



BORUSAN BİRLEŞİK BORU FABRİKALARI SANAYİ ve TİCARET A.Ş.

1 January – 30 September 2024

Interim Report

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I. INTRODUCTION

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

Title of the Company : Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.
Reporting Period : 01.01.2024 – 30.09.2024
Trade Registry Number : 69531
Head Office Address : Meclisi Mebusan Caddesi No: 35-37, 34427 Fındıklı - İstanbul

As of September 30, 2024, the consolidated subsidiaries of the Company, the controlling interest of the Company in these subsidiaries and their scope of activities are as follows:

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

1. Board Members and Board Committees

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

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

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

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

As of September 30, 2024, the Board Committees and their members are as follows.

Audit Committee

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

Corporate Governance Committee

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

Early Detection of the Risk Committee

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

2. Senior Management

As of September 30, 2024, the Group's senior management in charge of execution consists of the individuals listed in the table below, along with their duties and titles.

Name - Surname	Duty	Profession	Work Experience in the Company (years)	Professional Experience (years)
Zafer Atabey	Chief Executive Officer- CEO	Business and Administration	33	33
Uğur Onbaşı	Executive Committee Member-USA Large Diameter Pipe Segment	Business and Administration	25	28
Ali Okyay	Executive Committee Member-Automotive Segment	Industrial Engineer	24	24
Oğuzhan Kuşcuoğlu	Executive Committee Member-Construction and General Industry Segment	Economist	20	23
Anıl Karaca	Executive Committee Member-Financial Affairs and Foreign Trade	Business and Administration	3	23
Nihan Alhan	Executive Committee Member-Human and Sustainability	Business and Administration	3	21
Serdar Birlikçi	Executive Committee Member-Digital Technologies and New Product	Electronic Engineer	3	29
Josh Croix	Executive Committee Member-USA OCTG Segment	Engineer	11	27
Dimitris Dimopoulos	Executive Committee Member- Chief Technical and Quality Officer for US Operations	Engineer	13	29
Joel Johnson	Advisor to the Chairman of the Executive Committee	Engineer	10	34

3. Payments Made to the Senior Management

Senior management is composed of the Company's board members and executive committee members. Senior managers are paid fees such as performance-based bonuses, incentives. These fees are determined taking into account current potential risks, capital and liquidity condition as well as possibility and timing of the realization of revenues planned to be generated in the future and in a manner not to impair the shareholders' equity. While senior managers can be paid performance-based incentives, it is ensured with care that such payments have a positive impact on the Company's corporate values. The total amount of salaries and side benefits paid to the senior management for the period ending on September 30, 2024 is TRY 113 million 624 ths.

4. Employees

As of September 30, 2024, the Group has a total of 2,493 employees.

Number of Employees	30 September 2024	31 December 2023
Blue Collar	1,966	2,057
White Collar	527	535
Total	2,493	2,592

5. Capital Increases Realized During the Period

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

6. Securities Issued During the Period

No securities has been issued during the period.

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

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

8. Shareholders

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

The company's related party transactions and the obligations arising from these transactions are presented in consolidated financial statements and footnotes for the period. (Footnote 24: Related Party Disclosures) The Group has taken an appropriate counter-action in each transaction. No voting rights are granted for the owners of usufruct shares.

II. EVALUATION REGARDING OPERATIONS

1. Economic Outlook and Sectoral Assessment

The USA economy grew by an annual rate of 1.6% in the first quarter of 2024, followed by an annual growth rate of 3.0% in the second quarter of 2024. In its October 2024 report, the IMF revised its 2024 growth forecast for the USA economy upward by 0.2 percentage points compared to its July estimate, projecting a growth rate of 2.8%. The Fed, however, revised its 2024 growth forecast downward by 0.1 percentage points in September, bringing it to 2.0%.

In the USA, the Consumer Price Index (CPI) increased by 0.2% m-o-m and by 2.4% y-o-y in September.

At its September meeting, the Fed lowered its policy rate for the first time in four years, reducing it by 50 basis points to a range of 4.75%-5.00%. It was noted that additional rate cuts could be considered during the remainder of 2024, with the decision dependent on the trend of economic data.

