METAIR
INVESTMENTS LIMITED

automotive | industrial | retail

CONDENSED AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021, CASH DIVIDEND ANNOUNCEMENT AND NOTICE OF ANNUAL GENERAL MEETING

METAIR INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
("Metair" or "the group" or "the company")

(Reg No. 1948/031013/06)
Share code: MTA • ISIN code: ZAE 000090692

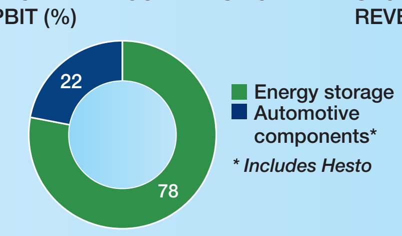
Consolidated group assessed at **B-BBEE Level 1** and South African subsidiaries at Level 4 or better

Operating profit increased **107%**

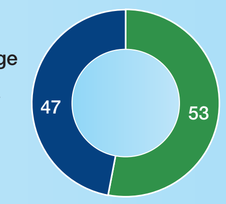
ROIC increased to **16.4%**

50% of employees vaccinated by 31 December 2021, which is continuously improving

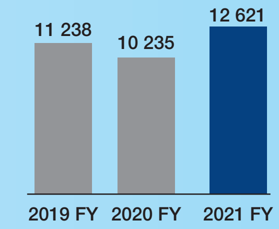
SEGMENTAL CONTRIBUTION PBIT (%)



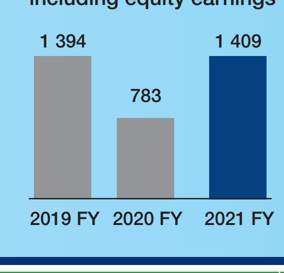
SEGMENTAL CONTRIBUTION REVENUE (%)



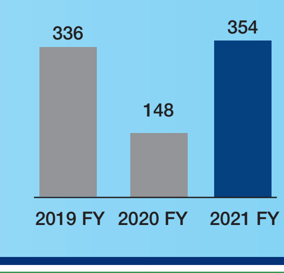
REVENUE (MILLION)



EBITDA (MILLION) including equity earnings



HEPS (Cents)



CONDENSED AUDITED CONSOLIDATED INCOME STATEMENT	31 December 2021 R'000	31 December 2020 R'000
Revenue	12 621 070	10 234 706
Cost of sales	(10 421 551)	(8 642 047)
Gross profit	2 199 519	1 592 659
Other operating income	204 463	117 943
Distribution, administrative and other operating expenses	(1 244 943)	(1 149 940)
Operating profit	1 159 039	560 662
Interest income	32 425	40 873
Interest expense	(177 464)	(204 731)
Share of results of associates	(51 878)	8 132
Impairments of associates		(108 168)
Profit before taxation	962 122	296 768
Taxation	(269 324)	(111 491)
Profit for the year	692 798	185 277
Attributable to:		
Equity holders of the company	674 791	174 184
Non-controlling interests	18 007	11 093
	692 798	185 277
Included in operating expenses above are:		
Depreciation and amortisation	301 996	322 340
Rentals on short term and low value assets	22 828	15 099
Impairment loss on trade receivables	23 221	15 726
Disaggregation of revenue from contracts with customers		
Primary geographical markets		
South Africa	7 022 371	5 609 981
Turkey and UK	3 934 430	3 201 392
Romania	1 664 269	1 423 333
	12 621 070	10 234 706
Major product and service lines		
Automotive batteries	7 019 984	5 887 128
Automotive components and parts	4 761 451	3 478 789
Automotive customer tooling	298 970	313 340
Industrial and non-automotive products	540 665	555 449
	12 621 070	10 234 706
Timing of revenue recognition		
Products transferred at a point in time	7 757 053	6 677 958
Products and services transferred over time	4 864 017	3 556 748
	12 621 070	10 234 706
Earnings per share		
Basic earnings per share (cents)	350	91
Headline earnings per share (cents)	354	148
Diluted earnings per share		
Diluted earnings per share (cents)	346	91
Diluted headline earnings per share (cents)	350	148
Number of shares in issue ('000)	198 986	198 986
Number of shares in issue excluding treasury shares ('000)	193 108	192 482
Weighted average number of shares in issue ('000)	192 715	192 118
Adjustment for dilutive shares ('000)	2 174	247
Number of shares used for diluted earnings calculation ('000)	194 889	192 365
Calculation of headline earnings (R'000)		
Net profit attributable to ordinary shareholders	674 791	174 184
(Profit)/loss on disposal of property, plant and equipment – net	(144)	1 520
Impairment of property, plant and equipment	7 850	
Impairment of associate		108 168
Headline earnings	682 497	283 872

