



BORUSAN BİRLEŞİK BORU FABRİKALARI SANAYİ ve TİCARET A.Ş.

1 January – 31 March 2024

Interim Report

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I. INTRODUCTION

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

Title of the Company : Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.
Reporting Period : 01.01.2024 – 31.03.2024
Trade Registry Number : 69531
Head Office Address : Meclisi Mebusan Caddesi No: 35-37, 34427 Beyoğlu- İstanbul

As of March 31, 2024, the consolidated subsidiaries of the Company, the controlling interest of the Company in these subsidiaries and their scope of activities are as follows:

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

1. Board Members and Board Committees

Pursuant to the decision of the Ordinary General Assembly Meeting dated May 23, 2023, names of board of directors' members who will serve until the next Ordinary General Assembly Meeting to be held, are listed below¹.

Name - Surname	Title	Dependent/ Independent	Executive/ Non-Executive
Semih Abidin Özmen	Chairman		Non-Executive
Erkan Muharrem Kafadar	Vice Chairman and Managing Director		Executive
Defne Kocabıyık Narter	Board Member		Non-Executive
Levent Kocabıyık	Board Member		Non-Executive
Muhammet Hüseyin Hamedî	Board Member		Non-Executive
Ahmet Murat Selek	Board Member	Independent	Non-Executive
İbrahim Romano	Board Member	Independent	Non-Executive
Bülent Bozdoğan	Board Member	Independent	Non-Executive

¹ At the board of directors meeting dated November 27, 2023, due to the resignation of board member and vice president Mr. Burkhard Becker, Mr. Muhammet Hüseyin Hamedî has been appointed as member of BoD, and Mr. Erkan Muharrem Kafadar has been appointed as the vice president of the BoD. Additionally, in place of the resigning board member Mr. Alexander Eckhard Soboll, Mr. Levent Kocabıyık has been appointed as member of BoD. It has been decided that they will serve the same term as the other board members in accordance with Article 363 of the Turkish Commercial Code (TCC) and it has been decided to submit the said appointments for approval at the first general assembly meeting.

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

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

As per the resolution of the Board dated February 15, 2024, Ms. Ekin Taş, who started her role as the Investor Relations Manager on the same date, was also appointed as a member of the Corporate Governance Committee, succeeding Mr. Selman Çataltaş.

As of March 31, 2024, the Board Committees and their Members are as follows.

Audit Committee

Name - Surname	Title	Essence of the Board Membership
Bülent Bozdoğan	Audit Committee Chairman	Independent BoD Member
Ahmet Murat Selek	Audit Committee Vice Chairman	Independent BoD Member

Corporate Governance Committee

Name - Surname	Title	Essence of the Board Membership
İbrahim Romano	Corporate Governance Committee Chairman	Independent BoD Member
Erkan Muharrem Kafadar	Corporate Governance Committee Vice Chairman	Vice Chairman and Managing Director
Muhammet Hüseyin Hamedî	Corporate Governance Committee Member	BoD Member
Ekin Taş	Corporate Governance Committee Member	Not a BoD Member

Early Detection of the Risk Committee

Name - Surname	Title	Essence of the Board Membership
Ahmet Murat Selek	Early Detection of the Risk Committee Chairman	Independent BoD Member
Semih Abidin Özmen	Early Detection of the Risk Committee Vice Chairman	Chairman
Levent Kocabıyık	Early Detection of the Risk Committee Member	BoD Member

2. Senior Management

As of March 31, 2024, the senior management of the Company is composed of the executives whose titles and duties are indicated in the table below:

Name - Surname	Duty	Profession	Work Experience in the Company (years)	Professional Experience (years)
Zafer Atabey	CEO	Business and Administration	33	33
Uğur Onbaşı	Executive Board Member Turkey Infrastructure Projects Segment & USA Supply Chain and Procurement	Business and Administration	25	28
Ali Okyay	Executive Board Member Automotive Segment	Industrial Engineer	24	24
Oğuzhan Kuşcuoğlu	Executive Board Member Construction and General Industry Segment	Economist	20	23
Anıl Karaca	Executive Board Member Finance and Foreign	Business and Administration	3	23
Nihan Alhan	Executive Board Member Human and Sustainability	Business and Administration	3	21
Serdar Birlikçi	Executive Board Member Digital Technologies and New Product	Electronic Engineer	3	29
Joel Johnson	Executive Board Member USA OCTG Segment	Civil Engineer	10	34
Ingo Riemer	Executive Board Member USA Large Diameter Pipe Segment	Mechanical Engineer	2	32