Projections for the USA Economy (Median)*								
	2024		2025		2026		Long-run	
	Sep-24	Jun-24	Sep-24	Jun-24	Sep-24	Jun-24	Sep-24	Jun-24
Real GDP Growth (%)	2.0	2.1	2.0	2.0	2.0	2.0	1.8	1.8
Personal Consumption								
Expenditures (PCE) Inflation (%)	2.3	2.6	2.1	2.3	2.0	2.0	2.0	2.0
Unemployment Rate (%)	4.4	4.0	4.4	4.2	4.3	4.1	4.2	4.2
Federal Funds Rate (%)	4.4	5.1	3.4	4.1	2.9	3.1	2.9	2.8

(*) Projections of the Federal Reserve officials.

Source: The USA Federal Reserve

In the first quarter of 2024, the Eurozone economy grew by an annual rate of 0.4%, followed by a growth rate of 0.6% in the second quarter compared to the same period last year. In its October report, the IMF revised its 2024 growth forecast for the Eurozone downward by 0.1 percentage points from its July estimate, setting it at 0.8%.

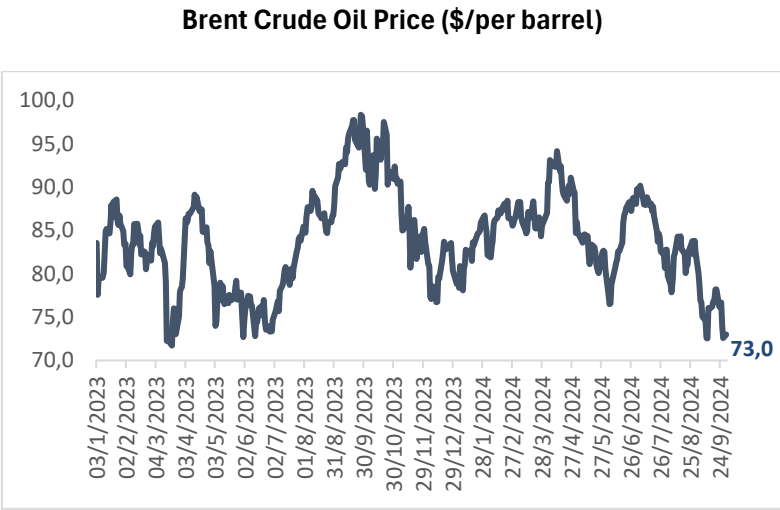
In September, Consumer Price Index (CPI) rose by 1.8% y-o-y in the Euro Area.

At its September meeting, following its June rate cut, the European Central Bank (ECB) reduced rates again, lowering the refinancing rate from 4.25% to 3.65%, the deposit rate from 3.75% to 3.50%, and the marginal lending rate from 4.50% to 3.90%. In September, the ECB also revised its 2024 growth forecast for the Euro Area down by 0.1 percentage points, while leaving its inflation forecast unchanged.

European Central Bank (ECB) Euro Area Projections						
	2024		2025		2026	
	Sep-24	Jun-24	Sep-24	Jun-24	Sep-24	Jun-24
Real GDP Growth (%)	0.8	0.9	1.3	1.4	1.5	1.6
Inflation (%)	2.5	2.5	2.2	2.2	1.9	1.9

Source: ECB

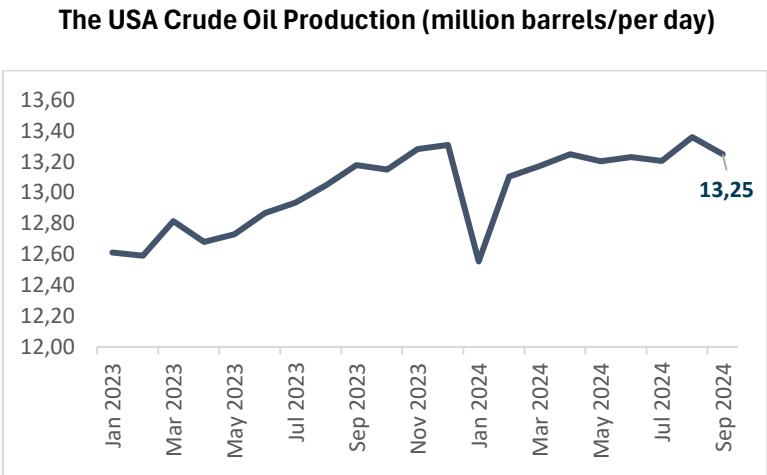
The price of Brent crude oil fluctuated during the third quarter of the year, averaging \$81.7 per barrel, a 6.4% decrease compared to the same period last year. Despite OPEC+ members' decision to delay production increases until December 2024 and a reduction in oil inventories, oil prices declined in September due to concerns about the growth in global oil demand. At the end of September, the price of Brent crude oil stood at \$73.0 per barrel.



