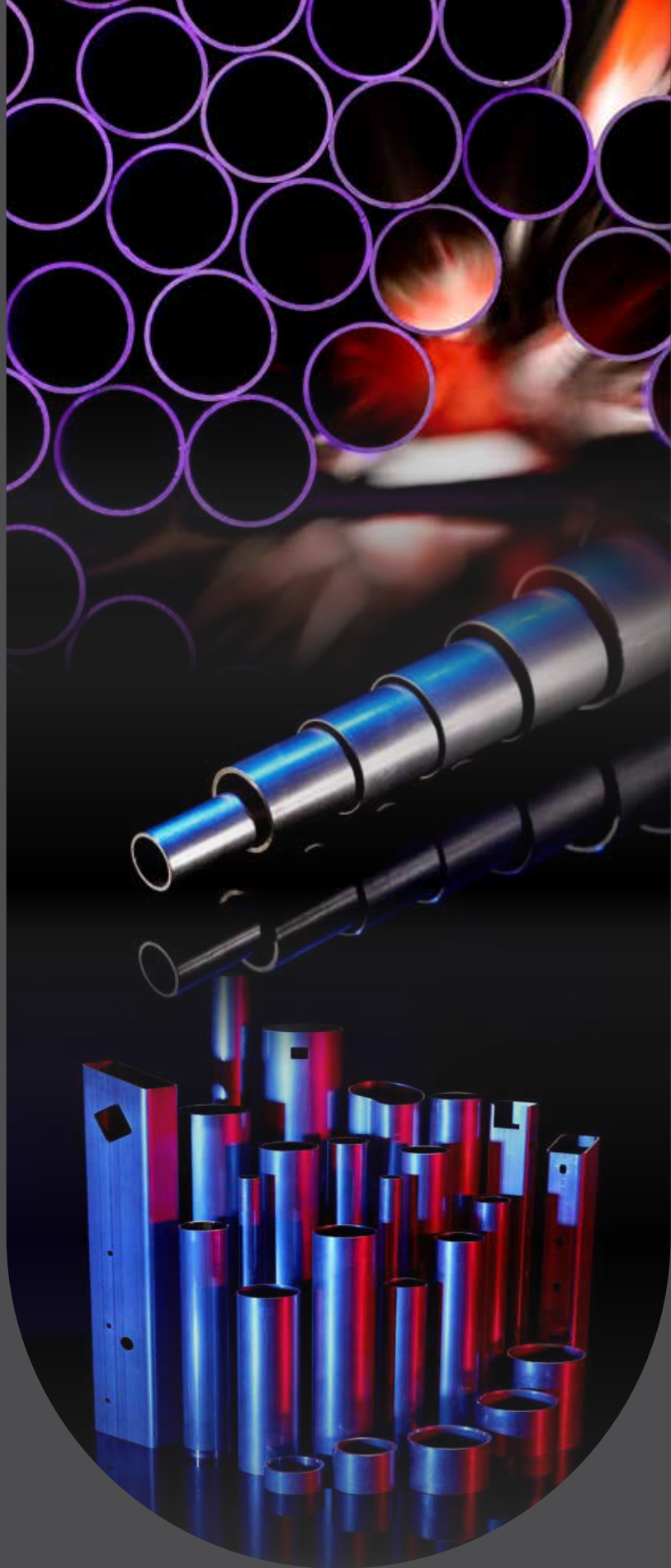




2025 ANNUAL REPORT





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BORUSAN PIPE AT A GLANCE

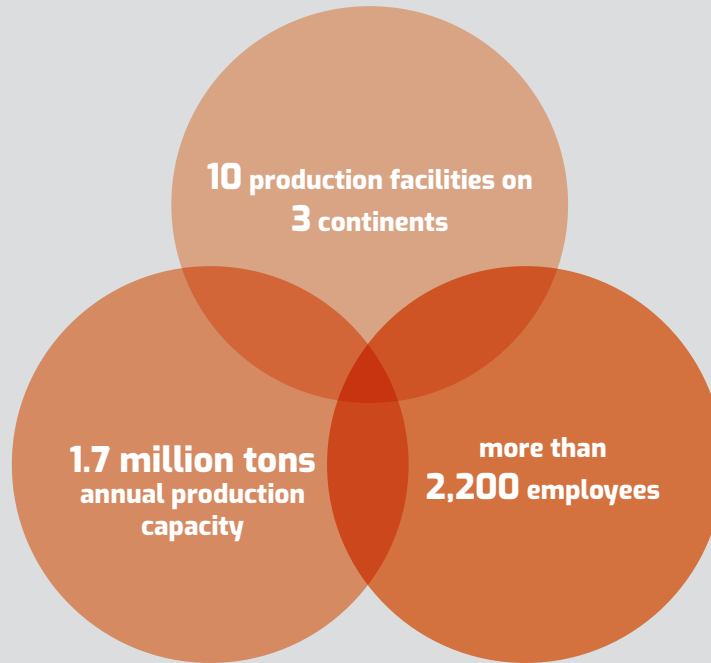
Borusan Pipe in Brief

A strong local production base in global markets

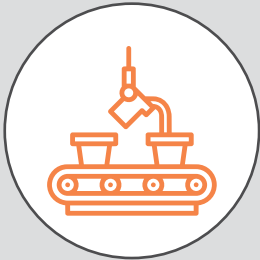
Established in 1958 as the Borusan Group's first industrial venture, Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan Pipe, "BBB") operates in global markets in the steel pipe sector.



Borusan Pipe



Supplying steel pipe to the **Energy, Infrastructure and Project, Automotive, and Industrial and Construction** sectors.



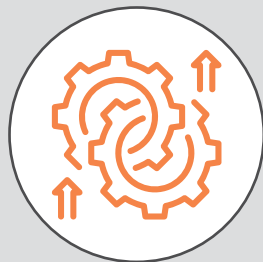
Local production infrastructure and a flexible supply model in its markets



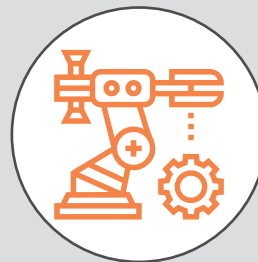
A plant structure allowing for production transition between segments



Increased predictability through project-based revenues



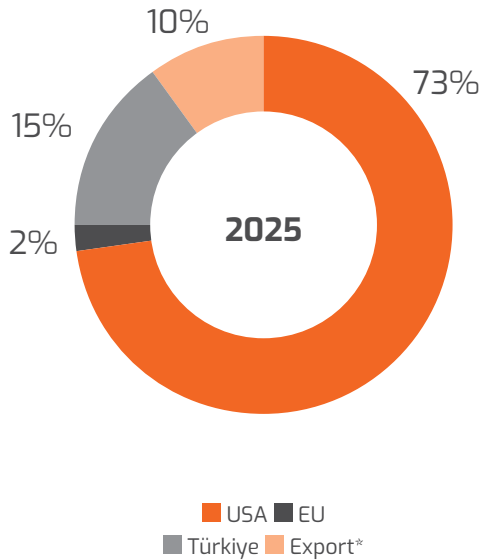
A multi-segment business model



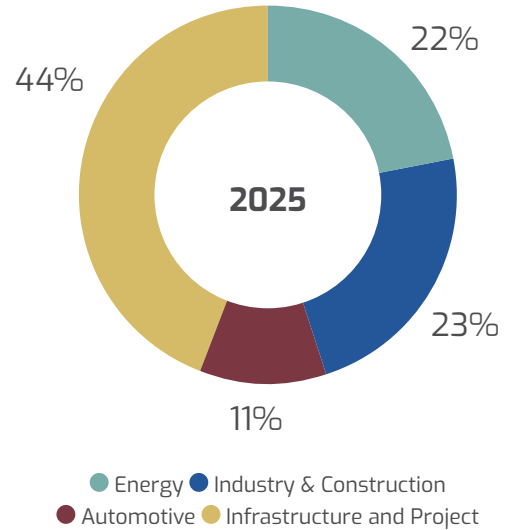
Proven manufacturing expertise in products with diverse technical requirements

Borusan Pipe in Brief

Compliance with international standards and its certification infrastructure support Borusan Pipe's operations in highly regulated markets, primarily the USA. In this vein, Borusan Pipe is positioned as a competitive player in global markets with its product portfolio, which holds API (American Petroleum Institute) certification for oil and natural gas pipes, NSF (National Sanitation Foundation) and DVGW (Deutscher Verein des Gas-undWasserfaches) certifications for drinking water pipes, and UL (Underwriters Laboratories) and FM (Factory Mutual) certifications for fire extinguishing pipes.



85% of revenues generated in global markets



(*) Exports from Türkiye to EU and US operations are consolidated under related the operations.

Project-based work provides financial and operational predictability, while other segments offer the company the opportunity to benefit from different market opportunities through the diversification of activities.

FIELDS OF ACTIVITY

Infrastructure and Project



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

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

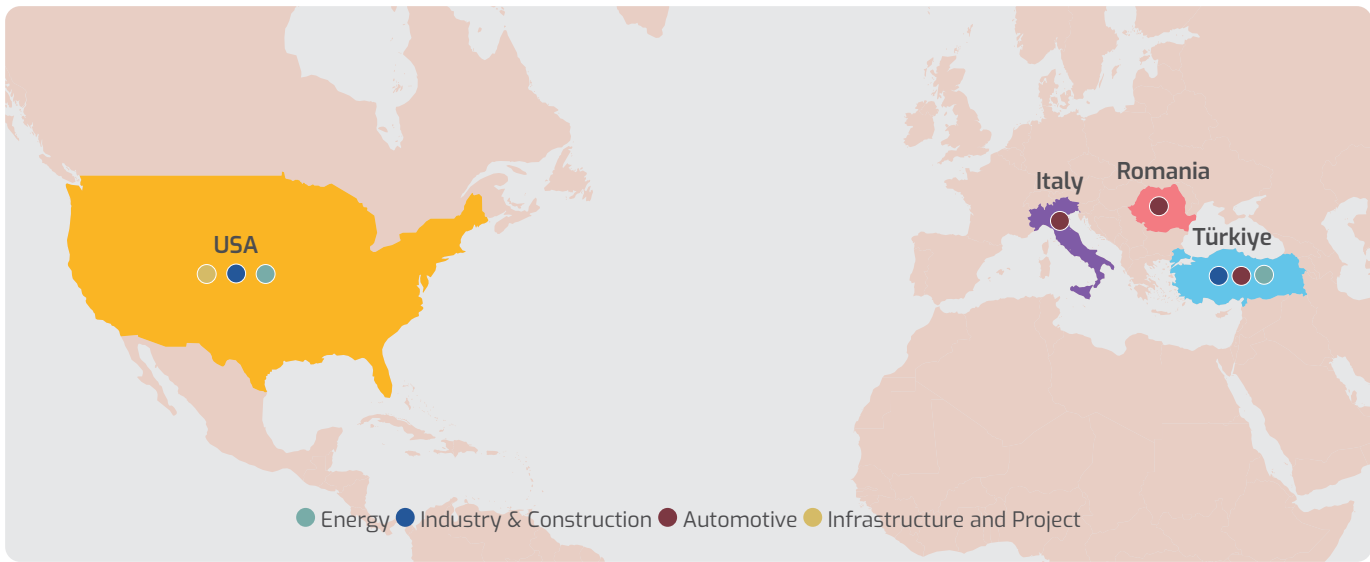
Energy (Well & Drilling)



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

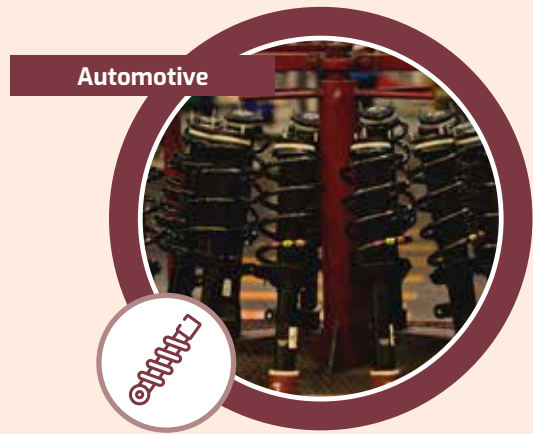
Production Centers: Houston (USA), Gemlik (TR)

Borusan Pipe, which generates a significant portion of its revenue from the **US market**, holds a competitive position in global markets with its **production infrastructure spread across different regions and its diversified customer base**.



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 (Stretch-Reduced Mill) 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)

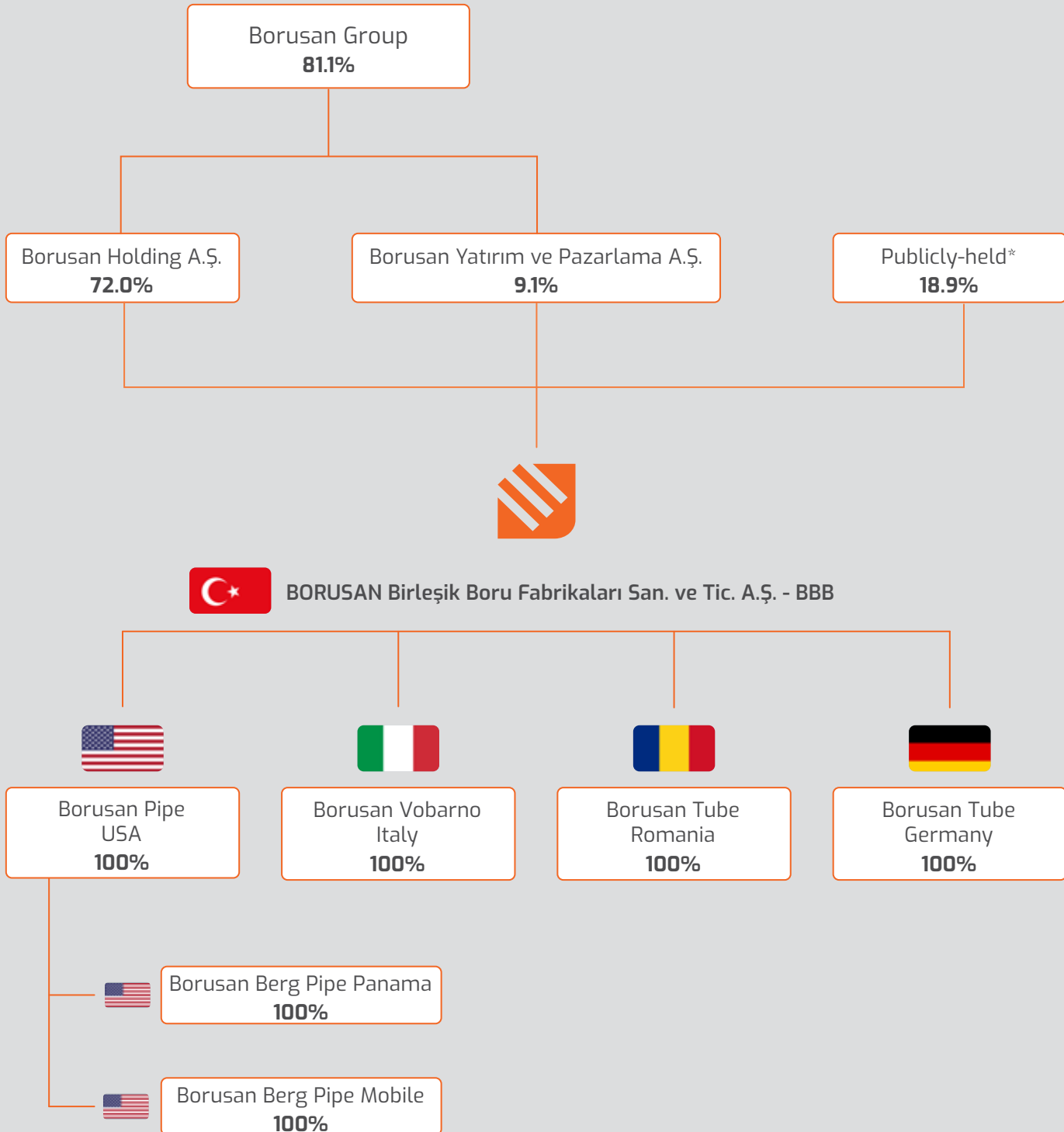
Shareholding Structure



Shareholder	Share Amount (TL)	Share (%)	Voting Rights (%)
Borusan Holding A.Ş.	102,135,342.86	72.0	76.5
Borusan Yatırım ve Pazarlama A.Ş.	12,876,505.68	9.1	10.0
Publicly-held*	26,759,733.74	18.9	13.5
Total	141,771,582.28	100	100

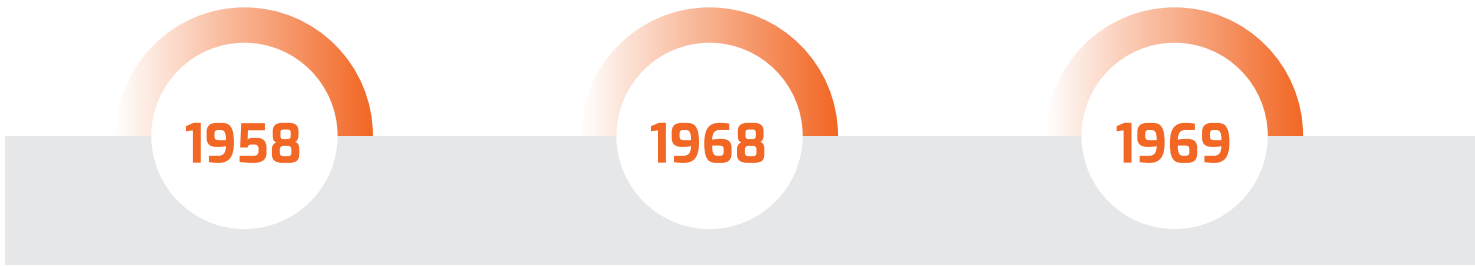
* With the 0.98% of publicly traded shares held by Borusan Holding A.Ş., the total percentage of publicly traded shares in the company's capital stands at 19.85%.

The table illustrates the current shareholding structure. Detailed information regarding the capital structure and subsidiaries can be found under the "Annexes - Other Information" heading.



(*) With the 0.98% of publicly traded shares held by Borusan Holding A.Ş., the total percentage of publicly traded shares in the company's capital stands at 19.85%.

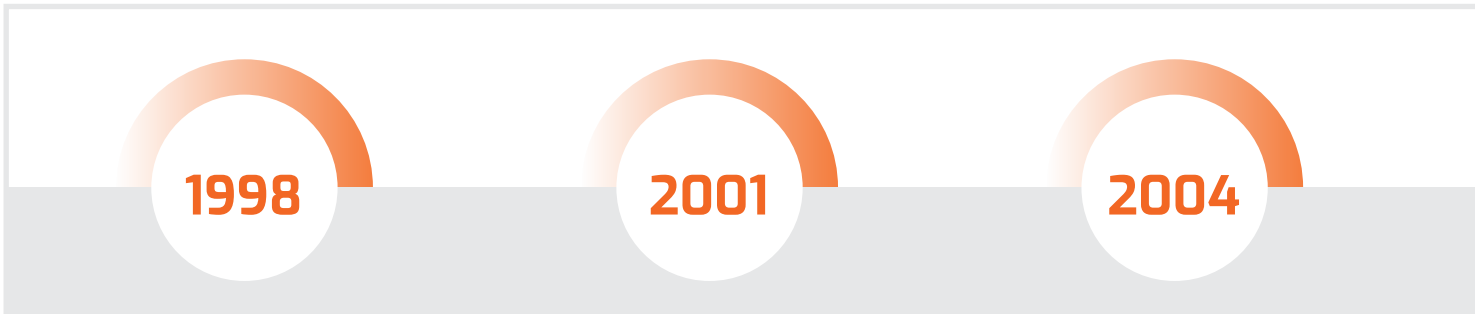
Timeline



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

Halkalı ERW Pipe Plant becomes operational.

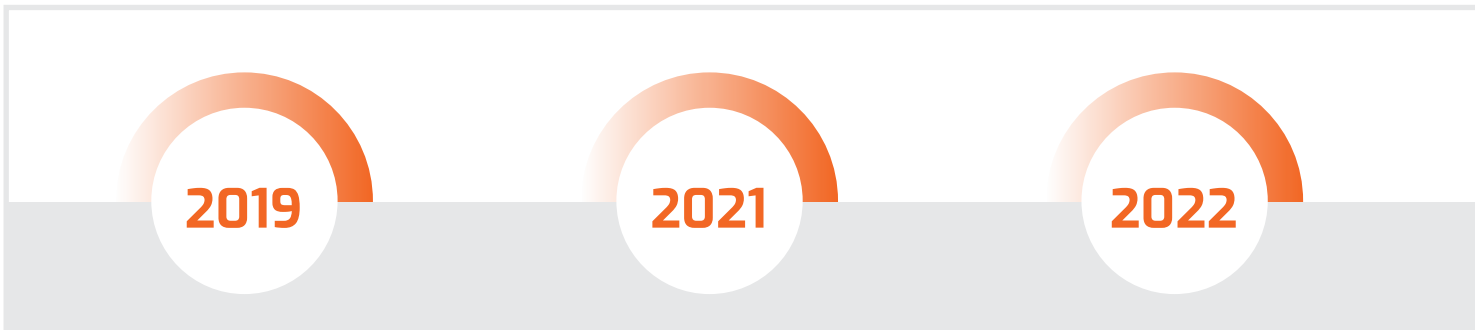
Borusan begins exporting its products.



Borusan Group consolidates its pipe operations in Türkiye with Salzgitter GMBH.

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

Company is renamed Borusan Mannesmann.



The Gemlik Automotive Pipe Line becomes operational.

Commercial liaison office opens in Germany.

BBB books USD 1.3 billion in revenues.

1976

Gemlik ERW Pipe Plant becomes operational.

1979

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

1994

Borusan Pipe A.Ş. shares start trading on the İstanbul Stock Exchange.

2011

Gemlik HSAW Pipe Plant becomes operational.

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.

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 23 November 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.

2025

Borusan Berg Pipe commenced a USD 68 million investment in advanced forming technology (JCO) in Panama City.

A strategic investment decision was taken to consolidate Türkiye's production infrastructure in Gemlik.