3. Payments Made to the Senior Management

Senior management is composed of the Company's board members and executive committee members. Senior managers are paid fees such as performance-based bonuses, incentives. These fees are determined taking into account current potential risks, capital and liquidity condition as well as possibility and timing of the realization of revenues planned to be generated in the future and in a manner not to impair the shareholders' equity. While senior managers can be paid performance-based incentives, it is ensured with care that such payments have a positive impact on the Company's corporate values. The total amount of salaries and side benefits paid to the senior management for the period ending on March 31, 2024 is TRY80,155 ths.

4. Employees

As of March 31, 2024, total number of employees with the Group is 2,647.

Number of Employees	31 March 2024	31 December 2023
Blue Collar	2,101	2,057
White Collar	546	535
Total	2,647	2,592

5. Capital Increases Realized During the Period

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

6. Securities Issued During the Period

No securities has been issued during the period.

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

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

8. Shareholders

Trade Name of Shareholder	Amount of Share	Share (%)
BMB Holding A.Ş. ("BMBH")	104,157	73.48
Float and Other	37,593	26.52
Total (TRY 000)	141,750	100.00

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

II. EVALUATION REGARDING OPERATIONS

1. Economic Outlook and Sectoral Assessment

The USA economy, following growth rates of 3.4% y-o-y in the fourth quarter of 2023 and 2.5% y-o-y for the full year of 2023, exhibited a below-expectation increase of 1.6% y-o-y in the first quarter of 2024. According to the IMF's April 2024 report, the USA economy is expected to grow by 2.7% in 2024, while the Fed's growth projection for 2024 stands at 2.1%.

In the USA, the Consumer Price Index (CPI) exceeded expectations, rising by 0.4% on a monthly basis and by 3.5% y-o-y in March.

The Fed, in its May meeting, decided to keep the policy interest rate unchanged within the range of 5.25% to 5.5%. This marks the sixth consecutive meeting since the last interest rate hike in July 2023 that the Fed has maintained the policy interest rate unchanged. According to the latest projections, Fed members continue to hold expectations of a 75 basis point interest rate cut in 2024.

Projections for the USA Economy (Median)*									
	2024		2025		2026		Long-run		
	Mar-24	Dec.23	Mar-24	Dec.23	Mar-24	Dec.23	Mar-24	Dec.23	
Real GDP Growth (%)	2.1	1.4	2.0	1.8	2.0	1.9	1.8	1.8	
Personal Consumption Expenditures (PCE) Inflation (%)	2.4	2.4	2.2	2.1	2.0	2.0	2.0	2.0	
Unemployment Rate (%)	4.0	4.1	4.1	4.1	4.0	4.1	4.1	4.1	
Federal Funds Rate (%)	4.6	4.6	3.9	3.6	3.1	2.9	2.6	2.5	

(*) Projections of the Federal Reserve officials.

Source: The USA Federal Reserve

The Euro area, which grew by 0.4% y-o-y in 2023, exhibited growth of 0.4% y-o-y in the first quarter of 2024, surpassing expectations. According to the IMF's April 2024 report, the Euro area is projected to grow by 0.8% y-o-y in 2024.

In the Euro area, the Consumer Price Index (CPI) recorded an increase of 2.4% compared to the same period of the previous year in March, which was below expectations.

