



BORUSAN BİRLEŞİK BORU FABRİKALARI SANAYİ ve TİCARET A.Ş.

1 January – 30 June 2025

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 Türkiye and its shares have been traded on the Istanbul Stock Exchange since 1994.

Title of the Company : Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.
Reporting Period : 01.01.2025 – 30.06.2025
Trade Registry Number : 69531
Head Office Address : Meclisi Mebusan Caddesi No: 35-37, 34427 Fındıklı - İstanbul

As of June 30, 2025, the consolidated subsidiaries of the Company, the controlling interest of the Company in these subsidiaries and their scope of activities are as follows:

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

1. Board Members and Board Committees

As of June 30, 2025, and pursuant to the resolution of the Ordinary General Assembly Meeting held on April 29, 2025, the names of the members of the Board of Directors who will serve until the next Ordinary General Assembly Meeting are listed below.

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

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

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

Pursuant to its resolution dated [April 29, 2025](#), the Board of Directors determined the duties of the members of the Board Committees and disclosed them on the Public Disclosure Platform (PDP). As of June 30, 2025, the Board Committees and their members are as follows:

Audit Committee

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

Corporate Governance Committee

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

Early Detection of the Risk Committee

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

2. Senior Management

As of June 30, 2025, the Group's senior management in charge of execution consists of the individuals listed in the table below, along with their duties and titles.

Name - Surname	Duty	Profession	Experience in the Company (years)	Professional Experience (years)
Zafer Atabey	Chief Executive Officer- CEO	Business and Administration	34	34
Anıl Karaca	Executive Committee Member - Financial Affairs and Foreign Trade	Business and Administration	4	24
Oğuzhan Kuşcuoğlu	Executive Committee Member - Construction and General Industry Segment	Economist	21	24
Ali Okyay	Executive Committee Member - Automotive Segment	Industrial Engineer	25	25
Josh Croix	Executive Committee Member - USA OCTG Segment	Engineer	12	28
Uğur Onbaşı	Executive Committee Member - USA Large Diameter Pipe Segment	Business and Administration	26	29
Dimitris Dimopoulos	Executive Committee Member - Chief Technical and Quality Officer for US Operations	Engineer	14	30

Serdar Birlikçi	Executive Committee Member - Digital Technologies and New Product	Electronic Engineer	4	30
Nihan Alhan	Executive Committee Member - Human and Sustainability	Business and Administration	4	22
Joel Johnson	Advisor to the Chairman of the Executive Committee	Engineer	11	35

3. Payments Made to the Senior Management

Senior management is composed of the Company's board members and executive committee members. Senior managers are paid fees such as performance-based bonuses, incentives. These fees are determined taking into account current potential risks, capital and liquidity condition as well as possibility and timing of the realization of revenues planned to be generated in the future and in a manner not to impair the shareholders' equity. While senior managers can be paid performance-based incentives, it is ensured with care that such payments have a positive impact on the Company's corporate values. The total amount of salaries and side benefits paid to the senior management for the period ending on June 30, 2025 is TL46,389 ths. (June 30, 2024: TL95,951 ths)

4. Employees

As of June 30, 2025, the Group has a total of 2,375 employees.

Number of Employees	30 June 2025	31 December 2024
Blue Collar	1,850	1,895
White Collar	525	526
Total	2,375	2,421

5. Shareholders

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

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

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

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

6. Capital Increases Realized During the Period

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

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

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

8. Securities Issued During the Period

No securities has been issued during the period.

II. EVALUATION REGARDING OPERATIONS

1. Economic Outlook and Sectoral Assessment

In its Global Economic Prospects Report published in June, the World Bank revised its global growth forecast for 2025 down from 2.7% to 2.3%, citing rising trade barriers and heightened global policy uncertainty. This marks the lowest level since 2008, excluding periods of global recession. A modest recovery is projected for 2026 (2.4%) and 2027 (2.6%). The report highlights that, particularly following the tariff crises in April 2025, financial market volatility increased, investment and growth prospects in emerging markets remained weak, and global foreign direct investment (FDI) levels are expected to prevail below those realized in 2008. According to the report, global inflation stands at 2.9%, with inflationary pressures persisting due to elevated service prices. Inflation continues to exceed central bank targets in many countries, while emerging economies remain in search of balance in monetary policy. The World Bank forecasts 2025 growth at 1.4% for the United States, 0.7% for the Euro Zone, and 2.4% for Europe & Central Asia. The growth projection for Turkey has been revised upward by 0.5 percentage points to 3.1%.