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 renowned 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

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

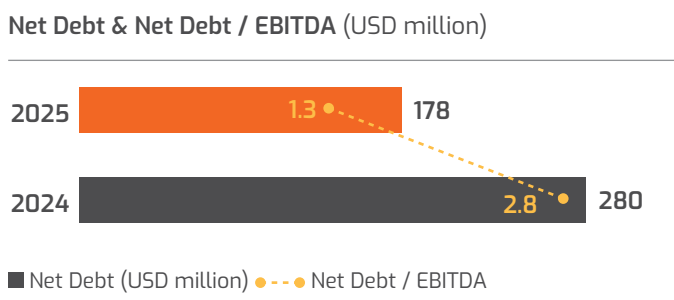
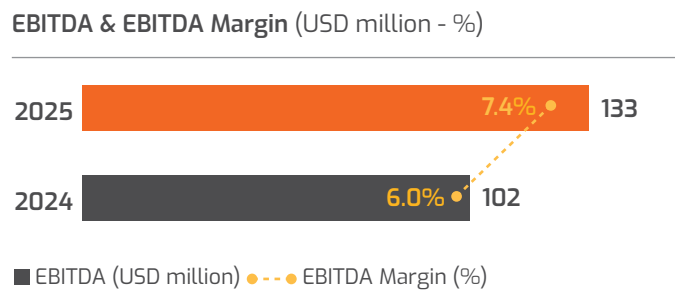
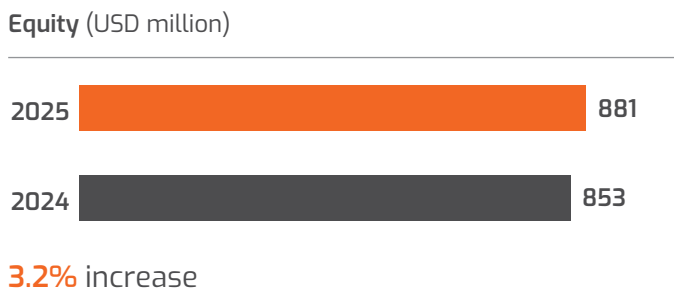
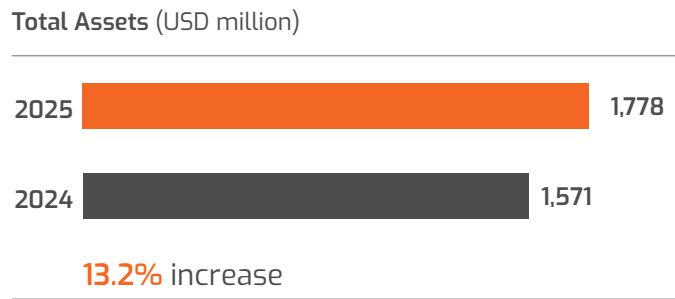
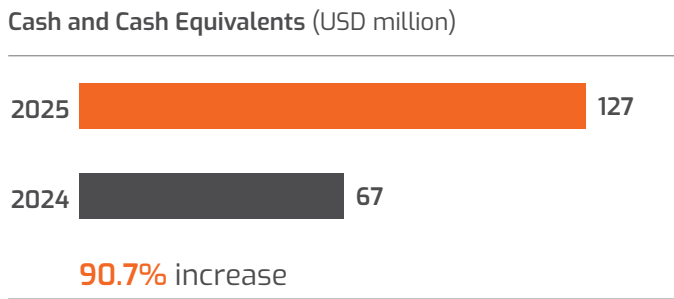
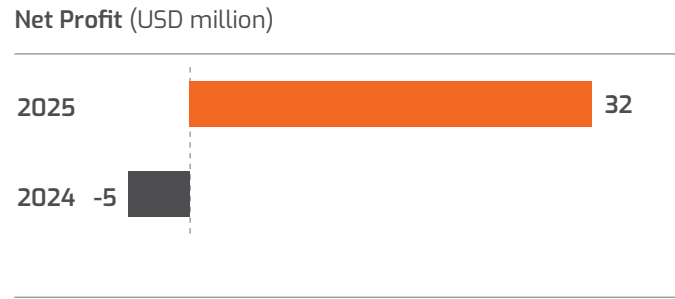
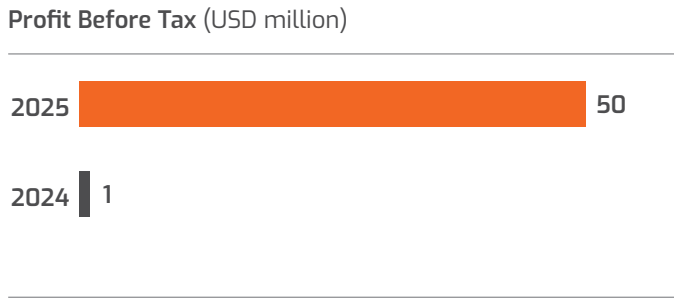
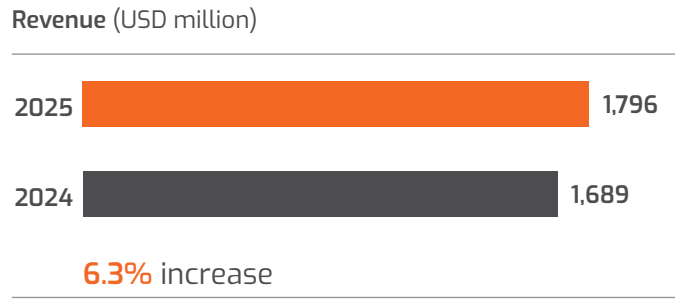
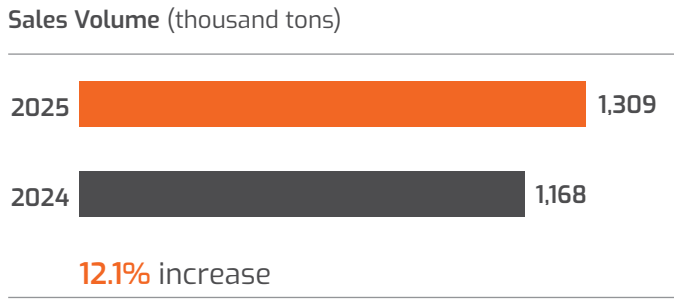
We support sociocultural enrichment. We encourage employees to take part in socially-beneficial initiatives. We're environmentally aware and responsible.

Financial and Operational Indicators

Summary Income Statement

Consolidated (USD million)	2025	2024	Change
Revenue	1,796.1	1,689.5	6.3%
Gross profit	150.7	112.3	34.2%
Gross Profit Margin (%)	8.4%	6.6%	1.8 pps
Operational Expenses	(81.2)	(81.2)	0.0%
OPEX Margin (%)	(4.5%)	(4.8%)	(0.3) pps
Other	9.1	28.1	(67.8%)
EBIT	78.5	59.3	32.5%
EBIT Margin (%)	4.4%	3.5%	0.9 pps
Financial Expenses	(28.8)	(58.7)	(50.9%)
Profit Before Tax	49.7	0.6	n.m.
PBT Margin (%)	2.8%	0.0%	2.8 pps
Net Profit	31.7	(5.1)	n.m.
Net Profit Margin (%)	1.8%	(0.3%)	2.1 pps
Amortization	50.0	43.3	15.5%
Other	4.6	(0.6)	n.m.
EBITDA*	133.1	101.9	30.5%
EBITDA Margin (%)	7.4%	6.0%	1.4 pps

* including net other operating income, income from investing activities and excluding one-off income (expense) items and foreign exchange gains/losses.



Borusan Pipe achieved a net profit of USD 32 million in 2025, with consolidated revenues increasing by 6.3% to USD 1,796 million.

Financial and Operational Indicators

SUMMARY CASH FLOW STATEMENT

Consolidated (USD million)	2025	2024	Change (%)
Cash Flows from Operating Activities	222.1	18.6	n.m.
Cash Outflows from Investing Activities	(83.9)	(29.0)	189.3%
Cash Outflows from Financing Activities	(77.6)	(52.2)	48.7%
Change in Cash and Cash Equivalents	60.7	(62.6)	n.m.
Cash and Cash Equivalents at the Beginning of the Period	66.8	129.4	(48.4%)
Cash and Cash Equivalents at the End of the Period	127.4	66.8	90.7%

SUMMARY BALANCE SHEET

Consolidated (USD million)	2025	2024
Cash and Cash Equivalents	127	67
Trade Receivables	200	149
Inventories	451	353
Inventory Advances	1	36
Current Assets	874	698
Non-current Assets	904	874
TOTAL ASSETS	1,778	1,571
Short Term Financial Debt	238	260
Trade Payables	208	159
Advances	227	56
Short-Term Liabilities	741	539
Long Term Financial Debt	72	87
Long Term Liabilities	156	179
Paid-in capital	69	69
EQUITY	881	853
TOTAL LIABILITIES AND EQUITY	1,778	1,571

RATIOS

	2025	2024
Current Ratio	1.18	1.29
Liquidity Ratio	0.57	0.64
Inventory Turnover Ratio	3.65	4.47
Working Capital Turnover	36.2%	29.7%
Equity Ratio	53.4%	52.1%
Return on Assets (RoA)	1.8%	(0.3%)
Return on Equity (RoE)	3.6%	(0.6%)

CONSOLIDATED INCOME STATEMENT

In 2025, Borusan Pipe's total sales volume increased by 12.1% YoY to 1.31 million tons, while sales revenue rose by 6.3% YoY to USD 1.8 billion. During this period, the share of revenue from global markets in total revenue increased by 4 percentage points compared to the previous year, to reach 85%.

Borusan Pipe further strengthened its focus on operational excellence during this period of intense cost pressures with productivity improvement programs implemented across all facilities, increased capacity utilization and optimized production planning leading to a significant increase in operational profitability. During this period, its gross profit increased by 34% YoY to USD 151 million, while EBITDA increased by 30.5% YoY to USD 133 million with an increase of 1.4 percentage points in the EBITDA margin to 7.4%. Pre-tax profit increased from USD 1 million in 2024 to USD 50 million, and the company wrapped up 2025 with a net profit of USD 32 million.

CONSOLIDATED CASH FLOW STATEMENT AND BALANCE SHEET

Borusan Pipe prioritized cash flow and working capital management in 2025 to strengthen its balance sheet structure and maintain financial stability, achieving a significant improvement in cash generation capacity through strong financial discipline and effective working capital practices.

Borusan Pipe generated net cash inflow of USD 222.1 million from operating activities in 2025 while net cash outflows of USD 83.9 million and USD 77.6 million were recorded from investing and

financing activities, respectively. As a result of these developments, cash and cash equivalents increased by USD 60.7 million during the year, reaching USD 127 million at the end of 2025 (2024: USD 67 million). Net financial debt decreased to USD 178 million (2024: USD 280 million), while the Net Financial Debt/EBITDA ratio fell from 2.8x to 1.3x.

Current assets ended the year 2025 at USD 874 million, while the company's total assets reached USD 1,778 million and its net working capital stood at USD 216 million.

Borusan Pipe will continue to prioritize financial discipline and operational efficiency in 2026.

REALIZED RESULTS AND OUTLOOK

In 2025, sales volume reached 1.31 million tons with revenue of USD 1.8 billion and an EBITDA margin was 7.4%, all in line with expectations.

Looking ahead to 2026;

- Sales volume is projected to be between 1.15 and 1.25 million tons, with revenues of between USD 2.1-2.3 billion, driven largely by business agreements signed in the Infrastructure and Project segments.
- With the continuation of operational efficiency efforts and an increase in the share of higher value-added products in the product mix, Borusan Pipe's EBITDA margin is expected to rise to an 8-10% range.

Guidance is normally shared four times a year together with the quarterly financial results.

2026 Guidance

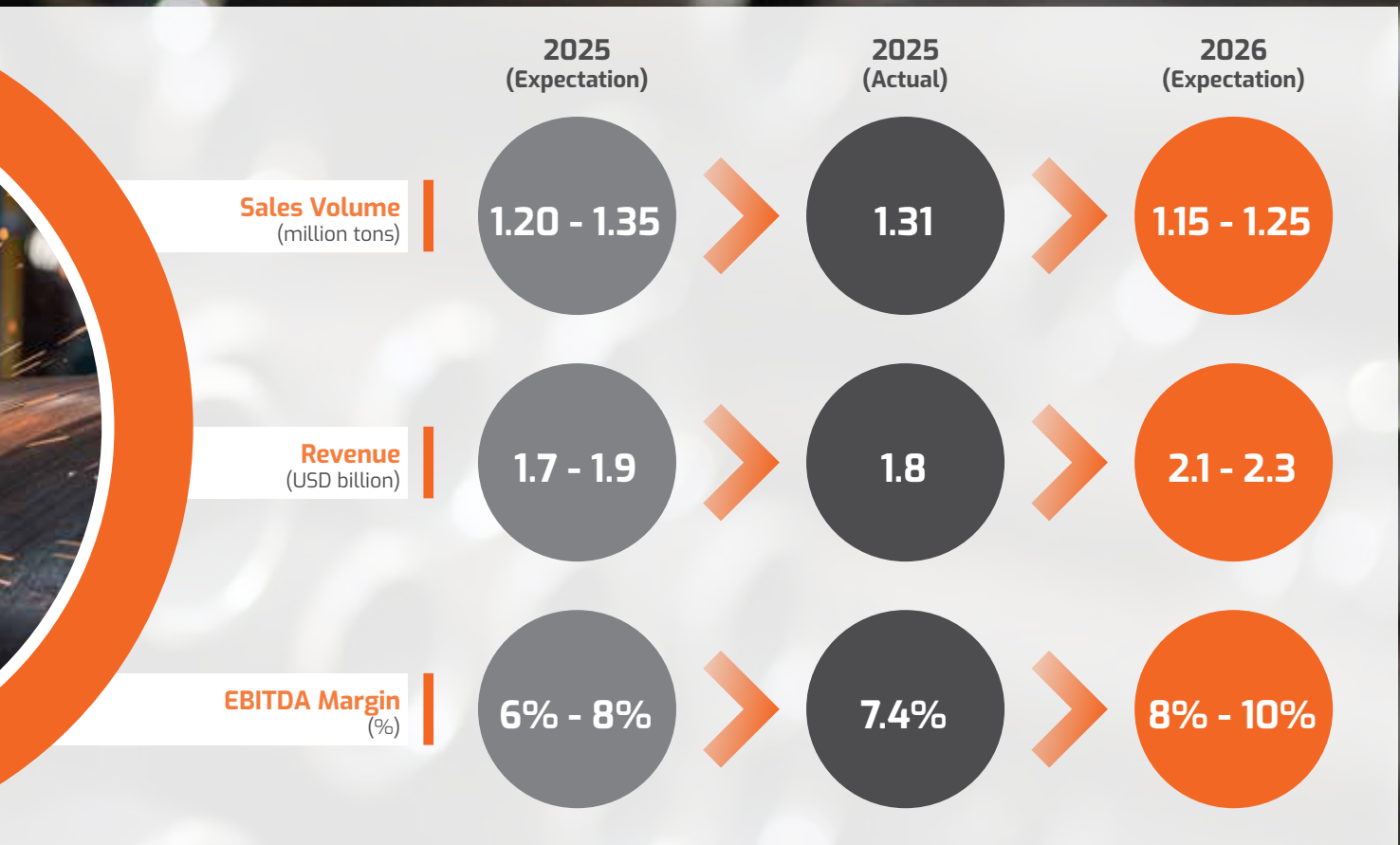
Sales volume reached 1.31 million tons in 2025 with revenue of USD 1.8 billion, and an EBITDA margin of 7.4%, all in line with expectations.

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Guidance is normally shared four times a year, together with the quarterly financial results.





Message from the Chairman of the Board

Dear Stakeholders,

Increased global economic and geopolitical uncertainties and a reshaping of trade dynamics set the scene for 2025. Rising protectionist trends, the repositioning of regional production centers and changing demand structures have once again highlighted the importance of strategic flexibility and strong corporate structures for industrial companies.

Borusan Pipe successfully navigated this period thanks to its diversified business model and the wide geographical spread of its production infrastructure. The priority for the Board of Directors is to ensure that decisions are taken that will protect our company's long-term competitiveness and which consider the balance between scale and efficiency.

The growth in activity and rise in long-term contracts, particularly in the US market, throughout 2025 has further strengthened our company's position in international markets. The resulting order visibility supports the sustainability of our business model. Structural decisions taken in Türkiye aim to create a more efficient and integrated production infrastructure.



We are carrying Borusan Pipe, a company growing around the world, into the future with strong governance and a sustainable value creation approach.

During 2025, we maintained our financial discipline and cautious risk management approach while our balanced investment policy, strong balance sheet structure and working capital management enhanced our resilience in an environment of uncertainty. The Board of Directors believes that sustainable growth is only possible with a sound financial structure and a disciplined governance approach.

Digitalization and a data-driven management approach have become fundamental elements of our company's long-term competitiveness. The Board of Directors closely monitors efforts to integrate operational processes, strengthen data-driven decision-making mechanisms and adapt new technologies, particularly in the field of AI, into our business model. This transformation is advancing our company's efficiency and corporate resilience.

Our approach to sustainability, which revolves around the focus areas of People, Climate and Innovation, along with our strong approach to corporate governance, form the foundation of our long-term value creation perspective. The Board of Directors continues to consider Environmental, Social and Governance criteria as an integral part of our strategic decision-making processes.

Borusan Pipe's philosophy of long-term corporate continuity is built on the goal of carrying our company into the future. In line with this perspective, we base our strategic direction on the principles of sustainable growth, strong governance and balanced risk management.

Our strengthened order structure throughout the year and increasing global infrastructure investments support our 2026 expectations. However, we also maintaining a cautious approach to the coming year.

Borusan Pipe has achieved a stronger and more resilient structure thanks to its scale, global reach and corporate discipline. On behalf of the Board of Directors, we will continue to act without deviating from our mission of creating long-term value while determining the strategic direction of our company in the coming period.

I would like to take this opportunity to thank all of my colleagues who have contributed to this performance as we move towards our goals, and all of our stakeholders who have placed their trust in us.

Kind regards,

Ahmet Kocabiyik
Chairman of the Board

Message from the CEO

Mounting competition and changes in trade practices in the steel pipe sector had a decisive impact in determining the balance of pricing and demand throughout 2025, while developments in tariff policies in the US, sluggish demand in Europe and increasing cost pressures in Türkiye necessitated a more disciplined, cautious and agile management approach in all of our markets.

Within this framework, we simplified our organizational structure throughout the year to better align it with our strategic priorities. While we continue our operations in the US under a more coordinated management structure in line with our strategic priorities, we have consolidated our activities in Türkiye under a single operational structure, transitioning to a simpler and more efficient organizational model. This restructuring is aimed at accelerating our decision-making processes, strengthening coordination between functions and increasing our operational efficiency.

In the US, we secured strong and long-term order backlogs extending to USD 1.8 billion in the infrastructure and project segments. These contracts underpin our position in the US market and the preference for our engineering capabilities, while serving to showcase our production planning with delivery schedules extending over the coming years. We supported the production capacity we acquired through the Berg acquisition with a strong order flow throughout the year, operating our facilities at a high and profitable rate of utilization. With this level of volume and capacity utilization, our US operations have scaled up the company's activities and served as its operational center of gravity.



Backed by our strong order portfolio, lean organizational structure, and focus on operational excellence, we aim for sustainable profitable growth.

In Türkiye, we have sought to integrate our production infrastructure and increase its efficiency with the consolidation process we initiated at our Gemlik Production Complex, aiming to permanently increase our operational efficiency by strengthening coordination between facilities and optimizing capacity utilization. This transformation marks an important structural step in terms of improving our cost structure and supporting our competitiveness.

We also took significant steps in the field of the digital transformation in 2025. While advancing our SAP transformation process to bring a more integrated and transparent structure to operational and financial processes, we have stepped up our efforts to increase efficiency in our production facilities with robotic applications and data analytics-based solutions. By strengthening our decision-making processes with AI-powered analysis and planning applications, we aim to build a more agile and data-driven management model.

Occupational health and safety forms the foundation of our operational excellence. Our Baytown operations in the USA have demonstrated industry-leading safety performance for many years, reaching a global benchmark. Following the acquisition of Berg Pipe, we initiated comprehensive improvement and transformation programs to establish the same safety standards across all our facilities. In our Turkish operations, we achieved our best-ever level in Occupational Health and Safety critical performance indicators in 2025, demonstrating that our safety culture has spread throughout our entire organization. We view safety not merely as an operational requirement, but as an integral part of our corporate culture, and are committed to building a sustainable, world-class, enduring and robust safety culture across all our operations.

In the field of sustainability, we have implemented projects aimed at reducing our carbon footprint by more effective drawing on the reconcilability of steel. In 2025, we published our first report within the framework of the Turkish Sustainability Reporting Standards, transparently sharing our sustainability performance with the public. Our continued shift towards a high added value, environmentally friendly product portfolio is strengthening our capacity to both comply with regulations and respond to the increasing sustainability expectations of our customers. This approach remains one of the fundamental elements of our long-term competitiveness.

In 2026, our focus will be on increasing value-added production, enhancing our operational excellence and managing growth alongside sustainable profitability, while leveraging our simplified organizational structure and strong order portfolio. The structural and strategic steps we have taken further support Borusan Pipe's commanding position in global markets and demonstrate our commitment to creating long-term value. The structural and digital steps taken in 2025 have propelled Borusan Pipe to a higher echelon in terms of scale, efficiency and management capacity.

I would like to take this opportunity to thank all of our colleagues, business partners, and stakeholders who have contributed to our success.

Kind regards,

Zafer Atabey
CEO
Global CEO

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 1 January 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 Industry and Business 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 Interbank, 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 TÜSİAD 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

Global CEO

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.



Anıl Karaca
Executive Committee Member

Global CFO

Anıl 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.

Anıl 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.



Uğur Onbaşı
Executive Committee Member

Borusan Berg Pipe President

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 and is the President of Borusan Berg Pipe.



Oğuzhan Kuşcuoğlu
Executive Committee Member

Borusan Pipe US President

Oğuzhan Kuşcuoğlu 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. Kuşcuoğlu 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. Kuşcuoğlu was also in charge of the production and sales of the SRM production Facility, which began operations in the USA in 2024. In 2023, he was appointed a Member of the Executive Committee responsible for the Construction and General Industry Segment at Borusan Pipe. From 2026, he will continue his role at Borusan Pipe as the General Manager of Borusan Pipe US Inc.



Serdar Erçal
Executive Committee Member

Borusan Pipe Türkiye President

Serdar Erçal graduated from the Department of Mechanical Engineering at Istanbul Technical University.

He began his career in 2003 as a Project Sales Manager at Borusan Logistics and has held various managerial positions since then. He served as Deputy General Manager of Supply Chain Management and Strategic Customers at Borusan Logistics, and subsequently as General Manager of Borusan Ports. In 2021, he was appointed General Manager of Borusan Logistics and held this position until 2025.

As of 1 December 2025, he was appointed President of Borusan Pipe Türkiye and a Member of the Executive Committee of Borusan Pipe.



Nihan Alhan
Executive Committee Member

Global People and Sustainability

Nihan Alhan graduated from the Department of English Linguistics at Hacettepe University and completed her MBA at Bahçeşehir University. 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.

Executive Committee



Serdar Birlıkci
Executive Committee Member

Global Digital Technologies and Innovation

Serdar Birlıkci graduated from the Department of Electronic Engineering at Hacettepe University in 1995 and earned an MBA from Sabancı 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. Birlıkci 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 Birlıkci currently serves as a Member of the Executive Committee responsible for Global IT and Digital Transformation processes at Borusan Pipe.



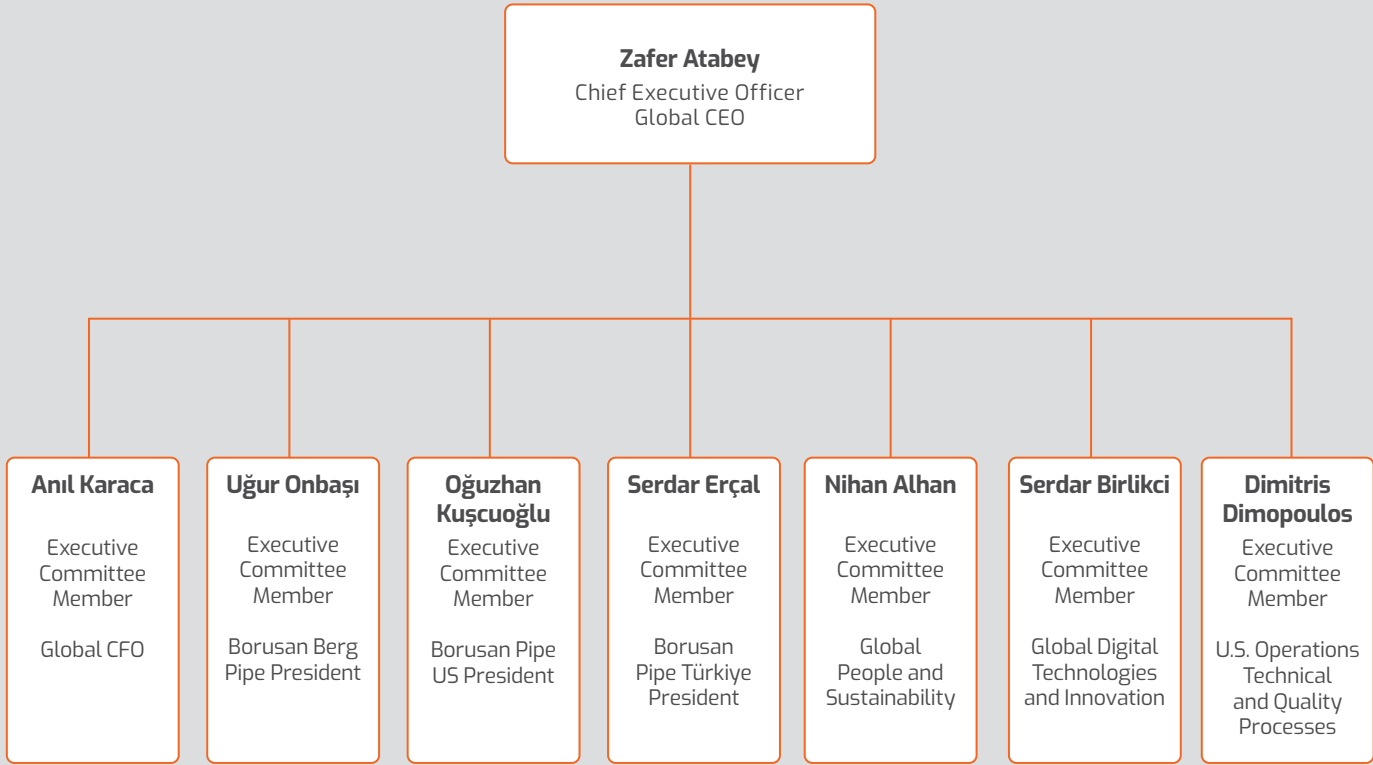
Dimitris Dimopoulos
Executive Committee Member

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.