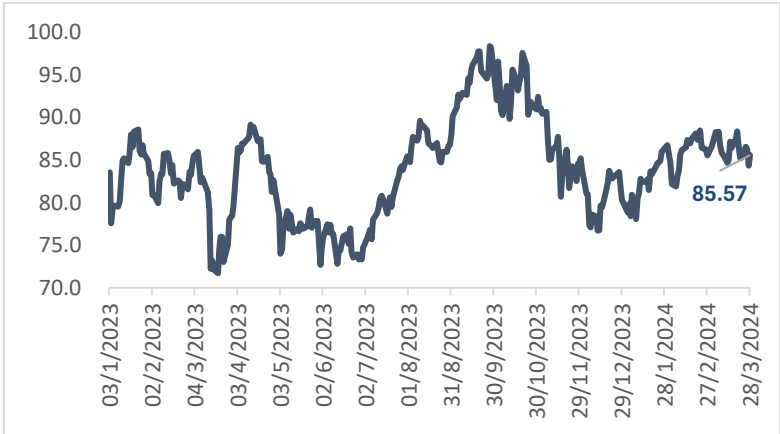
In its April meeting, the European Central Bank (ECB) kept its three key policy rates unchanged in line with expectations (refinancing operations rate: 4.5%, deposit facility rate: 4%, marginal lending facility rate: 4.75%). Since the interest rate hike decision in September 2023, the ECB has not made any changes. The bank noted that past increases in interest rates have contributed to combating inflation by suppressing demand and emphasized its commitment to achieving the medium-term inflation target of 2%.

European Central Bank (ECB) Euro Area Projections						
	2024		2025		2026	
	Mar-24	Dec.23	Mar-24	Dec.23	Mar-24	Dec.23
Real GDP Growth (%)	0.6	0.8	1.5	1.5	1.6	1.5
Inflation (%)	2.3	2.7	2.0	2.1	1.9	1.9

Source: Reuters

During the first quarter of the year, increased geopolitical risks leading to supply-side concerns and decisions by OPEC+ members to extend production cuts until June have resulted in an increase in oil prices. Brent crude oil, which closed the year 2023 at \$80.3 per barrel, rose by 6.6% to \$85.57 per barrel by the end of March.

Brent Crude Oil Price (\$/per barrel)

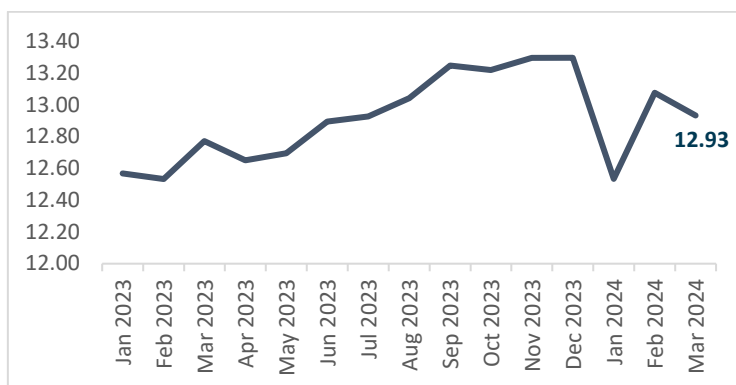


Source: Refinitiv

In its April report, the USA Energy Information Administration (EIA) updated its forecast for the average Brent crude oil price for the entire year of 2024 and the second quarter upwards. The EIA stated that it expects the average Brent crude oil price to be \$90 per barrel in the second quarter, up from \$84.9 in the first quarter, and to average \$89 per barrel for the full year of 2024.

In the USA, crude oil production increased by 2% in the first quarter of 2024 compared to the same period of the previous year, reaching an average of 12.9 million barrels per day. As of March, monthly crude oil production stands at 12.9 million barrels per day.

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



Source: EIA Short-Term Energy Outlook, April 2024

According to the April 2024 report of the EIA, the USA crude oil production is forecasted to be 13.2 million barrels per day in 2024.