Projections for the US Economy (Median)*

	2025		2026		2027		Long- run	
	Jun.25	Mar.25	Jun.25	Mar.25	Jun.25	Mar.25	Jun.25	Mar.25
Real GDP Growth (%)	1.4	1.7	1.6	1.8	1.8	1.8	1.8	1.8
Personal Consumption Inflation (%)	3.0	2.7	2.4	2.2	2.1	2.0	2.0	2.0
Unemployment Rate (%)	4.5	4.4	4.5	4.3	4.4	4.3	4.2	4.2
Federal Funds Rate (%)	3.9	3.9	3.6	3.4	3.4	3.1	3.0	3.0

(*) Projections of the Federal Reserve officials.
Source: The USA Federal Reserve

According to the Federal Open Market Committee (FOMC) Report published in June; the high interest rates and persistent price pressures in the United States have led to a deceleration in consumer spending, while tighter credit conditions have emerged due to the cautious stance of the banking sector. Employment growth has slowed, and with exports and industrial production becoming more sensitive to external shocks, global demand has weakened. As a result, the 2025 growth forecast has been revised downward from 1.7% to 1.4%.

The Consumer Price Index (CPI), on the other hand, rose from 2.4% in May to 2.7% in June. This increase was driven by persistently high core inflation components, ongoing price increases in service categories such as housing and healthcare, labor costs that have not yet returned to levels consistent with the 2% inflation target, and the fading of base effects.

In its June monetary policy meeting, the Federal Reserve held the federal funds rate steady in the target range of 4.25% to 4.50%, in line with its dual mandate of promoting maximum employment and achieving 2% inflation over the longer term. The Committee has stated that, in the upcoming period, it will adjust its monetary policy stance by evaluating economic data—particularly related to employment and inflation—as well as risks, and financial and international developments.

European Central Bank (ECB) Euro Area Projections

	2024		2025		2026		2027	
	Jun.25	Mar.25	Jun.25	Mar.25	Jun.25	Mar.25	Jun.25	Mar.25
Real GDP Growth (%)	0.8	0.8	0.9	0.9	1.1	1.2	1.3	1.3
Inflation (%)	2.4	2.4	2.0	2.3	1.6	1.9	2.0	2.0

Source: ECB

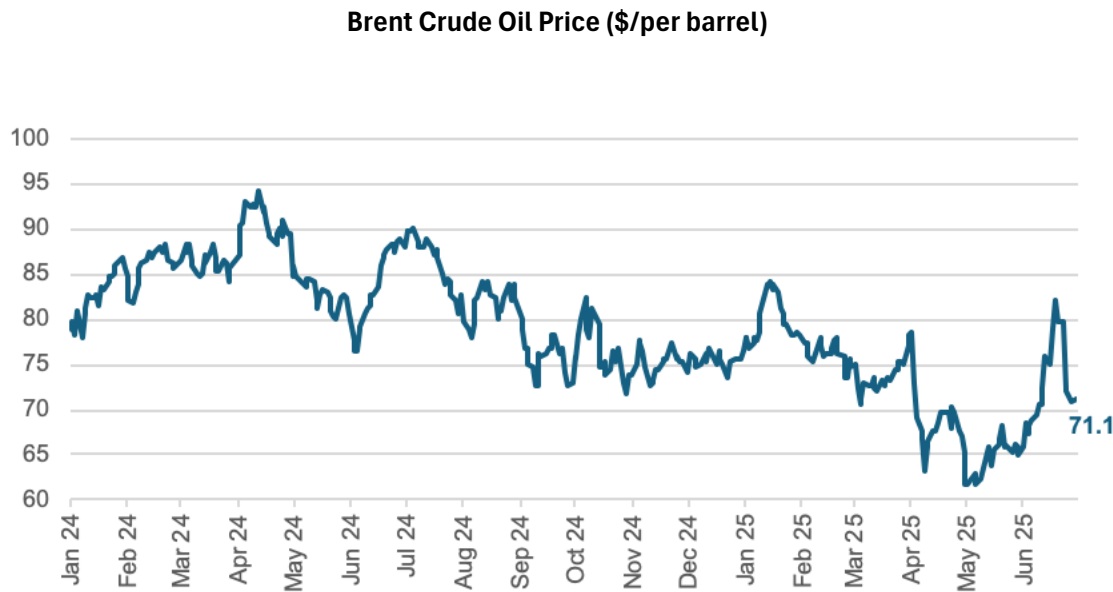
According to the Euro Zone projections published by the European Central Bank (ECB) in June, the early-2025 recovery driven by excessive exports in anticipation of tariffs expected to be imposed by the U.S. on EU products has been overshadowed by trade tensions and global uncertainty. The appreciation of the Euro and elevated tariff levels are expected to exert downward pressure on exports, investment, and consumption. Conversely, rising real wages, employment growth, more accommodative financing conditions, and a recovery in external demand are expected to support a gradual strengthening in economic growth. Accordingly, the ECB has maintained its 2025 growth forecast at 0.9%.