Source: Refinitiv

In its October report, the U.S. Energy Information Administration (EIA) lowered its Brent crude oil price forecast for 2024 by 2.3% from its September estimate to \$81 per barrel, and for 2025 by 7.7% to \$78 per barrel. This revision was influenced by the decline in oil prices in September and a slowdown in the projected growth of global oil demand in the coming period. Additional factors include the availability of oil reserves that could be used in the event of supply disruptions and the expectation that oil supply will remain unaffected by geopolitical tensions.

In the USA, crude oil production in the first nine months of 2024 rose by 2.5% compared to the same period last year, averaging 13.15 million barrels per day. As of September, monthly crude oil production stands at 13.25 million barrels per day.



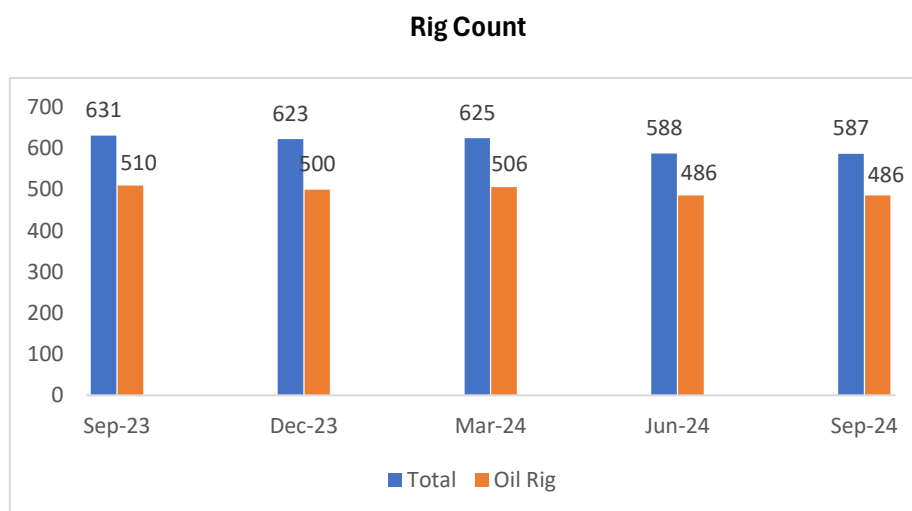
Source: EIA Short-Term Energy Outlook, April 2024

According to the EIA’s October 2024 report, the USA crude oil production is estimated to average 13.2 million barrels per day in 2024.

EIA Oil Forecasts				
	2022	2023	2024	2025
Brent Crude Oil Price (\$/per barrel)	101.0	82.0	81.0	78.0
% change		-0.19	-0.01	-0.04
The USA Crude Oil Production (million barrels/ per day)	11.9	12.9	13.2	13.5
% change		0.08	0.02	0.02

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

As of the last week of September 2024, the total number of wells in the USA decreased by 44 compared to the same period last year, reaching 587 wells, while the number of oil rigs declined by 24, falling to 486.



Source: Baker Hughes

The Turkish economy grew by 2.5% y-o-y in the second quarter of 2024. In this period, services, agriculture, construction sectors, and taxes-subsidies made a positive contribution to growth, while the industrial sector had a negative impact. On the expenditure side, while consumption expenditures continued to contribute less to growth, net exports made a positive contribution. Among the leading indicators of growth, the seasonally adjusted industrial production index averaged 102.6 in July-August, contracting by 4.6% compared to the same period last year.

In September, Türkiye's annual inflation continued to decline for the fourth consecutive month, reaching 49.38%, due to the high base effect from the previous year.

At its October meeting, the Central Bank of the Republic of Türkiye (CBRT) kept its one-week repo rate at 50%. In the statement, the CBRT noted that domestic demand continued to slow, supporting the decline in inflation, and emphasized that inflation expectations and pricing behavior remained risk factors for the disinflation process. It was stated that inflation and core inflation indicators would be closely monitored, and that tight monetary policy would be maintained until there is a significant and lasting decrease in monthly inflation and inflation expectations converge within the forecast range.