CONDENSED AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 December 2021 R'000	31 December 2020 R'000
Profit for the year	692 798	185 277
Other comprehensive income:		
– Actuarial losses recognised – net	(3 810)	(7 496)
– Foreign exchange translation movements	(897 191)	(277 768)
Net other comprehensive loss	(901 001)	(285 264)
Total comprehensive loss for the year	(208 203)	(99 987)
Attributable to:		
Equity holders of the company	(225 992)	(111 278)
Non-controlling interests	17 789	11 291
	(208 203)	(99 987)

CONDENSED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	31 December 2021 R'000	31 December 2020 R'000
Balance at beginning of the year	4 214 838	4 310 786
Profit for the year	692 798	185 277
Other comprehensive loss for the year	(901 001)	(285 264)
Total comprehensive loss for the year	(208 203)	(99 987)
Share option scheme	24 377	29 040
Vesting of share-based payment obligation:		
– Estimated taxation effects of utilisation of treasury shares	(1 298)	160
Dividend*	(155 360)	(25 161)
Balance at end of the year	3 874 354	4 214 838

** An ordinary dividend of R0.90 per share was declared in 2022 in respect of the year ended 31 December 2021.*
** An ordinary dividend of R0.75 per share was declared in 2021 in respect of the year ended 31 December 2020.*

CONDENSED AUDITED CONSOLIDATED BALANCE SHEET	31 December 2021 R'000	31 December 2020 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	2 636 978	2 618 197
Intangible assets	283 793	503 801
Investment in associates	613 056	624 185
Deferred taxation	5 374	13 812
	3 539 201	3 759 995
Current assets		
Inventory	1 959 253	1 695 429
Trade and other receivables	1 978 447	1 819 377
Contract assets	511 199	382 278
Taxation	2 552	17 653
Derivative financial assets	6 693	242
Cash and cash equivalents	1 078 074	1 623 696
	5 536 218	5 538 675
Total assets	9 075 419	9 298 670
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	1 497 931	1 497 931
Treasury shares	(118 153)	(128 126)
Reserves	(2 380 436)	(1 449 248)
Retained earnings	4 759 200	4 185 418
Ordinary shareholders' equity	3 758 542	4 105 975
Non-controlling interests	115 812	108 863
Total equity	3 874 354	4 214 838
Non-current liabilities		
Borrowings and financial liabilities	1 849 263	519 311
Post-employment benefits	73 263	91 327
Deferred taxation	173 614	251 155
Deferred grant income	104 681	124 626
Provisions for liabilities and charges	40 808	41 677
	2 241 629	1 028 096
Current liabilities		
Trade and other payables (including deferred grant income)	2 155 753	1 873 269
Contract liabilities	49 952	118 496
Borrowings and financial liabilities	477 642	1 851 002
Taxation	60 574	53 364
Provisions for liabilities and charges	98 205	83 175
Derivative financial liabilities	1 131	17 857
Bank overdrafts	116 179	58 573
	2 959 436	4 055 736
Total liabilities	5 201 065	5 083 832
Total equity and liabilities	9 075 419	9 298 670
Net asset value per share (cents)	1 946	2 133
Capital expenditure	574 646	246 522
Capital commitments:		
– Contracted	79 946	341 388
– Authorised but not contracted	590 354	425 550

CONDENSED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS	31 December 2021 R'000	31 December 2020 R'000
Operating activities		
Operating profit	1 159 039	560 662
Depreciation and amortisation	301 996	322 340
Equity earnings, before impairment	(51 878)	8 132
Net movement in provisions and similar items	(15 997)	(16 377)
Other items (including forex gains/losses)	126 790	55 204
Working capital changes	(871 020)	127 457
Cash generated from operations	648 930	1 057 418
Interest paid	(183 389)	(200 086)
Taxation paid	(251 357)	(91 513)
Dividends paid	(155 360)	(25 161)
Dividend income from associates	6 724	14 920
Net cash inflow from operating activities	65 548	755 578
Investing activities		
Interest received	32 425	40 873
Acquisition of property, plant and equipment	(439 685)	(225 031)
Increase in associate		(9 559)
Net cash utilised in other investing activities	(8 357)	(18 873)
Net cash outflow from investing activities	(415 617)	(212 590)
Financing activities		
Borrowings raised – net	34 075	259 519
Net cash utilised in other financing activities	(44 394)	(48 756)
Net cash (outflow)/inflow from financing activities	(10 319)	210 763
Net (decrease)/increase in cash and cash equivalents	(360 388)	753 751
Cash and cash equivalents at beginning of the year	1 565 123	878 605
Exchange losses on cash and cash equivalents	(242 840)	(67 233)
Cash and cash equivalents at end of the year	961 895	1 565 123