Data released by Eurostat show that inflation in the Euro Zone stood at 2.0% in June. While the decline in energy prices continued to have a stabilizing effect on the CPI, persistently high prices in domestically driven service and food categories contributed to inflation remaining at this level. Citing negative energy inflation resulting from the recent decline in oil and wholesale natural gas prices, the ECB revised its inflation forecast for 2025 downward by 0.3 percentage points, to 2.0%.

At its June meeting, the ECB decided to cut its three key interest rates by 25 basis points, based on its updated assessment of the inflation outlook, underlying inflation dynamics, and the effectiveness of its monetary policy transmission. Accordingly, the deposit facility rate was revised to 2.00%, the main refinancing rate to 2.15%, and the marginal lending facility rate to 2.40%. The Committee stated that, going forward, monetary policy decisions will be made at each meeting based on economic data, with a particular focus on inflation.

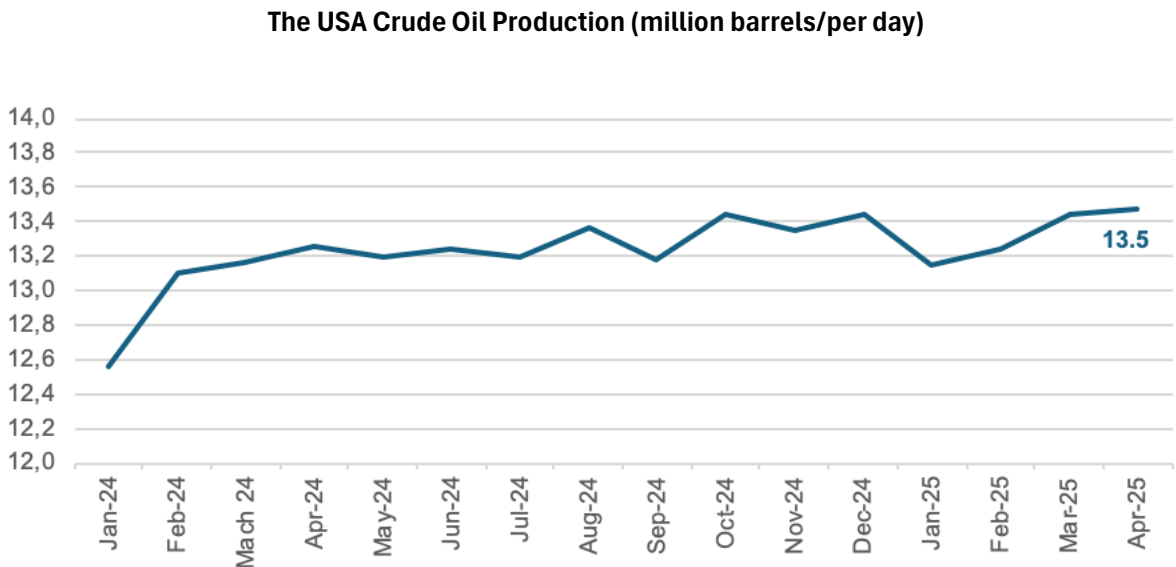
According to the Short-Term Energy Outlook Report published by the U.S. Energy Information Administration (EIA) in July, the global oil demand forecast for 2025 stands at 0.8 million barrels per day, while demand is projected to rise to 1.1 million barrels per day in 2026, primarily driven by non-OPEC countries. The EIA also forecasts global oil production to be at 1.6 million barrels per day in 2025 and by 0.8 million barrels per day in 2026. Amid ongoing