Medium Term Program (2025-2027)					
	2023	2024	2025	2026	2027
Real GDP Growth (%)	5.1	3.5	4.0	4.5	5.0
Unemployment Rate (%)	9.4	9.3	9.6	9.2	8.8
CPI End of Year (% change)	64.8	41.5	17.5	9.7	7.0

Source: The Presidency of Strategy and Budget

After the credit rating upgrade by the international credit rating agency Moody's in July, Fitch raised Türkiye's credit rating from B+ to BB- in September, and S&P made the same upgrade in November, maintaining a "stable" outlook for the country's credit rating.

Global crude steel production decreased by 1.9% y-o-y in the first nine months of the year, reaching 1.4 billion tons. In this period, China's crude steel production fell by 3.6% y-o-y, dropping to 768.4 million tons, while India's crude steel production increased by 5.8% y-o-y, reaching 110.3 million tons. Japan's crude steel production declined by 3.2% y-o-y, totaling 63.3 million tons in the first nine months.

In Türkiye, crude steel production in the first nine months of 2024 increased by 13.8% y-o-y, reaching 27.9 million tons. With this production volume, Türkiye is ranked as the 8th largest crude steel producer in the world. However, consumption of finished steel products decreased by 4.2% y-o-y, dropping to 27.8 million tons.

Türkiye's steel exports increased by 31.6% y-o-y in the first nine months, reaching 9.8 million tons. The export value also rose by 18.2% y-o-y, reaching \$7.2 billion. In the same period, steel imports decreased by 12.5% y-o-y to 11.9 million tons, while the import value dropped by 19% y-o-y, totaling \$9.5 billion. The export-to-import coverage ratio in the first nine months of 2024 was 75.9% (9M23: 52.0%).

Specifically, in the steel pipe sector, Türkiye's steel pipe exports increased by 8.2% y-o-y in the first nine months of 2024, reaching 1 million 639 thousand tons. Romania, the UK, and Iraq are the key export markets.

2. Borusan Boru and its Subsidiaries

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

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

Borusan Boru operates on 3 continents with 10 facilities, covering an area of 1 million square meters, with a production capacity of 1.7 million tons and over 2,400 employees. It offers a range of 4,000 different product varieties and holds a leading position as a welded steel pipe manufacturer in global markets.

The company continues its operations in Türkiye with over 1,500 employees and a total production capacity of 800,000 tons. Production activities at the Gemlik large-diameter pipe manufacturing facility, which was sold to Borusan Group's company Borçelik Çelik Sanayii Ticaret A.Ş. for \$66 million in the first quarter of 2024, were completed in the third quarter of 2024. Evaluations are ongoing regarding the sale or relocation of machinery and equipment

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

associated with the production of large-diameter pipes located on the land sold at the Gemlik Facility. The land and buildings will be fully vacated by December 2024. The machinery, equipment, land, and buildings used in the production of pipes, which have been manufactured in Türkiye for many years and are currently located at our Gemlik Facilities, and offered to customers in the industrial, construction, and automotive segments, are not included in the scope of the relevant sales transaction. The company continues its production activities at Gemlik, Halkalı and Bursa facilities in Türkiye.

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

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

The company completed the installation investment of the SRM line it initiated in the Houston, Baytown campus in the first quarter of 2024 and following trial productions, it commenced commercial activities in the third quarter of the year. The company aims to add products in the construction and industrial sectors to its portfolio in the USA market through this line and target segments where entirely local producers are preferred.

In the first quarter of 2024, Borusan Boru completed its investment in Romania, which it initiated as part of its strategy to expand its automotive business segment. The investment, valued at €15 million, encompasses a facility with 4,800 square meters of enclosed area and a production capacity of 21 million units and following trial productions, it commenced commercial activities in the third quarter of the year.

3. 9M 2024 Management Evaluation

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

In the 9M 2024;

The infrastructure and project business line significantly increased its revenue to \$660.5 million compared to the same period last year, due to the contribution of Berg Pipe, which was consolidated into the financials in April 2023, and ongoing projects.

Revenue in the Industrial and Construction segment declined by 2.3% y-o-y to \$223.4 million, impacted by weak demand in its operating regions, a drop in raw material prices, and the pressure on pricing caused by increased competition.

Revenue in the Automotive segment increased by 3.4% y-o-y to \$156.4 million, due to the weak outlook in pipe demand.