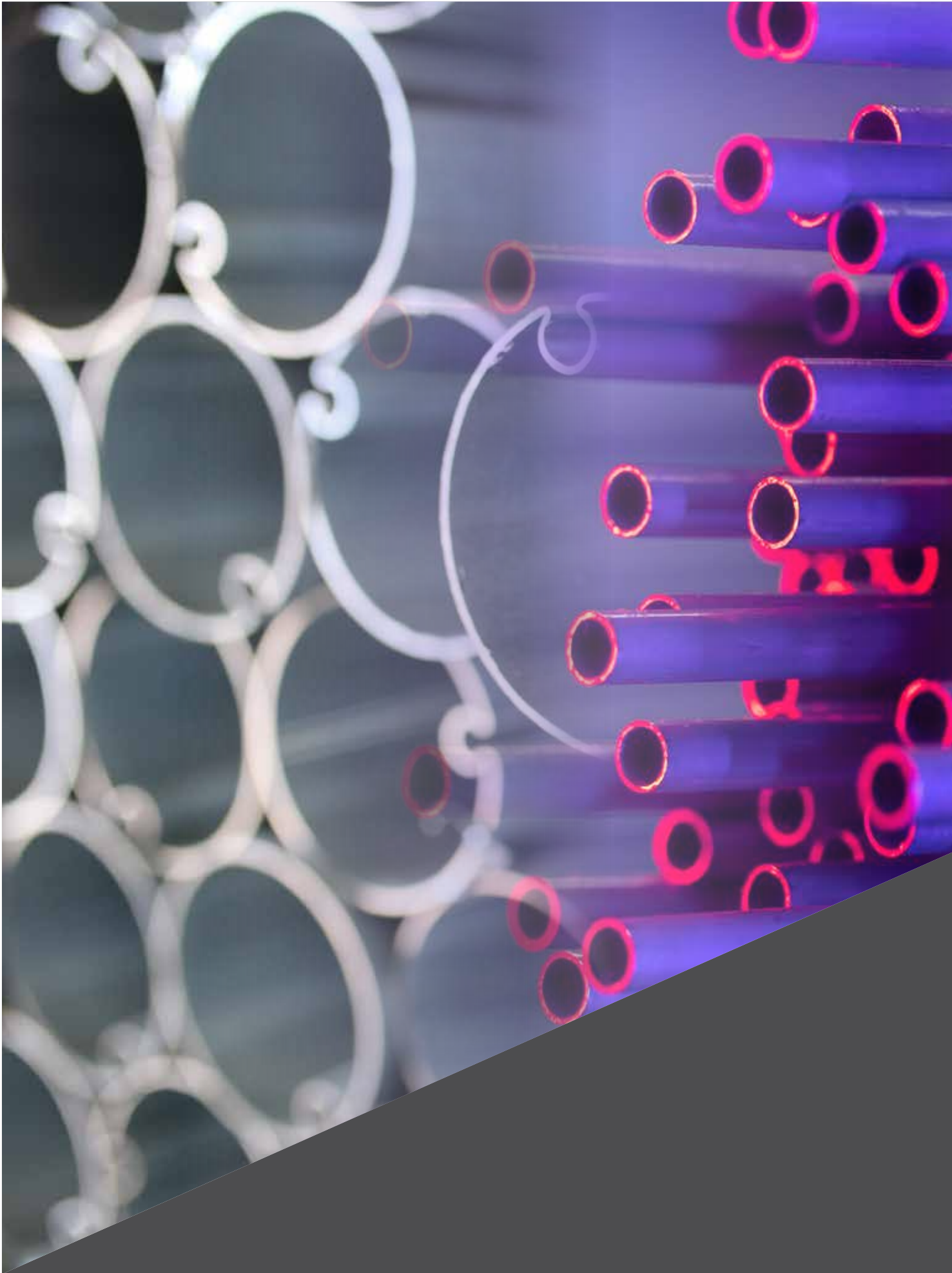
With 30 years of experience in large-diameter steel pipe production for the energy sector, Mr. Dimopoulos joined Borusan Pipe in October 2011, focusing on quality, technology, sales, procurement, and strategy. In 2024, he was appointed a Member of the Executive Committee responsible for the technical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

Organizational Chart



An organizational restructuring of the Executive Board was undertaken in 2025, with the aim of creating a leaner, more agile and strategically aligned management structure in the regions where our Company operates.

In this context, in the United States, the Construction, General Industrial and OCTG business sectors were merged under a single management structure; likewise, in Türkiye, the Construction, General Industrial and Automotive business sectors were brought together under an integrated organizational structure. This transformation was aimed at creating a regionally focused, more integrated management model with accelerated decision-making processes.





BORUSAN PIPE IN 2025

The Steel and Steel Pipe Industry in 2025

According to data released by the World Steel Association (Worldsteel), global crude steel production decreased by 2.0% YoY in 2025, falling to 1,803.8 million tons.

Production in Asia and Oceania decreased by 2.4% to 1,324.5 million tons while production in European Union (EU-27) countries fell by 2.6% to 126.2 million tons. On the other hand, North America's production increased by 0.7% to 107.4 million tons, while production in Russia and other Commonwealth of Independent States (CIS) countries, along with Ukraine, decreased by 4.4% to 81.3 million tons.

China maintained its position as the world's largest steel producer in 2025, producing 960.8 million tons of crude steel, marking a 4.4% decrease YoY, with India ranking as the second largest producer in the same period with production of 164.9 million tons, marking an increase of 10.4%, while the United States ranked as the world's third largest producer with production of 82 million tons, an increase of 3.1%.

Türkiye increased its production by 3.3% to 38.1 million tons in 2025, rising to seventh place in the world rankings.

Türkiye's steel pipe exports increased by 0.6% YoY in 2025 to reach 2.2 million tons. Romania, the United Kingdom and Morocco stand out as important export markets.



Borusan Pipe manufactures steel pipes used in infrastructure projects with the goal of providing high-quality and long-lasting solutions.

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

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 Europipe 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, Florida 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.

Thanks to the contribution of ongoing project deliveries throughout the year, sales volume remained brisk in the infrastructure and projects business segment in 2025, increasing by 11.8% YoY, despite the base effect from last year, which was supported by the completion of high-volume



projects. Sales revenue reached USD 795 million during the period. The infrastructure and projects segment commanded a 44% share of consolidated revenues, remaining the segment with the highest share in revenues.

USD 1.8 billion in business agreements were signed in the infrastructure and projects segment in the United States in 2025.

These projects confirm the preference for Borusan Pipe's global production capabilities and engineering strength on an international scale.

The ongoing project deliveries in the US in this segment with order volume extending into 2027 support the company's financial and operational predictability.

Agreement date	Amount	Planned Production and Delivery*
19.12.2025	USD 553 million	2027
30.10.2025	USD 686 million	2026-2027
27.08.2025	USD 567 million	2026

(*) Production and shipping schedules may vary depending on the progress of the projects.

Energy (Well & Drilling) Pipes

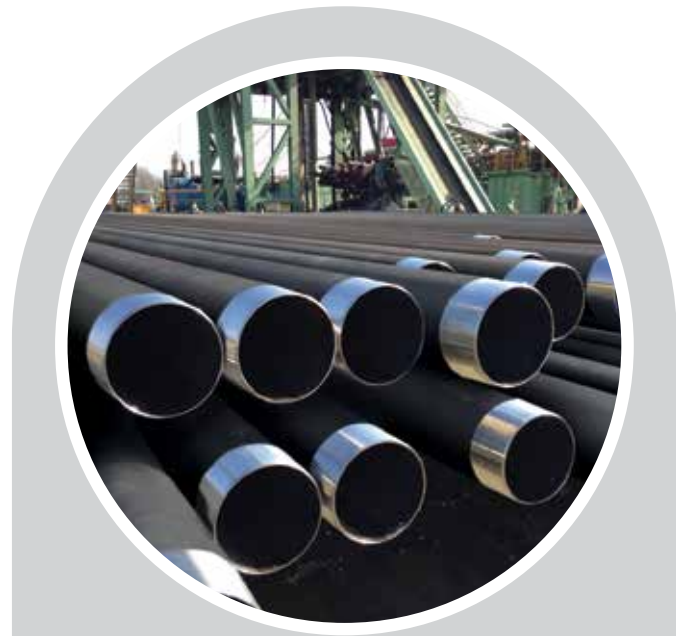
The oil and natural gas pipes (OCTG - Oil Country Tubular Goods) produced by Borusan Pipe for its Energy (Well & Drilling) business line are high-pressure-resistant steel pipes used in the extraction and transportation of underground energy resources. These pipes play a critical role not only in oil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

Sales volumes in the energy business segment increased by 1.1% YoY in 2025. Although the positive pricing environment observed for OCTG products in the second and third quarters of the year gave way to a normalization in the fourth quarter, segment revenues reached USD 399 million, representing a 2.6% YoY increase. This business segment is estimated to have had a 22% share of consolidated revenues in 2025.



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

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.

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.

Steel pipe production for the industrial and construction sectors is carried out at the Gemlik electric resistance welded (ERW) plant, which has an annual production capacity of 550,000 tons and also serves the energy sector, as well as the Halkalı plant, which has an annual capacity of 140,000 tons and mainly produces for the automotive sector.

Sales volumes increased by 26.7% YoY in 2025 while revenues were up 36.3% YoY to reach USD 410 million.



Borusan Pipe's Baytown SRM Line, which completed in the first quarter of 2024 with an investment of USD 50 million and has an annual production capacity of 100,000 tons, commenced commercial operations in the third quarter of 2024. With this investment, Borusan Pipe started production in the industrial and construction pipe sector in the US, and became a local producer in this market.

Sales volumes and revenues in the industrial and construction business segment demonstrated strong growth in the US in 2025, thanks to the SRM line commissioned in the third quarter of 2024. Sales volumes increased by 26.7% YoY in 2025 while revenues were up 36.3% YoY to reach USD 410 million, with this business segment accounting for 23% of consolidated revenue.

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 manufactures steel pipes and profiles specifically designed to meet the dynamic and evolving needs of the automotive industry.

Borusan Pipe Business Lines

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.

The decision was taken in June 2025 to consolidate production activities for the automotive, industrial, and construction sectors in Türkiye in the Bursa Gemlik production complex. Accordingly, the automotive pipe production lines located in the Istanbul Halkalı facility and the machinery and equipment in the advanced processing center in Bursa are to be moved to the Gemlik production complex.

The consolidation aims to streamline production processes, increase operational efficiency and improve capacity utilization with the Gemlik production complex becoming an integrated and highly efficient production base. The relocation process is planned to be completed in stages within 24 months without disrupting production activities.

Sales volumes in the automotive business decreased by 4.5% YoY in 2025, mainly due to weak demand in the European pipe market. Sales revenue contracted by 5.3% to USD 192 million due to price pressures stemming from intense competition. The business had an 11% share of consolidated revenues during the year.

Production activities in Türkiye will be consolidated in the Bursa Gemlik Production Complex.





Borusan Pipe at a Glance

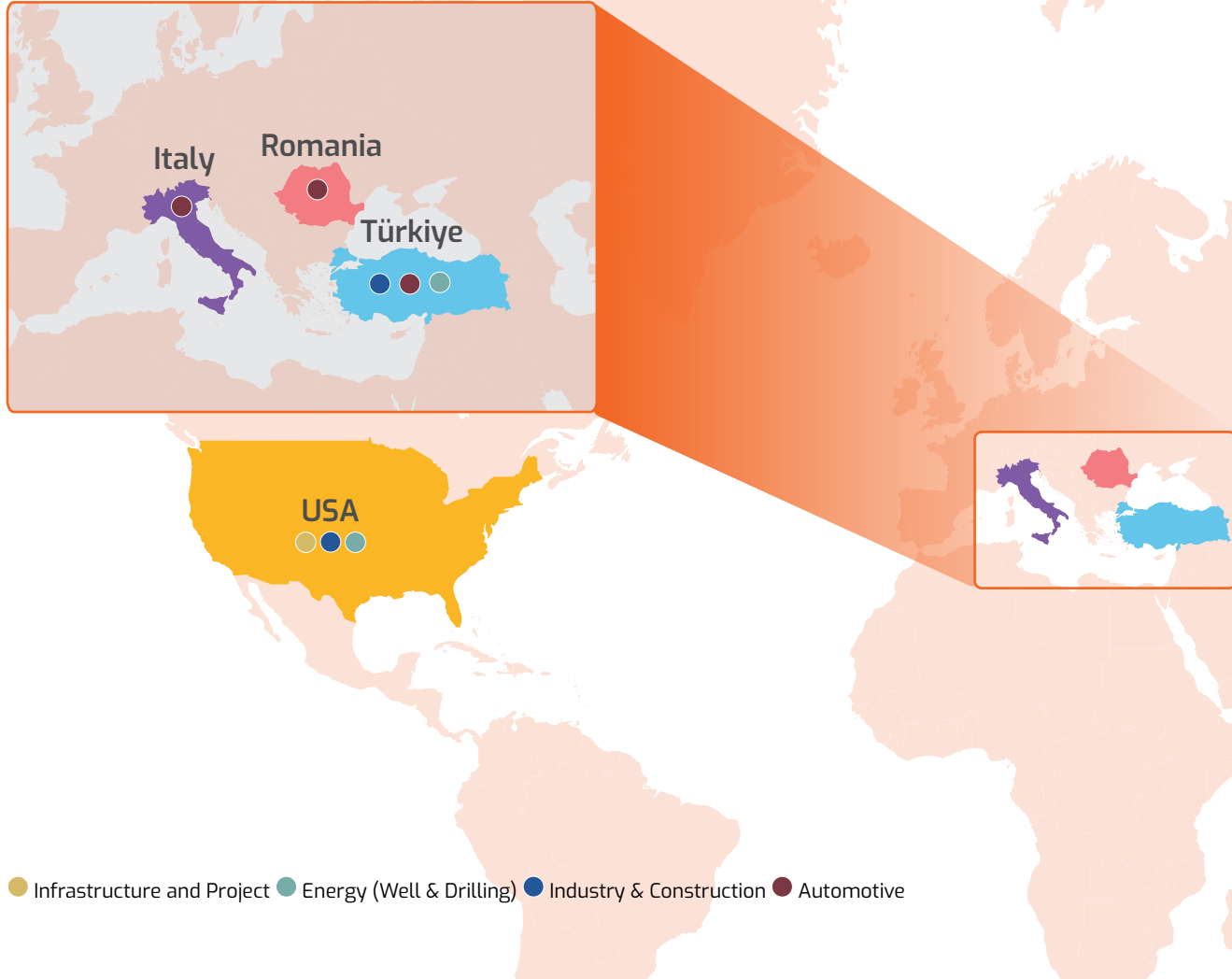
Borusan Pipe in 2025

Corporate Governance

Annexes

Financial Information

Production Facilities, Capacity, and Products



Borusan Pipe Facilities and Capacity Information

Facility	Product	Business Line	Date	Capacity (tons)
TR - Halkalı*	ERW and Cold Drawn Pipes	Automotive, Infrastructure and Project	1958	100,000 - welding 40,000 - drawing
TR - Gemlik	ERW Pipes	Infrastructure and Project, Energy	1976	550,000
TR - Bursa*	Service Center	Automotive	2016	21 million units
TR - Gemlik	Cold Drawn Pipes	Automotive	2019	60,000 - welding 50,000 - drawing
ABD - Baytown	ERW Line Pipes	Energy	2014	300,000
ABD - Baytown	SRM Pipes	Infrastructure and Project	2024	100,000
ABD - Panama City	LSAW Pipes	Infrastructure and Project	1979	330,000
ABD - Mobile	HSAW Pipes	Infrastructure and Project	2007	220,000
IT - Vobarno	ERW and Cold Drawn Pipes	Automotive	2001	30,000 - drawing
RO - Romania	Service Center	Automotive	2024	21 million units

(*) In June 2025, the decision was taken for the Istanbul Halkalı and Bursa Advanced Processing facilities to be gradually relocated to the Gemlik Production Complex within 24 months.

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.

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.



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

Production Facilities, Capacity, and Products

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 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.

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

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"

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.

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.

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.



Most of the 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.

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"

Production Facilities, Capacity, and Products

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.

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.



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. Accordingly, JCO investments got underway in 2025 and will continue in 2026.

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 a local producer in a market of approximately 150,000 tons annually, currently dominated only by imported 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"

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"



Production Facilities, Capacity, and Products

TÜRKİYE

Borusan Pipe has a strong manufacturing network, specializing in steel pipe production in Türkiye with a total of four facilities located in Gemlik (2), 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.

In line with the strategic consolidation decision taken in June 2025, production activities in Türkiye are planned to be consolidated into the Gemlik Production Complex, with this transformation aimed at increasing operational efficiency.

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 consolidation of our production activities in Türkiye into the Gemlik Production Complex is aimed at increasing operational efficiency.



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

(*) In June 2025, the decision was taken for the Istanbul Halkalı and Bursa Advanced Processing facilities to be gradually relocated to the Gemlik campus within 24 months.



Production Facilities, Capacity, and Products

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 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



The Gemlik Production Complex is a strategic center for Borusan Pipe's production activities in Türkiye.

tons per year, with drawing making up 50,000 tons and welding 60,000 tons of the total.

In line with the strategic consolidation decision taken in 2025, the production and advanced processing activities in Istanbul Halkalı and Bursa are planned to be consolidated into the Gemlik Production Complex, which will become a production base with high operational efficiency, with the aim of offering integrated services to different business lines.

Located within the production complex, which boasts significant logistical advantages thanks to its strategic location, Borusan Port ensures the rapid and efficient delivery of products to global markets. The operational ease offered by the port offers time and cost advantages in international deliveries, while road and rail connections support efficiency in shipping processes.

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

HALKALI FACILITY

The Halkalı Facility 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.

In line with the strategic consolidation decision taken in June 2025, the activities carried out at the Halkalı Facility are planned to be merged into the Gemlik Production Complex through a phased 24-month transition period without disrupting production. The goal of this process is to maintain operations under a more integrated structure and to increase operational efficiency.

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



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.

In line with the strategic consolidation decision taken in June 2025, the advanced processing activities in Bursa are planned to be integrated into the Gemlik Production Complex. With this transformation, production and advanced processing in the automotive segment is planned to continue in an integrated structure under the same production complex.

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

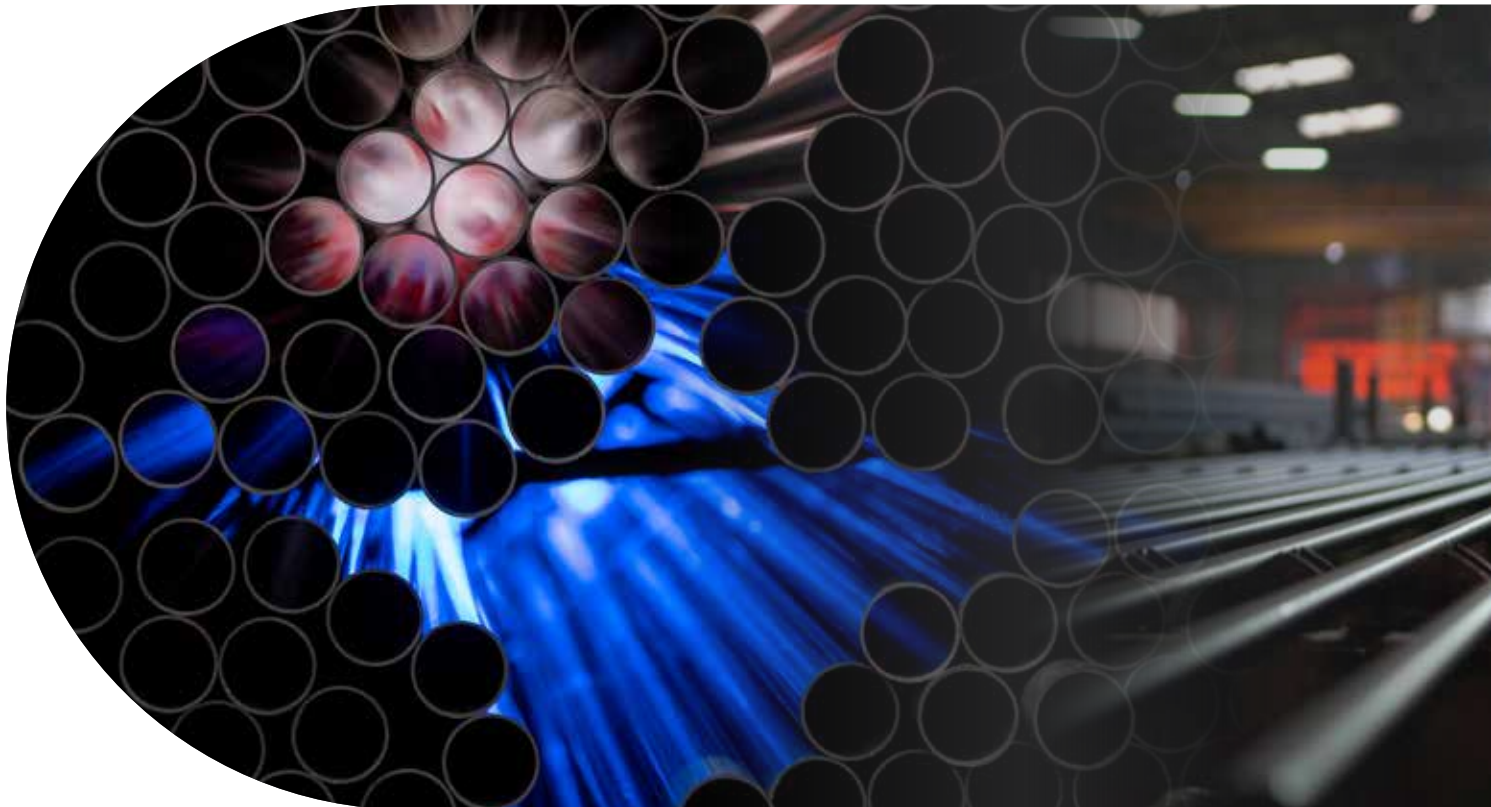
Production Facilities, Capacity, and Products

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

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.

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.

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.

Borusan Vobarno Tubi was acquired by Borusan Pipe in 2001 as the first strategic investment in the European market.



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

ROMANIA SERVICE 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 2024.

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, 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.

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



The Facility's location in Ploiești is notable for its proximity to key hubs within the European automotive supply chain.

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.

The company, maintaining its strategy of being a local producer in global markets, achieved USD 219 million in export revenue in 2025.

(2024: USD 284 million)



EXPORT

(USD million)



Investments

Borusan Pipe presses ahead with its investments to increase its global competitiveness, expand its high value-added product portfolio and strengthen its position in strategic markets. With ongoing investments and new projects, the company aims to increase production flexibility and support its long-term growth objectives.



INVESTMENT IN ADVANCED FORMING TECHNOLOGY IN THE USA AND PANAMA CITY

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 a 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

Strategic Investment Decision for Türkiye's Manufacturing Infrastructure

In accordance with the Board of Directors' decision dated 19 June 2025, Borusan Pipe has decided to implement a strategic investment project aimed at restructuring its production infrastructure in Türkiye to support its sustainable growth, profitability and operational efficiency targets.

Under this strategic investment project, the production lines used for welded and cold-drawn pipe manufacturing for the automotive, construction and industrial sectors at the Istanbul Halkalı facilities, as well as the machinery and equipment in the advanced

processing center in Bursa serving the automotive sector, are planned to be relocated to the Bursa Gemlik Production Complex. As a result, pipe production activities currently carried out at the Gemlik Production Complex are to be combined with these operations under a single production base.

The project is expected to bring about the following advantages;

- An improvement in unit production costs,
- Lean production processes and increased efficiency,
- Increased Capacity Utilization Rates,

The investment involves approximately USD 29 million in capital expenditures (CAPEX), along with approximately USD 27 million in one-off cash expenses arising from the relocation, installation and other operational preparation processes.

The investment is expected to provide a positive contribution of approximately 50-100 basis points to the consolidated EBITDA margin once completed.

The Gemlik Production Complex is set to become a strategic production hub with high operational efficiency, integrating activities for the automotive, construction and industrial sectors. By consolidating production processes in a single location, the goal is to strengthen coordination, increase decision-making speed and create synergies in resource utilization.

The Gemlik Production Complex: An Integrated Production hub

The project is planned to be completed within 24 months without causing any interruption to production activities.

	Expected Financial Impact*
Fall in Working Capital Requirement	USD 30 million
Investment	USD 29 million
One-off Expense	USD 27 million
EBITDA**	50 - 100 basis points

(*) The stated investment amounts, timing and financial impacts are based on current assumptions and may change depending on developments that may occur during the process.

(**) When compared to the 2024 consolidated figure

Product Development, Innovation and Digital Transformation

NEW PRODUCT DEVELOPMENT: VALUE-ADDED GROWTH IN THE SECTOR

Borusan Pipe positions new product development activities as one of the most fundamental elements supporting sustainable growth in the steel pipe sector. Product development processes, shaped in line with customer needs, global standards, sectoral trends and company strategic priorities, are carried out with the goal of producing value-added, competitive and differentiated solutions.