economic uncertainty related to trade tariffs, the price of Brent crude oil rose by 9.2% from \$65.12 at the end of May to \$71.14 as of June 30. However, due to rising oil inventories, the EIA expects Brent crude prices to average \$61 in 2025 and \$59 in 2026. OPEC+ policies, the Russia–Ukraine war, risks in Libya, and trade policies involving China and other countries continue to contribute to uncertainty in energy prices.



Source: Refinitiv

In 2024, crude oil production in the United States increased by 2.1% compared to the previous year, averaging 13.21 million barrels per day. As of April 2025, monthly crude oil production stands at 13.47 million barrels per day.



Source: EIA Short-Term Energy Outlook, June 2025

The EIA projects U.S. crude oil production to reach an average of 13.4 million barrels per day in 2025

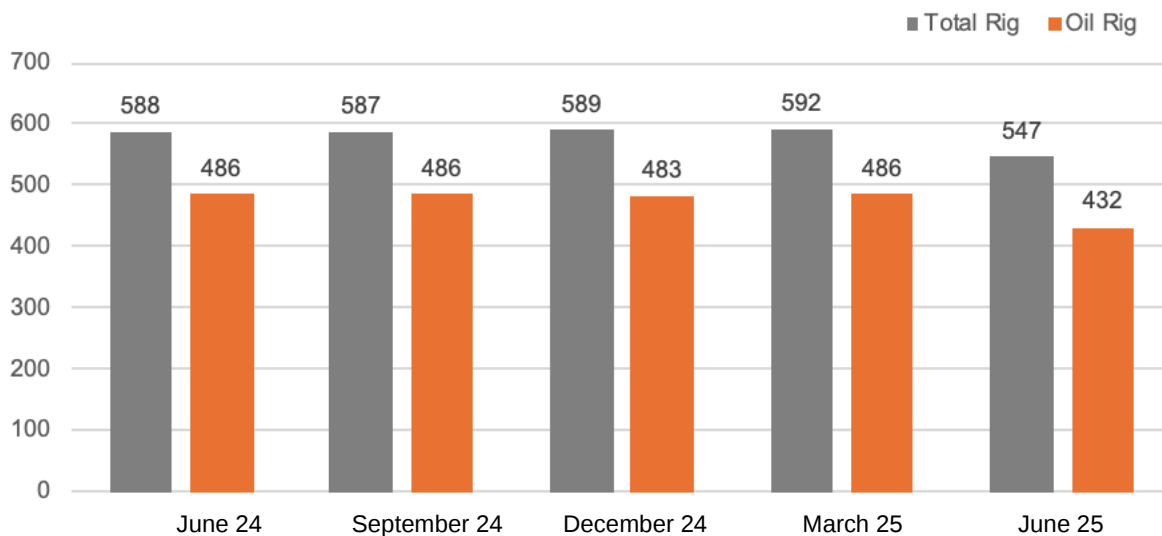
EIA Oil Forecasts

	2023	2024	2025	2026
Brent Crude Oil Price (\$/per barrel)	82.0	81.0	66.0	59.0
% change		-1.2%	-18.5%	-10.6%
The USA Crude Oil Production (million barrels/ per day)	12.9	13.2	13.4	13.4
% change		2.3%	1.5%	0.0%

Source: EIA Short-Term Energy Outlook, June 2025

As of June 2025, the total number of rigs in the United States decreased by 41 year-over-year, reaching 547, while the number of oil rigs declined by 54, falling to 432.