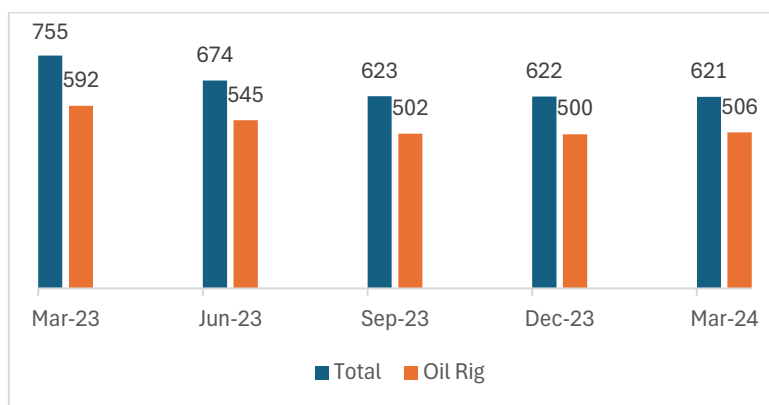
EIA Oil Forecasts

	2022	2023	2024	2025
Brent Crude Oil Price (\$/per barrel)	101.0	82.0	89.0	87.0
% change		-0.19	0.09	-0.02
The USA Crude Oil Production (million barrels/ per day)	11.9	12.9	13.2	13.7
% change		0.08	0.02	0.04

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

As of the last week of March 2024, the total count of rigs in the USA decreased by 134 compared to the same period of the previous year, reaching 621. The count of oil rigs decreased by 86 to reach 506.

Rig Count



Source: Baker Hughes

The Turkish economy grew by 4.0% y-o-y in the last quarter of 2023 and by 4.5% for the full year. The industrial production index, one of the leading indicators of growth, averaged 102.2 in the first two months of 2024, marking an increase of 8.1% y-o-y compared to the same period of the previous year.

In April, the Consumer Price Index (CPI) showed an increase of 69.8% y-o-y, while the Domestic Producer Price Index increased by 55.66% y-o-y.

The Central Bank of the Republic of Turkey (CBRT) kept its policy rate, the one-week repo rate, unchanged at 50% in its April meeting. In its statement regarding the decision, the CBRT highlighted the continued resilience in domestic demand and emphasized that a tight monetary policy stance will be maintained until a significant and sustained decrease in monthly inflation is achieved in the core trend.

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

Source: The Presidency of Strategy and Budget

In March, the international credit rating agency Fitch upgraded Turkey's credit rating by one notch to B+ and revised the credit rating outlook from 'stable' to 'positive'. Similarly, in May, Standard & Poor's (S&P) upgraded Turkey's credit rating from 'B' to 'B+' in its assessment, while maintaining the credit rating outlook as 'positive'.

Global crude steel production reached 469.1 million tons in the first quarter of the year, marking a 0.5% y-o-y increase. During this period, China's crude steel production decreased by 1.9% y-o-y to 265.5 million tons, while India's crude steel production increased by 9.7% y-o-y to 37.3 million tons. Japan's crude steel production, on the other hand, decreased by 0.8% y-o-y to 21.4 million tons in the first quarter of the year.

In the first quarter of 2024, crude steel production in Turkey reached 9.5 million tons, showing a significant increase of 28.4% y-o-y. With this growth rate, Turkey has become the country with the highest increase in production among the top 15 crude steel producing countries in the world. Steel (final product) consumption increased by 9.0% y-o-y to 9.7 million tons in the first quarter.

In the first quarter of 2024, the volume of steel exports from Turkey increased by 45.9% y-o-y, reaching 3.2 million tons. During the same period, the export value reached \$2.4 billion, up by 24.4% y-o-y. Meanwhile, the volume of steel imports decreased by 3.2% y-o-y to 4.1 million tons, with the import value decreasing by 10.7% y-o-y to \$3.2 billion. The export-to-import ratio in the first quarter of 2024 was 74.9%.

In the first three months of 2024, Turkey's steel pipe exports increased by 13.8% compared to the same period of the previous year, reaching 539 thousand tons. Romania, the USA, and the United Kingdom stand out as the most important export markets.

2. Borusan Boru and its Subsidiaries

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan Boru), established in 1958, pioneers the development of the industry with its 66 years of experience.

73.48% of the company's shares are owned by Borusan Group², one of Turkey's leading conglomerates. In terms of ownership structure, the remaining 26.52% is publicly traded and consists of other shares.

