 27 D.54-57-59 Kat 2-4 SARIYER /İSTANBUL

STATEMENT OF RESPONSIBILITY FINANCIAL TABLES

RESOLUTION OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL OF THE FINANCIAL TABLES

RESOLUTION DATE: FEBRUARY 21, 2025

RESOLUTION NUMBER: 6

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF COMMUNIQUÉ II-14.1 ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

We hereby declare that;

- a) We have reviewed the company's consolidated statement of financial position including its footnotes, consolidated statement of profit or loss and comprehensive income statement, consolidated statement of changes in shareholders' equity, and consolidated statement of cash flow for the fiscal period January 1, 2024 – December 31, 2024, which were prepared in accordance with the Communiqué (II-14.1) on the Principles of Financial Reporting in Capital Markets and compliant to the formats defined by the Capital Markets Board ("CMB"), and that were approved by the Audit Committee and the Board of Directors on February 21, 2025.
- b) Within the framework of the information provided to us in relation to our tasks and responsibilities related to the company; the consolidated financial tables do not contain any inaccuracy in any material respects and are free of omissions that may be regarded as misleading as of the issue date.
- c) Within the framework of the information provided to us in relation to our tasks and responsibilities related to the company; the financial tables - together with those subject to consolidation - prepared in accordance with the effective financial reporting standards fairly present the assets, liabilities, financial position and the facts in regards to the profit/loss of the company.

Regards,

Bülent Bozdoğan Audit Committee Chairman

İbrahim Romano Audit Committee Member

Anıl Karaca Member of the Executive Committee – Financial Affairs and Foreign Trade

Selman Çataltaş Financial Control and Strategy Director

STATEMENT OF RESPONSIBILITY ANNUAL REPORT

RESOLUTION OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL OF THE ANNUAL REPORT AND THE CORPORATE GOVERNANCE COMPLIANCE REPORT (INCLUDING CORPORATE GOVERNANCE COMPLIANCE REPORT (CRF) AND THE CORPORATE GOVERNANCE INFORMATION (CGIF) FORMS)

RESOLUTION DATE: MARCH 7, 2025

RESOLUTION NUMBER: 8

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF COMMUNIQUÉ II-14.1 ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

We hereby declare that;

- a) We have reviewed the annual report, explanations within the scope of CMB's Sustainability Principles Compliance Framework, and the Corporate Governance Compliance Report (including Corporate Governance Compliance Report (CRF) and the Corporate Governance Information (CGIF) forms disclosed on Public Disclosure Platform (PDP) pursuant to the Corporate Governance Communiqué (II-17.1) as per the CMB resolution numbered 2/49 dated January 10, 2019) for the fiscal period January 1, 2024 - December 31, 2024, which were prepared in accordance with the Turkish Commercial Code and compliant to the Communiqué (II-14.1) on the Principles of Financial Reporting in Capital Markets, and that were approved by the Audit Committee and the Board of Directors on March 7, 2025.
- b) Within the framework of the information provided to us in relation to our tasks and responsibilities related to the company; the report does not contain any inaccuracy in any material respects and are free of omissions that may be regarded as misleading as of the issue date.
- c) Within the framework of the information provided to us in relation to our tasks and responsibilities related to the company; the annual report prepared in accordance with the Communiqué fairly reflects the progress and performance of the business and financial position of the company - together with those subject to consolidation - along with the material risks and uncertainties to which the company is exposed.

Regards,

Bülent Bozdoğan Audit Committee Chairman

İbrahim Romano Audit Committee Member

Anıl Karaca Member of the Executive Committee – Financial Affairs and Foreign Trade

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi

1) Opinion

We have audited the annual report of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2024-31/12/2024.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Report* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 21, 2025 on the full set consolidated financial statements of the Group for the period of 1/1/2024-31/12/2024.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM

Partner

March 7, 2025
İstanbul, Türkiye

INDEPENDENT AUDITOR'S REPORT ON THE EARLY IDENTIFICATION OF THE RISK COMMITTEE AND SYSTEM

To the Board of Directors of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi

We have audited the Early Identification of the Risk System and Committee established by Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi.

Responsibility of the Board of Directors

Pursuant to paragraph 1 of Article 378 of the Turkish Commercial Code 6102 ("TCC"), the board of directors is obliged to establish a committee of experts and operate and improve the system for the purposes of: early identification of factors posing a threat on the company's existence, development and continuation; implementation of necessary measures and solutions in this regard; and management of the risk.

Responsibility of the independent auditor

Our responsibility is to express a conclusion on the Early Identification of the Risk System and Committee based on our audit. Our audit was conducted in accordance with TCC and the "Principles on the Independent Auditor's Report on Early Identification of the Risk System and Committee" and ethical requirements as announced by Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey. These Principles require us to determine whether the early identification of the risk system and committee has been established, and if established, to evaluate whether the system and committee operate in accordance with Article 378 of TCC. Our audit does not involve auditing the appropriateness of the solutions on the risks identified by the Early Identification of the Risk System and Committee and the practices performed by the management against the risks.

Information Regarding the Early Identification of the Risk System and Committee

The Company established the Early Identification of the Risk System and Committee which consists of two members. For the period between January 1 – December 31, 2024, the committee has met for the purposes of early identification of factors posing a threat on the company's existence and development, implementation of necessary measures and solutions in this regard and the management of the risk; and has submitted the reports it has prepared to the Board of Directors.

Conclusion

Based on our audit, we have reached the conclusion that the early identification of the risk system and committee of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi is, in all material respects, in compliance with article 378 of the TCC.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM

Partner

Istanbul, February 21, 2025

**CONSOLIDATED
FINANCIAL
STATEMENTS
AND NOTES FOR
THE YEAR ENDED
DECEMBER 31, 2024**





Independent Auditor's Report

To the Shareholders of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group's activity is steel pipe sales.</p> <p>The reason why we focused on this issue is significance of revenue amounts in the consolidated income statement of the Group as of December 31, 2024. Accordingly, taking into consideration the importance of revenue in the consolidated financial statements, accounting of the revenue in the consolidated financial statements correctly is determined as the key audit matter.</p> <p>Please see Note 2 and 25 in the consolidated financial statements for accounting policies and amount of revenue held by the Group as of December 31, 2024.</p>	<p>We performed the following procedures in relation to the revenue recognition:</p> <p>Understanding the sales processes and evaluating the design and efficiency of the controls related to these processes,</p> <p>Evaluating of appropriatenes of Group's accounting policy regarding the revenue recognition,</p> <p>Testing the customer invoices by sampling method and matching these invoices with shipments and customer collections,</p> <p>Evaluation of sales contracts made with customers and evaluation of the timing of receipt of revenue for delivery methods.</p>

Independent Auditor's Report

Key Audit Matter	How our audit addressed the key audit matter
<p data-bbox="89 570 236 597">Group Audit</p> <p data-bbox="89 625 761 757">The audit of subsidiaries that constitute a significant portion of the total assets and revenue amount before eliminations in the Group's consolidated financial statements was carried out by another independent audit firm.</p> <p data-bbox="89 787 517 815">The reason for focusing on this issue is;</p> <p data-bbox="89 844 720 942">The financial statements of the subsidiaries in question are of qualitative and quantitative significance in the Group's consolidated financial statements,</p> <p data-bbox="89 972 786 1070">It is one of the most important issues during audit work because it constitutes a significant portion of total assets and other comprehensive profits.</p>	<p data-bbox="819 625 1488 687">During our audit, the following audit procedures regarding the Group audit were applied;</p> <p data-bbox="819 717 1480 953">Regarding the audit of the subsidiaries in question, close communication was maintained with other audit companies and site visits were made during the planning and execution stages of the audit, including sending audit instructions to the independent audit teams, evaluating significant risks with the other auditor, participating in the determination of audit procedures,</p> <p data-bbox="819 983 1460 1044">Independent auditors were contacted and file reviews were carried out,</p> <p data-bbox="819 1074 1445 1172">Independent auditor reports and other necessary working papers of the subsidiaries in question were received and examined,</p> <p data-bbox="819 1202 1480 1300">Significant auditing and accounting issues of the Group were discussed with the independent auditor, and the differences identified and uncorrected during the audit were understood,</p> <p data-bbox="819 1330 1514 1427">Various meetings were held with the management staff to better understand the risks, internal controls and important audit findings,</p> <p data-bbox="819 1457 1521 1519">The financials used in reporting were matched with the financials approved by the independent auditor.</p>

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

April 4, 2025
İstanbul, Türkiye

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Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position As of 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

ASSETS	Note	Audited	Audited
		31 December 2024	31 December 2023
Current assets		697.617	1.083.649
Cash and cash equivalents	5	66.784	129.376
Trade receivables	8	149.463	197.062
- Due from related parties	34	118	10.078
- Trade receivables from other parties		149.345	186.984
Other receivables	9	17.107	17.346
- Other receivables from related parties		20	-
- Other receivables from other parties		17.087	17.346
Derivative financial instruments	10	213	463
Inventories	11	352.757	536.575
Prepaid expenses	12	44.202	69.107
Current income tax assets	13	24.522	16.123
Other current assets	23	6.419	18.314
- Other current assets from related parties		42	18
- Other current assets from other parties		6.377	18.296
		661.467	984.366
Asset held for sale	31	36.150	99.283
Non-current assets		873.770	815.824
Financial investments	6	101.261	82.531
Property, plant and equipment	17	741.810	711.081
Right of use assets	16	18.503	10.928
Intangible assets	18	6.318	2.810
- Other intangible assets		6.318	2.810
Prepaid expenses	12	240	1.954
Other non-current assets	23	5.638	6.520
TOTAL ASSETS		1.571.387	1.899.473

The accompanying notes form an integral part of these consolidated financial statements.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position As of 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

LIABILITIES	Note	Audited	Audited
		31 December 2024	31 December 2023
Current liabilities		538.891	873.877
Short-term borrowings	7	238.466	197.481
Short-term portion of long-term borrowings	7	21.978	67.655
- Bank Loans		17.561	64.826
- Lease Liabilities		4.417	2.829
Trade payables	8	158.839	293.018
- Due to related parties	34	3.309	5.152
- Trade payables to other parties		155.530	287.866
Employee benefit obligations	15	1.794	977
Other payables	9	23.951	30.000
- Other payables from other parties		23.951	30.000
Deferred revenue	14	56.156	233.872
Current income tax liabilities	32	2.107	-
Other current liabilities	23	35.600	50.874
Non-current liabilities		179.269	177.959
Long-term borrowings	7	87.000	83.626
- Bank Loans		72.261	74.869
- Lease Liabilities		14.739	8.757
Provisions for employee benefits	22	6.233	5.836
Other payables		14.167	27.713
Deferred tax liabilities	32	71.869	60.784
Total liabilities		718.160	1.051.836
EQUITY		853.227	847.637
Equity attributable to equity holders of the parent		853.122	847.492
Paid -in capital	24	68.997	68.997
Other comprehensive income not to be reclassified to profit/(losses)		273.950	291.900
- Investment revaluation reserves	24	73.385	62.150
- Revaluation and measurement gains (losses)	24	199.840	229.044
- Reserve for actuarial loss on employee termination benefits		725	706
Other comprehensive income to be reclassified to profit		(1.827)	(1.293)
- Currency translation differences		(1.987)	(1.293)
- Cash flow hedge reserve		160	-
Retained earnings		517.092	293.794
Net profit for the period		(5.090)	194.094
Non-controlling interest	24	105	145
TOTAL LIABILITIES AND EQUITY		1.571.387	1.899.473

The accompanying notes form an integral part of these consolidated financial statements.