New product development efforts are not limited to technical improvements; rather, the company adopts a holistic approach to product development that includes market entry strategies, cost optimization, sustainability criteria and digital integration. Products developed in this way aim to both strengthen their position in existing markets and create new business opportunities.

Industry 4.0 applications, environmental sustainability requirements, advanced engineering solutions and customer-based customization capabilities form the cornerstones of the new product development strategy. Borusan Pipe aims to increase its global competitiveness by moving beyond traditional manufacturing approaches and conducting research in material technologies and process design.

Product and Market-Oriented Development Approach

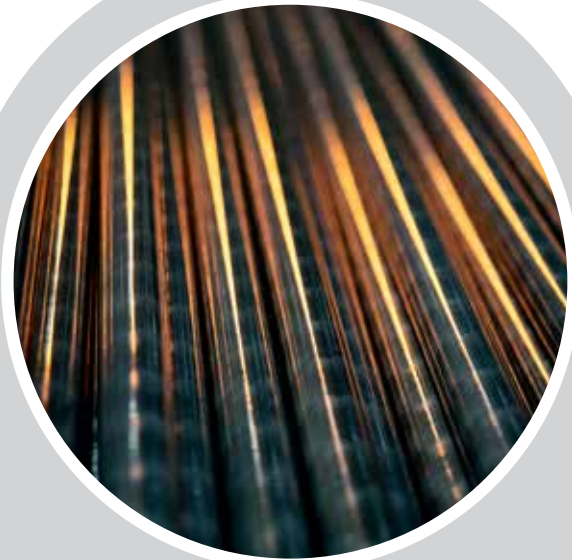
New generation pipe solutions are being developed for applications requiring high strength, toughness, and dynamic fatigue resistance, and the product portfolio is being expanded to meet the technical expectations of different sectors such as energy, automotive, construction and general industry.

Steel material development studies and special process designs pave the way for the development of pipe types suitable for different application areas, strengthening the company's flexible production capabilities tailored to customer-specific technical requirements.

Value-Added Manufacturing and Surface Technologies

Surface coating technologies and specialized manufacturing applications are used to develop corrosion-resistant, long-lasting and performance-oriented product solutions.

Design and production processes are optimized by taking the needs and technical regulations of different geographical markets into account, and configurations tailored to customer requirements are developed.



Reducing environmental impacts and strengthening the concept of sustainable production are among the priority components of new product development activities.

Sustainability-Focused Product Development

Reducing environmental impacts and strengthening the concept of sustainable production are among the priority components of new product development activities.

The company supports environmental performance by developing products that comply with international standards such as Green Building Certification (LEED, BREEAM) based on the material optimization and process improvements implemented to reduce its carbon footprint.

The life cycle of products is analyzed within the scope of Environmental Product Declaration (EPD) activities with environmental impacts reported transparently and presented to customers.

Digitalization and Integrated Product Development

Digital tools are more widely being used in product development processes with development cycles being accelerated through data-driven analytics and process traceability.

IoT-based applications, digital traceability solutions and work on data analytics aim to strengthen product performance monitoring and feedback mechanisms in the field. This approach positively impacts both technical validation processes and the speed which these solutions are brought to market.

Main Studies and Outcomes in 2025

As of 2025, Borusan Pipe developed new pipe types for the automotive, infrastructure and energy 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.

Patent applications continued in 2025 in order to increase Borusan Pipe's intellectual capital and ensure its innovation processes were sustainable. The innovation unit coordinates patent search processes for all projects carried out by various units within the institution. Preliminary approval was



given for one project which the company applied for in 2024, and the product entered the research process. A formal patent application was also filed for another project.

Future Perspectives

New product development activities are positioned as one of the fundamental elements of Borusan Pipe's long-term growth strategy. In line with changing expectations in global markets, Borusan Pipe is steadfastly continuing its work to develop more durable, environmentally friendly product solutions integrated with digital systems.

Primary objectives for the upcoming period include expanding the competitive product portfolio, increasing the rate of value-added sales and raising the level of technical expertise.

INNOVATION: SUSTAINABLE TRANSFORMATION WITHIN THE ORGANIZATION AND THE ECOSYSTEM

Borusan Pipe positions innovation not merely as the generation of new ideas, but as an area of strategic leverage supporting the company's long-term growth, agility and competitiveness. In line with this approach, during 2025, the company continued to carry out work under the Factory Innovation Network, which facilitates interaction with the external ecosystem.

Product Development, Innovation and Digital Transformation

In the area of internal innovation, the FutureUP Internal Innovation Program continued to spread a culture of innovation throughout the organization and improve employees' project-generating skills.

FutureUP: Maintaining a culture of In-House Innovation

FutureUP, a long-term program aimed at developing innovation skills among Borusan Pipe employees, strengthening their collaboration culture and producing projects aligned with company strategies, was again actively implemented in 2025.

Under the Program:

- Training and workshops continued to be provided, supporting employees' innovative thinking, problem-solving, and business model development skills,
- Small-scale projects that produce tangible results were implemented,
- Ideas were tested through short sprint cycles, and those found feasible were brought into operation together with the relevant units.

As well as producing project outputs, FutureUP has also continued to contribute to the spread of an innovative perspective within the organization and the strengthening of interaction between units.

Factory Innovation Network: Continuous Engagement with the Ecosystem

Contact with the entrepreneurial ecosystem was maintained in 2025 under the Factory Innovation Network brand with interaction continuing with start-ups, universities, technoparks and various open innovation platforms.

Through these efforts:

- Participation in enterprise and technology-focused events was ensured,
- Collaborations were established with university clubs,
- The solutions and development areas of start-ups operating in the ecosystem were closely monitored.

The Factory brand has maintained its position as a platform representing Borusan Pipe's open innovation approach, continuing to contribute both to the employer brand and to the perception of innovation in the sector.

Overview of 2025

Rather than new and large-scale structural transformations in the area of innovation, 2025 was a year in which the sustainability of existing programs was ensured, cultural diffusion was strengthened and ecosystem engagement was maintained.

With its vision of placing innovation as a corporate reflex rather than a temporary initiative, Borusan Pipe resolutely continues to press ahead with its internal programs and its connections with the external ecosystem.

THE DIGITAL TRANSFORMATION: TECHNOLOGY-FOCUSED OPERATIONAL EXCELLENCE

Borusan Pipe views digital transformation not merely as a technological adaptation process, but as a strategic area of transformation which strengthens operational excellence, improves workplace safety and supports a sustainable production approach. In line with its Industry 4.0 vision, the company continues to integrate robotic automation, AI-powered analytical systems, smart sensor technologies and digital data management solutions into its production processes.

The work carried out throughout 2025 was based on the objectives of increasing efficiency in production areas, managing quality processes based on data, reducing occupational safety risks and strengthening operational continuity.

1. Enhancing Safety and Efficiency through Robotic Automation

Automating manual processes has been identified as a priority area for improving occupational health and safety performance.

Robotic systems were integrated into automated sample collection processes in 2025, reducing occupational safety risks, lowering the margin of human error and increasing efficiency in production processes. Simultaneously, process standardization was strengthened, contributing to operational sustainability.

2. AI-Powered Data Analytics and Quality Control

In order to holistically increase the effectiveness of quality control activities in production processes, work continued on the development of AI and image processing technologies in 2025.

Some product quality control processes, such as source temperature monitoring, visual defect inspection and dimensional monitoring have been automated, enabling instantaneous detection and rapid intervention in potential quality problems that may occur on the production lines.

These efforts have enabled the management of quality processes in a more systematic and data-driven manner, significantly improving traceability and process control capabilities.

3. Predictive Maintenance and Process Optimization through Smart Sensor Technologies

Sensor infrastructure for the monitoring of machine and equipment performance has been strengthened, with predictive maintenance applications widely adopted.

Data monitoring on critical production lines has helped prevent unplanned downtime, supported operational continuity and enabled more organized maintenance processes. Production stability has been enhanced through improvement efforts based on the analysis of process data.

4. Safety and Emergency Management

Digital system infrastructures have been developed to strengthen emergency management capabilities. Systems for predicting the effects of an earthquake's epicenter on factories and offices have been integrated into both on-site infrastructure and the company's mobile app.

This integration has ensured that employees are informed in a timely manner while also supporting rapid coordination and effective communication capabilities during times of crisis.

Preparing for the Future Through the Digital Transformation

At Borusan Pipe, digital transformation efforts are considered not only as short-term operational opportunities but also as strategic investments which will support the company's long-term competitiveness.

Work is ongoing to bring about safer, more efficient and more controllable production infrastructure through robotic automation, AI-powered quality systems and data-driven process management applications. The digitalization process remains a fundamental building block in enabling the company to adapt to the smart manufacturing systems of the future.



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.



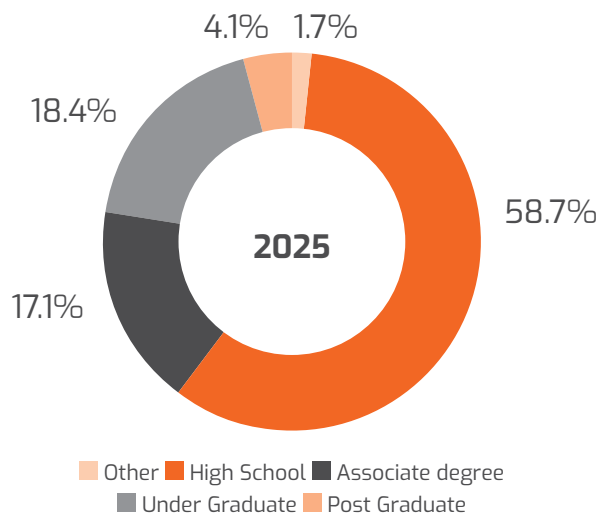
Borusan Pipe has defined a “people-oriented approach” as the cornerstone of its corporate culture, recognizing that human capital is its most valuable asset.

As do all Borusan Group companies, Borusan Pipe respects 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 talent management & progression.

2025 EDUCATION DISTRIBUTION (%)



* The data in this section covers operations in Turkey only and does not include foreign subsidiaries.



Employee Engagement & 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, employee engagement surveys are conducted by independent organizations annually and the feedback is used 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.

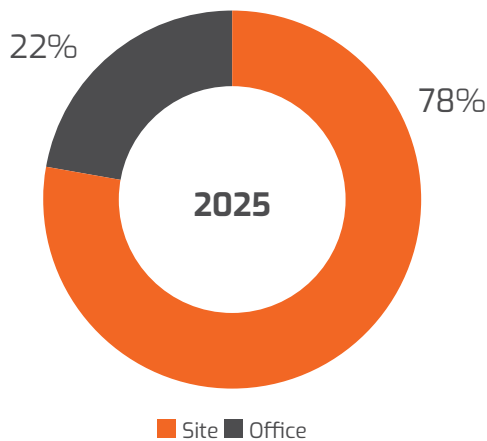
Recognizing that its employees are crucial to its success, Borusan Pipe prioritizes employee satisfaction and it strengthens employee loyalty by focusing on three key areas in the conduct of its human-resources management operations:

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

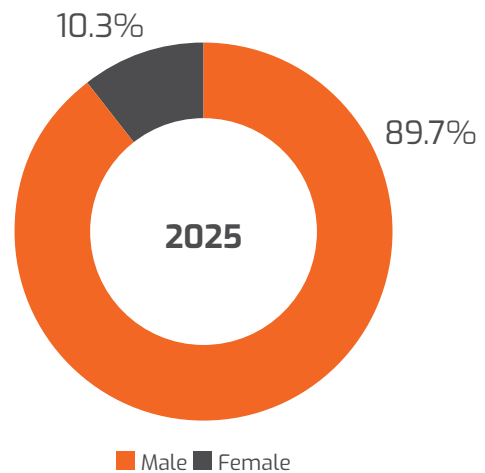
In 2024, a total of 34,935 hours of training were provided to employees.

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.

2025 DUTY DISTRIBUTION (%)



2025 GENDER DISTRIBUTION (%)



Human Resources

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 Flexible 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. Nine employees claimed maternity leave benefits and 67 employees benefited from paternity leave in 2025.

The employee loyalty and satisfaction score among office personnel was 76% in 2025; among on-site personnel, it was 68%.

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.



In 2025, a total of 34,935 hours of training were provided to employees.

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 2025, company employees took part in a total of 34,935 hours of training focusing on professional development (5,790 hours), personal development (273 hours), on-the-job, mandatory professional, occupational safety and health (OSH) and certification (28,872 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.

Inclusion & Equal Opportunity

"BORUSAN EQUALITY PLEDGE" TO EMPHASIZE GENDER EQUALITY

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 5 March 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.

Human Resources

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.
- 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.
- 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 2025, Borusan Pipe set itself the goal of employing women in 34% of office positions, 4.0% of on-site roles, and 24% of managerial roles. As of year-end these percentages were 35%, 3.4% and 26%, 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. 78% of the people employed in Borusan Pipe’s operations in Türkiye are union members.

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.



Sustainability

Our Sustainability Manifesto

In line with its sustainability vision, Borusan Pipe has adopted the targets of zero waste and zero emissions. This approach aims to contribute towards reducing carbon emissions and waste, protecting the ecological balance and leaving a more livable world for future generations.

We address sustainability through three core values.

1. Climate

"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.

2. People

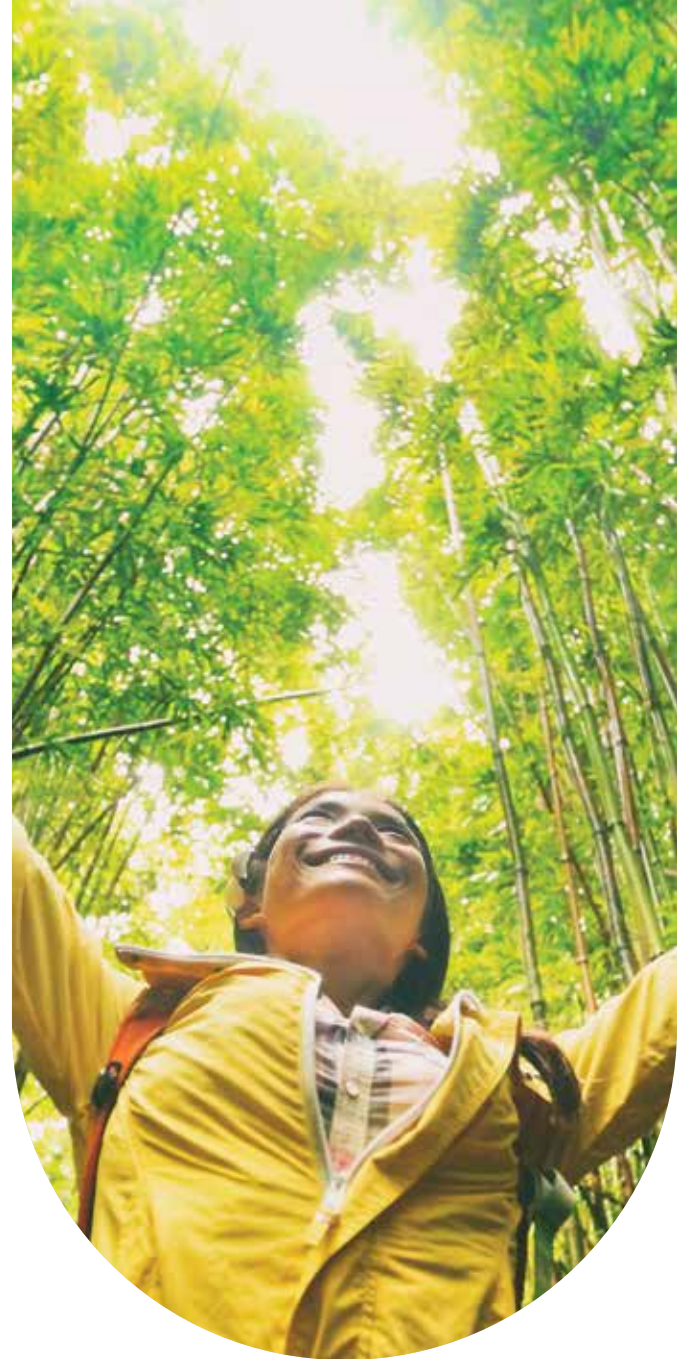
"We dream, we design, we make it happen because we care about people."

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.

3. Innovation

"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.

This manifesto is based on Borusan Pipe's commitment not only to reduce its environmental impact but also to create value through people-centric development and innovative business models.

Information on Compliance with Sustainability Principles

Borusan Pipe sets targets for all three value areas: Climate, People and Innovation, and conducts systematic activities in these areas. Due to the nature of its geographical location and its sector, the company's sustainability efforts are primarily focused on the climate value area.

In line with its zero waste and zero emission targets, Borusan Pipe has implemented its Sustainability Manifesto to reduce carbon emissions and waste generation and contribute to the preservation of ecological balance.

Under this approach, Borusan Pipe has integrated its sustainability performance into its corporate reporting processes, and with the publication of its first TSRS (Turkish Sustainability Reporting Standards) compliant sustainability report in 2025, it has strengthened its commitment to transparency and accountability.

Sustainability Governance

At Borusan Pipe, sustainability governance is fully embraced by the Sustainability Board, which operates under the leadership of the CEO with strategic direction, investment priorities, budgeting and performance monitoring being carried out through this structure. The Chief Sustainability Officer (CSO) and the Global Sustainability Manager are responsible for coordinating sustainability and climate-related activities across the company.

As a party to the United Nations Global Compact, Borusan Pipe has adopted a corporate-level commitment to compliance with global principles in the areas of human rights, labor standards, the environment and tackling corruption. In this respect, the company regularly reports on its progress (Communication on Progress - COPs) and integrates its work under global initiatives, particularly the Climate Acceleration Program, with its sustainability governance and climate strategy.

Sustainability activities are carried out through multidisciplinary teams consisting of representatives from different functions including production, maintenance, quality, occupational health and safety, procurement, supply chain, human resources, finance, digitalization and R&D.

Priority areas such as decarbonization, energy efficiency, the use of renewable energy, water efficiency, the circular economy and compliance with the Carbon Border Adjustment Mechanism (CBAM) are integrated into the annual strategic planning and budgeting process. Within this scope, sustainability investments (CapEx) and operational improvement projects (OpEx) are prepared by the relevant units and prioritized in line with cost-benefit analyses, carbon reduction potential, regulatory compliance and operational resilience criteria. After undergoing evaluation by the Sustainability Board and the Executive Board, the proposed projects are submitted to the Board of Directors for approval.

In line with its sustainability vision, Borusan Pipe has adopted the targets of zero waste and zero emissions. This approach aims to contribute towards reducing carbon emissions and waste, protecting the ecological balance and leaving a more livable world for future generations.

Sustainability

Climate-related physical and transition risks (including water stress, extreme weather events, carbon pricing and regulations such as the ETS and CBAM) are integrated into the company's corporate risk management processes. The financial and operational impacts of these risks are regularly assessed and the results are presented to the Executive Board and the Board of Directors and reflected in investment decisions and operational plans. Indicators such as carbon emissions, energy intensity and water usage are considered in major investment and capacity increase decisions, with an analysis of trade-offs between short-term costs and long-term climate resilience.



Sustainability governance at Borusan Pipe is structured globally to encompass the production facilities in Türkiye, the USA, Italy and Romania.

Regular training is provided to relevant employees on topics such as climate change and low-carbon transition, TSRS/TCFD compliant risk management, carbon footprint calculation methodologies and regulations such as ETS and SKDM (CBAM) to strengthen institutional capacity in sustainability and climate-related issues. This approach ensures that sustainability governance is based on institutional competence, not individual initiatives.

Sustainability and climate-related goals are integrated into the performance targets of the senior management and relevant functional managers, with progress monitored regularly. The company's sustainability performance is communicated transparently to stakeholders through progress reports under the UN Global Compact, TSRS-compliant reporting and independent limited assurance processes. Borusan Pipe thus regularly updates its climate-related risks and opportunities and aims to improve its methodology and data infrastructure in each reporting period.

During 2024, sustainability governance at the company was structured globally to encompass Borusan Pipe's production facilities in Türkiye, the USA, Italy and Romania with the aim of addressing climate-related risks and opportunities within a consistent framework across all locations and to generate comparable data throughout the group.

Sustainability Strategy

The European Green Deal, built around the European Union's goal of becoming a carbon-neutral continent by 2050, is a holistic roadmap encompassing policy sets, regulatory instruments and transformation mechanisms that will help achieve this goal. Within this framework, the Carbon Border Adjustment Mechanism (CBAM), carbon pricing and product sustainability requirements increase climate-related transition risks and adaptation obligations for companies exporting to the European Union market. Borusan Pipe considers carbon regulations (such as the ETS and CBAM) and water scarcity as prominent transition and physical risks, and addresses the financial and operational impacts of these risks,



along with their potential repercussions on the company's value chain and business model.

Borusan Pipe's business model and strategy are shaped by considering the impact of climate-related risks and opportunities on competitiveness and long-term value creation. Accordingly, throughout 2025, the company has linked its strategic priorities in commercial excellence, operational excellence, sustainability and product innovation to climate-related risk and opportunity assessments and transition plan studies, and evaluated the resilience of these areas in the face of carbon regulations, energy transition and low-carbon production requirements.

Climate-related physical and transition risks are integrated into the company's corporate risk management processes, with the impact of these risks on operational continuity, cost structure and investment priorities regularly discussed with the senior management and the Board of Directors.

Priority is placed on energy efficiency, increased efficiency in production processes and the reduction of emissions from the supply chain within the scope of the low-carbon transition. In this respect, the company closely monitors sectoral developments regarding the transition to lower carbon-intensive alternatives in production technologies while evaluating collaborations aimed at reducing supply-related emissions. Performance in regard to climate-related metrics and targets is regularly monitored with data quality, traceability and internal control mechanisms strengthened in reporting

processes. Digital technologies and human resources management are positioned as supporting areas in the implementation of the sustainability strategy, thereby increasing the accuracy and timeliness of decision-making processes.

Borusan Pipe maintains its voluntary participation in the CDP Climate Change and Water Security programs, transparently sharing its performance regarding greenhouse gas emissions, climate risks and water management on an international scale. The outputs obtained from the CDP process are used as a complementary input in the development of climate-related risk and metric studies. In line with this approach, Borusan Pipe considers the Green Deal and national reporting obligations not merely as a compliance requirement, but as a strategic transformation area which will preserve its competitiveness and support long-term value creation.

Sustainability Risk Management

Borusan Pipe addresses its risks and opportunities within the scope of sustainability in line with the ISSB approach, which is based on the Turkish Sustainability Reporting Standards (TSRS), and evaluates climate-related risks and opportunities together with their potential impacts on the company's operations, the value chain and financial performance within the scope of TSRS 2. Accordingly, climate change is integrated into the company's strategy, investment decisions, corporate risk management and policy-making processes, and is addressed with consideration of short, medium and long-term time horizons. Climate-related risk and opportunity assessments are conducted to cover the upstream (supply), direct operations and downstream (distribution and customer use) stages of the company's value chain.

Sustainability

In analysis conducted within the scope of TSRS, climate-related risks are classified as physical risks and transition risks. Under physical risks, water scarcity and water stress are monitored due to their potential impact on the company's production facilities and operational continuity, with the potential effects of these risks on operational efficiency, production processes and resource use assessed and integrated into corporate risk management processes. The impacts of changes in climate policies and the regulatory framework, primarily carbon regulations and the Carbon Border Adjustment Mechanism (CBAM) on the company's cost structure, competitiveness and investment decisions are addressed under transition risks. The impacts of these risks are integrated into the company's corporate risk management processes and regularly brought to the attention of the senior management and the Board of Directors.

Climate-related risks and opportunities are used as a decisive input in updating the company's strategic priorities. Borusan Pipe has updated its strategic priorities along the axes of commercial excellence, operational excellence, sustainability and product innovation, with these priorities linked to the climate-related risk-opportunity analysis and transition plan studies conducted within the scope of TSRS guidelines. Digital technologies and human resources management have been positioned as areas supporting the implementation of the sustainability strategy with the goal of strengthening reporting and decision-making processes by increasing operational efficiency, data quality and traceability. Climate-related risk and opportunity assessments are taken into account in strategic decision-making processes such as major investment decisions and capacity increases with trade-offs between short-term costs and long-term regulatory compliance, operational resilience and competitiveness addressed from a cost-benefit perspective.

Monitoring and management of climate-related risks and opportunities are carried out within a multi-level governance structure. The results of the

Monitoring and management of climate-related risks and opportunities are carried out within a multi-level governance structure.



assessments are regularly reported to the Executive Board and the Board of Directors with climate-related developments reflected in investment, operational and financial planning processes.