Rig Count



Source: investing.com

According to data released by the Turkish Statistical Institute (TurkStat) in February 2025, the Turkish economy grew by 3.2% in 2024. On the production side, the main contributors to growth were the construction sector, taxes and subsidies, and financial and insurance activities. On the expenditure side, fixed capital investments, household consumption expenditures, and net exports positively contributed to the growth. Based on the calendar-adjusted industrial production index - a leading indicator of growth - the industrial production index averaged 108.2 during April - May, marking a year-on-year increase of 6.4% compared to the same period of the previous year.

In June 2025, inflation rose by 35.05% year-over-year and by 43.23% based on the twelve-month moving average.

At its meeting held on June 19, the Monetary Policy Committee (the Committee) of the Central Bank of the Republic of Turkey emphasized that a tight monetary stance would be maintained until a lasting decline in inflation is achieved, and decided to keep the policy rate - the one-week repo auction rate - unchanged at 46%. The Committee also maintained the Central Bank's overnight lending rate at 49% and the overnight borrowing rate at 44.5%. Stating that interest rate decisions will be taken with a data-driven and meeting-by-meeting approach, the Committee lowered interest rates at its July 24 meeting, citing recent data that indicate an increasing disinflationary impact of demand conditions. Accordingly, the policy rate (one-week repo auction rate) was reduced from 46% to 43%, the overnight lending rate from 49% to 46%,

and the overnight borrowing rate from 44.5% to 41.5%. The Committee reiterated that monetary policy decisions will be formulated to ensure monetary and financial conditions that will bring inflation down to the 5% target over the medium term. It also noted that, should developments in loan and deposit markets diverge from projections, the monetary transmission mechanism would be supported through macroprudential measures.

Medium Term Program (2025 – 2027)

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

Source: The Presidency of Strategy and Budget

On July 25, international credit rating agency Moody's upgraded Türkiye's credit rating by one notch from "B1" to "Ba3" and affirmed its outlook as "stable." With this upgrade, Moody's aligned Türkiye's rating with those assigned by Fitch and S&P. The agency cited the firm stance in monetary policy, declining inflation, and easing macroeconomic imbalances as the main drivers of the upgrade. On the same day, Fitch affirmed Türkiye's credit rating at "BB-" with a "stable" outlook, highlighting persistent high inflation, political interference in monetary policy, low external liquidity relative to elevated financing needs, and weaker governance compared to peers. S&P, in its April review, also maintained Türkiye's long-term credit rating at "BB-" with a "stable" outlook. According to all three agencies, Türkiye's credit rating remains three notches below investment grade.

According to data released by the World Steel Association (worldsteel), global crude steel production in the first six months of 2025 decreased by 2.2% compared to the same period of the previous year, amounting to 934.3 million tons. During this period, the top three producing countries were China with 514.8 million tons (down 3.0%), India with 80.9 million tons (up 9.2%), and Japan with 40.6 million tons (down 5.0%). The United States ranked fourth with 40.2 million tons of production, marking a 0.8% increase year-over-year.

In Türkiye, which ranks seventh in global steel production, crude steel output in the first six months of 2025 decreased by 1.7% year-over-year, amounting to 18.3 million tons. According to data from the Turkish Steel Producers Association (TÇÜD), finished steel product consumption during the same period contracted by 2.6% on an annual basis, declining to 18.6 million tons.

In the January–June period, Türkiye's steel exports rose by 18.6% year-over-year in volume terms, reaching 7.7 million tons. Export revenues also increased by 8.8%, totaling \$5.2 billion. During the same period, import volume grew by 12.6% to 9.3 million tons, while the value of imports declined by 0.3% to \$6.5 billion. As a result, the export-to-import coverage ratio rose to 80.2% in the first half of 2025, up from 73.5% in the same period of the previous year.