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Profit or Loss For the Year Ended 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

		Audited	Audited
	Note	1 January - 31 December 2024	1 January - 31 December 2023
Revenue	25	1.689.466	1.741.173
Cost of sales (-)	25	(1.577.163)	(1.423.071)
Gross profit		112.303	318.102
General administrative expenses (-)	26-27	(72.309)	(77.506)
Marketing expenses (-)	26-27	(8.854)	(7.439)
Other operating income	28	25.307	27.824
Other operating expenses (-)	28	(1.738)	(2.717)
Operating profit		54.709	258.264
Income from investing activities	29	4.565	37.087
Operating profit before financial income and expense		59.274	295.351
Financial income	30	4.705	7.338
Financial expense (-)	30	(63.372)	(65.113)
Profit before tax from continued operations		607	237.576
Tax expense from continued operations		(5.729)	(43.488)
- Current tax expense (-)	32	(2.107)	(47.818)
- Deferred tax income	32	(3.622)	4.330
Profit for the period		(5.122)	194.088
Attributable to:		(5.122)	194.088
- Non-controlling interest	24	(32)	(6)
- Equity holders of the parent		(5.090)	194.094
Earnings per share	33	(0,0003591)	0,0136927

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Other Comprehensive Income For the Year Ended 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

		Audited	Audited
	Note	1 January - 31 December 2024	1 January - 31 December 2023
PROFIT/(LOSS) FOR THE PERIOD		(5.122)	194.088
OTHER COMPREHENSIVE INCOME/(LOSS) :			
Items that will not be reclassified to profit or loss		11.254	16.560
Gain/(Loss) on revaluation of property, plant, and equipment	24	-	531
Gain/(Loss) arising from defined benefit plans		19	71
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	24	11.235	15.958
Items that will be reclassified to profit or loss		(542)	2.730
Currency translation differences		(702)	651
Cash flow hedging		160	2.079
OTHER COMPREHENSIVE INCOME		10.712	19.290
TOTAL COMPREHENSIVE INCOME		5.590	213.378
Attributable to:			
Non-controlling interest		(40)	(1)
Equity holders of the parent		5.630	213.379

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

	Issued share capital	Other comprehensive income/expense not to be reclassified to profit or loss		
		Revaluation reserve	Investment revaluation reserve	Reserve for actuarial loss on employment termination benefits
Balance at 1 January 2023	68.997	228.513	46.192	635
Total comprehensive income/(loss) for the period	-	531	15.958	71
Transfer	-	-	-	-
Balance at 31 December 2023	68.997	229.044	62.150	706
Balance at 1 January 2024	68.997	229.044	62.150	706
Total comprehensive income/(loss) for the period	-	-	11.235	19
Transfer	-	(29.204)	-	-
Balance at 31 December 2024	68.997	199.840	73.385	725

Other comprehensive income/expense to be reclassified to profit or loss						
Currency translation reserve	Cash flow hedge reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity	
(1.939)	(2.079)	293.794	634.113	146	634.259	
646	2.079	194.094	213.379	(1)	213.378	
-	-	-	-	-	-	
(1.293)	-	487.888	847.492	145	847.637	
(1.293)	-	487.888	847.492	145	847.637	
(694)	160	(5.090)	5.630	(40)	5.590	
-	-	29.204	-	-	-	
(1.987)	160	512.002	853.122	105	853.227	

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows For the Year Ended 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

	Notes	Audited	Audited
		1 January - 31 December 2024	1 January - 31 December 2023
Cash flows from operating activities:			
Period profit/(loss) from continuing operations		(5.122)	194.088
Reconciliation of profit from continuing operations before changes in working capital			
Depreciation and amortization expenses	16-17-18	43.276	42.068
Provision for employee termination benefits		2.605	3.114
Interest income	30	(4.705)	(7.338)
Interest expense	30	60.781	61.204
Adjustments in provision		(1.852)	11.297
Adjustments for fair value loss (gains) of derivative financial instruments		160	1.616
Gain on sale of property, plant and equipment and intangibles	29	(547)	46
Tax (income)/expenses adjustments		5.729	43.488
Currency translation differences		(20.391)	(30.102)
Dividend income	29	(1.919)	(5.281)
Adjustments to bargain purchase earnings	3-29	-	(31.852)
Other adjustments to reconcile profit (loss)	30	2.591	3.909
Operating profit before changes in working capital		80.606	286.257
Changes in working capital:			
Trade receivables		48.056	78.483
Inventories		185.686	(126.965)
Other current assets and liabilities, net		13.833	19.555
Trade payables		(134.179)	86.097
Other non-current assets and liabilities, net		(165.965)	47.578
Taxes paid		(8.252)	(76.329)
Employee benefit obligations paid		(1.231)	(1.786)
Net cash provided by/(used in) operating activities		18.554	312.890

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows For the Year Ended 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

		Audited	Audited
	Notes	1 January - 31 December 2024	1 January - 31 December 2023
Cash flow from investing activities:			
Cash inflows/outflows related to purchases to obtain control of subsidiaries	3	(20.000)	528
Purchase of property, plant and equipment and intangible assets	17-18	(75.316)	(79.395)
Proceeds from sale of property, plant and equipment and intangibles		547	3.607
Proceeds from sale of asset held for sale		63.901	-
Dividend received	29	1.919	5.281
Net cash provided by/(used in) investing activities		(28.949)	(69.979)
Cash flow from financing activities:			
Redemption of borrowings	7	698.234	557.662
Proceeds from borrowings	7	(692.529)	(690.964)
Payments of lease liabilities	7	(1.856)	(3.283)
Cash outflows from derivative instruments		250	(2.264)
Interest paid		(58.410)	(58.790)
Interest received	30	4.705	7.338
Other cash inflows/(outflows)		(2.591)	(3.909)
Net cash (used in)/provided by financing activities		(52.197)	(194.210)
Net increase/(decrease) in cash and cash equivalents		(62.592)	48.701
Cash and cash equivalents at the beginning of the year	5	129.376	80.675
Cash and cash equivalents at the end of the period	5	66.784	129.376

The accompanying notes form an integral part of these consolidated financial statements.

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries

Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

1. CORPORATE INFORMATION

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan Birleşik Boru Fabrikaları) (“the Company”) is a joint stock company incorporated in Turkey. The Company’s shares are traded in İstanbul Stock Exchange since 1994. The Company is registered in Turkey and the address of the registered office is; Meclis-i Mebusan Caddesi No: 35 - 37, 34427 Fındıklı - İstanbul.

The number of personnel employed at the end of the period by category is as follows:

Period	Blue Collar	White Collar	Total
31 December 2024	1.895	526	2.421
31 December 2023	2.057	535	2.592

Consolidated financial statements covering accounting period of 1 January - 31 December 2024 are approved with Board of Directors’ decision dated on February 21, 2025.

The parent and the ultimate parent of the Company are BMB Holding A.Ş. and Borusan Holding A.Ş., respectively.

Business segments, the location and the Group’s ultimate effective shareholding in its subsidiaries’ equity are as follows:

Business Segment	Subsidiary	Location	31 December 2024	31 December 2023
Holding	Borusan Pipe Holding BV “(BP Holding BV)”	Netherlands	100,0%	100,0%
Steel Pipe	Borusan Pipe US Inc “(Borusan Pipe US)”	USA	100,0%	100,0%
Steel Pipe	Borusan Vobarno Tubi SPA “(Vobarno)”	Italy	99,0%	99,0%
Steel Pipe	Borusan Tube International GmbH “(Borusan Tube Germany)”	Germany	100,0%	100,0%
Holding	Borusan Pipe Cooperative U.A. “(BP Coop)”	Netherlands	99,0%	99,0%
Steel Pipe	Borusan Pipe Espana SA “(BP Espana)”	Spain	99,0%	99,0%
Steel Pipe	Borusan Tube Products S.A. “(Borusan Tube Romania)”	Romania	100,0%	100,0%
Holding	Borusan Berg Pipe Holding Corp. “(Berg Pipe)”	USA	100,0%	100,0%
Steel Pipe	Berg Pipe Mobile Corp.	USA	100,0%	100,0%
Steel Pipe	Berg Pipe Panama City Corp.	USA	100,0%	100,0%

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes To Consolidated Financial Statements
For The Period 1 January - 31 December 2024**

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS**2.1. Basis of preparation****2.1.1. Accounting policies**

The consolidated financial statements of the Company as at 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The Company maintains its accounting records and prepares its statutory accounting reports in Turkish Lira (“TRY”) in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the Turkish Standard Chart of Accounts issued by the Ministry of Finance (collectively referred to as “Turkish statutory accounts” or “local GAAP”). The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

These financial statements are based on the statutory records, which are maintained under historical cost convention, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with IFRS.

As the Company is listed in Borsa Istanbul and is subject to requirements of Capital Markets Board of Turkey, it also prepares and published consolidated financial statements in accordance with Turkish Financial Reporting Standards. Due to financial reporting requirements of Capital Markets Board of Turkey, companies need to conform to specified presentation formats for their primary financial statements and use Turkish Lira as their presentation currency. The Company has applied those presentation formats in presenting these consolidated financial statements prepared in accordance with IFRS.

2.2. Functional and presentation currency

The consolidated financial statements are presented in US Dollars, which is the Group’s presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The US Dollar is used to a significant extent, or has a significant impact on the operations of the Company and reflects the economic substance of the underlying events and circumstances. Therefore, the Company uses the US Dollar (USD) as functional currency. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in profit or loss as translation gain/(loss). Non-monetary items and equity balances (excluding profit or loss) that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

As at the reporting date, the assets and liabilities of the subsidiaries that operates in the foreign countries are translated into the presentation currency of the Group (USD) at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year.

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries

Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2. Functional and presentation currency (Continued)

The exchange differences arising on the translation are taken directly to a separate component of equity as currency translation reserve. On disposal of such subsidiaries, the deferred cumulative amount recognized in equity relating to that particular subsidiary is recognized in the income statement.