Borusan Boru operates on 3 continents with 11 facilities, covering an area of 1.1 million square meters, with a production capacity of 2 million tons and over 2,500 employees. It offers a range of 4,000 different product varieties and holds a leading position as a welded steel pipe manufacturer in global markets.

The company continues its operations in Turkey with over 1,900 employees, maintaining an annual production capacity of approximately 1,100 thousand tons, including 750 thousand tons of longitudinal welded steel pipes and 300 thousand tons of spiral welded steel pipes. In the first quarter of 2024, the company completed the sale of land and buildings related to the large-diameter pipe production facility located in Gemlik to Borçelik, a company within the Borusan Group, for a total price of \$66 million. This move aimed to strategically position the production facilities in line with the company's strategic objectives and optimize the production of large-diameter pipes. Evaluations are ongoing regarding the sale or relocation of machinery and equipment associated with the production of large-diameter pipes located on the land sold at the Gemlik Facility. The machinery, equipment, land, and buildings used in the production of pipes, which have been manufactured in Turkey for many years and are currently located at our Gemlik Facilities, and offered to customers in the industrial, construction, and automotive segments, are not included in the scope of the relevant sales transaction. The company continues its production activities at Gemlik, Halkalı and Bursa facilities in Turkey.

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

The company also continues its production and sales activities in the USA through its subsidiary, Borusan Pipe US Inc., established with a total investment expenditure of \$150 million. The production activities at the well and drilling pipe manufacturing facility, with a capacity of 300 thousand tons for oil and natural gas extraction activities, commenced in the third quarter of 2014. The facility, built on approximately 500,000 square meters of land, operates with over 400 employees.

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

² Borusan Group is the 100% owner of BMB Holding, which owns 73.48% of the capital. Borusan Group raised its indirect shareholding in Borusan Boru from 56.6% to 73.5% by acquiring a 23% stake of Salzgitter Mannesmann GmbH in the capital of BMB Holding A.Ş. for 52.8 million Euros on the date of 27 November 2023. Following the mentioned transaction, there has been no change in the management control of our Company which was already controlled by Borusan Group and no change in the direct shareholding structure of our Company.

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

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

3. 3M 2024 Management Evaluation

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

In the first quarter of 2024;

The infrastructure and project business line increased its revenue significantly to \$307.4 million compared to the same period of the previous year, with the contribution of Berg Pipe, which has been included to the consolidation as of April 2023.

The industry and construction business line's revenue remained approximately flat on a yearly basis at \$74.7 million, reflecting weak demand in the regions where it operates and stabilization in raw material prices.

Despite the weak demand for automotive pipes in the European market, the revenue of the automotive business line increased by 8.2% compared to the same period last year, reaching \$56.4 million, mainly due to the flat performance in the Turkish market.

The revenues in the energy business line contracted by 64.4% on a yearly basis to \$91 million, as the normalization continued due to the balance of supply-demand conditions in prices.

On a consolidated basis, product sales volume reached approximately 357,000 tons, reflecting an increase of around 65.2% compared to the previous year. Approximately 79% of total sales revenue was generated in global markets, showcasing its continued strong performance abroad.

Revenue generated from the sale of high added value added, particularly pressure, precision and spiral pipes, in total revenue is 86% as of 1Q24. The share of high value-added drilling and well pipe revenue generated especially in the U.S. Market decreased to 17% of the total revenue in this period.

With the acquisition of Berg Pipe, sales volume of high value-added spiral welded pipes increased significantly compared to the previous year, The share of revenue generated from the sales of these pipes in total revenue has increased from 2% to 56% compared to the same period last year.

As a result, consolidated revenue rose by 34.4% to \$529 million.

Due to the normalization of profit margins in the energy business line, driven by the balancing effect of supply-demand dynamics in the market, the EBITDA margin decreased on an annual basis in line with expectations to 8.8%. Meanwhile, EBITDA declined by 59.3% to \$46 million during the same period.

Profit Before Tax decreased by 78.1% y-o-y to \$20 million, while net profit declined by 83.4% to \$12 million.