Borusan Pipe addresses Environmental, Social and Governance risks in a holistic manner in line with the priority sustainability issues identified under the GRI Standards, as well as climate-related risks. Occupational health and safety, employee health and well-being, talent retention and development, ethics and compliance, social and environmental

compliance in the supply chain, information security and business continuity are among the main sustainability risk areas monitored in terms of the company's operational continuity, corporate reputation, and long-term value creation. These risks are regularly reviewed within the scope of relevant policies and management systems, with identified risks and areas open to improvement being addressed through action plans. Progress in these areas is reported to the senior management. Sustainability risks are integrated into the company's corporate risk management framework and monitored through indicators such as occupational health and safety performance, supplier evaluations, ethical reporting mechanisms, data security practices and employee satisfaction.

Borusan Pipe transparently presents its sustainability performance and climate-related risk-opportunity management to its stakeholders through sustainability reports compliant with GRI Standards and climate-focused reporting prepared within the scope of TSRS reporting. The company uses the obtained outputs as complementary input in the development of risk assessment and transition plan studies. Under this approach, the company treats climate-related and non-climate sustainability risks not only as compliance requirements but also as areas of strategic management that increase operational resilience, strengthen regulatory compliance and support long-term value creation.

Stakeholder Engagement and Materiality

Borusan Pipe regularly evaluates the expectations of all stakeholders in its value chain and integrates these expectations into its sustainability strategy. Through dialogue mechanisms that involve stakeholders in corporate decision-making processes, expectations, risks, and opportunities in the Environmental, Social and Governance areas are addressed from a holistic perspective. The sustainability materiality analysis initiated in this context in the last quarter of 2023 under the coordination of Borusan Holding was detailed

specifically for Borusan Pipe and structured to guide the company's strategic decision-making processes. Within the scope of the study, the effects of stakeholder activities on Borusan Pipe and Borusan Pipe's impact on environmental and social issues were evaluated together, thus integrating the dual materiality approach into corporate decision-making processes.

As a result of surveys, workshops, and strategic review meetings, a total of 17 materiality issues were identified for Borusan Pipe in the area of sustainability. These issues covered areas which



Borusan Pipe integrates the expectations of all stakeholders in its value chain into its sustainability strategy.

Sustainability

have a decisive impact on the company's operational continuity, regulatory compliance, cost structure, supply chain security, employee engagement, customer relations and long-term financial performance. No new stakeholder survey was conducted in 2025, as the company continued to implement its sustainability strategy based on the priorities identified in 2023. In preparation for TSRS obligations, climate-focused risk and opportunity analyses were deepened and financial impact assessments were integrated into strategic planning processes in line with investor expectations.

The identified materiality areas include environmental and operational risk areas such as climate change mitigation and adaptation, corporate governance and regulatory compliance, technology and digital transformation, sustainable business models, nature and biodiversity conservation, circularity and waste management, water management, and occupational health and safety; social impact areas such as a people-centric corporate culture, employee rights, talent management and development, and creating community benefit; and governance and value chain topics such as information security and customer confidentiality, sustainable supply chain management, customer satisfaction and service quality, sustainable economic performance and the development of enterprise and collaborations. These priorities serve as a reference framework for the scope of Borusan Pipe's investment planning, risk management, performance targets and reporting.

The financial impacts of the issues identified within the scope of the materiality analysis are assessed through studies conducted within the framework of TSRS. Accordingly, analyses of the financial impacts of climate-related risks and opportunities have been deepened and integrated into investment decision-making and budgeting processes. In 2025, the scope of the double materiality analysis within the framework of CSRD will be expanded, and materiality

issues will be evaluated in more detail, considering both their impact and financial dimensions.

Thanks to this holistic approach, Borusan Pipe considers its sustainability priorities not merely as a reporting issue, but as fundamental components of strategic management, risk management, and long-term value creation; establishing a consistent and robust balance between stakeholder expectations and regulatory requirements.

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.



Title	Relevant SDG Targets	Borusan Pipe's Statement
Circularity and Waste Management	12.4, 12.5, 13.3	Closed-loop practices have been widely adopted in production processes to increase material efficiency, reduce scrap rates and recycle by-products. In 2025, investments were undertaken particularly in processes aimed at reducing waste and increasing recycling rates.
People-centric Organizational Culture	5.5, 8.5, 10.2	Diversity, inclusion and an inclusive organizational culture are priority areas. Practices focused on leadership development, talent management and employee experience were strengthened in 2024.
Conservation of Nature and Biodiversity	6.6, 12.2, 15.1-15.5	The company ensures efficient use of natural resources, reduces emissions and regularly monitors environmental risks. Studies focused on reducing water consumption and environmental impacts were conducted in 2025.
Employee Rights	8.5, 8.8	Respect for human rights, prevention of discrimination, trade union rights, and a safe working environment are fundamental priorities for Borusan Pipe. Occupational Health and Safety (OHS) was one of the highest materiality issues for 2025.
Creating Social Benefit	4.4, 8.3, 10.2, 17.17	Projects focusing on education, culture, social development and societal impact are carried out in collaboration with the Borusan Kocabiyık Foundation.
Talent Management and Development	4.3, 4.4, 8.5	Employee development has been supported through training programs, talent pools, and leadership development practices.
Technology and the Digital Transformation	8.2, 9.5, 12.a	SAP transformation, automation and digital optimization projects have come to the forefront in 2025. Digitalization supports operational efficiency and sustainability goals together.
Supporting Enterprise and Developing Collaborations	8.3, 9.3, 17.17	Innovation and sustainability collaborations have been increased with suppliers and ecosystem partners. Sectoral transformation is supported through technology investments in EU and US operations.
Water Management	6.3, 6.4	Projects have been implemented to improve water quality, ensure closed-loop use in processes, and increase reuse rates. Water reduction practices have become particularly prominent in 2025.
Customer Satisfaction Management and Service Quality	8.3, 12.8, 17.17	Quality standards have been strengthened with certifications such as UL, FM, DVGW, and NSF.
Information Security and Customer Privacy Protection	8.5, 12.a, 16.10	Data security has been prioritized in digitalization processes.
Sustainable Economic Performance	8.3, 9.2	Despite cost pressures, fiscal discipline was maintained and sales volume increased with an EBITDA margin of 7.4% in 2025.
Corporate Governance, Regulatory Compliance and Monitoring	16.6, 16.7	Corporate governance standards, transparency and regulatory compliance are key priorities. This approach is supported by the board structure and committee activities.
Sustainable Supply Chain Management	8.7, 12.a, 17.17	Environmental, Social and Governance criteria are applied in supplier evaluations with steps to strengthen integration of climate and water criteria.
Developing Sustainable Business Models	8.2, 9.4, 12.2	New business models are being developed, supported by low-carbon production technologies, circular economy approaches and digital innovation.
Tackling and Adapting to Climate Change	6.3, 12.4, 13.1-13.3	In 2025, climate-related risks and opportunities were analyzed in accordance with TIRS standards. "Climate change mitigation and adaptation" was identified as the top priority for financial sustainability.
Occupational Health and Safety	8.8	Practices aimed at ensuring safe working environments, proactive risk management, and zero accidents were strengthened in 2025.





Management Systems

- ISO 14064-1:2006 Greenhouse Gas Corporate Accounting and Reporting
- ISO 14046 Organizational Water Footprint
- IATF 16949 Automotive Quality Management System
- Integrated Management System
- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental 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/IEC 17025:2017 Accreditation for the Competence of Testing and Calibration Laboratories
- API Q1 Quality Management System Specification
- API 5L Specification for Line Pipe
- API 5CT Specification for Casing and Tubing





CORPORATE GOVERNANCE

Structure and Functioning 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 2025" 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 2024 General Assembly Meeting convened on 29 April 2025. 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 29 April 2025.

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 29 April 2025.

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.

In accordance with the Borusan Pipe Board of Directors' decision dated 29 April 2025, the membership structure and assignment of duties of the Corporate Governance Committee have been determined. As a result of the changes in duties and membership that occurred during the year, the current structure of the committee is as follows*.

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	Investor Relations Manager

(*) Changes to committee memberships during the year are included in the Appendixes / Other Information section of the report.

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.

Internal Control System and Internal Audit Activities of Borusan Pipe

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.

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 29 April 2025.

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	Vice Chairman

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:	12 September 1994
Ticker Symbol on Borsa Istanbul:	BRSAN
Stock Exchange/Market Traded on:	Borsa Istanbul Star Market
Paid-in Capital:	TL 141,771,582.28
Closing Price (31 December 2025):	TL 555.00
Market Capitalization (31 December 2025):	USD 1,833 million

Borusan Pipe is traded on the Istanbul Stock Exchange (BIST) under the BRSAN ticker on the Star Market. With the 0.98% publicly traded shares held by Borusan Holding A.Ş., the company's total publicly traded shares represent 19.85% of its capital. According to the Central Securities Depository (MKGK) records, the free float of the shares is 18.67%.

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 2025, 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, 2024 year-end and quarterly financial reports were publicly disclosed within legally defined periods of time. 2024 Ordinary General Assembly Meeting in April 2025 was convened, using the EGM system actively and fulfilling all applicable regulatory requirements.

Borusan Pipe complied with public disclosure requirements, publishing 75 special disclosures, including financial results and general assembly documents, on the Public Disclosure Platform throughout 2025.

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 2025 Annual Activity Report that was prepared to inform Borusan Pipe Board of Directors was presented to be Board of Directors on 11 March 2026.

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 - Global CFO.

Contact information for Borusan Pipe Investor Relations:

Tel: +90 212 393 57 58

Fax: +90 212 293 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 Directive on the Working Procedures and Principles of the General Assembly" document that can be found in the "General Assembly" section under "Corporate Governance" tab on the website. Publicly disclosed announcements in relation to the General Assembly Meetings are posted in the "General Assembly Announcement" section under the "Disclosures" heading.

The 2024 Ordinary General Assembly Meeting of Borusan Pipe was held on 29 April 2025, 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 27 March 2025, No. 11301. 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 25 March 2025.

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 2024 and the Independent Auditor's Reports; the reading, discussion, and approval of the financial statements for 2024; 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 2024; determination of the upper limit for donations to be made in 2025; 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.

General Assembly Meetings

No suggestions were submitted aside from the set agenda items.

In the 2024 fiscal year, the Company recorded a profit of TL 761,279,025.24 according to its legal records; however, its financial statements, prepared in accordance with Turkish Financial Reporting Standards, report a consolidated net loss of TL 227,687,701.95 (TL 1,075,728.30 is the net loss attributable to non-controlling interests, and TL 226,611,973.65 is the net loss attributable to the parent company). Therefore, the 5% general legal reserve required under Article 519 of the Turkish Commercial Code was not allocated for 2024 because the amount of general legal reserve recorded in the Turkish Tax Procedure Law records as of 31 December 2024, reached the 20% limit of the capital. The decision was taken in a majority vote that no dividend distribution would be carried out due to the company having no distributable profit for the period according to its financial statements prepared in accordance with Turkish Financial Reporting Standards, and that TL 376,285,587.80 of the current year's profit of TL 761,279,025.24

calculated according to the Tax Procedure Law records would be transferred to special funds due to the fixed asset sales profit exemption; and that the remaining amount would be transferred to retained earnings from previous years.

During 2024, 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.

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 23 January 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.

Dividend Policy

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 1 January 31 December 2025, 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 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.

On 31 December 2025, the Information Security Policy prepared within the scope of the Capital Markets Board's Communiqué No. VII-128.10 on Procedures and Principles Regarding Information Systems Management was approved and put into effect by our Company's Board of Directors. This policy defines the fundamental principles, guidelines, roles, and responsibilities for protecting the confidentiality, integrity, and accessibility of information assets processed, transmitted, and stored within information systems. The policy has been published on the corporate website and made accessible to relevant parties.

The 2025 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 10 January 2019, and numbered 2/49, and approved by the Board of Directors of Borusan Pipe, are included in the Annual Report (pages 90-107). 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	
Corporate Governance Compliance Report						
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.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
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.
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					

Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
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 program 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					
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					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
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					
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					

Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
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					
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.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
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					
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.

Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
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

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 20 investors and analysts throughout the year.
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	0
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The number of special audit requests that were accepted at the General Shareholders' Meeting	0
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1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://kap.org.tr/en/Bildirim/1411786
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Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Partial
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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.
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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 has been no transaction requiring disclosure on the Public Disclosure Platform (KAP) within the scope of Article 9 of the Corporate Governance Communiqué (II-17.1).
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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 has been no transaction requiring disclosure on the Public Disclosure Platform (KAP) within the scope of Article 10 of the Corporate Governance Communiqué (II-17.1).
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The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations- Corporate Governance- Policies- Donation and Aid Policy
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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/en/Bildirim/193965
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The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 16
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Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The Ordinary General Assembly Meeting of Borusan Boru held on April 29, 2025 was attended by the Company's shareholders and their representatives, members of the Board of Directors, the Company's auditor, the General Secretary, and the personnel responsible for the preparation of the General Assembly.
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1.4. Voting Rights

Whether the shares of the company have differential voting rights	Yes
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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.
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The percentage of ownership of the largest shareholder	78.28%
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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
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If yes, specify the relevant provision of the articles of association.	None
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Corporate Governance Information Form

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

Investor Relations / Corporate Governance / Policies / Dividend Distribution 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.

For the 2024 fiscal year, the Company recorded a profit of TL 761,279,025.24 according to its statutory books, while its financial statements prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards reflected a consolidated net loss for the period amounting to TL 227,687,701.95 (TL 1,075,728.30 attributable to non-controlling interests and TL 226,611,973.65 attributable to the parent company). It was resolved by majority vote that no general legal reserve of 5% required under Article 519 of the Turkish Commercial Code would be set aside for 2024, as the existing general legal reserve in the statutory records had already reached the statutory limit of 20% of the paid-in capital as of 31.12.2024; that no dividend distribution would be made due to the absence of distributable profit according to the financial statements prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards; that TL 376,285,587.80 of the current year profit amounting to TL 761,279,025.24 calculated based on statutory records would be transferred to special reserves due to the fixed asset sale gain exemption; and that the remaining amount would be transferred to retained earnings.

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://kap.org.tr/en/Bildirim/1431162>

General Assembly Meetings

General Meeting Date	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	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	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	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	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions
29/04/2025	0	86.98%	0.02%	86.95%	Investor Relations / Disclosures / General Assembly Announcements	Investor Relations / Disclosures / General Assembly Announcements	-

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 Information, Internal Directive on the Working Procedures and Principles of the General Assembly, Forms, Mergers) / General Assembly / Reports / Disclosures (Material Event Disclosures, General Assembly Announcements) / Contact
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 - Shareholder Structure
List of languages for which the website is available	Turkish and 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	In the Annual Report published on the Public Disclosure Platform (KAP), the duties of the senior management within and outside the Company are included in the biographies under the main headings 'Overview of Borusan Boru' and 'Corporate Governance', while the independence declarations are presented under the 'Appendices' section.
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

Corporate Governance Information Form

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	12
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 Boru 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 program.	There isn't an employee stock ownership program.

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 Boru companies operate in human resources practices within the framework of the following principle stated in the document "Borusan Group Management Approach and Practices": Borusan Boru 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 4

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics

Borusan Boru- 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.

Sustainability Section

Corporate Governance Information Form

Any measures combating any kind of corruption including embezzlement and bribery

Borusan Boru 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 Boru. 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 Boru 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 Boru 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 Boru 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	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	5
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%

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director 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 Director	27/05/2024	-	Not applicable	Not applicable	No
Semih Abidin Özmen	Non-executive	Not Independent Director	2/1/2017	-	Not applicable	Not applicable	No
Erkan Muharrem Kafadar	Executive	Not Independent Director	30/03/2016	-	Not applicable	Not applicable	No
Defne Kocabiyik Narter	Non-executive	Not Independent Director	28/03/2019	-	Not applicable	Not applicable	No
Bülent Bozdoğan	Non-executive	Independent Director	6/7/2020	https://kap.org.tr/en/Bildirim/1411791	Considered	No	Yes
İbrahim Romano	Non-executive	Independent Director	6/7/2020	https://kap.org.tr/en/Bildirim/1411791	Considered	No	Yes
Tayfun Bayazit	Non-executive	Independent Director	27/05/2024	https://kap.org.tr/en/Bildirim/1411791	Considered	No	Yes

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	4
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 2025 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

Corporate Governance Information Form

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/en/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	Board Member
Audit Committee	Audit Committee	İbrahim Romano	No	Board Member
Corporate Governance Committee	Corporate Governance Committee	İbrahim Romano	Yes	Board Member
Corporate Governance Committee	Corporate Governance Committee	Erkan Muharrem Kafadar	No	Board Member
Corporate Governance Committee	Corporate Governance Committee	Tayfun Bayazit	No	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 Bayazit	Yes	Board Member
Committee of Early Detection of Risk	Committee of Early Detection of Risk	Semih Abidin Özmen	No	Board Member

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 Boru in 2025
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations - Corporate Governance - Policies-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

Composition of Board Committees-II

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%	6	4
Corporate Governance Committee	Corporate Governance Committee	75%	50%	4	5
Committee of Early Detection of Risk	Committee of Early Detection of Risk	100%	50%	6	6

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	
	Member 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	
	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	
	Chairman of Borusan Berg Pipe BoD	
Member of Berg Pipe Mobile Corp. BoD		
Member of Berg Pipe Panama City Corp. BoD		

Corporate Governance Information Form

Name - Surname	Duties and Title within the Group	Duties and Title outside the Group
Erkan Muharrem Kafadar	Vice Chairman of Borusan Yatırım ve Pazarlama A.Ş. BoD	Member of Turkish Employers' Association of Metal Industries (MESS) BoD
	Executive Member of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. BoD	Member of Turkish Industry and Business Association (TÜSİAD)
	Member of Borçelik Çelik Sanayii Tic. A.Ş. BoD	Member of the Disciplinary Board of Turkish Confederation of Employer Associations (TİSK)
	Board Memberships of Borusan Automotive Group of Companies	Member of the Sabancı University İstanbul International Center for Energy and Climate (IICEC) BoD
	Vice Chairman and Executive Member of Supsan Motor Supapları Sanayii ve Ticareti A.Ş. BoD	Member of Türkiye – Germany Business Council 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 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	
	Member Borusan Berg Pipe Logistics Corp. BoD	
	Chairman of Dijital Parça BoD	
	CEO & Member of Borusan Holding. BoD	
Defne Kocabıyık Narter	Member of Berg Pipe Mobile Corp. BoD	
	Member of Berg Pipe Panama City Corp. BoD	
	Chairperson and Executive Member of Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. (Caterpillar) BoD	
	Chairperson 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	
	Chairperson 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		
Chairperson of Borusan Ventures BoD		

Name - Surname	Duties and Title within the Group	Duties and Title outside the Group
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 Member of Marmara Holding A.Ş. BoD representing Emin Bitlis Yönetim Danışmanlığı Ltd. Şti.

Disclosure on Compliance with Sustainability Principles

Borusan Pipe carries out its studies targeting compliance with the Sustainability Principles Compliance Framework prepared in line with the amendment dated 2 October 2020, published by the Capital Markets Board in the Corporate Governance Communiqué. For the operating period between 1 January 31 December 2025, 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 23 June 2022 and numbered 34/977.

Pursuing the benefit of all stakeholders, Borusan Pipe continued its efforts on the improvement of compliance also in 2025. The work on necessary improvements is underway as per Borusan Pipe Sustainability Principles Compliance Framework.

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
Sustainability Compliance Report						
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				Climate-related risks and opportunities (including both physical and transition risks) are integrated into the Borusan Pipe's strategy and are regularly reviewed at the Executive Committee and Board of Directors levels. Investment decisions and strategic directions are shaped within this framework. Environmental, Social and Governance (ESG) risks are periodically reported to senior management. For major investments, potential impacts on carbon emissions, water use and energy consumption are assessed and incorporated into the decision-making processes.	
A1.1. 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				In the Corporate Governance and Sustainability Organization sections of the Report, the Company's sustainability governance structure, the management of climate and environmental risks and opportunities, the relevant committees (Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee), and the governance framework aligned with the Turkish Sustainability Reporting Standards (TSRS) are disclosed. The Company's Environmental, Energy, Human Rights and Employee Policies have been established with the approval of the Board of Directors and are publicly available on the Company's website. The TSRS Report further outlines the governance structure under which these policies are implemented, including committee structures and the sustainability organization, thereby clarifying the policy framework and corporate ownership.	
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	x				Borusan Boru has publicly disclosed its measurable short-, medium-, and long-term climate and environmental targets. Accordingly: A 35% reduction in Scope 1 and Scope 2 emissions intensity per product by 2034, A 40% reduction in water withdrawal per unit of product by 2034. These targets have been outlined in the CEO's message and in the "Metrics and Targets" section.	

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
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 execution of sustainability and climate-related policies and practices at Borusan Boru is carried out under the oversight of the Board of Directors, through the Borusan Boru Sustainability organization and thematic working groups, which operate in alignment with the Borusan Holding Sustainability Committee. The management of material topics under climate, environment, people, and innovation is carried out at the senior management level and coordinated by the relevant executive functions alongside sustainability leadership roles. The governance structure, roles, and responsibilities are clearly defined and disclosed in the report.	
A2.1. 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 governance at Borusan Boru is defined through senior management oversight, executive committee responsibility, and thematic working groups. The sustainability organization, including roles, responsibilities, and decision-making mechanisms, has been publicly disclosed, ensuring that climate-related risks and opportunities are monitored and owned through established governance structures	
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	x				Borusan Boru's environmental and social targets have been publicly disclosed within the framework of its green transformation approach, along with the integration of climate-related risks and opportunities into its strategy and its relevant performance metrics. Targets related to emissions reduction, energy efficiency, resource use, and people-focused priorities are presented together with implementation steps and a monitoring framework.	
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				Borusan Boru's environmental and social targets have been publicly disclosed within the framework of its green transformation approach, along with the integration of climate-related risks and opportunities into its strategy and associated performance metrics. Targets related to emission reduction, energy efficiency, resource use, and people-focused priorities are presented together with implementation steps and a monitoring framework.	

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	x				Energy efficiency, emissions reduction, digitalization, and process improvement initiatives within production processes, as well as product-level practices aimed at reducing environmental impact, have been reported. Operational enhancements are linked to innovation and process efficiency.	
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company in an understandable, accurate and sufficient manner.	x				In the annual activity report, Borusan Boru's sustainability approach, priorities, targets, and actions carried out throughout the year are presented in a clear and coherent manner under the strategic framework focused on climate, people, and innovation. Practices related to carbon footprint reduction, green transformation, digitalization, employee development, and sustainable growth are reported in connection with performance indicators and strategic targets.	Borusan Boru Annual Report (2024) page 20-23, 70-83
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				Borusan Boru clearly presents the alignment of its activities with the United Nations Sustainable Development Goals (SDGs) in its reports. In the 2023 Sustainability Report, under the section "Our Contribution to the Sustainable Development Goals," the company's priority SDGs are matched with its areas of impact, and the contributions of activities carried out within the climate, people, and innovation focus areas are presented through both visual and narrative explanations. In the TSRS-aligned 2024 Sustainability Report, SDG contributions are reported within the sections covering strategy, targets, metrics, and the integration of climate-related risks and opportunities, ensuring consistency with the TSRS framework.	Sustainability Report page 70-73
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		

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				The climate and sustainability indicators included in Borusan Boru's TSRS-compliant sustainability report have been verified under limited assurance by an independent third party (EY – Güney Bağımsız Denetim). The assurance statement has been publicly disclosed.	
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 company holds an ISO 14001 Environmental management systems standard certification.	
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				Information on environmental management is publicly disclosed within Borusan Boru's 2023 Sustainability Report. The report covers the period from January 1, 2023 to December 31, 2023 and includes Borusan Boru's operations in Türkiye, as well as its facilities in Italy (Vobarno), the United States (Baytown), and the Panama City operations incorporated in 2023. The report is disclosed based on the Global Reporting Initiative (GRI) standards, while the Türkiye Sustainability Reporting Standards (TSRS) and the EU Corporate Sustainability Reporting Directive (CSRD) requirements were also taken into consideration. Water management data presented in the report has been verified by QSI CERT, climate data by Bureau Veritas, and other performance indicators have been subject to limited external assurance.	