Revenue in the Energy segment declined by 51.3% y-o-y to \$298.8 million, impacted by the continued normalization of prices due to balanced supply-demand conditions and last year's high base.

On a consolidated basis, product sales volume rose by approximately 32.2% compared to the previous year, reaching 907 thousand tons. Global markets accounted for 81% of total sales revenue, highlighting the company's continued strong performance in international markets.

Revenue generated from the sale of high added value added, particularly pressure, precision and spiral pipes, comprised 83% of total revenue in the first nine months of 2024. During this period, revenue from the sales of high value-added drilling and well pipes in the American market accounted for 22% of total revenue, reflecting a balance in market supply-demand dynamics.

With the acquisition of Berg Pipe, the sales volume of high value-added spiral-welded pipes increased significantly y-o-y, with revenue from these pipes making up 48% of total revenue.

As a result, consolidated revenue rose by 15.0% y-o-y to \$1.3 billion.

Profit margins in the energy segment continued to normalize in line with expectations due to the balancing of supply-demand dynamics. Increasing cost pressures due to unused production capacity driven by weak demand in the automotive and industrial & construction segments have been another factor affecting profit margins during this period.

In the first nine months of the year, EBITDA decreased by 65.3% y-o-y to \$96 million, with an EBITDA margin of 7.2%.

Profit before tax fell by 90.4% to \$19 million, while net profit declined by 93.0% to \$11 million.

Net financial debt in the first nine months of 2024 rose to \$379 million, up from \$219 million at the end of 2023 and \$375 million in the first half of 2024. The Net Financial Debt/EBITDA² ratio also increased to 2.8x during the same period.

4. Other Material Disclosures

- On August 28, 2024, the credit rating process of our company carried out by JCR Avrasya Derecelendirme A.Ş. has been completed. Accordingly, Long Term National Rating has been affirmed as "A+ (tr) / Stable Outlook", Short Term National Rating as "J1 (tr) / Stable Outlook" and Long Term International Local and Foreign Currency Credit Ratings as "BBB- / Stable Outlook". <https://www.kap.org.tr/en/Bildirim/1328628>
- As announced in our material disclosure dated September 2, 2024, an agreement has been signed between our subsidiary Borusan Berg Pipe and Blackcomb Supply Co, LLC, a WhiteWater affiliated company, regarding Blackcomb Mainline Project in North America, with a contract value of approximately 363 million USD. Deliveries under this contract are scheduled to be carried out in 2025.

<https://www.kap.org.tr/en/Bildirim/1329428>

² Net Financial Debt/EBITDA ratios are calculated using EBITDA for the last twelve months.

- On September 6, 2024, our Board of Directors convened and decided to merge with BMB Holding A.Ş. through an acquisition. On the same date, an application regarding this matter was submitted to the Capital Markets Board (CMB). The Announcement Document, Expert Institution Report, Merger Agreement, Merger Report, and Articles of Association Amendment Text prepared within the scope of the transaction have been shared with the public through the Public Disclosure Platform (KAP). <https://www.kap.org.tr/en/Bildirim/1331720>
- On October 1, 2024, the 4th coupon payment of the bond with ISIN code TRSBRNE2415 has been made as TL 56,096,000 and the principal payment has been completed as TL 500,000,000. <https://www.kap.org.tr/en/Bildirim/1340151>
- On November 4, 2024, within the scope of the merger application through an acquisition with BMB Holding A.Ş., the financial statements of BMB Holding A.Ş. covering the period from January 1, 2024, to June 30, 2024, along with the revised announcement document and merger report, were submitted to the Capital Markets Board (CMB). The Expert Institution Report regarding the financials and the updated documents with the public through the Public Disclosure Platform (KAP). <https://www.kap.org.tr/en/Bildirim/1353377>

5. Subsequent Events

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

6. Investments

The total amount of investment realized during the period is TRY1 billion 567 million 653 thousand. Regarding the investment in Romania, a government investment incentive of 5.8 million Euros, approved by the Romanian Ministry of Finance, was partially utilized in the third quarter of 2024, amounting to 31.7 million TL (approximately 831 thousand Euros). The remaining amount is expected to be utilized next year.

7. Research and Development

On the product development front, the focus continued on value-added advanced processes and coatings in the first half of 2024. In addition, development of innovative pipe type activities that address different areas of use for all business lines, continue. In addition to new product development, studies go on in many projects in the field of digital transformation. Research continues on IoT technologies, applications that could benefit the customer, and web developments.