Thanks to the maintained financial discipline and the policy of reducing working capital requirement, Net Debt decreased from \$357 million in the first quarter of 2023 to \$182 million, and the Net Debt/EBITDA³ multiplier declined from 1.2X to 0.7X during the same period.

4. Other Material Disclosures

- The sale of the land and buildings associated with the large-diameter pipe production facility located in Gemlik District of Bursa Province to Borçelik Çelik Sanayii Ticaret A.Ş., a company within the Borusan Group, for a total of USD 66,000,000 (approximately TL 2,043,703,200), has been completed on February 22, 2024. A payment, totaling USD 32,500,000 (approximately TL 1,006,369,000), was received on the day the transaction completed, while the remaining portion of USD 33,500,000 (approximately TL 1,037,334,200) is scheduled to be collected by December 15, 2024, which is the projected date for the vacant delivery of the real estate. The relevant amount has been secured through a letter of guarantee. <https://www.kap.org.tr/en/Bildirim/1251241>
- As announced in our material disclosure dated March 13, 2024, the investment in Romania encompassing 4,800 square meters indoor area and 21 million units production capacity, was initiated by our subsidiary, Borusan Tube Products SA, in March 2023 to produce products tailored to the needs of automotive customers, has been completed and the trial production activities have commenced. After the gradual commencement of commercial activities of the aforementioned facility, it is expected to contribute approximately 8 million US dollars in revenue to the consolidated financial statements in the second half of the year. <https://www.kap.org.tr/en/Bildirim/1258627>
- Furthermore, in our material disclosure dated the same, the investment in the installation of a 15,000 square meter production line, which will elevate our subsidiary, Borusan Pipe US, to a local producer status in the construction and general industry sectors in the USA and will increase the production capacity of the existing 300,000-ton serving the energy sector in Baytown to 400,000 tons, has been completed and the trial production activities have commenced. After the gradual commencement of commercial activities of the aforementioned facility, it is expected to contribute approximately 50 million US dollars in revenue to the consolidated financial statements in the second half of the year. <https://www.kap.org.tr/en/Bildirim/1258627>
- Our Board of Directors convened and decided to call for the Ordinary General Assembly Meeting of our Company for the year 2023 to be held on Monday, May 27, 2024, at 14:00, at İstinye Mahallesi Sarıyer Caddesi No.77 Sarıyer/İstanbul (Borusan Oto Servis ve Ticaret A.Ş. İstinye Şubesi). The relevant Public Disclosure Platform (KAP) announcement and the accompanying documents can be accessed via the link: <https://www.kap.org.tr/en/Bildirim/1279626>

5. Subsequent Events

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

³ Calculated by taking into account the last 12-month EBITDA.

6. Investments

The total amount of investment realized during the period is TRY589,986 ths. No investment incentive has been utilized within scope of these investments. The facility investment initiated to meet the needs of automotive customers in Romania and the installation of a production line covering 15,000 square meters in the USA have been completed in the first quarter of 2024, with trial production commencing. It is expected that these investments will contribute to the financials in the second half of the year.

7. Research and Development

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

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

8. Capital Market Instruments

No capital market instruments were issued during the period.

9. Donation and Aids

Borusan Mannesmann supports various philanthropic organizations and foundations within the scope of social responsibility consciousness. In this context, total amount of donation and aids realized between January 1 – March 31, 2024 period is TRY14,761ths.

10. Share Price and Market Capitalization

The Company's market capitalization, which was TRY92,138 million (\$3,124 million) based on the closing value of its shares on January 2, 2024, reached TRY89,232 million (\$2,759 million) as of the last trading date on March 29, 2024, at the end of the period.