In the steel pipe segment specifically, Türkiye's steel pipe exports declined by 3.5% year-over-year in volume during the first six months of 2025, amounting to 1 million tons. Romania, the United Kingdom, and Iraq emerged as the key export markets.

In a statement released by TÇÜD in August, it was noted that the European Commission is planning additional support mechanisms under the Green Deal for Industry, aimed at decarbonization efforts and reducing energy costs. As a result, the possibility of increasing the €16.1 billion in aid provided to the EU steel industry in the first half of 2025 has come to the forefront.

The statement also highlighted that, within the scope of the Inward Processing Regime (IPR) - which allows companies based in Türkiye to import raw materials, semi-finished goods, or products without paying customs duties or VAT, provided they are used in the production of goods for export - imports for certain product groups have reached nearly 100%. This regime is intended solely to meet needs that cannot be fulfilled by domestic production.

On the other hand, it was emphasized that, in light of additional protectionist measures taken by countries in response to U.S. and EU tariffs, it is critical to implement safeguards against trade deflection, whereby diverted imports are redirected to Türkiye. Such measures are deemed essential for narrowing the sector's current account deficit.

The aforementioned factors negatively affect the capacity utilization rates and profitability of domestic producers, resulting in a competitive disadvantage in the Turkish market.

2. Borusan Pipe and its Subsidiaries

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

73.48% of the company's shares are owned by Borusan Group¹, one of Türkiye's leading conglomerates. In terms of ownership structure, the remaining 26.52% is publicly traded and consists of other shares.

Borusan Pipe operates on 3 continents with 10 facilities, covering an area of 1 million square meters, with a production capacity of 1.75 million tons and over 2,300 employees. It offers a range of 4,000 different product varieties and holds a leading position as a welded steel pipe manufacturer in global markets.

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

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

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

The Company's SRM facility, established on a 15,000 m² area in Baytown, USA with an investment of \$50 million and an annual production capacity of 100,000 tons, commenced

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

commercial operations in the third quarter of 2024. This investment has enabled the addition of construction and industrial segment products - previously not locally manufactured in the U.S. - to the Company's portfolio, thereby allowing entry into a market segment that exclusively favors domestic producers.

In line with Borusan Pipe's strategy to expand its automotive business line, a service center was established in Ploiești, Romania, with an investment of €15 million. Built on a 4,800 m² area and equipped with an annual production capacity of 21 million units, the facility also began commercial operations in the third quarter of 2024.

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

At its meeting held on [June 19, 2025](#), the Board of Directors of Borusan Pipe resolved to relocate the production lines in İstanbul Halkalı and the machinery and equipment of the advanced processing center in Bursa to the Gemlik Campus, in line with the Company's strategic objectives of sustainable growth, profitability, and operational efficiency. The projected financial scale of this strategic investment includes a capital expenditure (CAPEX) of approximately \$29 million, as well as a one-off cash outlay of around \$27 million related to relocation, installation, and other operational readiness processes. The investment, which is expected to enable a stable and efficient operational structure that will strengthen the Company's long-term competitiveness, will be financed through Company's existing internal resources and/or external financing depending on market conditions. Upon completion of the project, an improvement of approximately \$30 million in working capital and a contribution of 50 to 100 basis points to the consolidated EBITDA margin are anticipated. The project is planned to be implemented over 24 months without any interruption to production. Once completed, the Gemlik Campus will become a highly efficient, strategic hub integrating operations across various sectors such as automotive, construction, and industry. The consolidation of operations is expected to enhance coordination, accelerate decision-making processes, and create synergies in resource utilization.

3. 1H 2025 Management Evaluation

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

In the first half of 2025;

In the *Infrastructure and Projects* business line, although sales volume increased in the second quarter due to deliveries under the Blackcomb Mainline Project in North America, it declined by 43.5% compared to 1H24, primarily due to the base effect of projects completed in the prior year. During the same period, revenue decreased by 44.9% to \$269.3 million. This business line accounted for 35% of consolidated revenues. In the second half of the year, deliveries for the Blackcomb Project will continue.