8. Capital Market Instruments

No capital market instruments were issued during the period.

9. Donation and Aids

Borusan Mannesmann supports various philanthropic organizations and foundations within the scope of social responsibility consciousness. In this context, total amount of donation and aids realized between January 1 – September 30, 2024 period is TRY42 million 236 ths.

10. Share Price and Market Capitalization

The Company's market capitalization, which was TRY92,138 million (\$3,124 million) based on the closing value of its shares on January 2, 2024, realized as TRY67,154 million (\$1,965 million) as of the last trading date on September 30, 2024, at the end of the period.

III. INFORMATION REGARDING FINANCIAL STRUCTURE

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

			<u>September-24</u>	<u>September-23</u>
Current Ratio	$\frac{\text{Current Assets}}{\text{Short Term Liabilities}}$	=	1.31	1.16
Liquidity Ratio	$\frac{\text{Current Assets} - \text{Inventories}}{\text{Short Term Liabilities}}$	=	0.59	0.54
Inventory Turnover Ratio*	$\frac{\text{Cost of Sales}}{\text{Inventories}}$	=	3.64	1.78
Working Capital Utilization*	$\frac{\text{Inventories} + \text{Trade Receivables}}{\text{Net Sales}}$	=	35.2%	59.3%
Equity Utilization Ratio	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities} - \text{Cash}}$	=	54.3%	44.8%
Profitability Ratio	$\frac{\text{Net Profit For The Period}}{\text{Net Sales}}$	=	0.7%	12.8%
Asset Efficiency	$\frac{\text{Net Profit For The Period}}{\text{Total Assets}}$	=	0.5%	6.1%
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	=	7.2%	22.8%

Note 1: Calculation of Earnings Before Tax, Interest, Depreciation (TRY 000)	September-24	September-23
Operating Profit / (Loss)*	2,066,995	5,016,551
Depreciation Expenses	1,012,723	730,476
Within Cost of Sales	904,030	644,946
Within Marketing, Sales and Distribution Expenses	0	7,148
Within General Administrative Expenses	108,693	78,382
Period Expense / (Income) on Provisions for Severance Pay	24,427	(46,618)
Period Expense / (Income) on Provisions for Leave	16,379	2,041
Other Extraordinary Expense / (Income)	(71,822)	160,535
Earnings Before Tax, Interest, Depreciation (TRY 000)**	3,048,702	5,862,985

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

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

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

Our financial results for the first nine months of 2024 were below expectations due to the further worsening of weak demand, increased pricing challenges, and cost pressures in the third quarter.

2024 Guidance							
	2020	2021	2022	2023	9M24	2024 1H24 Expectation	2024 Current Expectation
Sales Volume (mln tons)	0,63	0,76	0,85	1,06	0,91	1.05-1.20	1.00-1.12
Revenue (\$ billion)	0,5	0,8	1,3	1,7	1,3	1.7-2.0	1.6-1.8
EBITDA Margin (%)	9,9%	9,8%	14,9%	18,2%	7,2%	%8-%10	%5-%7

Based on the third-quarter performance and changes in demand and cost expectations for the remainder of the year, sales volume has been revised to a range of 1.00-1.12 million tons, revenue to a range of 1.6-1.8 billion dollars, and EBITDA margin to a range of 5%-7%.

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

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

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

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

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

IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Corporate Governance Principles

In the fiscal period between January 1 – September 30, 2024, the Company complied with certain criteria in the Corporate Governance Principles published by the Capital Markets Board, reviewed its articles of association, procedures and practices in terms of compliance with principles, identified the areas where full compliance was not achieved, and carried out improvement studies in these areas. The Company Management has adopted, in principle, to comply with practices in the Corporate Governance Principles. The Corporate Governance Compliance Report and the Corporate Governance Information Form, which includes updated information on corporate governance practices, for the period between January 1 – December 31, 2023 were published simultaneously with the year-end annual report on the Public Disclosure Platform. Further information is available at the following links:

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

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

V. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Principles

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

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

VI. OTHER INFORMATION

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

I) Material Disclosures and Financial Reports Disclosed on PDP:

[Borusan Boru Disclosures on PDP](#)

II) Investor Presentations:

[Investor Presentations](#)

DISCLAIMER

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