The functional currency of subsidiaries, except US subsidiaries, is Euro. In accordance with IAS 21, monetary items in the financial statements are converted via using prevailing Euro exchange rates at 31 December 2024 (1 Euro = 1,0413); income and expense and cash flows are converted with twelve-month average of the exchange rates (1 Euro = 1,0820) (As of 31 December 2023, 1 Euro = 1,1066; 31 December 2023 twelve-month average exchange rate 1 Euro = 1,0817).

2.3. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are the companies which are controlled by the Group. The Group's control has been provided with exposure to variable returns from these companies, having rights in this return and directing of the power. Subsidiaries have been consolidated by the method of full consolidation from the date that controlling by the Group. Subsidiaries have been excluded from scope of consolidation as of disappearing of the Group's control.

The consolidation principles applied are as follows:

- (i) The balance sheets and statements of income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity accounts. Intercompany transactions and balances between the Company and its subsidiaries and unrealized gains and losses on transactions among them are eliminated.
- (ii) Subsidiaries are consolidated from the date on when control is transferred to the Company.
- (iii) Non-controlling share in the net assets of the consolidated subsidiaries is separately classified in the consolidated financial statements as non-controlling interest.

2.4 Significant Changes in Accounting Policies and Estimates

Changes of accounting policies resulting from the first time implementation of the IAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes To Consolidated Financial Statements
For The Period 1 January - 31 December 2024**

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.5. New and Revised International Financial Reporting Standards (“IFRS”)**

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the

the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2024 are as follows:**Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

In January 2020 and October 2022, IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in October 2022 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, October 2022 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with IAS 8. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the Board issued amendments to IFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The amendments did not have a significant impact on the financial position or performance of the Group.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. New and Revised International Financial Reporting Standards("IFRS") (Continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2024 are as follows: (Continued)

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2015, IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, the Board issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. Overall, the Group expects no significant impact on its balance sheet and equity.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes To Consolidated Financial Statements
For The Period 1 January - 31 December 2024**

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.5. New and Revised International Financial Reporting Standards (“IFRS”) (Continued)****ii) Standards issued but not yet effective and not early adopted (Continued)****Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments**

In May 2024, the Board issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the ‘settlement date’. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Overall, the Group expects no significant impact on its balance sheet and equity.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards - Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures - Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments - Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to ‘transaction price’.
- IFRS 10 Consolidated Financial Statements - Determination of a ‘De Facto Agent’: The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows - Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of ‘cost method’.

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. New and Revised International Financial Reporting Standards("IFRS") (Continued)

ii) Standards issued but not yet effective and not early adopted (Continued)

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

IFRS 18 - The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19. The standard is not applicable for the Group.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. New and Revised International Financial Reporting Standards (“IFRS”) (Continued)

iii) The amendments which are effective immediately upon issuance

Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. The amendments did not have a significant impact on the financial position or performance of the Group.

2.6. Summary of Significant Accounting Policies

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

Comparative information and restatements on prior year’s financial statements

Significant changes in accounting policies and significant accounting errors detected are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates, if only for one period, are made in the current period; if they relate to future periods, are made in future period as well as in the period of change, are applied prospectively. The accounting policies applied in the preparation of these financial statements for the year ended at 31 December 2024 are consistent with those applied in the preparation of financial statements for the year ended at 31 December 2023.

Significant accounting estimations

The preparation of financial statements, require the Group’s management to make judgments, estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those judgments, estimates and assumptions. Those estimates and assumptions are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known. There has been no significant change in the accounting estimates of the Group in the current period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments. If any provision provided to the cash and cash equivalents as a result of a specific events, Group measures expected credit loss from these cash and cash equivalents by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Trade receivables

Trade receivables are arised from product sales or service providing to the customers. If the expected time for the collection of trade receivables is one year or less, these receivables are classified as short-term receivables. Otherwise, they are classified as long-term receivables. The average collection period of trade receivables is 38 days (2023: 45 days). Trade receivables for which risks and rewards are transferred to third parties as part of factoring transaction are derecognized.

Related parties

If an entity has control over another entity or an entity has significant influence on another entity's financial and operational decisions, these two entities are considered as related parties. In consolidated financial statements, shareholders, available for sale investments and related parties of the shareholders are presented as related parties. Related parties also include the ultimate parent, key management personnel, board members and their families.

Inventories

Inventories are valued at the lower of cost and net realizable value after provision for obsolete stock. Cost is determined by using the monthly weighted average cost. Cost of work in progress and finished goods includes materials, direct labor and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. Provision for slow moving items is recognized in cost of sales at the time it is incurred. Obsolete inventories are written off accounting records.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. As of 31 December 2022, the Group's land, buildings, machineries and equipments were revalued based on expertise review by an independent valuation firm and as a result of this valuation the Group has adjusted its assets to the asset's fair values. Fair values were determined by the methods of imputed price, discounted cash flow, replacement cost, etc. The value increases or decreases were reflected to "revaluation gain/loss" account located in equity (Note 24). Depreciation of these assets are recognized over the fair value and related depreciation expenses are recognized in the income statement. All other tangible assets are stated at historical cost less accumulated depreciation and any accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings. Further, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is realized from the revaluation surplus to retained earnings on an annual basis as the asset is used by the Group.

The cost value of the tangible fixed asset consists of the purchase price, import taxes if any, non-refundable taxes and expenses made in order to make the tangible fixed asset ready to use. The repair and maintenance expenses, which arise after the tangible fixed asset is started to be used, are recorded as expense in the period they arise. If the expenses made, create an economic value increase for the tangible fixed asset in the future use, these expenses can be added to the cost of the asset.

Property, plant and equipment are capitalized and depreciated when they are fully commissioned and in a physical state to meet their designed production capacity. For the assets which requires a significant amount of time to be used and ready to be sold, the borrowing costs are capitalised.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes To Consolidated Financial Statements
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(Amounts expressed in thousands of US Dollars unless otherwise stated)

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.6. Summary of Significant Accounting Policies (Continued)****Property, plant and equipment (Continued)**

The depreciation periods for property plant and equipment, which approximate the estimated economic useful lives of the related assets and the depreciation methods applied, are as follows:

	Years	Method
Land improvements	10 - 50	Straight-line
Buildings	25 - 50	Straight-line
Machinery and equipment	12 - 20	Straight-line
Furniture and fixtures	5 - 17	Straight-line
Motor vehicles	5	Straight-line

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of the property, plant and equipment.

Intangible assets

Intangible assets comprising software licenses and rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses and intangible assets are amortized on a straight-line basis over the estimated useful life of the asset (5 years). Amortization expenses are recognized in general and administrative expenses in the consolidated income statement.

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income. The recoverable amount is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. If the impairment provision is not valid or has been decreased, the related impairment is reversed and recorded in income statements. Impairment loss related to the land, buildings and machinery and equipment which are carried at revalued amounts are treated as a revaluation decrease to the extent that impairment loss does not exceed the amount held in revaluation surplus.

As of December 31 December 2024, the Group is not exposed to any impairment risk for its subsidiaries. The Group has reached these assessments through the budgeted positive operational cash flows and the steadily increasing revenue growth over the years.

Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. and its Subsidiaries

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2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Finance leases

The Group recognises right-of-use assets at the commencement of the lease (i.e., the date of underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any revaluation of lease liabilities.

The cost of right-of-use asset includes:

- the amount of lease liabilities recognised,
- lease payments made at or before the commencement date less any lease incentives received,
- initial direct costs incurred

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

i) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. At the commencement date of the lease, the measurement of the lease liabilities includes:

- Fixed payments,
- The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs,
- The amounts expected to be paid by the Group under residual value guarantees
- The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and
- The payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate,

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. The Group discounts the lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

After the commencement date, the Group measures the amount of lease liabilities as follows:

- the amount of lease liabilities is increased to reflect the accretion of interest, and
- reduced for the lease payments made

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Finance leases (Continued)

i) Lease Liabilities (Continued)

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Group primarily has operational leasing agreements consisting of vehicle and warehouse rentals. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value, Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Provisions, contingent assets and liabilities

i) Provisions

A provision is recognized when, and only when, the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. When present value method is used, the increase attributable to the current period is recorded in finance expense.

ii) Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements but disclosed when an outflow of resources embodying economic benefits is not highly probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Income taxes

Tax expense is the aggregate amount of current and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Employment termination benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 "Employee Benefits". The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation. Provision for employee termination benefit is made for the present value of the defined benefit obligation calculated. All actuarial gains and losses are recognized in the other comprehensive income as incurred.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.6. Summary of Significant Accounting Policies (Continued)****Revenue**

Revenue from steel pipes is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates, and other similar allowances. Sales discounts are given as a constant percentage at the time of sale and deducted from revenue. Sales discounts given vary regarding the type of the sale.

i) Steel pipe sales:

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii) Interest and dividend income:

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, one that takes a substantial period of time to get ready for use or sale, are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized directly in the statement of income the period in which they are incurred.

Financial Instruments

Financial instruments are agreements that increase the financial assets of one enterprise and financial liabilities or capital instruments of another enterprise.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Financial Assets

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group's financial instruments at fair value through profit or loss consist of forward contracts, currency swaps and cross currency fixed interest rate swap.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.6. Summary of Significant Accounting Policies (Continued)****Financial Assets (Continued)****b) Financial assets carried at fair value (Continued)***ii) Financial assets carried at fair value through other comprehensive income*

Financial assets carried at fair value through other comprehensive income comprise of “financial assets” in the statement of financial position. Group carried these assets at their fair values. The fair value gains and losses are recognized in other comprehensive income after the deduction of impairment losses and foreign exchange income and expenses. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

Financial Liabilities

Financial liabilities are recorded with their values after the transaction expenses are deducted from the financial debt amount received on the date of receipt. Financial liabilities are followed in the consolidated financial statements with their discounted values calculated with the effective interest rate on the following dates. The difference between the amount of the financial debt received (excluding transaction expenses) and the repayment value is recognized on the accrual basis in the consolidated statement of profit or loss. If the Group does not have unconditional right such as postponing the liability for 12 months from the balance sheet date, financial liabilities are classified as short-term liabilities.

Financial assets carried at fair value through other comprehensive income

The Group owns 11.78% of the shares of Borçelik Çelik Sanayi ve Ticaret A.Ş. (“Borçelik”). This financial investment is classified under financial assets at fair value through other comprehensive income and is measured at fair value. Changes in fair value are recognized in the consolidated statement of other comprehensive income.

Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in USD, which is the functional currency of the Group.

