

BORUSAN MANNESMANN BORU SANAYİ VE TİCARET A.Ş.

Financial Report

Consolidated

2020 - 2. 3 Monthly Notification

General Information About Financial Statements

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|---------------------------|---|
| Independent Audit Company | GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. |
| Audit Type | Limited |
| Audit Result | Positive |

Ara Dönem Özet Konsolide Finansal Tablolara İlişkin Sınırlı Denetim Raporu

Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi Yönetim Kurulu'na

Giriş

Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi'nin ("Şirket") ile bağlı ortaklıklarının ("Grup") 30 Haziran 2020 tarihli ilişikteki ara dönem özet konsolide finansal durum tablosunun ve aynı tarihte sona eren altı aylık ara hesap dönemine ait özet konsolide kâr veya zarar ve diğer kapsamlı gelir tablosunun, konsolide özkaynaklar değişim tablosunun ve konsolide nakit akış tablosu ile açıklayıcı dipnotlarının sınırlı denetimini yürütmüş bulunuyoruz. Grup yönetimi, söz konusu ara dönem özet konsolide finansal tabloların Türkiye Muhasebe Standardı 34, Ara Dönem Finansal Raporlama Standardı'na (TMS 34) uygun olarak hazırlanmasından ve sunumundan sorumludur. Sorumluluğumuz, yaptığımız sınırlı denetime dayanarak söz konusu ara dönem özet konsolide finansal tablolara ilişkin bir sonuç bildirmektir.

Sınırlı Denetimin Kapsamı

Yaptığımız sınırlı denetim, Sınırlı Bağımsız Denetim Standardı (SBDS) 2410 "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi"ne uygun olarak yürütülmüştür. Ara dönem finansal bilgilere ilişkin sınırlı denetim, başta finans ve muhasebe konularından sorumlu kişiler olmak üzere ilgili kişilerin sorgulanması ve analitik prosedürler ile diğer sınırlı denetim prosedürlerinin uygulanmasından oluşur. Ara dönem finansal bilgilerin sınırlı denetiminin kapsamı; Bağımsız Denetim Standartlarına uygun olarak yapılan ve amacı finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vâkıf olabileceğine ilişkin bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

Sonuç

Sınırlı denetimimize göre ilişikteki ara dönem özet konsolide finansal tabloların, tüm önemli yönleriyle, TMS 34'e uygun olarak hazırlanmadığı kanaatine varmamıza sebep olacak herhangi bir husus dikkatimizi çekmemiştir.

Diğer Husus

Grup'un Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Muhasebe Standartları'na ("TMS") uygun olarak 31 Aralık 2019 tarihi itibarıyla düzenlenmiş finansal tabloları bir başka Denetim Şirketi tarafından denetlenmiş ve söz konusu şirket 3 Mart 2020 tarihli raporunda söz konusu finansal tablolar üzerinde olumlu görüş beyan etmiştir. Grup'un TMS 34'e uygun olarak 30 Haziran 2019 tarihi itibarıyla düzenlenmiş ara dönem özet finansal tabloları da aynı denetim şirketi tarafından sınırlı denetime tabi tutulmuş ve söz konusu denetim şirketi 6 Ağustos 2019 tarihli raporunda ilgili ara dönem özet finansal tabloların TMS 34'e uygun olarak hazırlanmadığı kanaatine varılmasına sebep olacak herhangi bir hususa rastlamadığını ifade etmiştir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM

Sorumlu Denetçi

17 Ağustos 2020

İstanbul, Türkiye

Statement of Financial Position (Balance Sheet)