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
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				Environmental targets at Borusan Boru have been integrated into performance incentive systems and incorporated into the performance scorecards of board members, executive committee members, plant directors, and relevant managers. As of 2024, the "Sustainability" category has been assigned a specific weight within the performance scorecards of senior and key management, with a relatively higher allocation defined in the scorecard of the executive committee member responsible for sustainability. In addition, a significant portion of performance management bonuses is tied to climate-related indicators. This structure ensures corporate-level ownership of environmental targets and aligns progress in these targets with performance evaluation and reward mechanisms.	
B5. How the prioritized environmental issues have been integrated into business objectives and strategies has been disclosed.	X				At Borusan Boru, material environmental topics – including carbon emissions and decarbonization, energy efficiency, water stress and alignment with the European Union Carbon Border Adjustment Mechanism (EU CBAM) – are addressed as an integral part of the company's strategy and business objectives. Climate-related risks and opportunities are analyzed across the value chain (from raw material procurement to production, logistics, and customer operations) and their impacts on carbon emissions, water use and energy efficiency are taken into account in major investment and capacity expansion decisions. These topics are routinely part of the agendas of the Executive Committee and the Board of Directors, and targets, budgets, and investment priorities are updated in line with climate risk and opportunity assessments. Priorities such as carbon reduction and water efficiency are integrated into business objectives through transition plans, performance metrics and performance target sets, enabling systematic performance tracking.	

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
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				At Borusan Boru, environmental topics are managed in an integrated approach including the entire value chain, i.e. all operational stages from raw material procurement to production, logistics, customer engagement, and after-sales processes. Suppliers are evaluated in line with the Supplier Working Conditions Protocol, which incorporates ethical, environmental, and social criteria. As of 2024, the Sustainable Procurement Policy, Supplier Self-Assessment Form, and Sustainable Procurement Supplier Guideline have been implemented, ensuring supplier participation in the above process. Quality, environmental, energy, and occupational health and safety management systems are operated in an integrated framework across production facilities, while logistics and delivery processes are planned in alignment with customer project timelines and with consideration of carbon footprint impacts. Customer relations are managed via a long-term partnership approach, integrating customer satisfaction with environmental and social impact management. Climate-related risks and opportunities—such as carbon regulations / the EU CBAM, and dependencies on energy and water—are evaluated throughout the value chain. These assessments are taken into account in major investment and capacity expansion decisions, ensuring that impacts on carbon emissions, water use, and energy efficiency are considered. The outcomes of these analyses are integrated into the company's business objectives and strategies.	

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
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				Borusan Boru actively participates in environmental and climate-related policy development processes through sectoral organizations and non-governmental organizations. Senior management and relevant company representatives take part in associations and business platforms related to the steel industry, contributing to discussions on environmental and climate policies, as well as carbon regulations such as the EU CBAM and the Emissions Trading Scheme (EU ETS). In addition, Borusan Boru collaborates with various NGOs and business initiatives to support the dissemination of best practices in sustainability and to provide input for policy dialogues. The company shares its views and recommendations with the public and policymakers through these platforms.	Sustainability Report page 123
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				Borusan Boru publicly discloses its environmental indicators in a periodic and comparable manner under the categories of greenhouse gas emissions (Scope 1 – direct, Scope 2 – energy indirect, and Scope 3 – other indirect), air quality, energy management, water and wastewater management, waste management, and biodiversity impacts. Emissions data are calculated in accordance with the ISO 14064 standard and the GHG Protocol corporate approach, while energy, water, and waste indicators are reported at the facility level on a year-over-year basis.	
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				In the collection and calculation of environmental data, international standards such as greenhouse gases - ISO 14064-1:2018, the Greenhouse Gases Protocol (GHG) (corporate approach), and water footprint - ISO 14046:2014, as well as the TSRS 1-2 framework, are applied. Scope definitions (Scopes 1, 2 & 3), organizational boundaries (operational control), and the base-year approach are explained in the methodology section of the report.	
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				In the reporting year, changes in environmental indicators are presented in a comparative manner against previous years, with trends over time – particularly for emissions, energy, water, and waste indicators – explained through year-over-year analysis.	Sustainability Report page 134-136

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
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 aimed at reducing environmental impacts—such as emissions reduction, energy efficiency, and water efficiency—have been established, and progress towards these targets is regularly monitored and reported in the metrics and targets section.	
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				A climate crisis mitigation strategy has been established, with both physical and transition risks identified, scenario analyses conducted, and the planned actions under the transition plan publicly disclosed.	
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				Environmental, energy, and quality management systems, along with process improvement practices, are implemented to reduce the potential negative environmental impacts of products and services. Efficiency, resource use, and waste reduction are taken into consideration during product design stage.	Sustainability Report page 80-95
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				As part of the management of value-chain emissions (Scope 3), supplier processes and sustainable procurement tools have been developed, and expectations and actions aimed at improving suppliers' environmental performance have been communicated.	
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				The benefits achieved through projects aimed at reducing environmental impacts—such as gains in emission reduction, water consumption efficiency, and energy efficiency—are presented in the report alongside their results. The environmental improvements and operational savings generated by the relevant initiatives are illustrated with examples.	Sustainability Report page 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				Energy consumption (including natural gas, electricity, and other sources) is publicly disclosed at the facility level under Scope 1 and Scope 2, with comparable year-over-year data presented.	Sustainability Report page 134-136
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				Information on the electricity, heat, steam, and cooling generated or procured during the reporting year is disclosed within the scope of energy management, and energy consumption and energy sources are presented in the performance indicator tables.	Sustainability Report page 134-136

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Borusan Boru aims to increase the use of renewable energy and support the transition to low / near zero-carbon electricity by shifting toward green energy sources in the electricity procurement stage. The company is also carrying out initiatives to increase the share of renewables-based electricity used across its facilities.	
B19. The renewable energy production and usage data has been publicly disclosed.	X				Data on renewable energy generation and use are publicly disclosed, while the electricity consumption and procurement structure are reported at the facility level.	Sustainability Report page 134-136
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				Energy efficiency projects have been implemented, and the reductions achieved in energy consumption and the corresponding emissions decreases—enabled through process improvements and equipment investments—have been reported on a project basis.	Sustainability Report page 80-86
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 consumption, including the volumes withdrawn from groundwater and surface water sources, as well as data on water recovery and discharge and the procedures applied, is publicly disclosed on an annual basis in addition to comparable indicators reported at the facility level.	
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				Borusan Boru's operations are not currently subject to any direct obligations under an ETS, Cap-and-Trade mechanism, or carbon tax. However, the company closely monitors developments related to the EU CBAM and Türkiye's preparations for a national ETS, and potential carbon-pricing impacts are treated as a strategic risk.	
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.	X				Information regarding carbon credits accumulated or purchased during the reporting period is not included in the report, as the Company prioritizes direct emission reduction and the implementation of energy efficiency and renewable energy practices.	
B24. If carbon pricing is applied within the Company, the details have been disclosed.	X				An internal carbon pricing mechanism is not applied within Borusan Boru, however, potential carbon costs associated with the EU CBAM and a prospective national ETS are incorporated into strategic risk assessments, while financial impact analyses are being continuously enhanced.	

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				Borusan Boru discloses its environmental information through the annual sustainability reports and international reporting platforms such as CDP, and also makes this information publicly available to its stakeholders via its official corporate website.	Sustainability Report page 3, 6
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 Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				Borusan Boru's Corporate Human Rights and Employee Rights Policy has been established based on the Universal Declaration of Human Rights, the ILO conventions ratified by Türkiye, and the relevant national legislation. The responsibilities regarding the implementation of the policy have been clearly defined, and the policy has been publicly disclosed.	Sustainability Report page 54-56
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				Principles related to fair labor practices, improved working standards, women's employment, inclusiveness, and the prevention of discrimination (including gender, race, religion, language, marital status, ethnic origin, sexual orientation, gender identity, disability, etc.) are incorporated into the Employee Rights Policy and implemented with consideration of impacts across the supply chain and the broader value chain.	Sustainability Report page 57-60
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				An approach centered on minority rights and equal opportunity—including low-income groups, women, and vulnerable communities—is incorporated into social impact management across the value chain and into supplier expectations. Inclusive practices implemented within this framework are publicly disclosed.	Sustainability Report page 61-69

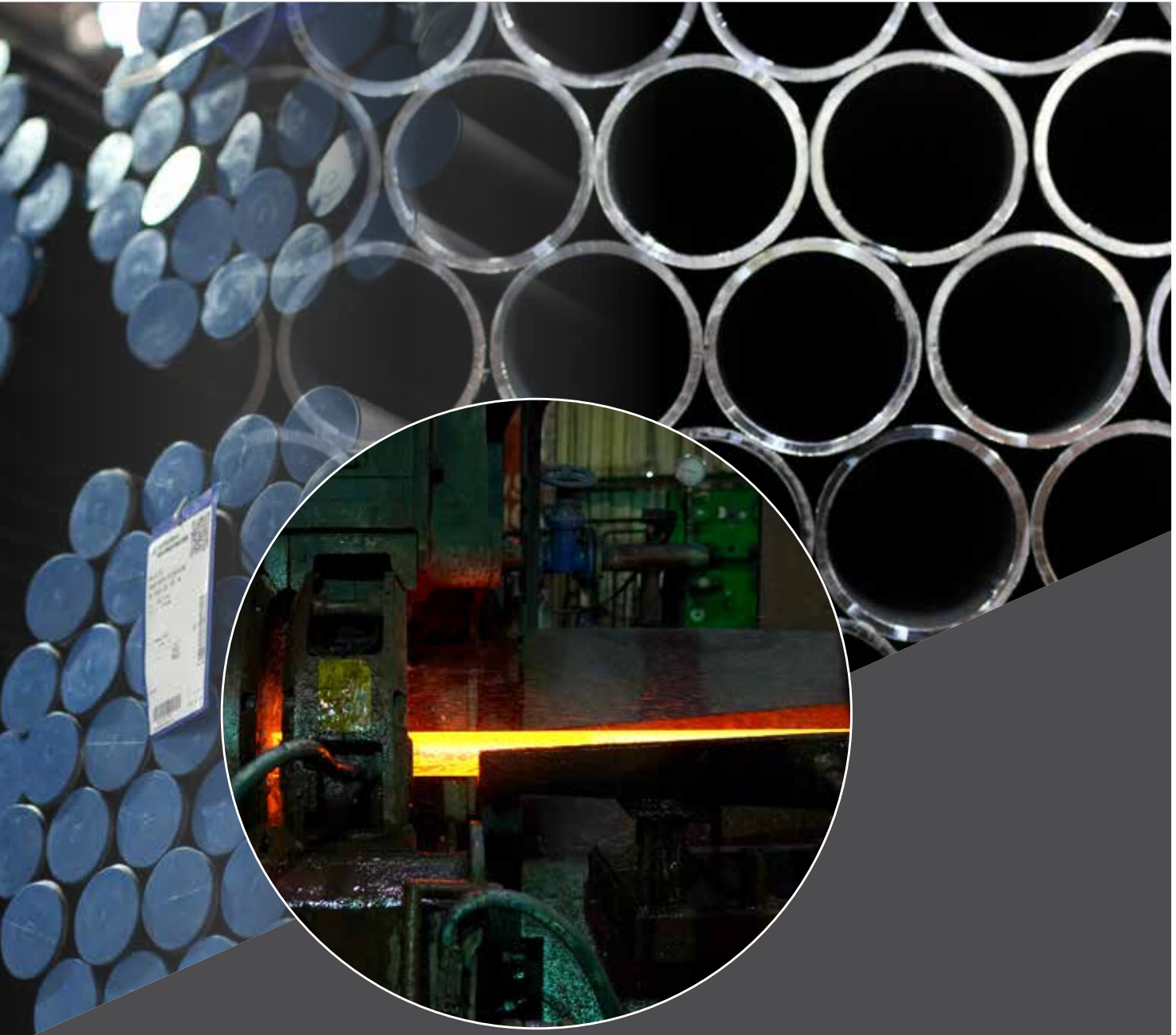
	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Preventive and corrective practices aimed at eliminating discrimination, inequality, human rights violations, forced labor, and child labor have been established, and these matters are monitored and reported through ethics & compliance hotline and disciplinary processes.	Sustainability Report page 54-56, 60
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				Investments in employees—such as training and development, compensation and benefits, the right to unionize, work-life balance practices, and talent management—are included within the Employee Rights Policy, and the associated practices are publicly disclosed.	Sustainability Report page 46-53
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				Mechanisms such as the Ethics Hotline and internal reporting channels have been established for addressing employee complaints and resolving disputes, with clearly defined processes ensuring confidentiality, protection against retaliation, and fair investigation procedures.	Sustainability Report page 54-56
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Initiatives aimed at enhancing employee satisfaction—such as employee experience programs, internal communication efforts, social activities, and feedback mechanisms—were implemented during the reporting period, and employee satisfaction survey results along with improvement actions have been publicly disclosed.	Sustainability Report page 47-49
C1.6. The occupational health and safety policies have been established and disclosed.	X				Occupational health and safety (OHS) policies have been established and publicly disclosed, and under the OHS management system, practices such as risk assessments, trainings, incident/accident monitoring, and continuous improvement activities are carried out.	Sustainability Report page 50-53
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Within the scope of Borusan Boru's Occupational Health and Safety (OHS) management system, risk assessments, safe working procedures, regular trainings, and on-site inspections are implemented to prevent workplace accidents and protect employee health. Accident statistics – including frequency and severity rates – are publicly disclosed on a periodic basis.	Sustainability Report page 50-53

Sustainability Compliance Report

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
C1.7. The personal data protection and data security policies have been established and disclosed.	X				Policies related to the protection of personal data and information security have been established, and data security processes have been defined within the scope of compliance with the Personal Data Protection Law (KVKK) and the information security management system. These policies and processes have been publicly disclosed.	Sustainability Report page 546-57
C1.8. The ethics policy have been established and disclosed.	X				The Ethics Policy and Code of Ethical Conduct have been established, outlining the ethical principles expected of employees and business partners, and the mechanisms for reporting violations have been publicly disclosed.	Sustainability Report page 54-56
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Within the scope of social investment and corporate social responsibility initiatives, projects focused on education, local development, and social inclusion are being implemented, and collaborations that promote financial inclusion and broader societal benefit are publicly disclosed during the reporting period.	Sustainability Report page 61-69
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Information sessions and training programs on environmental, social and governance (ESG) policies and practices are organized for employees, and awareness trainings on ethics, human rights, occupational health and safety, and environmental topics were implemented during the reporting period and publicly disclosed.	Sustainability Report page 46-49
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				A customer satisfaction policy has been established at Borusan Boru for the management and resolution of customer complaints, and the processes for collecting and evaluating customer feedback, as well as for implementing corrective actions, have been defined and publicly disclosed.	Sustainability Report page 72-74
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				The communication carried out with stakeholders – including employees, customers, suppliers, public institutions, NGOs, and investors – is systematically disclosed in the report, detailing which stakeholder groups are engaged, on which topics, and at what frequency.	Sustainability Report page 63-69
C2.3. The international reporting standards that adopted in reporting have been explained.	X				The international reporting standards adopted in the company's disclosures – including the GRI Standards, the UN Global Compact principles, the TSRS framework, and the TCFD-aligned approach for climate-related disclosures – have been publicly communicated.	

	COMPANY COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL	NO	NOT APPLICABLE		
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				The principles adopted by Borusan Boru in the field of sustainability, as well as the international initiatives and organizations to which the company is a signatory or member (e.g., the UN Global Compact), have been publicly disclosed in the report.	
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				Borusan Boru is not included in the Borsa Istanbul Sustainability Index; however, the company continues to carry out initiatives to enhance its sustainability performance through international rating and assessment platforms (such as CDP). In this context, the company regularly shares the data and disclosures requested by these platforms. Accordingly, independent from any index membership, Borusan Boru maintains its reporting and improvement activities with a focus on transparency and performance enhancement.	
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				Borusan Boru takes stakeholder perspectives into account when determining sustainability-related measures and strategies. Through stakeholder mapping, stakeholder engagement and materiality assessments, the company integrates the views of employees, customers, suppliers, public institutions and non-governmental organizations into its decision-making processes. Feedback received from stakeholders is utilized in defining sustainability priorities and in the development of action plans.	Sustainability Report page 63-69
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				Borusan Boru carries out initiatives to enhance awareness of sustainability through social responsibility projects, awareness-raising events and training programs. During the reporting period, the company publicly disclosed its community investment activities, volunteering initiatives and employee-oriented training and information sessions covering environmental, ethical and social topics.	Sustainability Report page 46-49, 61-69





APPENDIXES

Other Information

CAPITAL STRUCTURE AND SUBSIDIARIES

As of 31 December 2025, the shareholder structure is as follows:

Shareholder	Share Amount (TL)	Share (%)	Voting Rights (%)
Borusan Holding A.Ş.	102,135,342.86	72.0	76.5
Borusan Yatırım ve Pazarlama A.Ş.	12,876,505.68	9.1	10.0
Publicly-held*	26,759,733.74	18.9	13.5
Total	141,771,582.28	100	100

* With the inclusion of the 0.98% of publicly traded shares held by Borusan Holding A.Ş., the total percentage of publicly traded shares in the company's capital is 19.85%.

On 6 September 2024, the Board of Directors of Borusan Pipe decided to initiate the merger process. 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").

In regard to the merger process, the financial statements dated 30 June 2024 were used as a basis and calculations such as the merger ratio, exchange ratio, and capital increase were determined based on a report prepared by an independent specialist organization within the scope of the Capital Markets Board's Communiqué No. II-23.2 on Mergers and Divisions, due to Borusan Pipe being subject to capital market legislation and its shares being traded on the stock exchange. Accordingly, all calculations related to the merger process and the prepared Merger Agreement, Merger Report and Announcement Text were created based on the Expert Organization Report.

The Announcement Text regarding the merger transaction was approved by the Capital Markets Board in bulletin number 2024/53 dated 21 November 2024. Following the receipt of the necessary permits, an Extraordinary General Meeting (EGM) was held on 31 December 2024. The merger transaction and the amendment of Article 6, entitled "Capital", in the Company's Articles of Association was approved at the EGM. The decisions were registered with the trade registry

on 10 January 2025, thus completing the merger transaction and the amendment of the relevant article of the Articles of Association.

In this context, the Company's capital, which was TL 141,750,000, increased to TL 141,771,582.28 after the merger. Borusan Holding A.Ş. became the direct owner of 64.40% of the company's capital, while Borusan Pazarlama ve Yatırım A.Ş. became the direct owner of 9.08% of the shares.

On 3 December 2025, share transfer notifications were sent to Borusan Pipe by shareholders Ayşe Nükhet Özmen, Zehra Nurhan Kocabıyık and Fatma Zeynep Hamedî, as well as Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. On the same date, Borusan Holding A.Ş. also issued notifications regarding share acquisition of the shares.

Within the scope of these notifications, Ayşe Nükhet Özmen, Zehra Nurhan Kocabıyık and Fatma Zeynep Hamedî each transferred 3,150,000 shares, representing 2.22% of the shares, outside the stock exchange, and 461,000 shares, representing 0.33% of the shares, transferred through a special transaction notification on the stock exchange. Additionally, Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. transferred 11.57 shares, representing 0.0000082% of the capital, to Borusan Holding A.Ş. outside the stock exchange. The transactions were conducted in cash at a price of TL 486 per TL 1 nominally valued share.

As a result of the share transfers, Ayşe Nühket Özmen and Zehra Nurhan Kocabıyık's share in the Company's capital decreased from 3.98% to 1.44%, Fatma Zeynep Hamedî's share in the capital decreased from 4.11% to 1.56% and Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş.'s share in the capital decreased from 0.0000082% to 0%. As a result of the same transactions, Borusan Holding A.Ş.'s share in the Company's capital increased from 64.40% to 72.04%.

The Company's consolidated subsidiaries, their ultimate controlled share percentages in these subsidiaries, and their business activities as of 31 December 2025 are set out below:

Field of Activity	Subsidiary	Location	31 December 2025
Steel Pipe	Borusan Pipe US Inc "(Borusan Pipe US)"	USA	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%
Steel Pipe	Borusan Berg Pipe Logistics Corp. (**)	USA	100.0%
Holding	Borusan Pipe Holding BV "(BP Holding BV)"	The Netherlands	100.0%
Holding	Borusan Pipe Cooperative U.A. "(BP Coop)"	The Netherlands	99.0%
Steel Pipe	Borusan Vobarno Tubi SPA "(Vobarno)" (*)	Italy	100.0%
Steel Pipe	Borusan Tube International GmbH "(Borusan Tube Germany)"	Germany	100.0%
Steel Pipe	Borusan Tube Products S.A. "(Borusan Tube Romania)"	Romania	100.0%
Steel Pipe	Borusan Pipe Espana SA "(BP Espana)"	Spain	99.0%

(*) Following the merger between BMB Holding A.Ş. and Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş., through the transfer of all its assets and liabilities as a whole to Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş., the 1% stake in Borusan Vobarno Tubi SPA held by BMB Holding A.Ş. was transferred to Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. As a result of this transaction, Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş.'s share in Borusan Vobarno Tubi SPA reached 100%.

(**) Borusan Berg Pipe Logistics Corp. was established on 9 December 2025.

Other Information

INVESTMENTS AND INCENTIVES

Total investments in the reporting period amounted to TL 2,692,420 thousand. The company did not benefit from any incentive for these investments.

In regard to the investment in Romania, of the EUR 5.8 million investment incentive approved by the Romanian Ministry of Finance, EUR 5.1 million had been utilized as of the end of 2025, with the remainder to be used in 2026.

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 31 December 2025, remunerations and similar benefits paid to senior management totaled TL 100,653 thousand.

EMPLOYEES

Total number of employees of the Group was 2,292 as of 31 December 2025.

CAPITAL INCREASES CARRIED OUT IN THE REPORTING PERIOD

As part of the merger transaction, in which Borusan Pipe acquired all of the assets and liabilities of BMB Holding Inc., which holds a 73.48% stake in Borusan Pipe, the company's capital increased from TL 141,750,000 to TL 141,771,582.28. The merger transaction and the amendment of Article 6, titled "Capital," of the company's articles of association

were approved at the General Assembly. The decisions were registered with the trade registry on 10 January 2025, thus completing the merger transaction and the amendment of the relevant article of the articles of association.

Detailed information regarding the merger transaction can be found under the heading "Appendices - Other Information - Capital Structure and Subsidiaries" in the report.

SECURITIES ISSUED IN THE REPORTING PERIOD

No securities issued during the period.

CREDIT RATING ASSIGNED IN THE REPORTING PERIOD

According to the announcement published on Public Disclosure Platform by JCR Avrasya Derecelendirme A.Ş. on 28 August 2025, 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

An Extraordinary General Meeting was held on 31 December 2024, as part of the merger process in which Borusan Pipe acquired all of the assets and liabilities of BMB Holding A.Ş., which holds a 73.48% share in Borusan Pipe's capital. During the Extraordinary General Meeting, the merger process and the amendment of Article 6, entitled "Capital," of the Company's Articles of Association were approved. The decisions were registered with the trade registry on 10 January 2025, thus completing the merger process and the amendment of the relevant article of the Articles of Association.

Detailed information regarding the merger transaction is included under the heading "Appendices - Other Information - Capital Structure and Subsidiaries" in 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 1 January and 31 December 2025 amounted to TL 78,952 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.

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 2025.

AFFILIATION REPORT FOR THE PERIOD 1 JANUARY AND 31 DECEMBER 2025

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 assessments carried out in accordance with Article 376 of the Turkish Commercial Code, Borusan Pipe is not in a state of insolvency.

STOCK PRICE PERFORMANCE

Closing price of Borusan Pipe shares on 31 December 2025 is TL 555.00 and its market capitalization is TL 78,683 million (share price: TL 431.00; market capitalization: TL 61,904 million as of 31 December 2024)

Company Information

Company Title	Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.
Head Office	İçerenköy Mahallesi, Umut Sokak, QUICK TOWER Sitesi
No: 10-12, İç Kapı No: 51, Ataşehir/İstanbul 34427	İstanbul
Trade Registry Office	İstanbul
Trade Registry Number	69531
Tax Office	İSTANBUL - Large Taxpayers Tax Office
Tax ID Number	1800038140
Governing Legislation	Laws of the Republic of Türkiye
Phone	+90 212 393 57 58
Fax	+90 212 293 31 65
Website	www.borusanboru.com
E-mail	bb.investor@borusan.com
Capital	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 ALL SHARES
Listing Date	12 September 1994
Ticker Symbol	BRSAN
Independent Auditor	Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik
Independent Auditor's Address	Maslak Mah. Eski Büyükdere Cad. No 27 D.54-57-59 Kat 2-4 SARIYER

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 31 December 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 31 December 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

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 31 December 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

Statement of Responsibility (Financial Tables)

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

RESOLUTION DATE: 26 FEBRUARY 2026

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 1 January 2025 - 31 December 2025, 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 26 February 2026.
- 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 - Global CFO
Selman Çataltaş	Türkiye CFO

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: 11 MARCH 2026

RESOLUTION NUMBER: 7

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 10 January 2019) for the fiscal period 1 January 2025 - 31 December 2025, 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 11 March 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 - Global CFO
Selman Çataltaş	Türkiye CFO

Independent Auditor's Report on the Annual Report of the Board of Directors



**Shape the future
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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 1/1/2025-31/12/2025.