In preparing the financial statements of the Company and its subsidiaries, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

b) Financial assets carried at fair value (Continued)

Foreign currency transactions (Continued)

Exchange differences are accounted in profit or loss in the period of occurred except the cases specified below:

- Exchange differences which related to assets under construction for future usage and the adjustment item to be considered as interest costs on debts shown in foreign currency and included in these cost of assets,
- Exchange differences arising from transactions carried out in order to provide financial protection against risks arising from foreign currency (accounting policies to providing financial protection against risks are described below).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in USD using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Earnings per share

Earnings per share disclosed in the consolidated statements of income is determined by dividing the net income by the weighted average number of shares in existence during the period concerned. The weighted average number of shares in circulation during the period have been calculated considering the shares issued without an increase in resources. However, in terms of legal records, calculating earnings per share is subject to local regulations and laws.

Events after balance sheet date

An explanation for any significant event between the balance sheet date and the publication date of the financial statements, which are disclosed and adjusted in the financial statements if necessary.

Statements of cash flows

Current period statements of cash flows are categorized and reported as operating, investing and financing.

Cash flows from operating activities show that cash flows provided from Group's pipe production and sales.

Cash flows from investing activities summarize the Group's cash flows used in or generated from investing activities (fixed and financial investments).

Cash flows from financing activities summarize the Group's cash flows from liabilities and the back payments of these liabilities benefited in financing needs of the Group.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

b) Financial assets carried at fair value (Continued)

Capital and dividends

Common stocks are classified as equity. Dividends paid are recorded at the Board's payment decision date retained earnings balance less the dividend amount paid.

Significant accounting judgements and estimations

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although the estimates are based on the Group management's best information on the current events and transactions, actual results could differ from those estimates.

Significant accounting judgements that the Group makes in the application of accounting principles:

- Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from tax losses carried-forward and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realised. The main factors taken into consideration include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realise the deferred tax asset. If based on the weight of all available evidence, no provision has been made for deferred tax assets since the Group's future taxable profits are sufficient to cover all deferred tax assets.

- Employee termination benefits

The Group made actuarial calculation to calculate the amount of liability in accordance with IAS 19. The Group makes assumptions and estimations relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. The assumptions made by the Group management have been explained in Note 22.

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2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

b) Financial assets carried at fair value (Continued)

Significant accounting judgements and estimations (Continued)

- Revaluation of property, plant and equipment

The Group evaluates its land, buildings, machinery and equipment over its fair value within the scope of IAS 16 revaluation model. The fair values in financial statement as of 31 December 2024 are based on expertise reports prepared by Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş., for machinery and equipment in Turkey and National Appraisal Partners LLP and Third Coast Appraisal, LLC. for machinery and equipment in USA and CBF S.r.l. for machinery and equipment in Italy. During valuation of tangible assets, market value was taken as basis.

- Fair value of financial assets

Group management estimated the fair value of the financial assets whose market is not active by utilizing commonly used valuation techniques.

The fair value of Borçelik is calculated by giving 50% weight to the discounted cash flows and market approach methods. In consideration of this calculation, holding sector beta and company dynamics, the cost of capital are calculated as 17.2% for 2025, 16.2% for 2026, 15.1% for other years and 2% growth rate. If the long-term growth rates were 100 basis points high/low and all other variables remained constant, the calculated fair value would be higher/lower by 4-4%. If the discount rates were 100 basis points high/low and all other variables remained constant, the calculated fair value would be lower/higher by 6-8%.

Significant changes and errors in the accounting policies

Significant changes in the accounting policies and errors are applied retrospectively; and the financial information of the prior periods are restated.

Going concern

The consolidated financial statements were prepared in accordance with the going concern assumption.

3. BUSINESS COMBINATION

31 December 2024

None.

31 December 2023

On April 13, 2023, the Group acquired the shares representing the entire capital of Berg EuroPipe Holding Corp. operating in the field of steel pipe production in Panama City and Mobile in USA within the scope of IFRS-3 "Business Combinations" standard. Pursuant to the stock purchase agreement, total acquisition price is USD 162 million and negotiations are ongoing to finalize the price.

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3. BUSINESS COMBINATION (Continued)

The purchase price and the fair values of the acquired assets and liabilities within the scope of IFRS 3 are summarized in the table below:

	13 April 2023
Cash and cash equivalents	112.623
Trade receivables	24.077
Inventories	85.542
Other current asset	2.105
Property, plant and equipment	128.357
Right of use assets	5.905
Other non-current asset	4.733
Deferred tax assets	17.521
Trade payables and other payables	(153.136)
Deferred tax liabilities	(26.559)
Other liabilities	(7.221)
Value of total identifiable net assets (100%)	193.947
Bargain purchase gain (Note 29)	(31.852)
Total purchase price	162.095

Net amount paid for Subsidiary acquisition

The details of the cash outflow resulting from the acquisition are as follows:

Total amount paid in cash for the acquisition	112.095
Less: Cash and cash equivalents - acquired	112.623
Cash (inflow)/outflow from acquisition, net	(528)
Deferred payment for acquisition ⁽¹⁾	50.000

⁽¹⁾ In 2024, a payment of USD 20,000 was made, and the remaining debt balance was classified under short-term other payables and long-term other payables according to its maturity structure in the statement of financial position.

4. SEGMENT REPORTING

None. (31 December 2023: None)

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5. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash in hand	1	9
Cash at banks		
- Time deposits	54.746	75.392
- Demand deposits	12.037	53.975
	66.784	129.376

The details of time deposits as of 31 December 2024 and 2023 are as follows:

Currency	Interest Rate (%)	Maturity (days)	31 December 2024	
			Original currency amount	Amount in USD
USD	3,56-3,89	2	51.156	51.156
TRY	47,00-48,50	2	126.656	3.590
				54.746

Currency	Interest Rate (%)	Maturity (days)	31 December 2023	
			Original currency amount	Amount in USD
USD	2,75-4,65	3	74.372	74.372
TRY	30,00-42,00	3	30.051	1.020
				75.392

As of 31 December 2024, the Group does not have any blockages on cash and cash equivalents (31 December 2023:None).

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6. FINANCIAL INVESTMENTS

a) Short-term financial investments

None (31 December 2023: None).

b) Long-term financial investments

Financial investments as of 31 December 2024 and 2023 are stated below:

	31 December 2024		31 December 2023	
	Amount	Share (%)	Amount	Share (%)
Borçelik Çelik Sanayii Ticaret A.Ş. (Borçelik)	101.190	11,78	82.460	11,78
Other	71		71	
	101.261		82.531	

All financial assets are recorded at cost, except for Borçelik which is carried at fair value.

7. BORROWINGS

a) Short-term borrowings

Currency	31 December 2024			31 December 2023		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
USD	156.817	156.817	4,55-7,90	123.743	123.743	7,00-10,75
EURO	47.435	49.392	3,29-6,90	17.315	19.160	4,46-6,65
TRY	1.138.031	32.257	42,00-47,00	1.606.693	54.578	23,59-49,98
	238.466			197.481		

As of 31 December 2024, none of short-term borrowings of the Group are secured (31 December 2023: None).

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Notes To Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of US Dollars unless otherwise stated)

7. BORROWINGS (Continued)

b) Short-term portion of long-term borrowings

- Bank Loans

Currency	31 December 2024			31 December 2023		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
USD	14.442	14.442	5,88	25.910	25.910	5,88-9,14
EURO	2.996	3.119	3,14-7,95	35.169	38.916	3,00-7,95
		17.561			64.826	

- Lease Liabilities

Currency	31 December 2024			31 December 2023		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
TRY	46.883	1.329	18,1 - 45,0	7.552	257	18,1 - 21,7
USD	3.035	3.035	4,3 - 7,4	2.410	2.410	4,3 - 7,4
EURO	51	53	3,0	146	162	3,0
		4.417			2.829	

c) Long-term borrowings

- Bank Loans

Currency	31 December 2024			31 December 2023		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
USD	50.851	50.851	5,88-6,43	56.018	56.018	5,88-9,14
EURO	20.560	21.410	3,14-7,95	17.036	18.851	4,48-8,84
		72.261			74.869	

As of 31 December 2024, all of long-term loans of Borusan Pipe US, are secured by Borusan Pipe US' fixed assets, trade receivables and inventories. (December 31, 2023: All of Borusan Pipe's long-term loans were secured through its fixed assets, trade receivables, and inventories).

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7. BORROWINGS (Continued)

c) Long-term borrowings (Continued)

The payment schedule of the long-term borrowings for 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
2025	-	17.722
2026	25.711	18.606
2027	29.778	20.747
2028	14.575	14.882
2029 and more	2.197	2.912
	72.261	74.869

- Lease Liabilities

Currency	31 December 2024			31 December 2023		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
TRY	34.666	982	18,1 - 45,0	10.606	360	18,1 - 21,7
USD	13.737	13.737	4,3 - 7,4	8.340	8.340	4,3 - 4,8
EURO	19	20	3,0	51	57	3,0
		14.739			8.757	

The movements of financial borrowing for periods 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

Bank Loans

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	337.176	495.623
Borrowed during the period	698.234	557.662
Payments during the period	(692.529)	(690.964)
Change in interest accrual	1.497	1.983
Currency translation difference	(16.090)	(27.128)
Closing	328.288	337.176

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7. BORROWINGS (Continued)

c) Long-term borrowings (Continued)

Lease Liabilities

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	11.586	4.638
Additions/(disposal), net	6.375	2.974
Change in lease contracts	2.463	-
Interest expense	873	432
Payment	(1.856)	(3.283)
Foreign exchange difference	(286)	(427)
Currency translation difference	1	31
Subsidiary acquisition impact	-	7.221
Closing	19.156	11.586

8. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

	31 December 2024	31 December 2023
Trade receivables	149.631	185.853
Receivables from related parties (Note 34)	118	10.078
Notes receivable	-	1.598
Allowance for doubtful receivables (-) ⁽¹⁾	(286)	(467)
	149.463	197.062

⁽¹⁾ As of 31 December 2024, there are no doubtful trade receivables from related parties (31 December 2023: none).

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8. TRADE RECEIVABLES AND PAYABLES (Continued)

a) Trade receivables (Continued)

The movement of the provision for doubtful receivables for the periods 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	467	3.536
Additions	284	-
Provisions no longer required (Note 28)	-	(2.285)
Written off trade receivables	(430)	(3.000)
Subsidiary acquisition impact	-	2.224
Currency translation differences	(35)	(8)
Closing	286	467

As of 31 December 2024, the Group has no long-term trade receivables (31 December 2023: None). Nature and level of the risks arising from trade receivables are disclosed in Note 35.

b) Trade Payables

	31 December 2024	31 December 2023
Trade payables	155.530	287.866
Due to related parties (Note 34)	3.309	5.152
	158.839	293.018

Within trade payables in 2024, the Group has USD 53.740 of letter of credits for use of purchases with the weighted average interest rate 6,72% for USD and the average maturity of the payables is 180-360 days (31 December 2023: USD 173.162 of letter of credits for use of purchases with the weighted average interest rate 8,74% for USD the average maturity of the payables is 180-360 days).