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 30.06.2020 | Previous Period 31.12.2019 |
|--|--------------------|------------------------------|-------------------------------|
| Statement of Financial Position (Balance Sheet) | | | |
| Assets [abstract] | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 675.111.913 | 945.308.903 |
| Trade Receivables | 6 | 670.384.891 | 537.813.835 |
| Trade Receivables Due From Related Parties | 23 | 30.739.789 | 26.961.361 |
| Trade Receivables Due From Unrelated Parties | | 639.645.102 | 510.852.474 |
| Other Receivables | | 23.993.879 | 31.882.050 |
| Other Receivables Due From Related Parties | | 0 | 0 |
| Other Receivables Due From Unrelated Parties | | 23.993.879 | 31.882.050 |
| Derivative Financial Assets | | 238.473 | 0 |
| Derivative Financial Assets Held for Hedging | | 238.473 | 0 |
| Inventories | 7 | 1.143.527.430 | 1.188.136.911 |
| Prepayments | 8 | 65.070.008 | 89.369.307 |
| Prepayments to Unrelated Parties | | 65.070.008 | 89.369.307 |
| Current Tax Assets | 21 | 919.559 | 12.208.227 |
| Other current assets | | 104.011.231 | 71.151.492 |
| Other Current Assets Due From Related Parties | 23 | 85.488 | 75.458 |
| Other Current Assets Due From Unrelated Parties | | 103.925.743 | 71.076.034 |
| SUB-TOTAL | | 2.683.257.384 | 2.875.870.725 |
| Non-current Assets or Disposal Groups Classified as Held for Sale | 20 | 51.135.902 | 44.759.650 |
| Total current assets | | 2.734.393.286 | 2.920.630.375 |
| NON-CURRENT ASSETS | | | |
| Financial Investments | | 360.760.226 | 314.010.842 |
| Financial Assets Available-for-Sale | | 360.760.226 | 314.010.842 |
| Property, plant and equipment | 10 | 4.152.401.535 | 3.623.154.421 |
| Right of Use Assets | 9 | 19.514.457 | 24.904.868 |
| Intangible assets and goodwill | | 10.508.293 | 7.457.545 |
| Other intangible assets | 11 | 10.508.293 | 7.457.545 |
| Prepayments | | 28.353.968 | 41.264.840 |
| Prepayments to Unrelated Parties | 8 | 28.353.968 | 41.264.840 |
| Other Non-current Assets | | 335.313 | 317.357 |
| Other Non-Current Assets Due From Unrelated Parties | | 335.313 | 317.357 |
| Total non-current assets | | 4.571.873.792 | 4.011.109.873 |
| Total assets | | 7.306.267.078 | 6.931.740.248 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Current Borrowings | | 1.527.780.188 | 1.257.532.194 |
| Current Borrowings From Unrelated Parties | | 1.527.780.188 | 1.257.532.194 |
| Bank Loans | 5 | 1.527.780.188 | 1.257.532.194 |
| Current Portion of Non-current Borrowings | | 675.187.193 | 529.936.633 |
| Current Portion of Non-current Borrowings from Unrelated Parties | | 675.187.193 | 529.936.633 |
| Bank Loans | 5 | 663.257.519 | 515.171.866 |
| Lease Liabilities | 5 | 11.929.674 | 14.764.767 |
| Trade Payables | 6 | 524.546.553 | 917.719.457 |
| Trade Payables to Related Parties | 23 | 10.542.632 | 46.183.073 |
| Trade Payables to Unrelated Parties | | 514.003.921 | 871.536.384 |
| Employee Benefit Obligations | | 4.413.534 | 5.138.552 |
| Other Payables | | 62.813.179 | 20.321.043 |
| Other Payables to Related Parties | | 0 | 0 |
| Other Payables to Unrelated Parties | | 62.813.179 | 20.321.043 |
| Derivative Financial Liabilities | | 0 | 51.958 |
| Derivative Financial Liabilities Held for Hedging | | 0 | 51.958 |
| Deferred Income Other Than Contract Liabilities | | 3.594 | 560.051 |
| Deferred Income Other Than Contract Liabilities from Unrelated Parties | | 3.594 | 560.051 |
| Current tax liabilities, current | | 0 | 0 |
| Other Current Liabilities | | 88.533.570 | 95.589.456 |
| Other Current Liabilities to Unrelated Parties | | 88.533.570 | 95.589.456 |
| | | | |