III. INFORMATION REGARDING FINANCIAL STRUCTURE

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

			<u>March-24</u>	<u>March-23</u>
Current Ratio	$\frac{\text{Current Assets}}{\text{Short Term Liabilities}}$	=	1.26	1.34
Liquidity Ratio	$\frac{\text{Current Assets - Inventories}}{\text{Short Term Liabilities}}$	=	0.56	0.80
Inventory Turnover Ratio	$\frac{\text{Cost of Sales}}{\text{Inventories}}$	=	2.40	3.61
Working Capital Utilization	$\frac{\text{Inventories + Trade Receivables}}{\text{Net Sales}}$	=	48%	40%
Equity Utilization Ratio	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities - Cash}}$	=	49%	53%
Profitability Ratio	$\frac{\text{Net Profit For The Period}}{\text{Net Sales}}$	=	2.2%	18.1%
Asset Efficiency	$\frac{\text{Net Profit For The Period}}{\text{Total Assets}}$	=	0.6%	4.7%
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	=	8.8%	28.9%

Note 1: Calculation of Earnings Before Tax, Interest, Depreciation (TRY 000)	March-24	March-23
Operating Profit / (Loss)*	1,122,279	1,977,727
Depreciation Expenses	360,264	171,722
Within Cost of Sales	325,468	145,108
Within Marketing, Sales and Distribution Expenses	0	2,112
Within General Administrative Expenses	34,796	24,502
Period Expense / (Income) on Provisions for Severance Pay	5,346	(21,023)
Period Expense / (Income) on Provisions for Leave	6,181	0
Other Extraordinary Expense / (Income)	(59,868)	18,855
Earnings Before Tax, Interest, Depreciation (TRY 000)**	1,434,203	2,147,281

* Financial ratios are calculated based on Income Statements of March 31, 2023 and March 31, 2024 periods.

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

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

After the 1Q24 financial results, the company has maintained its expectations for 2024. It expects sales volume in the range of 1.05 million to 1.20 million tons, revenue in the range of \$1.7 billion to \$2.0 billion, and EBITDA margin in the range of 8% to 10% for the full year 2024.

2024 Guidance						
	2020	2021	2022	2023	1Q24	2024 E
Sales Volume (mln tons)	0,625	0,758	0,85	1,06	0,357	1,05-1,20
Revenue (\$ billion)	0,53	0,83	1,34	1,7	0,53	1,7-2,0
EBITDA Margin (%)	%9,9	%9,8	%14,9	%18,2	%8,8	%8-%10

In the first half of 2023, the energy business line achieved higher profitability than the sector average, driven by strong demand in the energy sector and price increases exceeding long-term averages. In 2024, with the balanced supply and demand conditions, it is expected that sales prices will approach the long-term average and profitability will normalize.

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

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

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

In order to ensure sustainable profitability and support its financing capability by maintaining its strong capital structure, the Company carries out hedging derivative transactions for protection purposes in accordance with its internal procedures. In addition, it continues its activities in the field of treasury and corporate finance in order to strengthen its financial structure.

IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Corporate Governance Principles

In the fiscal period between January 1 – March 31, 2024, the Company complied with certain criteria in the Corporate Governance Principles published by the Capital Markets Board, reviewed its articles of association, procedures and practices in terms of compliance with principles, identified the areas where full compliance was not achieved, and carried out improvement studies in these areas. The Company Management has adopted, in principle, to comply with practices in the Corporate Governance Principles. The Corporate Governance Compliance Report and the Corporate Governance Information Form, which includes updated information on corporate governance practices, for the period between January 1 – December 31, 2023 were published simultaneously with the year-end annual report on the Public Disclosure Platform. Further information is available at the following links:

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

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

V. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Principles

Borusan Boru sustainability teams carry out their studies targeting compliance with the Sustainability Principles Compliance Framework prepared in line with the amendment dated October 2, 2020, made by the Capital Markets Board in the Corporate Governance Communiqué. As per the resolution of the Capital Markets Board dated June 23, 2022 and numbered 34/977, compliance with the principles in the Sustainability framework and those that have not yet been complied with are explained. Borusan Mannesmann continues its studies to improve its compliance status in 2024, taking into account the interests of all stakeholders.

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

VI. OTHER INFORMATION

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

I) Material Disclosures and Financial Reports Disclosed on PDP:

[Borusan Boru Disclosures on PDP](#)

II) Investor Presentations:

[Investor Presentations](#)

DISCLAIMER

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

Therefore, the members of the company's board of directors, advisors, or employees do not accept any responsibility for any direct or indirect loss arising from the use or content of the forward-looking expectations shared within this report.