Detailed information about the nature and level of risks arising from trade payables are disclosed in Note 35. The Group has no long-term trade payables (31 December 2023: None).

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9. OTHER RECEIVABLES AND PAYABLES

a) Other receivables

	31 December 2024	31 December 2023
Receivables from tax authority	15.692	15.033
Due from personnel	445	635
Other receivables from related parties (Note 34)	20	-
Other	950	1.678
	17.107	17.346

b) Other payables

	31 December 2024	31 December 2023
Other payables to third parties	14.813	19.749
Taxes and charges payable	9.078	10.251
Other	60	-
	23.951	30.000

10. DERIVATIVE FINANCIAL INSTRUMENTS

Forward transactions are being performed in order to reduce risks deriving from foreign currency exchange rate fluctuations (GBP/USD), (EUR/USD) and (TRY/USD). As of 31 December 2024; USD 213 of derivative instruments consists of forward foreign exchange transactions (Note 35). (31 December 2023: USD 463 of derivative instruments consists of forward foreign exchange transactions).

	31 December 2024	31 December 2023
Income accrual from derivative financial instruments	213	463

11. INVENTORIES

	31 December 2024	31 December 2023
Raw materials	162.990	236.771
Work in progress	40.584	53.342
Finished goods	119.521	244.964
Trade goods	15.826	739
Goods-in-transit	13.836	759
	352.757	536.575

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12. PREPAID EXPENSES

Details of short time and long term prepaid expenses of the Group as of 31 December 2024 and 31 December 2023 are as follows:

a) Short-term prepaid expenses

	31 December 2024	31 December 2023
Advance payments for raw materials	36.420	57.487
Prepaid finance expenses	3.069	5.177
Insurance fees	2.477	731
Other short term prepaid expenses ⁽¹⁾	2.236	5.712
	44.202	69.107

⁽¹⁾ Other short term prepaid expenses consists of prepaid expenses for production and export operations.

b) Long-term prepaid expenses

	31 December 2024	31 December 2023
Advance payments for fixed assets	9	1.571
Other long term prepaid expenses	231	383
	240	1.954

13. CURRENT INCOME TAX ASSETS

As of 31 December 2024, current income tax asset is USD 24.522 (31 December 2023: USD 16.123).

14. DEFERRED REVENUE

As of 31 December 2024 and 2023, the short-term deferred income of the Group is as follows:

	31 December 2024	31 December 2023
Advances received	56.156	220.906
Deferred income - Contractual obligations	-	12.966
	56.156	233.872

15. EMPLOYEE BENEFIT OBLIGATIONS

As of 31 December 2024, accrued salaries of employees USD 1.794 (31 December 2023 USD 977).

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16. RIGHT OF USE ASSETS

Cost	Building	Vehicles	Total
Opening (1 January 2024)	10.267	6.915	17.182
Change in contract	233	-	233
Currency translation differences	(21)	(6)	(27)
Addition	2.673	9.149	11.822
Disposal (-)	(909)	(1.896)	(2.805)
Balance at 31 December 2024	12.243	14.162	26.405

Accumulated Depreciation

Opening (1 January 2024)	2.777	3.477	6.254
Currency translation differences	(15)	(1)	(16)
Addition	1.049	3.376	4.425
Disposal (-)	(909)	(1.852)	(2.761)
Balance at 31 December 2024	2.902	5.000	7.902

Net Book Value

	9.341	9.162	18.503
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Cost	Building	Vehicles	Total
Opening (1 January 2023)	5.195	4.642	9.837
Transfer with business combination	5.980	-	5.980
Currency translation differences	145	51	196
Addition	579	2.364	2.943
Disposal (-)	(1.632)	(142)	(1.774)
Balance at 31 December 2023	10.267	6.915	17.182

Accumulated Depreciation

Opening (1 January 2023)	2.296	1.730	4.026
Transfer with business combination	75	-	75
Currency translation differences	26	1	27
Addition	2.012	1.888	3.900
Disposal (-)	(1.632)	(142)	(1.774)
Balance at 31 December 2023	2.777	3.477	6.254

Net Book Value

	7.490	3.438	10.928
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The Group as a lessee included the right of use representing the right to use the underlying asset and the lease obligations representing the lease payments that it is liable to pay rent to its consolidated financial statements.

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17. PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Currency transaction differences	Additions	Disposals	Transfers	31 December 2024
Cost						
Land	155.811	(29)	-	-	-	155.782
Land improvements and leaseholds	19.513	(1)	-	-	2.360	21.872
Buildings	165.036	(1.362)	346	-	36.876	200.896
Machinery and equipment	439.503	(843)	2.091	-	74.692	515.443
Motor vehicles	4.302	12	71	(8)	226	4.603
Furniture and fixtures	27.115	(99)	997	(5)	2.680	30.688
Construction in progress	85.753	101	66.685	-	(116.834)	35.705
	897.033	(2.221)	70.190	(13)	-	964.989
Less: Accumulated depreciation						
Land improvements and leaseholds	1.555	-	1.621	-	-	3.176
Buildings	25.827	-	3.025	-	-	28.852
Machinery and equipment	134.049	-	30.909	-	-	164.958
Motor vehicles	3.697	-	230	(3)	-	3.924
Furniture and fixtures	20.824	-	1.449	(4)	-	22.269
	185.952	-	37.234	(7)	-	223.179
Net book value	711.081					741.810

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2023	Currency transaction differences	Additions	Disposals	Transfers	Increase/ (Decrease) in Revaluation	Assets transferred through business combination	31 December 2023
Cost								
Land	190.217	29	-	-	(39.919)	800	13.040	164.167
Land improvements and leaseholds	5.471	-	-	-	(23.306)	-	4.413	(13.422)
Buildings	158.966	656	-	(289)	(35.641)	(6.097)	27.903	145.498
Machinery and equipment	369.429	1.164	5.046	(4.858)	21.350	(16.180)	74.219	450.170
Motor vehicles	4.002	13	-	(88)	228	-	147	4.302
Furniture and fixtures	28.206	14	-	-	1.207	-	1.172	30.599
Construction in progress	29.792	140	74.109	-	(27.424)	-	5.563	82.180
	786.083	2.016	79.155	(5.235)	(103.505)	(21.477)	126.457	863.494
Less: Accumulated depreciation								
Land improvements and leaseholds	992	-	248	-	-	-	-	1.240
Buildings	16.808	110	5.602	(131)	(1.049)	-	-	21.340
Machinery and equipment	76.754	654	29.171	(1.363)	(3.173)	-	-	102.043
Motor vehicles	3.549	13	224	(88)	-	-	-	3.698
Furniture and fixtures	22.505	12	1.575	-	-	-	-	24.092
	120.608	789	36.820	(1.582)	(4.222)	-	-	152.413
Net book value	665.475							711.081

As of December 31, 2024 and 2023, there is no capitalized borrowing cost.

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18. INTANGIBLE ASSETS

	31 December 2024	31 December 2023
Cost:		
Cost at 1 January	11.910	9.740
Transfer with business combination	-	1.900
Currency transaction differences	(49)	30
Additions	5.126	240
	16.987	11.910
Less: Accumulated depreciation		
Accumulated amortisation at 1 January	9.100	7.725
Currency transaction differences	(48)	27
Amortisation of current period	1.617	1.348
	10.669	9.100
Net book value	6.318	2.810

Intangible assets consist of brand and license fee.

19. GOODWILL

None (31 December 2023: None).

20. CONTINGENT ASSETS AND LIABILITIES

None (31 December 2023: None).

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21. COMMITMENTS

a) Export Commitments

Export commitments amount to USD 225.098 as of 31 December 2024 (31 December 2023: USD 180.995).

b) Letters of credit

As of 31 December 2024, the Group has open letter of credit agreements for the future purchases from suppliers amounting to USD 48.070 (31 December 2023: USD 130.578).

c) Guarantees, Pledges and Mortgages

Guarantees, pledges and mortgages ("GPM") given by the Group as of 31 December 2024 and 2023 are as follows:

31 December 2024	USD	EUR	TRY	Total USD Equivalent
A. GPM's given in the name of its own legal personality	32.271	5.463	982.032	65.795
B. GPM's given on behalf of the fully consolidated companies	95.168	33.161	-	129.697
C. GPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other GPM's given	-	-	-	-
i. Total amount of GPM's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of GPM's given on behalf of other group companies which	-	-	-	-
iii. Total amount of GPM's given on behalf of third parties which are not in scope of C	-	-	-	-
	127.439	38.624	982.032	195.492

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21. COMMITMENTS (Continued)

There are no GPMs that the Group is liable on its immediate parent company (31 December 2023: None)

31 December 2023	USD	EUR	TRY	Total USD Equivalent
A. GPM's given in the name of its own legal personality	44.454	7.697	384.750	66.040
B. GPM's given on behalf of the fully consolidated companies	119.575	27.331	-	149.818
C. GPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other GPM's given	-	-	-	-
i. Total amount of GPM's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of GPM's given on behalf of other group companies which	-	-	-	-
iii. Total amount of GPM's given on behalf of third parties which are not in scope of C	-	-	-	-
	164.029	35.028	384.750	215.858

There is no other GPM given by the Group in favor of the main partner (31 December 2023: None). The ratio of other GPM's given by the Group to the Group's equity is 0% as of 31 December 2024 (31 December 2023: 0%).

22. PROVISIONS FOR EMPLOYEE BENEFITS

In accordance with the Turkish Labour Law, the Group is responsible for paying severance pay for staff who have completed one year of service and cut ties from the Group or retired, who have completed 25 years (for men) and 20 years (for women) of service and are entitled to a pension, who have been called up for military service or who die. The severance pay to be paid is equal to the employee's monthly wage for each year of service and this amount is limited to TRY 41.828,42 as of 31 December 2024 (TRY 23.489,83 as of 31 December 2023). It has been taken into account in the calculation of the severance pay provision of the Group, the amount of 46.655,43 TRY effective from 1 January 2025. (1 January 2024: TRY 35.058,58).

In accordance with IAS 19, an actuarial calculation is required to calculate the Group's liabilities. The Group has calculated the provisions for severance pay using the "Projection Method", based on the Group's experience regarding the completion of the period of service by the employee and being entitled to the severance pay, and has reflected these in the financial statements. Provisions for severance pay, calculated based on the current value of the possible liability that will need to be paid, are set aside in case of employees' retirement.