In the *Industrial and Construction* business line, despite weaker demand in operating regions leading to lower volumes in early 2024, sales volume rose by 42.3%, supported by the contribution of the SRM plant, which commenced operations in 3Q24. Accordingly, revenue also increased by 45.7%, reaching \$211.2 million. This segment represented 27% of consolidated revenues.

In the *Automotive* business line, sales volume declined by 3.2% year-on-year due to subdued demand in the European pipe market. Revenue contracted by 7.0% to \$100.2 million, reflecting continued price pressure amid intense competition. This business line constituted 13% of consolidated revenues.

In the *Energy* business line, sales volume increased by 6.8% in the first half compared to the same period last year. Revenue, supported by the favorable pricing environment driven by tariff uncertainty in OCTG products, recorded a limited decline of 2.9% in the first half to \$193.8 million. This segment accounted for 25% of consolidated revenues. In the fourth quarter of the year, the favorable pricing environment observed in OCTG products is expected to normalize.

Borusan Pipe sustained its strong performance in global markets by generating 82% of its total sales revenue from international markets.

As a result, on a consolidated basis, sales volume declined by approximately 5.6% year-over-year, reaching 584.6 thousand tons, while sales revenue decreased by 17.7% to \$774.6 million.

In the second quarter, operational profitability improved thanks to the ongoing strict cost control measures.

Nevertheless, operational profitability in the first half of the year was adversely affected compared to the same period of the previous year, primarily due to the inflationary environment in Türkiye, demand pressure in operating markets, and pricing challenges.

In 1H25, EBITDA declined by 37.6% compared to the same period of the previous year, amounting to \$53.5 million, while the EBITDA margin decreased to 6.9%.

In 1H25, net financial debt declined compared to last year, while the share of TL-denominated financial debt in total indebtedness also decreased. As a result of this, lower financing expenses enabled Borusan Pipe to record \$17.2 million in Profit Before Tax (1H24 Profit Before Tax: \$31.4 million) and \$14.9 million in Net Profit. (1H24 Net Profit: \$20.3 million)

Thanks to the strong financial discipline and effective working capital management, net financial debt decreased by 40.6% year-over-year to \$222.7 million. The Net Financial Debt/EBITDA ratio stood at 3.2x.

4. Other Material Disclosures

- The [appointment of Corporate Governance Committee member](#) was disclosed on the PDP on April 4, 2025.
- The 2024 Ordinary General Assembly Meeting was held on April 29, 2025, and was followed by the public disclosure of the announcements listed below:
 - [Resolution of the Ordinary General Assembly](#)
 - [Decision on Dividend Distribution](#)
 - [Approval of the Independent Audit Firm](#)
 - [Assignment of Duties among the Board Members](#)
 - [Determination of Board Committee Memberships](#)

- The registration of the Ordinary General Assembly resolutions was disclosed to the public on May 6, 2025.
 - [Registration of the Ordinary General Assembly](#)
 - [Registration of the Independent Audit Company](#)
- 1Q 2025 financial results were disclosed to the public on May 8, 2025:
 - [Financial Report](#)
 - [Interim Report](#)
 - [Statement of Responsibility](#)
 - [1Q 2025 Investor Presentation, Financial Results Announcement, and 2025 Guidance](#)

5. Subsequent Events

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

6. Investments

The total amount of investment realized during the period was TL694,165 ths. (1H24: TL1,037,322 ths)

7. Research and Development

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

8. Capital Market Instruments

No capital market instruments were issued during the period.

9. Donation and Aids

Borusan Mannesmann supports various philanthropic organizations and foundations within the scope of social responsibility consciousness. In this context, total amount of donation and aids realized between January 1 - June 30, 2025 period is TL45,115 ths. (1H24: TL28,008 ths)

10. Share Price and Market Capitalization

Borusan Pipe's adjusted market capitalization, which was TL61,104 million (\$1,729 million) based on the share closing price as of December 31, 2024, stood at TL45,792 million (\$1,151 million) as of June 30, 2025, the last trading day of the first half of the year.