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 (including Independence Standards) (Code of Ethics) issued by the POA, as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements included in other regulations that are relevant to the audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and 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 26, 2026 on the full set consolidated financial statements of the Group for the period of 1/1/2025-31/12/2025.

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:

a) 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.

b) 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 11, 2026
İstanbul, Türkiye

Independent Auditor's Report on the Early Identification of the Risk Committee And System



Shape the future
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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 ("the Company") and its subsidiaries ("the Group").

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 Group'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 Group established the Early Identification of the Risk System and Committee which consists of two members. For the period between January 1 – December 31, 2025, the committee has met for the purposes of early identification of factors posing a threat on the Group'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.

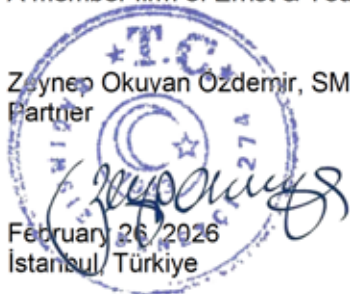
Conclusion

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 ("the Company") and its subsidiaries ("the Group") 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

February 26, 2026
İstanbul, Türkiye





FINANCIAL INFORMATION

Consolidated Financial Statements and Notes for the
Year Ended December 31, 2025

Independent Auditor's Report



**Shape the future
with confidence**

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, 2025, 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, 2025, 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), as applicable to audits of financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities 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, 2025. 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, 2025.</p>	<p>We performed the following procedures in relation to the revenue recognition:</p> <ul style="list-style-type: none"> Understanding the sales processes and evaluating the design and efficiency of the controls related to these processes, Evaluating of appropriatenes of Group's accounting policy regarding the revenue recognition, Testing the customer invoices by sampling method and matching these invoices with shipments and customer collections, Performing analytical procedures on sales and related balance sheet items, Performing confirmation procedures for trade receivables, Evaluation of sales contracts made with customers and evaluation of the timing of receipt of revenue for delivery methods.

Independent Auditor's Report

Key Audit Matter	How our audit adressed the key audit matter
<p>Group Audit</p> <p>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>The reason for focusing on this issue is:</p> <p>The financial statements of the subsidiaries in question are of qualitative and quantitative significance in the Group's consolidated financial statements,</p> <p>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>During our audit, the following audit procedures regarding the Group audit were applied;</p> <p>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>Independent auditors were contacted and file reviews were carried out,</p> <p>Independent auditor reports and other necessary working papers of the subsidiaries in question were received and examined,</p> <p>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>Various meetings were held with the management staff to better understand the risks, internal controls and important audit findings,</p> <p>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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 15, 2026
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 2025

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

ASSETS	Note	Audited	Audited
		31 December 2025	31 December 2024
Current assets		874.492	697.617
Cash and cash equivalents	5	127.437	66.784
Trade receivables	8	199.598	149.463
- Due from related parties	34	3	118
- Trade receivables from other parties		199.595	149.345
Other receivables	9	15.430	17.107
- Other receivables from related parties	34	108	20
- Other receivables from other parties		15.322	17.087
Derivative financial instruments	10	4.951	213
Inventories	11	450.786	352.757
Prepaid expenses	12	7.780	44.202
Current income tax assets	13,32	15.586	24.522
Other current assets	23	16.774	6.419
- Other current assets from related parties		9	42
- Other current assets from other parties		16.765	6.377
		838.342	661.467
Asset held for sale	31	36.150	36.150
Non-current assets		903.680	873.770
Financial investments	6	96.113	101.261
Property, plant and equipment	17	746.466	741.810
Right of use assets	16	20.201	18.503
Intangible assets	18	33.505	6.318
Prepaid expenses	12	2.665	240
Other non-current assets	23	4.730	5.638
TOTAL ASSETS		1.778.172	1.571.387

Consolidated Statement of Financial Position

As of 31 December 2025

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

LIABILITIES	Note	Audited	
		31 December 2025	31 December 2024
Current liabilities		741.224	538.891
Short-term borrowings	7	195.646	238.466
Short-term portion of long-term borrowings	7	41.895	21.978
- Bank Loans		36.589	17.561
- Lease Liabilities		5.306	4.417
Trade payables	8	208.066	158.839
- Due to related parties	34	3.138	3.309
- Trade payables to other parties		204.928	155.530
Employee benefit obligations	15	1.285	1.794
Other payables	9	28.961	23.951
- Other payables to related parties		461	-
- Other payables to other parties		28.500	23.951
Deferred revenue	14	228.190	56.156
Derivative financial instruments	10	600	-
Current income tax liabilities	32	1.437	2.107
Other current liabilities	23	35.144	35.600
Non-current liabilities		156.232	179.269
Long-term borrowings	7	71.783	87.000
- Bank Loans		55.275	72.261
- Lease Liabilities		16.508	14.739
Provisions for employee benefits	22	5.273	6.233
Other payables		-	14.167
Deferred tax liabilities	32	79.176	71.869
Total liabilities		897.456	718.160
EQUITY		880.716	853.227
Equity attributable to equity holders of the parent		880.716	853.122
Paid -in capital	24	68.997	68.997
Other comprehensive income not to be reclassified to profit/(losses)		268.891	273.950
- Investment revaluation reserves	24	68.929	73.385
- Revaluation and measurement gains (losses)	24	199.210	199.840
- Reserve for actuarial loss on employee termination benefits		752	725
Other comprehensive income to be reclassified to profit		(977)	(1.827)
- Currency translation differences		(871)	(1.987)
- Cash flow hedge reserve		(106)	160
Retained earnings		512.074	517.092
Net profit for the period		31.731	(5.090)
Non-controlling interest	24	-	105
TOTAL LIABILITIES AND EQUITY		1.778.172	1.571.387

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 2025

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

		Audited	Audited
	Note	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	25	1.796.125	1.689.466
Cost of sales (-)	25	(1.645.461)	(1.577.163)
Gross profit		150.664	112.303
General administrative expenses (-)	26-27	(72.079)	(72.309)
Marketing expenses (-)	26-27	(9.121)	(8.854)
Other operating income	28	16.193	25.307
Other operating expenses (-)	28	(9.018)	(1.738)
Operating profit		76.639	54.709
Income from investing activities	29	1.877	4.565
Operating profit before financial income and expense		78.516	59.274
Financial income	30	7.116	4.705
Financial expense (-)	30	(35.910)	(63.372)
Profit before tax from continued operations		49.722	607
Tax expense from continued operations		(17.991)	(5.729)
- Current tax expense (-)	32	(9.981)	(2.107)
- Deferred tax income	32	(8.010)	(3.622)
Profit for the period		31.731	(5.122)
Attributable to:		31.731	(5.122)
- Non-controlling interest	24	-	(32)
- Equity holders of the parent		31.731	(5.090)
Earnings per share	33	0,0022382	(0,0003591)

Consolidated Statement of Other Comprehensive Income For the Year Ended 31 December 2025

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

		Audited	Audited
	Note	1 January - 31 December 2025	1 January - 31 December 2024
PROFIT/(LOSS) FOR THE PERIOD		31.731	(5.122)
OTHER COMPREHENSIVE INCOME/(LOSS):			
Items that will not be reclassified to profit or loss		(5.103)	11.254
Gain/(Loss) on revaluation of property, plant, and equipment	24	(674)	-
Gain/(Loss) arising from defined benefit plans		27	19
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	24	(4.456)	11.235
Items that will be reclassified to profit or loss		860	(542)
Currency translation differences		1.126	(702)
Cash flow hedging		(266)	160
OTHER COMPREHENSIVE INCOME		(4.243)	10.712
TOTAL COMPREHENSIVE INCOME		27.488	5.590
Attributable to:			
Non-controlling interest		-	(40)
Equity holders of the parent		27.488	5.630

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

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2025

(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 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
Balance at 1 January 2025	68.997	199.840	73.385	725
Business Combinations Under Common Control ^(*)	-	44	-	-
Adjusted balance at 1 January 2025	68.997	199.884	73.385	725
Total comprehensive income/(loss) for the period	-	(674)	(4.456)	27
Capital increase	1	-	-	-
Transfer	-	-	-	-
Balance at 31 December 2025	68.997	199.210	68.929	752

^(*) The business combination was completed on January 10, 2025, through the transfer of all assets and liabilities of BMB Holding A.Ş., as a whole, to Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. The transaction has been accounted for as a "business combination under common control." Following the completion of the merger, the Company's share capital was increased by USD 611,69.

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	
(1.293)	-	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	
(1.987)	160	512.002	853.122	105	853.227	
(11)	-	72	105	(105)	-	
(1.998)	160	512.074	853.227	-	853.227	
1.126	(266)	31.731	27.488	-	27.488	
-	-	-	1	-	1	
-	-	-	-	-	-	
(871)	(106)	543.805	880.716	-	880.716	

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

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

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

	Notes	Audited	Audited
		1 January- 31 December 2025	1 January- 31 December 2024
Cash flows from operating activities:			
Period profit/(loss) from continuing operations		31.731	(5.122)
Reconciliation of profit from continuing operations before changes in working capital			
Depreciation and amortization expenses	16-17-18	49.979	43.276
Provision for employee termination benefits		2.079	2.605
Interest income	30	(7.116)	(4.705)
Interest expense	30	33.435	60.781
Adjustments in provision		(1.143)	(1.852)
Adjustments for fair value loss (gains) of derivative financial instruments		(4.535)	160
Gain on sale of property, plant and equipment and intangibles	29	(5)	(547)
Tax (income)/expenses adjustments		17.991	5.729
Currency translation differences		(1.253)	(20.391)
Dividend income	29	(1.872)	(1.919)
Other adjustments to reconcile profit (loss)	30	2.475	2.591
Operating profit before changes in working capital		121.766	80.606
Changes in working capital:			
Trade receivables		(50.205)	48.056
Inventories		(97.954)	185.686
Other current assets and liabilities, net		(8.278)	13.833
Trade payables		49.227	(134.179)
Other non-current assets and liabilities, net		211.234	(165.965)
Taxes paid		(1.732)	(8.252)
Employee benefit obligations paid		(1.931)	(1.231)
Net cash provided by/(used in) operating activities		222.127	18.554
Cash flow from investing activities:			
Cash inflows/outflows related to purchases to obtain control of subsidiaries		(15.000)	(20.000)
Purchase of property, plant and equipment and intangible assets	17-18	(70.742)	(75.316)
Proceeds from sale of property, plant and equipment and intangibles		5	547
Proceeds from sale of asset held for sale		-	63.901
Dividend received	29	1.872	1.919
Net cash provided by/(used in) investing activities		(83.865)	(28.949)
Cash flow from financing activities:			
Redemption of borrowings	7	512.448	698.234
Proceeds from borrowings	7	(554.921)	(692.529)
Payments of lease liabilities	7	(6.094)	(1.856)
Cash outflows from derivative instruments		(4.738)	250
Interest paid		(28.945)	(58.410)
Interest received	30	7.116	4.705
Other cash inflows/(outflows)		(2.475)	(2.591)
Net cash (used in)/provided by financing activities		(77.609)	(52.197)
Net increase/(decrease) in cash and cash equivalents		60.653	(62.592)
Cash and cash equivalents at the beginning of the year	5	66.784	129.376
Cash and cash equivalents at the end of the period	5	127.437	66.784

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

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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; İçerenköy Mah. Umut Sk. Quick Tower sitesi No:10 – 12 İç Kapı No: 51 Ataşehir/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 2025	1.772	520	2.292
31 December 2024	1.895	526	2.421

Consolidated financial statements covering accounting period of 1 January - 31 December 2025 are approved with Board of Directors' decision dated on February 26, 2026.

The ultimate parent of the Company is Borusan Holding A.Ş.

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

Business Segment	Subsidiary	Location	31 December 2025	31 December 2024
Steel Pipe	Borusan Pipe US Inc "(Borusan Pipe US)"	USA	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%
Steel Pipe	Borusan Berg Pipe Logistics Corp. (**)	USA	100,0%	-
Holding	Borusan Pipe Holding BV "(BP Holding BV)"	Netherlands	100,0%	100,0%
Holding	Borusan Pipe Cooperative U.A. "(BP Coop)"	Netherlands	99,0%	99,0%
Steel Pipe	Borusan Vobarno Tubi SPA "(Vobarno)" (*)	Italy	100,0%	99,0%
Steel Pipe	Borusan Tube International GmbH "(Borusan Tube Germany)"	Germany	100,0%	100,0%
Steel Pipe	Borusan Tube Products S.A. "(Borusan Tube Romania)"	Romania	100,0%	100,0%
Steel Pipe	Borusan Pipe Espana SA "(BP Espana)"	Spain	99,0%	99,0%

(*) Following the transfer of all assets and liabilities of BMB Holding A.Ş. as a whole to Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. and the subsequent merger within Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş., the 1% stake in Borusan Vobarno Tubi SPA held by BMB Holding A.Ş. was transferred to Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. As a result of this transaction, Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş.'s ownership of Borusan Vobarno Tubi SPA shares reached 100%.

(**) Borusan Berg Pipe Logistics Corp. was established on December 9, 2025.

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes to Consolidated Financial Statements
For the Period 1 January - 31 December 2025**

(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 2025 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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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 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 2025 (1 Euro = 1,1737); income and expense and cash flows are converted with monthly average of the exchange rates (yearly average 1 Euro = 1,1296) (As of 31 December 2024, 1 Euro = 1,0413; 31 December 2024 yearly average exchange rate 1 Euro = 1,0822).

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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, 2025 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 2025 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 2025 are as follows:

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. When applying the amendments, an entity cannot restate comparative information. 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 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 derecognized on the 'settlement date'. It also introduces an accounting policy option to derecognize 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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

Annual Improvements to IFRSs – 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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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 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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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 IAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the Board in November 2025 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with IAS 29. Other entities will apply the amendments retrospectively. The Group is in the process of assessing the impact of the amendments on 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 2025 are consistent with those applied in the preparation of financial statements for the year ended at 31 December 2024.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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.

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 39 days (2024: 38 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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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.

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.

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes to Consolidated Financial Statements
For the Period 1 January - 31 December 2025**

(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)****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 2025, 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.

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:

- a) the amount of lease liabilities recognised,
- b) lease payments made at or before the commencement date less any lease incentives received,
- c) 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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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:

- (a) Fixed payments,
- (b) 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,
- (c) The amounts expected to be paid by the Group under residual value guarantees
- (d) The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and
- (e) 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:

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

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

Income taxes (Continued)

ii) Deferred tax (Continued)

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.

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:

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

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

Financial Assets (Continued)

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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

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.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

(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)

Significant accounting judgements and estimations (Continued)

Significant accounting judgements that the Group makes in the application of accounting principles: (Continued)

- 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.

- 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 2025 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 15.5% for 2026, 14.5% for 2027, 13.4% 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 4-3%. 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 6-7%.

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

3. BUSINESS COMBINATION

None. (31 December 2024: None)

4. SEGMENT REPORTING

None. (31 December 2024: None)

5. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash in hand	5	1
Cash at banks		
- Time deposits	99.704	54.746
- Demand deposits	27.728	12.037
	127.437	66.784

The details of time deposits as of 31 December 2025 and 2024 are as follows:

Currency	Interest Rate (%)	Maturity (days)	31 December 2025	
			Original currency amount	Amount in USD
USD	1,75-2,88	2	97.446	97.446
TRY	35,00-39,00	2	96.763	2.258
				99.704

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

As of 31 December 2025, the Group does not have any blockages on cash and cash equivalents (31 December 2024:None).

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

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

6. FINANCIAL INVESTMENTS

a) Short-term financial investments

None (31 December 2024: None).

b) Long-term financial investments

Financial investments as of 31 December 2025 and 2024 are stated below:

	31 December 2025		31 December 2024	
	Amount	Share (%)	Amount	Share (%)
Borçelik Çelik Sanayii Ticaret A.Ş. (Borçelik)	96.097	11,78	101.190	11,78
Other	16		71	
	96.113		101.261	

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 2025			31 December 2024		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
USD	71.291	71.291	5,00-6,25	156.817	156.817	4,55-7,90
EURO	40.369	47.379	2,64-5,90	47.435	49.392	3,29-6,90
TRY	3.298.097	76.976	20,32-42,15	1.138.031	32.257	42,00-47,00
		195.646			238.466	

As of 31 December 2025, none of short-term borrowings of the Group are secured (31 December 2024: None).

b) Short-term portion of long-term borrowings

- Bank Loans

Currency	31 December 2025			31 December 2024		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
USD	15.601	15.601	5,88	14.442	14.442	5,88
EURO	17.882	20.988	2,57-5,56	2.996	3.119	3,14-7,95
		36.589			17.561	

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

7. BORROWINGS (Continued)

b) Short-term portion of long-term borrowings (Continued)

- Lease Liabilities

Currency	31 December 2025			31 December 2024		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
TRY	59.126	1.380	18,10 – 45,00	46.883	1.329	18,10 – 45,00
USD	3.906	3.906	2,49 – 7,40	3.035	3.035	4,30 – 7,40
EURO	17	20	3,00	51	53	3,00
		5.306			4.417	

c) Long-term borrowings

- Bank Loans

Currency	31 December 2025			31 December 2024		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
USD	42.539	42.539	5,57-6,96	50.851	50.851	5,88-6,43
EURO	10.851	12.736	2,57-5,56	20.560	21.410	3,14-7,95
		55.275			72.261	

As of 31 December 2025, all of long-term loans of Borusan Pipe US, are secured by Borusan Pipe US' fixed assets, trade receivables and inventories. (December 31, 2024: All of Borusan Pipe's long-term loans were secured through its fixed assets, trade receivables, and inventories).

The payment schedule of the long-term borrowings for 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
2026	-	25.711
2027	21.977	29.778
2028	30.248	14.575
2029	2.026	2.197
2030 ve sonrası	1.024	-
	55.275	72.261

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

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

7. BORROWINGS (Continued)

c) Long-term borrowings (Continued)

- Lease Liabilities

Currency	31 December 2025			31 December 2024		
	Amount	USD Equivalent	Interest Rate (%)	Amount	USD Equivalent	Interest Rate (%)
TRY	61.590	1.437	18,10 – 45,00	34.666	982	18,1 – 45,0
USD	15.068	15.068	2,49 - 7,40	13.737	13.737	4,3 - 7,4
EURO	3	3	3,00	19	20	3,0
		16.508			14.739	

The movements of financial borrowing for periods 1 January - 31 December 2025 and 1 January - 31 December 2024 are as follows:

Bank Loans

	1 January - 31 December 2025	1 January - 31 December 2024
Opening	328.288	337.176
Borrowed during the period	512.448	698.234
Payments during the period	(554.921)	(692.529)
Change in interest accrual	2.897	1.497
Currency translation difference	(1.202)	(16.090)
Closing	287.510	328.288

Lease Liabilities

	1 January - 31 December 2025	1 January - 31 December 2024
Opening	19.156	11.586
Additions/(disposal), net	7.930	6.375
Change in lease contracts	(361)	2.463
Interest expense	1.594	873
Payment	(6.094)	(1.856)
Foreign exchange difference	(437)	(286)
Currency translation difference	26	1
Closing	21.814	19.156

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

8. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

	31 December 2025	31 December 2024
Trade receivables	199.916	149.631
Receivables from related parties (Note 34)	3	118
Allowance for doubtful receivables (-)	(321)	(286)
	199.598	149.463

The movement of the provision for doubtful receivables for the periods 1 January - 31 December 2025 and 1 January - 31 December 2024 are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Opening	286	467
Additions	-	284
Written off trade receivables	-	(430)
Currency translation differences	35	(35)
Closing	321	286

As of 31 December 2025, the Group has no long-term trade receivables (31 December 2024: None). Nature and level of the risks arising from trade receivables are disclosed in Note 35.

b) Trade Payables

	31 December 2025	31 December 2024
Trade payables	204.928	155.530
Due to related parties (Note 34)	3.138	3.309
	208.066	158.839

Within trade payables in 2025, the Group has USD 52.272 of letter of credits for use of purchases with the weighted average interest rate 5,66% for USD and the average maturity of the payables is 180-360 days (31 December 2024: USD 48.070 of letter of credits for use of purchases with the weighted average interest rate 6,72% 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 2024: None).

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Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

9. OTHER RECEIVABLES AND PAYABLES

a) Other receivables

	31 December 2025	31 December 2024
Receivables from tax authority	13.623	15.692
Deposits and guarantees given	321	-
Due from personnel	171	445
Other receivables from related parties (Note 34)	108	20
Other	1.207	950
	15.430	17.107

b) Other payables

	31 December 2025	31 December 2024
Other payables to third parties	14.814	14.813
Taxes and charges payable	13.686	9.078
Other payables to related parties (Note 34)	461	-
Other	-	60
	28.961	23.951

10. DERIVATIVE FINANCIAL INSTRUMENTS

Forward transactions are being performed in order to reduce risks arising from foreign currency exchange rate fluctuations (GBP/USD), (EUR/USD), (USD/EUR) and (TRY/USD). As of 31 December 2025, the Group's derivative instruments consist of accrued income amounting to TRY 212,148 thousand and accrued expenses amounting to TRY 25,705 thousand arising from forward foreign exchange transactions (Note 35) (31 December 2024: accrued income of TRY 7,517 thousand arising from forward foreign exchange transactions).

	31 December 2025	31 December 2024
Income accrual from derivative financial instruments	4.951	213
Expense accrual from derivative financial instruments	600	-

11. INVENTORIES

	31 December 2025	31 December 2024
Raw materials	143.504	162.990
Work in progress	43.669	40.584
Finished goods	167.736	119.521
Trade goods	4.255	15.826
Goods-in-transit	91.622	13.836
	450.786	352.757

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12. PREPAID EXPENSES

Details of short time and long term prepaid expenses of the Group as of 31 December 2025 and 31 December 2024 are as follows:

a) Short-term prepaid expenses

	31 December 2025	31 December 2024
Insurance fees	2.842	2.477
Prepaid finance expenses	1.453	3.069
Advance payments for raw materials	978	36.420
Other short term prepaid expenses ^(*)	2.507	2.236
	7.780	44.202

^(*) Other short term prepaid expenses consists of prepaid expenses for production and export operations.

b) Long-term prepaid expenses

	31 December 2025	31 December 2024
Advance payments for fixed assets	1.344	9
Other long term prepaid expenses	1.321	231
	2.665	240

13. CURRENT INCOME TAX ASSETS

As of 31 December 2025, current income tax asset is USD 15.586 (31 December 2024: USD 24.522).

14. DEFERRED REVENUE

As of 31 December 2025, and 2024, the short-term deferred income of the Group is as follows:

	31 December 2025	31 December 2024
Advances received	227.291	56.156
Deferred income - Contractual obligations	899	-
	228.190	56.156

15. EMPLOYEE BENEFIT OBLIGATIONS

As of 31 December 2025, accrued salaries of employees USD 1.285 (31 December 2024 USD 1.794).

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Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

16. RIGHT OF USE ASSETS

Cost	Building	Vehicles	Total
Opening (1 January 2025)	12.243	14.162	26.405
Change in contract	-	-	-
Currency translation differences	(185)	(82)	(267)
Addition	3.056	4.886	7.942
Disposal (-)	(1.160)	(2.267)	(3.427)
Balance at 31 December 2025	13.954	16.699	30.653

Accumulated Depreciation

Opening (1 January 2025)	2.902	5.000	7.902
Currency translation differences	528	(2)	526
Addition	1.289	4.159	5.448
Disposal (-)	(1.158)	(2.266)	(3.424)
Balance at 31 December 2025	3.561	6.891	10.452
Net Book Value	10.393	9.808	20.201

Cost	Building	Vehicles	Total
Opening (1 January 2024)	10.267	6.915	17.182
Transfer with business combination	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

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.