| | | | |
|---|----|---------------|---------------|
| SUB-TOTAL | | 2.883.277.811 | 2.826.849.344 |
| Liabilities included in disposal groups classified as held for sale | 20 | 7.243.289 | 6.458.152 |
| Total current liabilities | | 2.890.521.100 | 2.833.307.496 |
| NON-CURRENT LIABILITIES | | | |
| Long Term Borrowings | | 635.330.944 | 790.742.816 |
| Long Term Borrowings From Unrelated Parties | | 635.330.944 | 790.742.816 |
| Bank Loans | 5 | 627.500.916 | 779.643.114 |
| Lease Liabilities | 5 | 7.830.028 | 11.099.702 |
| Non-current provisions | | 18.016.419 | 16.035.958 |
| Non-current provisions for employee benefits | | 18.016.419 | 16.035.958 |
| Deferred Tax Liabilities | 21 | 468.730.293 | 404.103.511 |
| Total non-current liabilities | | 1.122.077.656 | 1.210.882.285 |
| Total liabilities | | 4.012.598.756 | 4.044.189.781 |
| EQUITY | | | |
| Equity attributable to owners of parent | | 3.291.453.076 | 2.885.575.452 |
| Issued capital | 13 | 141.750.000 | 141.750.000 |
| Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss | | 280.830.420 | 284.126.626 |
| Gains (Losses) from investments in equity instruments | 13 | 102.415.772 | 102.415.772 |
| Gains (Losses) on Revaluation and Remeasurement | | 178.414.648 | 181.710.854 |
| Increases (Decreases) on Revaluation of Property, Plant and Equipment | 13 | 172.672.973 | 175.969.179 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | 5.741.675 | 5.741.675 |
| Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss | | 2.438.119.355 | 2.001.433.293 |
| Exchange Differences on Translation | | 2.437.880.882 | 2.001.485.251 |
| Gains (Losses) on Hedge | | 238.473 | -51.958 |
| Gains (Losses) on Cash Flow Hedges | | 238.473 | -51.958 |
| Restricted Reserves Appropriated From Profits | 13 | 69.647.528 | 69.647.528 |
| Legal Reserves | | 69.647.528 | 69.647.528 |
| Prior Years' Profits or Losses | | 382.762.494 | 322.610.480 |
| Current Period Net Profit Or Loss | | -21.656.721 | 66.007.525 |
| Non-controlling interests | 13 | 2.215.246 | 1.975.015 |
| Total equity | | 3.293.668.322 | 2.887.550.467 |
| Total Liabilities and Equity | | 7.306.267.078 | 6.931.740.248 |