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22. PROVISIONS FOR EMPLOYEE BENEFITS (Continued)

As of 31 December 2024 and 2023 the actuarial assumptions that are used in the calculation of liability are as follows:

	31 December 2024	31 December 2023
Discount rate	4,50%	3,73%
Probability of retirement	92%	92%

The movements of provision for employment termination benefits for the periods ended 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	5.836	6.140
Service cost	1.578	2.221
Finance cost	1.027	893
Actuarial loss	(26)	(95)
Paid during the period	(1.231)	(1.786)
Currency translation difference	(951)	(1.537)
Closing	6.233	5.836

23. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2024	31 December 2023
Income accruals	2.464	2.000
Deposits given	914	858
VAT receivable	358	12.968
Other current assets from related parties	42	18
Other	2.641	2.470
	6.419	18.314

b) Other non-current assets

As of 31 December 2024, other non-current assets equal USD 5.638 (31 December 2023: USD 6.520).

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23. OTHER ASSETS AND LIABILITIES (Continued)

c) Other short-term liabilities

	31 December 2024	31 December 2023
Accrued cost of sales expenses	19.540	19.315
Accrued export expenses	2.477	10.869
Other	13.583	20.690
	35.600	50.874

24. EQUITY

a) Paid-in share capital

The legal capital structure of the group as of 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
	TRY	Share (%)	TRY	Share (%)
BMB Holding A.Ş.	104.157	73,48	104.157	73,48
Public Share and Other	37.593	26,52	37.593	26,52
	141.750	100	141.750	100
USD Equivalent	68.997		68.997	

As of 31 December 2024, there are 14.175.000.000 shares, each of which has 1 Kr nominal value. As of 31 December 2024, the paid-in capital of the group comprises Group A (10% of the total shares) and Group B (90% of the total shares) shares (31 December 2023: Group A 10%, Group B 90%). Also, the Group has 100 dividend shares that do not grant voting power (31 December 2023: 100 dividend shares).

Group A shareholders' rights are as follows:

- Half of the board of directors are selected among the candidates nominated by A Group Shareholders.
- Each of A Group shareholders has 5 voting rights at ordinary and extraordinary general assembly meetings.

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24. EQUITY (Continued)

b) Revaluation funds

As of 31 December 2024 and 31 December 2023 the movement of revaluation funds are as follows:

	1 January 31 December 2024		1 January 31 December 2023	
	Property, plant and equipment revelution reserve	Investment revaluation reserve	Property, plant and equipment revelution reserve	Investment revaluation reserve
Balance at 1 January	229.044	62.150	228.513	46.192
Current year revaluation on property, plant and equipment	-	-	531	-
Transfer	(29.204)	-	-	-
Current year revaluation of financial investments	-	11.235	-	15.958
Closing at 31 December	199.840	73.385	229.044	62.150

i. Revaluation funds of property, plant and equipment:

Revaluation funds of property, plant and equipment arises from the revaluation of buildings, lands, machinery and equipments. In case of disposition of revalued land or buildings, the revaluation funds associated with the assets sold are transferred directly to retained earnings.

ii. Cash flow hedge reserve:

Cash flow hedge reserve arises as a result recognition in equity of the effective changes in the fair value of the derivate financial instruments subject to a cash flow hedge. Total deferred income/loss earned by protection against financial risk has been accounted in profit/loss when the effect of hedged transaction effecting to profit/loss.

iii. Investment revaluation reserve:

Investment revaluation reserve occurs as a result of valuation of the financial assets over their fair values. In the event of a disposal of a financial instrument that has been revalued over its fair value, the portion of the revaluation fund related to the disposed financial asset is transferred to retained earnings. If the revalued financial instrument is impaired, the portion of the revaluation fund related to the impaired financial asset is recognised directly as a profit or loss.

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24. EQUITY (Continued)

c) Retained earnings

As per the Capital Markets Board (CMB) Decision dated 27 January 2010, minimum dividend distribution obligation will not be applied for joint stock corporations whose shares are traded in the stock market, regarding the distribution principles of the profits acquired from the activities of 2009, and within this framework, the profit distribution shall be executed in pursuance with the principles stated under the Board's Communiqué Serial: IV, No: 27 on Principles Regarding Distribution of Dividends and Interim Dividends to be Followed by the Publicly Held Joint Stock Corporations Subject to Capital Market Law, and as per the provisions under the partnerships' Articles of Association and the dividend distribution policies disclosed to public by the companies.

In addition, the said Board Decision rules that, the companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period stated in the consolidated financial statements that will be prepared and announced to the public according to the Communiqué, Serial: IX, No: 29 as long as the profit are sufficient for dividend distribution on their statutory records.

d) Non-controlling interests

The movement of non-controlling interests for the periods as of 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	145	146
Share in current year result	(32)	(6)
Currency translation difference	(8)	5
Closing	105	145

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25. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2024			1 January - 31 December 2023		
	Sales to Turkey	Sales outside Turkey	Total	Sales to Turkey	Sales outside Turkey	Total
Steel Pipe	328.000	1.361.466	1.689.466	391.824	1.349.349	1.741.173

b) Cost of sales

	1 January - 31 December 2024	1 January - 31 December 2023
Direct material	1.252.329	1.161.737
Repair, maintenance and other production expenses	152.625	128.824
Direct labor	132.728	95.541
Depreciation and amortization	38.650	36.960
Cost of trade goods sold	831	9
	1.577.163	1.423.071

26. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses	72.309	77.506
Marketing expenses	8.854	7.439
	81.163	84.945

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27. EXPENSES BY NATURE

a) Marketing expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	4.791	2.986
Sales expenses	1.341	1.729
Transportation and travel	678	718
Consultancy	557	903
Vehicle expenses	494	189
Other	993	914
	8.854	7.439

b) General administrative expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	36.120	39.743
Consultancy	9.769	13.729
Insurance expenses	4.736	2.856
Depreciation and amortisation	4.626	5.108
Outsourced services	3.103	2.220
Information technology	3.082	2.016
Donations	1.743	1.168
Transportation and travel	1.507	1.665
Tax and charges	1.111	2.736
Vehicle expenses	740	432
Maintenance	735	921
Communication	674	285
Energy expenses	458	522
Other	3.905	4.105
	72.309	77.506

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27. EXPENSES BY NATURE (Continued)

c) Depreciation and amortization expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	38.650	36.960
General administrative expenses	4.626	5.108
	43.276	42.068

d) Personnel expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	132.728	95.541
General administrative expenses	36.120	39.743
Marketing expenses	4.791	2.986
	173.639	138.270

28. OTHER INCOME AND EXPENSE

a) Other income

	1 January - 31 December 2024	1 January - 31 December 2023
Interest on credit sales	22.802	21.154
Scrap sales	926	520
Insurance indemnity income	187	2.000
Provision no longer required (Note 8)	-	2.285
Foreign exchange gain	-	1.336
Other	1.392	529
	25.307	27.824

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28. OTHER INCOME AND EXPENSE (Continued)

b) Other expense

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss	852	-
Bad debt allowance (Note 8)	284	-
Impairment on plant, property and equipment	-	1.144
Other	602	1.573
	1.738	2.717

29. INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2024	1 January - 31 December 2023
Gain on asset held for sale	2.099	-
Dividend income	1.919	5.281
Gain/(Loss) on disposal of plant, property and equipment	547	(46)
Bargain purchase gain (Note 3)	-	31.852
	4.565	37.087

30. FINANCIAL INCOME AND EXPENSE

a) Financial income

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	4.705	7.338
	4.705	7.338

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30. FINANCIAL INCOME AND EXPENSE (Continued)

b) Financial expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expenses	54.755	52.199
Interest charges	5.653	6.953
Bank expense	2.591	3.909
Factoring expense	373	2.052
	63.372	65.113

31. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of 31 December 2024 and 2023, the details of the Group's assets held for sale are as follows:

	31 December 2024	31 December 2023
Opening	99.283	-
Disposals	(63.133)	-
Classifications at the beginning ⁽¹⁾	-	99.283
	36.150	99.283

⁽¹⁾ The Group reclassified land and building amounting to USD 63.133 and machinery and equipment amounting to USD 36.150, which were previously recognized under property, plant and equipment in the financial statements for the year ended 31 December 2023, to assets held for sale as a result of the disclosure made on Public Disclosure Platform on 18 December 2023. The sale of the land and building with a cost value of 63.133 USD was completed in 2024.

32. INCOME TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

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32. INCOME TAX ASSETS AND LIABILITIES (Continued)

In Turkey, advance tax returns are filed and accrued on a quarterly basis. Advance corporate income tax rate applied in 2024 is 25% (2023:25%).

Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods. Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies.

Reconciliation of taxes by applying effective tax rates to profit before tax provision as reflected in the consolidated income statement for the years ended 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit before tax	607	237.576
At statutory income tax calculated with rate at 25% (2023: 25%)	152	59.394
Disallowable expenses	998	9.074
Tax exempt income	(7.815)	(13.581)
The effect of the foreign companies that have different tax rates	12.394	(11.399)
Tax expense	5.729	43.488

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32. INCOME TAX ASSETS AND LIABILITIES (Continued)

Current income tax for the periods ended 31 December 2024 and 2023 are summarized below:

	31 December 2024	31 December 2023
- Turkey tax charge	-	287
- U.S.A. tax charge	2.107	47.531
- Italy tax charge	-	-
Total statutory income tax charge for the year	2.107	47.818
Prepaid taxes	(24.522)	(63.941)
Income taxes (asset)/liability	(22.415)	(16.123)

The Group accounts for deferred tax assets and liabilities considering the effects of temporary differences arising as a result of different assessments between IAS and tax legislation that are put into effect by the balance sheet of the balance sheet.

As of 31 December 2024 deferred tax rate used is 25% in Turkey, 21% (Borusan Pipe US) and 26% (Berg Pipe) in USA, 24% in Italy (31 December 2023: 25% in Turkey, 21% in the USA, 24% in Italy).