CONDENSED AUDITED CONSOLIDATED SEGMENT REVIEW	Revenue		Profit before interest and taxation	
	31 December 2021 R'000	31 December 2020 R'000	31 December 2021 R'000	31 December 2020 R'000
Energy storage				
Automotive				
Local	4 701 913	4 370 104	593 487	460 032
Direct export	2 318 071	1 517 024	339 871	161 034
	7 019 984	5 887 128	933 358	621 066
Industrial				
Local	511 021	511 658	(44 150)	(31 716)
Direct export	19 382	18 268	(2 145)	(937)
	530 403	529 926	(46 295)	(32 653)
Total energy storage	7 550 387	6 417 054	887 063	588 413
Automotive components				
Local				
Original equipment	6 174 325	4 410 129	183 971	45 556
Aftermarket	470 610	466 509	66 284	47 747
Non-auto	10 263	25 523	(358)	(2 125)
	6 655 198	4 902 161	249 897	91 178
Direct exports				
Original equipment	3 203		1 133	
Aftermarket	54 009	42 247	6 367	(2 867)
	57 212	42 247	7 500	(2 867)
Total automotive components	6 712 410	4 944 408	257 397	88 311
Total segment results	14 262 797	11 361 462	1 144 460	676 724
Reconciling items:				
– Share of results of associates			(51 878)	8 132
– Impairment of associate				(108 168)
– Managed associates*	(1 641 727)	(1 126 756)	95 277	27 736
Amortisation of intangible assets arising from business acquisitions			(17 084)	(22 216)
Other reconciling items**			(63 614)	(121 582)
Total	12 621 070	10 234 706	1 107 161	460 626
Net interest expense			(145 039)	(163 858)
Profit before taxation			962 122	296 768

** The results of Hesto Harnesses Proprietary Limited (Hesto) have been included in the segment review at 100%. Metair has a 74.9% equity interest and is responsible for the operational management of this associate.*
*** The reconciling items relate to Metair head office companies.*

NOTES TO THE CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation
The condensed audited consolidated results for the year ended 31 December 2021 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for abridged reports and the requirements of the Companies Act, No. 71 of 2008 (Companies Act), applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

Accounting policies
The accounting policies applied in the preparation of the consolidated annual financial statements, from which the condensed audited consolidated results were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

Contingencies
The company has provided a limited guarantee to the maximum of R636.7 million in favour of The Standard Bank of South Africa Limited for term loan and revolving credit facilities provided to Hesto. There has been no other material change in the group's contingent liabilities since year-end.

Borrowings
During the year, the group repaid borrowings of R442 million (2020: R114 million) and raised borrowings of R476 million (2020: R374 million).

Post-balance sheet events
There has been no material change since year-end.

Auditors' report
This summarised report is extracted from audited information but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and auditors' report thereon are available for inspection at the company's registered office. The directors take full responsibility for the preparation of the condensed audited consolidated results and the financial information has been correctly extracted from the underlying annual financial statements. Any reference to future financial performance has not been reviewed or reported on by the auditors.

Declaration of Ordinary Dividends No 71
Notice is hereby given that a gross cash dividend of 90 cents per share has been declared by the board in respect of the year ended 31 December 2021 (2020: 75 cents per share).
The dividend has been declared out of income reserves.
The salient dates for the payment of the dividend are detailed below:

Last day of trade	Tuesday, 5 April 2022
Shares to commence trading ex-dividend	Wednesday, 6 April 2022
Record date	Friday, 8 April 2022
Payment of dividend	Monday, 11 April 2022

The following additional information is disclosed regarding the dividend:
- the local dividend tax rate is 20%;
- the gross local dividend amount is 90 cents per share for shareholders exempt from dividends tax;
- the net local dividend amount is 72 cents per share for shareholders liable to pay a dividend tax;
- Metair's issued share capital is 198 985 886 (which includes 5 878 273 treasury shares); and
- Metair's income tax reference number is 9300198711.

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Wednesday, 6 April 2022 and Friday, 8 April 2022, both days inclusive.