Statement of Profit or Loss and Other Comprehensive Income

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 01.01.2020 - 30.06.2020 | Previous Period 01.01.2019 - 30.06.2019 | Current Period 3 Months 01.04.2020 - 30.06.2020 | Previous Period 3 Months 01.04.2019 - 30.06.2019 |
|--|--------------------|--|---|--|---|
| Statement of Profit or Loss and Other Comprehensive Income | | | | | |
| PROFIT (LOSS) | | | | | |
| Revenue | 14 | 1.830.106.704 | 2.331.151.532 | 611.658.499 | 1.127.308.081 |
| Cost of sales | 14 | -1.701.722.387 | -2.033.148.702 | -600.271.608 | -967.864.694 |
| GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS | | 128.384.317 | 298.002.830 | 11.386.891 | 159.443.387 |
| GROSS PROFIT (LOSS) | | 128.384.317 | 298.002.830 | 11.386.891 | 159.443.387 |
| General Administrative Expenses | 15,16 | -108.284.123 | -100.647.708 | -48.394.629 | -49.548.450 |
| Marketing Expenses | 15,16 | -35.377.019 | -42.296.478 | -15.026.174 | -19.803.165 |
| Other Income from Operating Activities | 17 | 68.467.669 | 38.110.804 | 53.647.599 | 26.627.441 |
| Other Expenses from Operating Activities | 17 | -7.592.651 | -1.862.776 | -3.414.424 | -368.080 |
| PROFIT (LOSS) FROM OPERATING ACTIVITIES | | 45.598.193 | 191.306.672 | -1.800.737 | 116.351.133 |
| Investment Activity Income | 18 | 14.719.963 | 15.647.879 | 14.719.963 | 15.647.879 |
| PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE) | | 60.318.156 | 206.954.551 | 12.919.226 | 131.999.012 |
| Finance income | 19 | 6.277.855 | 6.865.633 | 2.898.993 | 5.442.920 |
| Finance costs | 19 | -84.755.172 | -108.470.742 | -41.927.313 | -54.040.451 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX | | -18.159.161 | 105.349.442 | -26.109.094 | 83.401.481 |
| Tax (Expense) Income, Continuing Operations | | -3.554.705 | -18.435.858 | -13.551.490 | -14.041.286 |
| Current Period Tax (Expense) Income | 21 | -213.572 | -190.436 | -106.666 | -94.697 |
| Deferred Tax (Expense) Income | 21 | -3.341.133 | -18.245.422 | -13.444.824 | -13.946.589 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS | | -21.713.866 | 86.913.584 | -39.660.584 | 69.360.195 |
| PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS | 20 | -7.679 | -3.080.486 | 73.831 | 219.055 |
| PROFIT (LOSS) | | -21.721.545 | 83.833.098 | -39.586.753 | 69.579.250 |
| Profit (loss), attributable to [abstract] | | | | | |
| Non-controlling Interests | 13 | -64.824 | -83.166 | -32.809 | 5.212 |
| Owners of Parent | | -21.656.721 | 83.916.264 | -39.553.944 | 69.574.038 |
| Earnings per share [abstract] | | | | | |
| Earnings per share [line items] | | | | | |
| Basic earnings per share | | | | | |
| Basic Earnings (Loss) Per Share from Continuing Operations | | | | | |
| Pay Başına Kazanç | 22 | -0,00015280 | 0,00059200 | -0,00027900 | 0,00049000 |
| Diluted Earnings Per Share | | | | | |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Other Comprehensive Income that will not be Reclassified to Profit or Loss | | -9.151.717 | 25.626.540 | 0 | 25.626.540 |
| Gains (Losses) from Investments in Equity Instruments | | 0 | 25.626.540 | 0 | 25.626.540 |
| Gains (Losses) on Revaluation of Property, Plant and Equipment | | -9.151.717 | 0 | 0 | 0 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | 0 | 0 | 0 | 0 |
| Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss | | 0 | 0 | | |
| Other Comprehensive Income That Will Be Reclassified to Profit or Loss | | 436.991.117 | 263.501.371 | 156.307.133 | 62.522.750 |
| Exchange Differences on Translation | | 436.700.686 | 258.891.018 | 158.865.695 | 68.082.909 |
| Gains (Losses) on Exchange Differences on Translation | | 436.700.686 | 258.891.018 | 158.865.695 | 68.082.909 |
| Other Comprehensive Income (Loss) Related with Cash Flow Hedges | | 290.431 | 4.610.353 | -2.558.562 | -5.560.159 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | 427.839.400 | 289.127.911 | 156.307.133 | 88.149.290 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | | 406.117.855 | 372.961.009 | 116.720.380 | 157.728.540 |
| Total Comprehensive Income Attributable to | | | | | |
| Non-controlling Interests | | 240.231 | 102.287 | 96.390 | 57.026 |
| Owners of Parent | | 405.877.624 | 372.858.722 | 116.623.990 | 157.671.514 |

Statement of cash flows (Indirect Method)