For the periods ended on these dates, deferred tax asset/(liability) calculated with temporary differences and effective tax rate is as follows:

	Temporary differences		Deferred tax asset/(liability)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net differences between the tax base and the amounts reported:				
- carrying value of tangible and intangible assets	(279.955)	(262.016)	(69.132)	(63.139)
- carrying value of lands	(124.710)	(164.484)	(23.383)	(30.841)
- carrying value of financial assets	(75.592)	(58.629)	(9.449)	(3.664)
- carrying value of stocks	17.027	18.854	4.246	4.711
Provision for employee benefits obligation	6.106	5.702	1.527	1.425
Temporary differences of trade receivables	415	258	104	65
Temporary differences of trade payables	51	7.512	13	1.878
Carry forward tax losses	99.581	101.928	21.117	25.821
Derivative financial instruments	(213)	463	(53)	116
Other provisions and accruals	14.249	14.313	3.141	2.844
Deferred tax liability, net	(343.041)	(336.099)	(71.869)	(60.784)

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32. INCOME TAX ASSETS AND LIABILITIES (Continued)

The expiry dates of unused previous year losses as of December 31, 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
2024	-	4.680
2025	500	5.035
2026	21.285	28.777
2027	10.788	15.125
2028	19.403	48.311
2029	47.605	-
	99.581	101.928

The distribution of deferred tax assets/(liabilities) for the periods ended on 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Deferred tax liability	(71.869)	(60.784)
Deferred tax liability, net	(71.869)	(60.784)

Deferred tax liability for the periods ended on 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	(60.784)	(75.773)
Currency translation reserve	92	(65)
Tax charge recognized in the statement of comprehensive income	(7.555)	19.762
Business combination	-	(9.038)
Tax charge recognized in the statement of income	(3.622)	4.330
Closing	(71.869)	(60.784)

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32. INCOME TAX ASSETS AND LIABILITIES (Continued)

Since each company consolidated is a separate entity, the deferred tax assets/liabilities of these companies cannot be netted. Deferred tax assets/liabilities of the Company and its subsidiaries are as follows:

	31 December 2024		31 December 2023	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Borusan Birleşik Boru Fabrikaları	-	42.071	-	38.440
Borusan Pipe US	-	15.815	-	11.859
Berg Pipe	-	12.681	-	9.091
Vobarno	-	1.302	-	1.394
	-	71.869	-	60.784

33. EARNINGS PER SHARE

Earning per share is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can increase their capital via transfers from retained earnings and revaluation funds; and distribute costless shares to shareholders in corresponding to the capital increases. Such shares are taken into account as dividend payments. Dividends that are included by the capital as they are distributed are also taken into consideration as shared granted as dividends. Thus, such shares are considered to be in circulation throughout the entire period; when the earnings per share is calculated.

The Group's earnings per share as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Average number of shares existing during the period	14.175.000.000	14.175.000.000
Net profit for the period attributable to equity holders of the parent	(5.090)	194.094
Earnings per share	(0,00036)	0,01369

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34. RELATED PARTY BALANCES AND TRANSACTIONS

a) Receivables and Payables to Related Parties

	31 December 2024	31 December 2023
Trade receivables		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽⁴⁾	29	-
Borusan İstikbal Ticaret T.A.Ş. (İstikbal) ^{(3) (1)}	-	9.214
Other	89	864
	118	10.078

	31 December 2024	31 December 2023
Other receivables		
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Tic. A.Ş. ⁽³⁾	20	-

	31 December 2024	31 December 2023
Trade payables		
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Tic. A.Ş. ⁽³⁾	2.834	3.602
Borusan Holding A.Ş. ⁽¹⁾	226	-
Borçelik Çelik Sanayii Tic. A.Ş. ⁽⁴⁾	158	896
Other	91	654
	3.309	5.152

Borusan Lojistik provides services to the Company, whereas Borçelik provides raw material. The average due for the purchases are 30-60 days, and no interest charges may apply. Furthermore, no securities and guarantees are provided for the purchases.

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34. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with related parties

	1 January- 31 December 2024	1 January- 31 December 2023
Material purchases		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽⁴⁾	2.630	2.438
	2.630	2.438
Service purchases		
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Tic. A.Ş. ⁽³⁾	39.143	40.314
Borusan Holding A.Ş. ⁽¹⁾	4.014	2.949
Borusan İstikbal Ticaret T.A.Ş. ^{(3) (*)}	-	180
Other	169	136
	43.326	43.579
Sales		
Borusan İstikbal Ticaret T.A.Ş. ^{(3) (*)}	12.067	36.603
Borçelik Çelik Sanayii Tic. A.Ş. ⁽⁴⁾	114	-
Salzgitter Mannesmann ^{(2) (**)}	-	15.395
	12.181	51.998

⁽¹⁾ Ultimate partner

⁽²⁾ Shareholder of the ultimate partner

⁽³⁾ Subsidiary of the ultimate partner

⁽⁴⁾ Financial investment

^(*) The legal personality of the Company was ceased as of June 28, 2024, after the merger with Borusan Holding A.Ş.

^(**) Not a related company as of November 2023.

	1 January - 31 December 2024	1 January - 31 December 2023
Gain on sale of fixed assets		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽⁴⁾	2.099	-
	2.099	-
Dividend income		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽⁴⁾	1.919	5.281
	1.919	5.281

⁽¹⁾ Ultimate partner

⁽²⁾ Shareholder of the ultimate partner

⁽³⁾ Subsidiary of the ultimate partner

⁽⁴⁾ Financial investment

^(*) As of 28 June 2024, Borusan İstikbal Ticaret Türk A.Ş. has been merged under Borusan Holding A.Ş.

^(**) Not a related company as of November 2023.

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34. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

c) Payments to key management

	1 January - 31 December 2024	1 January - 31 December 2023
Salaries and short-term benefits provided to top management	3.938	2.949
Salaries and short-term benefits provided to board of directors	202	167
	4.140	3.116

The key management consist of the members of the Board of Directors and member of the Executive Board of the Company.

35. FINANCIAL RISK MANAGEMENT

(a) Capital risk management

Group aims to maximize the profitability through the optimization of the debt and equity balance, while maintaining the continuity of its business operations. The capital structure of the Group consists of debt which includes the borrowings disclosed in Note 7 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 24.

The Management of the Group analyzes the cost of capital and the risks associated with each class of capital and aims to balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

(b) Financial risk management objectives

The Group's finance department is responsible for maintaining a systematical access to international and local markets as well as monitoring and managing the Group's risk exposure using the in-house reports which analyze the level and extent of risks. Such risks consist of market risk, credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments such as foreign currency forwards during the period. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives (Continued)

b.1) Credit risk

	Receivables				Bank accounts
	Trade receivables		Other receivables		
	Related parties	Other	Related parties	Other	
31 December 2024					
Maximum credit risk exposed as of balance sheet date	118	149.345	20	17.087	66.783
- the part under guarantee with collaterals, etc.	-	75.186	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	118	141.026	20	17.087	66.783
- the part under guarantee with collaterals, etc.	-	70.121	-	-	-
B. Net book value of overdue but not impaired	-	8.319	-	-	-
- the part under guarantee with collaterals, etc.	-	5.065	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
- Past due (gross carrying amount)	-	286	-	-	-
- Impairment (-)	-	(286)	-	-	-
- the part under guarantee with collaterals, etc.	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- the part under guarantee with collaterals, etc.	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-
31 December 2023					
Maximum credit risk exposed as of balance sheet date	10.078	186.984	-	17.346	129.367
- the part under guarantee with collaterals, etc.	-	72.499	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	10.078	178.154	-	17.346	129.367
- the part under guarantee with collaterals, etc.	-	69.622	-	-	-
B. Net book value of overdue but not impaired	-	8.830	-	-	-
- the part under guarantee with collaterals, etc.	-	2.877	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
- Past due (gross carrying amount)	-	467	-	-	-
- Impairment (-)	-	(467)	-	-	-
- the part under guarantee with collaterals, etc.	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- the part under guarantee with collaterals, etc.	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-

⁽¹⁾ In determining the amounts, guarantees received and factors that increase credit reliability were not taken into account.

⁽²⁾ Guarantees consist of mortgages received from customers, letters of guarantee, credit insurance, bank guarantee and Direct Borrowing System.

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35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives (Continued)

b.1) Credit risk (Continued)

Disclosures regarding the quality of financial assets

The Group's credit risk primarily arises from its trade receivables. Such credit risk is managed by limiting the risk by the amount of the collaterals received. In managing credit risk, the Group uses four types of instruments which are Direct Debit System, letters of guarantee, mortgages and credit insurance. The Group monitors the customers' credit limits on a consistent basis and creditworthiness of the customers are systematically assessed based on the financial position, past experience and other factors.

Trade receivables are reviewed depending on the Group policies and procedures and they are carried at net amounts in the balance sheet subsequent to any provision for doubtful receivables.

In accordance to the internal evaluation;	31 December 2024	31 December 2023
Group 1	2.228	6.732
Group 2	138.916	181.500
Group 3	8.319	8.830
Total trade receivables	149.463	197.062

Group 1: Customers which have been performing trade activities with Group no longer than 6 months

Group 2: Customers which have been performing trade activities with Group over 6 months, without any collection problems during the entire process

Group 3: Customers which have been performing trade activities with Group over 6 months, with several collection problems

There is no trade receivables restructured, or that may be overdue in the case of being not restructured (31 December 2023: None).

As of 31 December 2024, the part of overdue trade receivables for which no impairment was calculated equals USD 8.319 (31 December 2023: USD 8.830). Below is the aging of such trade receivables:

	31 December 2024	31 December 2023
1-30 days overdue	4.217	3.055
1-3 months overdue	2.640	3.448
3- 12 months overdue	1.462	2.327
Total overdue receivables	8.319	8.830
The part under guarantee with collaterals	5.065	2.877

As of 31 December 2024, there is a letter of guarantee amounting to USD 2.603 and a trade receivables credit insurance of USD 2.462 for these receivables (31 December 2023: a letter of guarantee amounting to USD 192 and trade receivables credit insurance of USD 2.685).

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35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives (Continued)

b.2) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

Liquidity risk tables

Conservative liquidity risk management requires maintaining sufficient cash on hand, availability of sufficient loan transactions and fund sources and ability to close market positions.

		Total cash outflows				
	Carrying value	in accordance with contracts (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
31 December 2024						
Non derivative financial liabilities						
Borrowings	328.288	331.023	173.557	85.190	71.317	959
Lease Liabilities	19.156	20.796	1.322	3.366	7.670	8.438
Trade payables	158.839	158.839	158.794	45	-	-
Other payables	38.118	39.078	9.078	15.323	14.677	-
Total liabilities	544.401	549.737	342.751	103.925	93.664	9.397
31 December 2023						
Non derivative financial liabilities						
Borrowings	337.176	344.495	145.451	108.100	87.020	3.924
Lease Liabilities	11.586	12.021	603	2.166	4.067	5.185
Trade payables	293.018	293.018	202.139	90.879	-	-
Other payables	57.713	60.250	10.250	20.000	30.000	-
Total liabilities	699.493	709.784	358.443	221.145	121.087	9.109

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35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives (Continued)

b.2) Liquidity risk

The details of the committed outstanding future contracts as of 31 December 2024 and 2023 are as below;

	Average exchange rates		Buying Amount		Selling amount		Fair value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD buy - TRY sell								
Between 1-3 months	-	31,2677	-	6.000	-	187.606	-	(37)
Between 1-6 months	-	33,4024	-	13.000	-	434.231	-	(113)
USD buy - GBP sell								
Between 1-3 months	0,7980	0,7910	1.002	2.655	800	2.100	(1)	(14)
USD buy - EUR sell								
Between 1-6 months	0,9200	-	4.857	-	4.466	-	214	-
EUR buy - USD sell								
Between 1-3 months	-	1,0707	-	17.000	-	18.202	-	627

(c) Market risk

Market risk includes foreign currency risk, interest rate risk and price risk. The Group is exposed to risks deriving from exchange rates and interest rates. In order to manage these risks, the Group uses derivative financial instruments.