Notes to Consolidated Financial Statements

For the Period 1 January - 31 December 2025

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17. PROPERTY, PLANT AND EQUIPMENT

	1 January 2025	Currency transaction differences	Additions	Disposals	Transfers	31 December 2025
Cost						
Land	155.782	108	-	-	(21)	155.869
Land improvements and leaseholds	21.872	3	-	-	(2.661)	19.214
Buildings	200.896	3.214	1	-	3.523	207.634
Machinery and equipment	515.443	3.190	-	(975)	18.159	535.817
Motor vehicles	4.603	76	-	(51)	6	4.634
Furniture and fixtures	30.688	274	-	-	1.336	32.298
Construction in progress	35.705	(1.014)	65.669	-	(46.294)	54.066
	964.989	5.851	65.670	(1.026)	(25.952)	1.009.532
Less: Accumulated depreciation						
Land improvements and leaseholds	3.176	2	383	-	(400)	3.161
Buildings	28.852	241	5.151	-	400	34.644
Machinery and equipment	164.958	(102)	34.417	(301)	(1.548)	197.424
Motor vehicles	3.924	21	160	(51)	-	4.054
Furniture and fixtures	22.269	84	1.430	-	-	23.783
	223.179	246	41.541	(352)	(1.548)	263.066
Net book value	741.810					746.466

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Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	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

As of December 31, 2025 and 2024, there is no capitalized borrowing cost.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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18. INTANGIBLE ASSETS

	31 December 2025	31 December 2024
Cost:		
Cost at 1 January	16.987	11.910
Transfer with business combination	25.101	-
Currency transaction differences	320	(49)
Additions	5.072	5.126
	47.480	16.987
Less: Accumulated depreciation		
Accumulated amortisation at 1 January	10.669	9.100
Currency transaction differences	316	(48)
Amortisation of current period	2.990	1.617
	13.975	10.669
Net book value	33.505	6.318

Intangible assets consist of brand and license fee.

19. GOODWILL

None (31 December 2024: None).

20. CONTINGENT ASSETS AND LIABILITIES

None (31 December 2024: None).

21. COMMITMENTS

a) Export Commitments

Export commitments amount to USD 216.136 as of 31 December 2025 (31 December 2024: USD 225.098).

b) Letters of credit

As of 31 December 2025, the Group has open letter of credit agreements for the future purchases from suppliers amounting to USD 66.129 (31 December 2024: USD 53.740).

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Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

21. COMMITMENTS (Continued)

c) Guarantees, Pledges and Mortgages

Guarantees, pledges and mortgages ("GPM") given by the Group as of 31 December 2025 and 2024 are as follows:

31 December 2025	USD	EUR	TRY	Total USD Equivalent
A. GPM's given in the name of its own legal personality	23.989	4.536	1.805.658	71.456
B. GPM's given on behalf of the fully consolidated companies	57.874	24.933	-	87.137
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	-	-	-	-
	81.863	29.469	1.805.658	158.593

There are no GPMs that the Group is liable on its immediate parent company (31 December 2024: None)

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

There is no other GPM given by the Group in favor of the main partner (31 December 2024: None). The ratio of other GPM's given by the Group to the Group's equity is 0% as of 31 December 2025 (31 December 2024: 0%).

Notes to Consolidated Financial Statements

For the Period 1 January - 31 December 2025

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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 53.919,68 as of 31 December 2025 (TRY 41.828,42 as of 31 December 2024). It has been taken into account in the calculation of the severance pay provision of the Group, the amount of 64.948,77 TRY effective from 1 January 2025. (1 January 2024: TRY 46.655,43).

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.

As of 31 December 2025 and 2024 the actuarial assumptions that are used in the calculation of liability are as follows:

	31 December 2025	31 December 2024
Discount rate	4,70%	4,50%
Probability of retirement	92%	92%

The movements of provision for employment termination benefits for the periods ended 31 December 2025 and 2024 are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Opening	6.233	5.836
Service cost	1.000	1.578
Finance cost	1.079	1.027
Actuarial loss	(37)	(26)
Paid during the period	(1.931)	(1.231)
Currency translation difference	(1.071)	(951)
Closing	5.273	6.233

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23. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2025	31 December 2024
VAT receivable	10.946	358
Income accruals	1.993	2.464
Deposits given	397	914
Other current assets from related parties	9	42
Other	3.429	2.641
	16.774	6.419

b) Other non-current assets

As of 31 December 2025, other non-current assets equal USD 4.730 (31 December 2024: USD 5.638).

c) Other short-term liabilities

	31 December 2025	31 December 2024
Accrued cost of sales expenses	18.090	19.540
Accrued export expenses	2.365	2.477
Other	14.689	13.583
	35.144	35.600

24. EQUITY

a) Paid-in share capital

The legal capital structure of the group as of 31 December 2025 and 2024 is as follows:

	31 December 2025		31 December 2024	
	TRY	Share (%)	TRY	Share (%)
Borusan Holding A.Ş.	102.135	72,04	-	-
Borusan Yatırım ve Pazarlama A.Ş.	12.877	9,08	-	-
BMB Holding A.Ş.	-	-	104.157	73,48
Public Share and Other	26.760	18,88	37.593	26,52
	141.772	100	141.750	100
USD Equivalent	68.997		68.997	

The merger transaction whereby all assets and liabilities of BMB Holding A.Ş. were wholly transferred to and absorbed by Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. was completed upon its registration with the trade registry on 10 January 2025. In connection with this transaction, the Company's share capital, amounting to TRY 141.750.000, was increased by TRY 21.582,28. Following the completion of the merger, the shares of BMB Holding A.Ş. were transferred to Borusan Holding A.Ş. and Borusan Yatırım ve Pazarlama A.Ş..

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24. EQUITY (Continued)

a) Paid-in share capital (Continued)

On December 3, 2025, a total of 7.65% of the shares (6.66% of shares acquired off-exchange and 0.99% of shares acquired on the stock exchange under a special transaction notification) in Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., owned by Nükhet Özmen, Nurhan Kocabıyık, and Zeynep Hamedî, were acquired by Borusan Holding A.Ş. On the same date, a 0.0000082% non-traded share held by Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. was also acquired by Borusan Holding A.Ş. As a result of these transactions, Borusan Holding A.Ş.'s shareholding in the company increased from 64.40% to 72.04%.

As of 31 December 2025, there are 14,177,158,228 shares, each of which has 1 Kr nominal value. As of 31 December 2025, 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 2024: Group A 10%, Group B 90%). Also, the Group has 100 dividend shares that do not grant voting power (31 December 2024: 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.

b) Revaluation funds

As of 31 December 2025 and 31 December 2024 the movement of revaluation funds are as follows:

	1 January 31 December 2025		1 January 31 December 2024	
	Property, plant and equipment revelution reserve	Investment revaluation reserve	Property, plant and equipment revelution reserve	Investment revaluation reserve
Balance at 1 January	199.840	73.385	229.044	62.150
Business combinations under common control	44	-	-	-
Adjusted balance at 1 January	199.884	73.385	229.044	62.150
Current year revaluation on property, plant and equipment	-	-	-	-
Transfer	-	-	(29.204)	-
Current year revaluation of financial investments	-	(4.456)	-	11.235
Disposal	(674)	-	-	-
Closing at 31 December	199.210	68.929	199.840	73.385

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.

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24. EQUITY (Continued)

b) Revaluation funds (Continued)

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.

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 Communique 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 2025 and 31 December 2024 are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Opening	105	145
Business combinations under common control	(105)	-
Adjusted opening balance	-	145
Share in current year result	-	(32)
Currency translation difference	-	(8)
Closing	-	105

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25. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2025			1 January - 31 December 2024		
	Sales to Turkey	Sales outside Turkey	Total	Sales to Turkey	Sales outside Turkey	Total
Steel Pipe	271.782	1.524.343	1.796.125	328.000	1.361.466	1.689.466

b) Cost of sales

	1 January - 31 December 2025	1 January - 31 December 2024
Direct material	1.207.194	1.252.329
Repair, maintenance and other production expenses	207.238	152.625
Direct labor	177.776	132.728
Depreciation and amortization	43.743	38.650
Cost of trade goods sold	9.510	831
	1.645.461	1.577.163

26. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2025	1 January - 31 December 2024
General administrative expenses	72.079	72.309
Marketing expenses	9.121	8.854
	81.200	81.163

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27. EXPENSES BY NATURE

a) Marketing expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Personnel expenses	5.889	4.791
Sales expenses	1.210	1.341
Vehicle expenses	501	494
Transportation and travel	440	678
Consultancy	75	557
Other	1.006	993
	9.121	8.854

b) General administrative expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Personnel expenses	32.677	36.120
Consultancy	12.832	9.769
Depreciation and amortisation	6.236	4.626
Information technology	4.727	3.082
Insurance expenses	4.140	4.736
Outsourced services	2.783	3.103
Donations	2.018	1.743
Transportation and travel	1.173	1.507
Maintenance	844	735
Vehicle expenses	669	740
Tax and charges	649	1.111
Energy expenses	454	458
Communication	336	674
Other	2.541	3.905
	72.079	72.309

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27. EXPENSES BY NATURE (Continued)

c) Depreciation and amortization expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Cost of sales	43.743	38.650
General administrative expenses	6.236	4.626
	49.979	43.276

d) Personnel expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Cost of sales	177.776	132.728
General administrative expenses	32.677	36.120
Marketing expenses	5.889	4.791
	216.342	173.639

28. OTHER INCOME AND EXPENSE

a) Other income

	1 January - 31 December 2025	1 January - 31 December 2024
Interest on credit sales	14.353	22.802
Scrap sales	543	926
Insurance indemnity income	-	187
Other	1.297	1.392
	16.193	25.307

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28. OTHER INCOME AND EXPENSE (Continued)**b) Other expense**

	1 January - 31 December 2025	1 January - 31 December 2024
Foreign exchange loss	6.162	852
Property usage expense	825	-
Compensation expense	563	-
Bad debt allowance (Note 8)	-	284
Other	1.468	602
	9.018	1.738

29. INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2025	1 January - 31 December 2024
Dividend income	1.872	1.919
Gain/(Loss) on disposal of plant, property and equipment	5	547
Gain on asset held for sale	-	2.099
	1.877	4.565

30. FINANCIAL INCOME AND EXPENSE**a) Financial income**

	1 January - 31 December 2025	1 January - 31 December 2024
Interest income	7.116	4.705
	7.116	4.705

b) Financial expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Interest expenses	28.129	55.128
Interest charges	5.306	5.653
Bank expense	2.475	2.591
	35.910	63.372

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31. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of 31 December 2025 and 2024, the details of the Group's assets held for sale are as follows:

	31 December 2025	31 December 2024
Opening	36.150	99.283
Disposals	-	(63.133)
Classifications at the beginning ^(*)	-	-
	36.150	36.150

^(*) 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 2024, 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.

In Turkey, advance tax returns are filed and accrued on a quarterly basis. Advance corporate income tax rate applied in 2025 is 25% (2024:25%).

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.

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32. INCOME TAX ASSETS AND LIABILITIES (Continued)

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 2025 and 2024 is as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Profit before tax	49.722	607
At statutory income tax calculated with rate at 25% (2024: 25%)	12.431	152
Disallowable expenses	3.345	998
Tax exempt income	(8.084)	(7.815)
The effect of the foreign companies that have different tax rates	10.299	12.394
Tax expense	17.991	5.729

Current income tax for the periods ended 31 December 2025 and 2024 are summarized below:

	31 December 2025	31 December 2024
- Turkey tax charge	-	-
- U.S.A. tax charge	9.981	2.107
- Italy tax charge	-	-
Total statutory income tax charge for the year	9.981	2.107
Prepaid taxes	(24.130)	(24.522)
Income taxes (asset)/liability	(14.149)	(22.415)

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32. INCOME TAX ASSETS AND LIABILITIES (Continued)

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 2025 deferred tax rate used is 25% in Turkey, 21% (Borusan Pipe US) and 26% (Berg Pipe) in USA, 24% in Italy (31 December 2024: 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 2025	31 December 2024	31 December 2025	31 December 2024
Net differences between the tax base and the amounts reported:				
- carrying value of tangible and intangible assets	(302.903)	(279.955)	(74.849)	(69.132)
- carrying value of lands	(125.249)	(124.710)	(23.484)	(23.383)
- carrying value of financial assets	(75.061)	(75.592)	(9.383)	(9.449)
- carrying value of stocks	9.158	17.027	2.335	4.246
Provision for employee benefits obligation	8.024	6.106	1.891	1.527
Temporary differences of trade receivables	3.001	415	750	104
Temporary differences of trade payables	-	51	-	13
Carry forward tax losses	119.557	99.581	21.091	21.117
Derivative financial instruments	(4.351)	(213)	(1.088)	(53)
Other provisions and accruals	14.856	14.249	3.561	3.141
Deferred tax liability, net	(352.968)	(343.041)	(79.176)	(71.869)

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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 2024 are as follows:

	31 December 2025	31 December 2024
2025	-	500
2026	50.265	21.285
2027	22.009	10.788
2028	9.682	19.403
2029	16.346	47.605
2030	21.255	-
	119.557	99.581

The distribution of deferred tax assets/(liabilities) for the periods ended on 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Deferred tax liability	(79.176)	(71.869)
Deferred tax liability, net	(79.176)	(71.869)

Deferred tax liability for the periods ended on 31 December 2025 and 2024 are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Opening	(71.869)	(60.784)
Currency translation reserve	(24)	92
Tax charge recognized in the statement of comprehensive income	727	(7.555)
Tax charge recognized in the statement of income	(8.010)	(3.622)
Closing	(79.176)	(71.869)

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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 2025		31 December 2024	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Borusan Birleşik Boru Fabrikaları	-	44.230	-	42.071
Borusan Pipe US	-	20.634	-	15.815
Berg Pipe	-	12.856	-	12.681
Vobarno	-	1.456	-	1.302
	-	79.176	-	71.869

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 2025 and 2024 is as follows:

	31 December 2025	31 December 2024
Average number of shares existing during the period	14.177.158.228	14.175.000.000
Net profit for the period attributable to equity holders of the parent	31.731	(5.090)
Earnings per share	0,00224	(0,00036)

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34. RELATED PARTY BALANCES AND TRANSACTIONS

a) Receivables and Payables to Related Parties

	31 December 2025	31 December 2024
Trade receivables		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	-	29
Other	3	89
	3	118

	31 December 2025	31 December 2024
Other receivables		
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Tic. A.Ş. ⁽²⁾	31	20
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	73	-
Diğer	4	-
	108	20

	31 December 2025	31 December 2024
Trade payables		
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Tic. A.Ş. ⁽²⁾	1.582	2.834
Borusan Holding A.Ş. ⁽¹⁾	731	226
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	735	158
Other	90	91
	3.138	3.309

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.

	31 December 2025	31 December 2024
Other payables		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	461	-
	461	-

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34. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with related parties

	1 January- 31 December 2025	1 January- 31 December 2024
Material purchases		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	4.638	2.630
	4.638	2.630
Service purchases		
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Tic. A.Ş. ⁽²⁾	20.999	39.143
Borusan Holding A.Ş. ⁽¹⁾	4.000	4.014
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	1.779	-
Other	299	169
	27.077	43.326
Sales		
Borusan İstikbal Ticaret T.A.Ş. ^{(2) (*)}	-	12.067
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	-	114
	-	12.181
	1 January- 31 December 2025	1 January- 31 December 2024
Gain on sale of fixed assets		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	-	2.099
	-	2.099
Dividend income		
Borçelik Çelik Sanayii Tic. A.Ş. ⁽³⁾	1.849	1.919
Other	23	-
	1.872	1.919

⁽¹⁾ Ultimate partner

⁽²⁾ Subsidiary of the ultimate partner

⁽³⁾ Financial investment

^(*) As of 28 June 2024, Borusan İstikbal Ticaret Türk A.Ş. has been merged under Borusan Holding A.Ş.

c) Payments to key management

	1 January- 31 December 2025	1 January- 31 December 2024
Salaries and short-term benefits provided to top management	2.271	3.938
Salaries and short-term benefits provided to board of directors	280	202
	2.551	4.140

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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					
	Trade receivables		Other receivables		Bank accounts	Derivatives
	Related parties	Other	Related parties	Other		
31 December 2025						
Maximum credit risk exposed as of balance sheet date	3	199.595	108	15.322	127.432	4.951
- the part under guarantee with collaterals, etc.	-	79.391	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	3	184.002	108	15.322	127.432	-
- the part under guarantee with collaterals, etc.	-	73.611	-	-	-	-
B. Net book value of overdue but not impaired	-	15.593	-	-	-	-
- the part under guarantee with collaterals, etc.	-	5.780	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
- Past due (gross carrying amount)	-	321	-	-	-	-
- Impairment (-)	-	(321)	-	-	-	-
- 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	-	-	-	-	-	4.951
31 December 2024						
Maximum credit risk exposed as of balance sheet date	118	149.345	20	17.087	66.783	213
- 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	-	-	-	-	-	213

⁽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 2025	31 December 2024
Group 1	4.374	2.228
Group 2	179.631	138.916
Group 3	15.593	8.319
Total trade receivables	199.598	149.463

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 2024: None).

As of 31 December 2025, the part of overdue trade receivables for which no impairment was calculated equals USD 15.593 (31 December 2024: USD 8.319). Below is the aging of such trade receivables:

	31 December 2025	31 December 2024
1-30 days overdue	9.579	4.217
1-3 months overdue	3.810	2.640
3- 12 months overdue	2.204	1.462
Total overdue receivables	15.593	8.319
The part under guarantee with collaterals	5.780	5.065

As of 31 December 2025, there is a letter of guarantee amounting to USD 2.458 and a trade receivables credit insurance of USD 3.322 for these receivables (31 December 2024: a letter of guarantee amounting to USD 2.603 and trade receivables credit insurance of USD 2.464).

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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.

	Carrying value	Total cash outflows 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 2025						
Non derivative financial liabilities						
Borrowings	287.510	302.502	127.307	114.343	60.852	-
Lease Liabilities	21.814	22.840	544	4.949	9.330	8.017
Trade payables	208.066	208.066	203.233	4.833	-	-
Other payables	28.961	29.147	14.147	15.000	-	-
Derivative financial liabilities						
Derivative	600	600	431	169	-	-
Total liabilities	546.951	563.155	345.662	139.294	70.182	8.017
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	549.736	342.751	103.924	93.664	9.397

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35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives (Continued)

b.2) Liquidity risk (Continued)

Liquidity risk tables (Continued)

The details of the committed outstanding future contracts as of 31 December 2025 and 2024 are as below;

	Average exchange rates		Buying Amount		Selling amount		Fair value	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
USD buy - TRY sell								
Between 1-3 months	46,845	-	6.000	-	281.068	-	(281)	-
Between 4-6 months	49,600	-	4.000	-	198.400	-	(168)	-
USD buy - GBP sell								
Between 1-3 months	0,757	0,798	1.459	1.002	1.105	800	(23)	(1)
Between 4-6 months	0,760	-	112	-	85	-	(2)	-
USD buy - EUR sell								
Between 1-3 months	0,858	0,920	16.661	4.857	14.302	4.466	(159)	214
EUR buy - USD sell								
Between 1-3 months	1,170	-	4.282	-	5.000	-	32	-
Cross Currency Swap Transactions	-	-	-	-	-	-	4.591	-

(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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

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 2024: 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 2025			
	Profit/(loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
1- EUR net assets/liabilities	(9.657)	9.657	2.844	(2.844)
2- EUR hedged from risks (-)	-	-	-	-
3- EUR net effect (1+2)	(9.657)	9.657	2.844	(2.844)
4- TRY net assets/liabilities	5.589	(5.589)	-	-
5- TRY hedged from risks (-)	-	-	-	-
6- TRY net effect (4+5)	5.589	(5.589)	-	-
7- GBP net assets/liabilities	607	(607)	-	-
8- GBP hedged from risks (-)	-	-	-	-
9- GBP net effect (7+8)	607	(607)	-	-
TOTAL (3 + 6 + 9)	(3.461)	3.461	2.844	(2.844)

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

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

35. FINANCIAL RISK MANAGEMENT (Continued)**(d) Foreign currency risk management (Continued)****Foreign currency sensitivity (Continued)**

	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)

Notes to Consolidated Financial Statements

For the Period 1 January - 31 December 2025

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

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 2025 and 2024 are as follows, in the original currencies and amounts, and denominated in their USD equivalents:

	31 December 2025				31 December 2024			
	TRY	EUR	GBP	USD equivalents	TRY	EUR	GBP	USD equivalents
1 Trade receivables	1.078.580	37.226	2.191	71.805	926.810	37.579	814	66.419
2a Monetary financial assets (including cash and cash equivalents)	121.212	3.937	311	7.867	143.257	1.746	36	5.923
3 Other	1.547.146	357	-	36.529	539.108	299	-	15.592
4 Current Assets (1+2+3)	2.746.938	41.520	2.502	116.201	1.609.175	39.624	850	87.934
5 Trade receivables	-	-	-	-	-	-	-	-
6a Monetary Financial Assets	-	-	-	-	-	-	-	-
6b Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7 Other	8.488	258	-	501	5.783	9	-	174
8 Non-Current Assets (5+6+7)	8.488	258	-	501	5.783	9	-	174
9 TOTAL ASSETS (4+8)	2.755.426	41.778	2.502	116.702	1.614.958	39.633	850	88.108
10 Trade payables	486.386	14.263	21	28.120	393.032	16.234	9	28.135
11 Financial liabilities	3.357.217	58.269	-	146.743	1.187.080	50.482	-	86.151
12a Other monetary liabilities	414.325	1.659	219	11.911	255.812	1.452	34	8.806
13 Short-term liabilities (10+11+12)	4.257.928	74.191	240	186.774	1.835.924	68.168	43	123.092
14 Trade payables	-	-	-	-	-	-	-	-
15 Financial liabilities	61.572	10.855	-	14.176	34.771	20.580	-	22.413
16a Other monetary liabilities	-	-	-	-	-	-	-	-
17 Long-term liabilities (14+15+16)	61.572	10.855	-	14.176	34.771	20.580	-	22.413
18 TOTAL LIABILITIES (13+17)	4.319.500	85.046	240	200.950	1.870.695	88.748	43	145.505
19 Net asset and liability positions of derivatives out of statement of financial situation(19a-19b)	2.761.301	2.127	-	66.944	100.000	- (800)	-	1.832
19a Total Hedged Assets	3.240.769	4.282	-	80.663	-	-	-	-
19b Total Hedged Liabilities	479.468	2.155	-	13.719	(100.000)	-	800	(1.832)
20 Net foreign currency Asset/(Liability) position (9-18+19)	1.197.227	(41.141)	2.262	(17.304)	(155.737)	(49.115)	7	(55.565)
21 Monetary Items Net Foreign Currency Asset/(Liability) (=1+2a+3+5+6a-10-11-12a-14-15-16a)	(1.572.562)	(43.526)	2.262	(84.749)	(261.520)	(49.124)	807	(57.571)
22 Fair value of the financial instruments used for foreign currency hedging	-	-	-	-	-	-	-	-
23 Total Hedged Assets in Foreign Currency	479.468	2.155	-	13.719	100.000	- (800)	-	1.832
24 Total Hedged Liabilities in Foreign Currency	3.240.769	4.282	-	80.663	-	-	-	-

Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. and its Subsidiaries**Notes to Consolidated Financial Statements
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35. FINANCIAL RISK MANAGEMENT (Continued)**(d) Foreign currency risk management (Continued)**

From 1 January 2025 to 31 December 2025, the Group imported amounting to 99.801 USD, 12.179 EUR, 520 JPY and exported amounting to 90.951 USD, 122.768 EUR and 8.727 GBP (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 and 4.968 GBP)

(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.

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For the Period 1 January - 31 December 2025

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35. FINANCIAL RISK MANAGEMENT (Continued)

(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.

	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
31 December 2025				
<u>Financial assets</u>				
Cash and cash equivalents	127.437	-	-	127.437
Trade receivables	199.595	-	-	199.595
Due from related parties	3	-	-	3
Financial investments	16	96.097	-	96.113
Other receivables	15.322	-	-	15.322
Other receivables from related parties	108	-	-	108
Derivatives	-	-	4.951	4.951
<u>Financial liabilities</u>				
Borrowings	309.324	-	-	309.324
Trade payables	204.928	-	-	204.928
Due to related parties	3.138	-	-	3.138
Other payables	28.500	-	-	28.500
Other payables to related parties	461	-	-	461
Derivatives	-	184	416	600
31 December 2024				
<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

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

36. FINANCIAL INSTRUMENTS

Below table is the reconciliation of fair values of financial assets and liabilities;

	Trading purpose	Derivative financial instruments	Financial investments	Total
31 December 2025				
Opening balance	-	213	101.190	101.403
Total gain or losses				
- Recognized in profit and loss	-	4.535	-	4.535
- Recognized in other comprehensive income	-	(397)	(5.093)	(5.490)
Closing balance	-	4.351	96.097	100.448
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

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.

Notes to Consolidated Financial Statements For the Period 1 January - 31 December 2025

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

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 2025			
Permanent fair value measurements:			
Derivative financial instruments at fair value through comprehensive income statement	-	4.535	-
Financial investment	-	-	96.097
Property, plant and equipment	-	683.304	-
Non-permanent fair value measurements:			
Assets held for sale	-	36.150	-
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	-

38. SUBSEQUENT EVENTS

None.

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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