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:

			June-25	June-24		
Current Ratio	$\frac{\text{Current Assets}}{\text{Short Term Liabilities}}$	=	1.20	1.33		
Liquidity Ratio	$\frac{\text{Current Assets} - \text{Inventories}}{\text{Short Term Liabilities}}$	=	0.55	0.54		
Inventory Turnover Ratio	$\frac{\text{Cost of Sales}}{\text{Inventories}}$	=	2.60	3.08		
Working Capital Utilization	$\frac{\text{Inventories} + \text{Trade Receivables}}{\text{Net Sales}}$	=	51.8%	38.9%		
Equity Utilization Ratio	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities} - \text{Cash}}$	=	49.0%	50.6%		
Profitability Ratio	$\frac{\text{Net Profit For The Period}}{\text{Net Sales}}$	=	1.9%	2.2%		
Asset Efficiency	$\frac{\text{Net Profit For The Period}}{\text{Total Assets}}$	=	-0.6%	4.8%		
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	=	6.9%	9.1%		
Return on Equity (ROE)	$\frac{\text{Net Profit For The Period}}{\text{Shareholders' Equity}}$	=	-1.2%	9.9%		
Note 1: Calculation of Earnings Before Tax, Interest, Depreciation			June 25 (TL ths)	June 24 (\$ ths)	June 24 (TL ths)	June 24 (\$ ths)
Operating Profit / (Loss)			1,233,212	32,202	2,016,177	63,987
Depreciation Expenses			905,376	24,151	659,680	20,873
Other Extraordinary Items			(108,032)	(2,885)	25,477	806
Earnings Before Tax, Interest, Depreciation*			2,030,556	53,468	2,701,334	85,666

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

For balance sheet efficiency related ratio calculations, \$-based financial figures were used, with the income statement items based on annualized data.

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

2025 Guidance

	2020	2021	2022	2023	1H25	2025 Initial Guidance	2025 Guidance Revision
Sales Volume (mln tons)	0.76	0.85	1.06	1.17	0.58	1.05 - 1.20	-
Revenue (\$ billion)	0.83	1.34	1.7	1.7	0.8	1.6 - 1.8	-
EBITDA Margin (%)	9.8%	14.9%	18.2%	6.0%	6.9%	5% - 7%	-

- In 2Q25, financial results were in line with expectations, supported by improved profitability driven by the positive pricing environment—particularly in the U.S. market—and operational efficiency initiatives implemented across all plants.
- The positive trend is expected to continue in 3Q25.
- In 4Q25, the favorable pricing environment observed in OCTG products in the U.S. market is expected to normalize. In the U.S., the potential impact of possible changes in tariffs applied to steel product imports on operational profitability will be closely monitored. In Turkish operations, cost increases driven by inflation and exchange rate fluctuations are expected to continue to adversely affect the overall competitiveness of the sector in the coming period.
- At this stage, no revisions have been made to the year-end 2025 guidance.
- In line with its outlook for the remainder of the year, Borusan Pipe expects to achieve a sales volume of between 1.05 and 1.20 million tons, revenue in the range of \$1.6 - 1.8 billion, and an EBITDA margin between 5% and 7% in 2025.
- Under normal circumstances, guidance is disclosed four times a year, in conjunction with quarterly financial disclosures.

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

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

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

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

IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Corporate Governance Principles

In the fiscal period between January 1 – June 30, 2025, the Company complied with certain criteria in the Corporate Governance Principles published by the Capital Markets Board, reviewed its articles of association, procedures and practices in terms of compliance with principles, identified the areas where full compliance was not achieved, and carried out improvement studies in these areas. The Company Management has adopted, in principle, to comply with practices in the Corporate Governance Principles.

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

[Corporate Governance Information Form](#)
[Corporate Governance Compliance Report](#)

V. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Principles

Borusan 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, 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 Pipe continues its studies to improve its compliance status in 2025, taking into account the interests of all stakeholders.

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

VI. OTHER INFORMATION

Explanations regarding developments that significantly impacted the Company's operations during the period are provided above. For further information, please refer to the resources below:

[2024 Annual Report](#)

[Consolidated Financial Statements](#)

[Investor Presentations](#)

[Sustainability Reports](#)

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

DISCLAIMER

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