Furthermore, market risk can also be assessed via sensitivity analyses. There are no significant changes in the methods that are being used by the Group in assessing the market risk and other risks.

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35. FINANCIAL RISK MANAGEMENT (Continued)

(d) Foreign currency risk management

Transactions in foreign currencies results in foreign currency risk. Foreign currency risk is managed by using derivative financial instruments such as foreign currency forwards.

Foreign currency sensitivity

The Group is mainly exposed to EUR, TRY and GBP foreign currency risk.

The following table details the Group's sensitivity to a 20% change in the EUR, TRY and GBP exchange rates. 20% (31 December 2023: 20% change) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis below have been determined based on the exposure to interest rates at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. The negative amount indicates the revaluation of EUR, TRY and GBP against USD.

	31 December 2024			
	Profit/(loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
1- EUR net assets/liabilities	(10.230)	10.230	2.095	(2.095)
2- EUR hedged from risks (-)	-	-	-	-
3- EUR net effect (1+2)	(10.230)	10.230	2.095	(2.095)
4- TRY net assets/liabilities	(883)	883	-	-
5- TRY hedged from risks (-)	-	-	-	-
6- TRY net effect (4+5)	(883)	883	-	-
7- GBP net assets/liabilities	129	(129)	-	-
8- GBP hedged from risks (-)	-	-	-	-
9- GBP net effect (7+8)	129	(129)	-	-
TOTAL (3 + 6 + 9)	(10.984)	10.984	2.095	(2.095)

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35. FINANCIAL RISK MANAGEMENT (Continued)

(d) Foreign currency risk management (Continued)

	31 December 2023			
	Profit/(loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
1- EUR net assets/liabilities	(10.535)	10.535	2.896	(2.896)
2- EUR hedged from risks (-)	-	-	-	-
3- EUR net effect (1+2)	(10.535)	10.535	2.896	(2.896)
4- TRY net assets/liabilities	1.468	(1.468)	-	-
5- TRY hedged from risks (-)	-	-	-	-
6- TRY net effect (4+5)	1.468	(1.468)	-	-
7- GBP net assets/liabilities	369	(369)	-	-
8- GBP hedged from risks (-)	-	-	-	-
9- GBP net effect (7+8)	369	(369)	-	-
TOTAL (3 + 6 + 9)	(8.698)	8.698	2.896	(2.896)

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35. FINANCIAL RISK MANAGEMENT (Continued)

(d) Foreign currency risk management (Continued)

The assets and liabilities in foreign currencies that are being held by the Group as of 31 December 2024 and 2023 are as follows, in the original currencies and amounts, and denominated in their USD equivalents:

	31 December 2024				31 December 2023			
	TRY	EUR	GBP	USD equivalents	TRY	EUR	GBP	USD equivalents
1 Trade receivables	926.810	37.579	814	66.419	1.813.129	29.410	1.751	96.360
2a Monetary financial assets (including cash and cash equivalents)	143.257	1.746	36	5.923	62.436	3.993	654	7.371
3 Other	539.108	299	-	15.592	1.016.907	316	-	34.893
4 Current Assets (1+2+3)	1.609.175	39.624	850	87.934	2.892.472	33.719	2.405	138.624
5 Trade receivables	-	-	-	-	-	-	-	-
6a Monetary Financial Assets	-	-	-	-	-	-	-	-
6b Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7 Other	5.783	9	-	174	-	-	-	-
8 Non-Current Assets (5+6+7)	5.783	9	-	174	-	-	-	-
9 TOTAL ASSETS (4+8)	1.614.958	39.633	850	88.108	2.892.472	33.719	2.405	138.624
10 Trade payables	393.032	16.234	9	28.135	407.941	11.025	56	26.128
11 Financial liabilities	1.187.080	50.482	-	86.151	1.614.263	52.631	-	113.072
12a Other monetary liabilities	255.812	1.452	34	8.806	643.530	581	-	22.503
13 Short-term liabilities (10+11+12)	1.835.924	68.168	43	123.092	2.665.734	64.237	56	161.703
14 Trade payables	-	-	-	-	-	-	-	-
15 Financial liabilities	34.771	20.580	-	22.413	10.627	17.087	-	19.268
16a Other monetary liabilities	-	-	-	-	-	-	-	-
17 Long-term liabilities (14+15+16)	34.771	20.580	-	22.413	10.627	17.087	-	19.268
18 TOTAL LIABILITIES (13+17)	1.870.695	88.748	43	145.505	2.676.361	81.324	56	180.971
19 Net asset and liability positions of derivatives out of statement of financial situation(19a-19b)	100.000	-	(800)	1.832	(621.837)	17.000	(2.100)	(4.983)
19a Total Hedged Assets	-	-	-	-	-	17.000	-	18.811
19b Total Hedged Liabilities	(100.000)	-	800	(1.832)	621.837	-	2.100	23.794
20 Net foreign currency Asset/(Liability) position (9-18+19)	(155.737)	(49.115)	7	(55.565)	(405.726)	(30.605)	249	(47.330)
21 Monetary Items Net Foreign Currency Asset/(Liability) (=1+2a+3+5+6a-10-11-12a-14-15-16a)	(261.520)	(49.124)	807	(57.571)	216.111	(47.605)	2.349	(42.347)
22 Fair value of the financial instruments used for foreign currency hedging	-	-	-	-	(3.339)	568	-	(127)
23 Total Hedged Assets in Foreign Currency	100.000	-	(800)	1.832	(621.837)	17.000	(2.100)	(4.983)
24 Total Hedged Liabilities in Foreign Currency	-	-	-	-	-	-	-	-

From 1 January 2024 to 31 December 2024, the Group imported amounting to 130.731 USD, 10.018 EUR, 7.010 JPY and 349 CHF and exported amounting to 165.442 USD, 91.735 EUR ve 4.968 GBP (From 1 January 2023 to 31 December 2023, the Group imported amounting to 210.220 USD, 20.991 EUR and 63 GBP and exported amounting to 165.563 USD, 81.527 EUR ve 5.638 GBP)

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35. FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest rate risk

The interest rates on the Group's financial liabilities are detailed in Note 7, Bank Borrowings, Short Term and Long Term.

The Group's exposure to interest rate risk is related to its financial liabilities. These risks are managed by the Group through the interest rate swap agreements and forward interest rate agreements and by maintaining an appropriate distribution between fixed and variable rated debts. Hedging strategies are evaluated regularly to be compatible with interest rate expectations and defined risk. Thus, the creation of optimal hedging strategy, revision of the balance sheet position both and to be kept under the control of interest expenditure at different interest rates have been intended. The interest rate is fixed for significant portion of the Group's borrowings when the borrowing is obtained. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the income and loss effect of variable rate borrowings in the financial statements would be immaterial.

(f) Price risk

The Group is exposed to price risks arising from the cost of raw material inventories and the steel price changes affecting the sales prices except pipeline projects. Projects has not been affected by change in steel prices due to fixed the raw materials prices at the beginning. There are no global derivative instruments to be utilized against the adverse price change effect on the sales margins. The Group optimizes inventory turnover rates by reviewing the sales-production-purchase balance on a consistent basis considering the steel price trend and reflects the changes on steel prices to the selling prices.

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35. FINANCIAL RISK MANAGEMENT (Continued)

(f) Price risk (Continued)

31 December 2024	Financial assets or liabilities measured with amortized cost method	Financial assets or liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Carrying amount
<u>Financial assets</u>				
Cash and cash equivalents	66.784	-	-	66.784
Trade receivables	149.345	-	-	149.345
Due from related parties	118	-	-	118
Financial investments	71	101.190	-	101.261
Other receivables	17.087	-	-	17.087
Other receivables from related parties	20	-	-	20
Derivatives	-	-	213	213
<u>Financial liabilities</u>				
Borrowings	347.444	-	-	347.444
Trade payables	155.530	-	-	155.530
Due to related parties	3.309	-	-	3.309
Other payables	38.118	-	-	38.118
31 December 2023				
<u>Financial assets</u>				
Cash and cash equivalents	129.376	-	-	129.376
Trade receivables	186.984	-	-	186.984
Due from related parties	10.078	-	-	10.078
Financial investments	71	82.460	-	82.531
Other receivables	17.346	-	-	17.346
Derivatives	-	-	463	463
<u>Financial liabilities</u>				
Borrowings	348.762	-	-	348.762
Trade payables	287.866	-	-	287.866
Due to related parties	5.152	-	-	5.152
Other payables	57.713	-	-	57.713

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36. FINANCIAL INSTRUMENTS

Below table is the reconciliation of fair values of financial assets and liabilities;

	Financial assets at fair value through profit or loss		Financial assets at fair value through comprehensive income	
	Trading purpose	Derivative financial instruments	Financial investments	Total
31 December 2024				
Opening balance	-	463	82.460	82.923
Total gain or losses				
- Recognized in profit and loss	-	(463)	-	(463)
- Recognized in other comprehensive income	-	213	18.730	18.943
Closing balance	-	213	101.190	101.403
31 December 2023				
Opening balance	-	(2.264)	64.790	62.526
Total gain or losses				
- Recognized in profit and loss	-	2.727	-	2.727
- Recognized in other comprehensive income	-	-	17.670	17.670
Closing balance	-	463	82.460	82.923

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data.

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

	Level 1 USD	Level 2 USD	Level 3 USD
31 December 2024			
Permanent fair value measurements:			
Derivative financial instruments at fair value through comprehensive income statement	-	213	-
Financial investment	-	-	101.190
Property, plant and equipment	-	678.311	-
Non-permanent fair value measurements:			
Assets held for sale	-	36.150	-
31 December 2023			
Permanent fair value measurements:			
Derivative financial instruments at fair value through comprehensive income statement	-	-	-
Financial investment	-	-	82.460
Property, plant and equipment	-	636.452	-
Non-permanent fair value measurements:			
Assets held for sale	-	99.283	-

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38. SUBSEQUENT EVENTS

In accordance with the resolution adopted at the Extraordinary General Assembly Meeting held on December 31,2024, the transaction of the merger of BMB Holding A.Ş. into Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. has been completed through the “transfer” of all its assets and liabilities as a whole to Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş., resulting in its dissolution without liquidation and increasing the capital of 141.750.000 Turkish Lira by 21.582,28 Turkish Lira was completed with the registration in the trade registry on January 10,2025.

DISCLAIMER

This Annual Report (“Report”) is prepared solely to provide information to the shareholders, and is not intended to form the basis of any investment decisions. The realization of forward-looking opinions and estimated figures in this Report may differ depending on the variables and assumptions on which the relevant estimates are based. Accordingly, Borusan Pipe, and its Board members, advisors, or employees shall not be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in, or omission from, this Report, or on any other information or communications in connection with the Report.

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