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 01.01.2020 - 30.06.2020 | Previous Period 01.01.2019 - 30.06.2019 |
|--|--------------------|---|--|
| Statement of cash flows (Indirect Method) | | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | -527.342.051 | -243.464.102 |
| Profit (Loss) | | -21.721.545 | 83.833.098 |
| Profit (Loss) from Continuing Operations | | -21.713.866 | 86.913.584 |
| Profit (Loss) from Discontinued Operations | | -7.679 | -3.080.486 |
| Adjustments to Reconcile Profit (Loss) | | -50.616.195 | 62.139.660 |
| Adjustments for depreciation and amortisation expense | 9,10,11 | 100.647.624 | 78.259.180 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) | | 1.180.932 | 552.124 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables | 6 | 85.742 | 552.124 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Other Financial Assets or Investments | 17 | 1.095.190 | 0 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories | | 0 | 0 |
| Adjustments for provisions | | 2.524.143 | 5.028.262 |
| Adjustments for (Reversal of) Provisions Related with Employee Benefits | | 2.524.143 | 5.028.262 |
| Adjustments for Dividend (Income) Expenses | 18 | -14.707.219 | -15.633.656 |
| Adjustments for Interest (Income) Expenses | | 75.693.532 | 90.685.281 |
| Adjustments for Interest Income | 19 | -2.493.878 | -2.837.329 |
| Adjustments for interest expense | 19 | 78.187.410 | 93.522.610 |
| Adjustments for unrealised foreign exchange losses (gains) | | -219.497.168 | -115.173.166 |
| Adjustments for Tax (Income) Expenses | | 3.554.705 | 18.435.858 |
| Adjustments for losses (gains) on disposal of non-current assets | 18 | -12.744 | -14.223 |
| Adjustments for Losses (Gains) Arised From Sale of Tangible Assets | | -12.744 | -14.223 |
| Changes in Working Capital | | -444.131.791 | -365.030.365 |
| Adjustments for decrease (increase) in trade accounts receivable | | -142.629.843 | 477.996.400 |
| Decrease (Increase) in Trade Accounts Receivables from Related Parties | | -3.778.428 | -15.753.962 |
| Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties | | -138.851.415 | 493.750.362 |
| Adjustments for Decrease (Increase) in Other Receivables Related with Operations | | 7.888.171 | 14.041.877 |
| Decrease (Increase) in Other Unrelated Party Receivables Related with Operations | | 7.888.171 | 14.041.877 |
| Decrease (Increase) in Derivative Financial Assets | | 0 | 0 |
| Adjustments for decrease (increase) in inventories | | 44.609.481 | -186.183.021 |
| Decrease (Increase) in Prepaid Expenses | | 37.210.171 | 42.260.985 |
| Adjustments for increase (decrease) in trade accounts payable | | -393.172.904 | -575.161.081 |
| Increase (Decrease) in Trade Accounts Payables to Related Parties | | -35.640.441 | -13.907.170 |
| Increase (Decrease) in Trade Accounts Payables to Unrelated Parties | | -357.532.463 | -561.253.911 |
| Adjustments for increase (decrease) in other operating payables | | 43.178.189 | 2.048.601 |
| Increase (Decrease) in Other Operating Payables to Related Parties | | 686.053 | 0 |
| Increase (Decrease) in Other Operating Payables to Unrelated Parties | | 42.492.136 | 2.048.601 |
| Other Adjustments for Other Increase (Decrease) in Working Capital | | -41.215.056 | -140.034.126 |
| Decrease (Increase) in Other Assets Related with Operations | | -32.877.695 | -33.413.774 |
| Increase (Decrease) in Other Payables Related with Operations | | -8.337.361 | -106.620.352 |
| Cash Flows from (used in) Operations | | -516.469.531 | -219.057.607 |
| Cash Outflows Due to Capital Increases of Associates, Joint Ventures and Cooperative Activities | | -227.648 | -390.781 |
| Payments Related with Provisions for Employee Benefits | | -807.917 | -3.917.484 |
| Income taxes refund (paid) | | -11.042.447 | -5.164.264 |
| | | | |

| | | | |
|---|-------|--------------------|---------------------|
| Other inflows (outflows) of cash | | 0 | -23.674.050 |
| Net Cash Flows on Discontinuing Operations | | 1.205.492 | 8.740.084 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | -67.704.606 | -144.061.571 |
| Proceeds from sales of property, plant, equipment and intangible assets | | 12.744 | 2.498.707 |
| Proceeds from sales of property, plant and equipment | 18 | 12.744 | 2.498.707 |
| Proceeds from sales of intangible assets | | 0 | 0 |
| Purchase of Property, Plant, Equipment and Intangible Assets | | -82.424.569 | -163.977.600 |
| Purchase of property, plant and equipment | 10,11 | -82.424.569 | -163.977.600 |
| Cash Inflows from Sales of Assets Held for Sale | | 0 | 1.783.666 |
| Dividends received | 18 | 14.707.219 | 15.633.656 |
| Net Cash Flows from Discontinuing Operations | | 0 | |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | 181.307.593 | -43.015.705 |
| Proceeds from borrowings | | 5.569.650.977 | 13.071.183.676 |
| Proceeds from Loans | | 5.569.650.977 | 13.071.183.676 |
| Repayments of borrowings | | -5.303.459.528 | -12.888.203.299 |
| Loan Repayments | | -5.303.459.528 | -12.888.203.299 |
| Payments of Lease Liabilities | | -9.190.324 | 0 |
| Cash Payments for Future Contracts, Forward Contracts, Option Contracts and Swap Contracts | | -290.431 | -4.610.353 |
| Dividends Paid | | 0 | -135.310.801 |
| Interest paid | | -77.896.979 | -88.912.257 |
| Interest Received | 19 | 2.493.878 | 2.837.329 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | -413.739.064 | -430.541.378 |
| Effect of exchange rate changes on cash and cash equivalents | | 143.542.074 | 73.152.101 |
| Net increase (decrease) in cash and cash equivalents | | -270.196.990 | -357.389.277 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 945.308.903 | 778.724.987 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 675.111.913 | 421.335.710 |

[illegible]

[illegible]