Annual general meeting
The annual report incorporating the consolidated annual financial statements and notice of annual general meeting (AGM) will be mailed to shareholders along with the notice of AGM on 18 March 2022. The AGM will be held remotely through an electronic interactive platform hosted by The Meeting Specialist (Pty) Ltd on Thursday, 5 May 2022 at 14h00, subject to any cancellation, postponement, or adjournment, in terms of section 63(2)(a) of the Companies Act.
The record date for purposes of determining which shareholders are entitled to receive the notice of AGM is Friday, 11 March 2022.
The record date for purposes of determining which shareholders must be registered as such in the company's securities register in order to attend and vote at the AGM is Friday, 22 April 2022. The last day to trade in order to be entitled to vote at the AGM will therefore be Tuesday, 19 April 2022.

Integrated report
The group's sustainability reporting included in the integrated annual report for 2021 and the results presentation will be available on the company's website (www.metair.co.za). The annual results presentation will be broadcast live on Thursday, 17 March 2022 at 10h30 (SAST). Investors and analysts are advised to utilise the following link to gain access to the webinar:
https://attendee.gotowebinar.com/register/2789424037435171340

Registrars
Computershare Investor Services (Pty) Limited
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196

Sponsor
One Capital

Investor Relations
Instinctif Partners

Signed on behalf of the Board in Johannesburg on 16 March 2022.

CMD Flemming – Chairman

R Haffejee – Chief Executive Officer

The condensed audited consolidated results were produced under the supervision of Mr S Douwenga (CFO) BCom (Hons), CA(SA).

CONDENSED CONSOLIDATED COMMENTARY

Business conditions in 2021 were more challenging than ever and the significant projects currently underway have required a very high level of project execution. We must acknowledge the incredible contribution of Metair's employees in producing good progress on our strategic initiatives and a solid set of results for the year ended 31 December 2021.

The safety and well-being of our employees through the second, third and fourth waves of COVID-19 remained at the forefront of everything we did. We recognise the significant impact of illness, isolation, and grief on their well-being. Vaccination programmes in Europe, Turkey and South Africa are progressing well and the group vaccination rates continue to improve.

Metair's COVID-19 recovery plan was informed by our medium-term industry outlook, at the time called Vision 2022. The recovery has unfolded broadly as anticipated, with the Energy Storage Vertical recovering quickly in a V-shaped path, while the Automotive Components Vertical has followed a more extended project-based U-shaped recovery. The Energy Storage Vertical performed better than expected and the V-shaped recovery was sharply defined while unplanned supply chain costs negatively affected the performance of the Automotive Components Vertical. New projects have progressed well in both cost and delivery timetables. We also continued to explore ways in which to unlock value within the Energy Storage Vertical.

Challenges during the year included, the direct influence of COVID-19 on our employees with COVID-related absenteeism and mental exhaustion, severe disruptions to global supply chains and the semi-conductor shortage not only adding to the component shortages but also compounding the supply chain challenges. In South Africa, a strike in the steel industry, 10 days of socio-political-related civil unrest, electricity and water supply interruptions in various locations and disrupted port operations affected our operations and our customers. Additionally, as a result of COVID-related imbalances between demand and supply which have yet to settle, we experienced a marked increase in input costs, from raw materials to air- and seafreight, throughout our businesses and across the world.

The automotive industry is at a historic point with the shift to New Energy Vehicles (NEVs) gathering pace, driven by increased awareness of the threat of global warming and its influence on emission regulations, consumer expectations and business strategies. We believe the move to NEVs will be relatively quick in the highly regulated European markets, facilitated by government subsidies, whereas other markets may take longer. All markets are, however, likely to first move to hybrid cars and then over time transition to Battery Electric Vehicles (BEVs).

In response to changing market trends and future technology requirements from certain Original Equipment Manufactures (OEMs) and industrial partners, the lithium-ion production line currently at Rombat in Romania is being moved to Mutlu Akü in Turkey. The move aims to leverage Mutlu Akü's brand strength, operational expertise, access, and positioning within a growing market for lithium-ion products. It will also benefit from recently available incentives that will recover the initial investment. The production line will be located within Mutlu Akü's existing production facilities and the relocated production line is expected to be installed and commissioned during the second half of 2022.

Metair is on a journey to deepen our commitment to sustainability, and we are investigating initiatives to enhance our environmental stewardship and secure the group's positioning in the future of green manufacturing. We sponsor the Green Manufacturing chair at Toyota Wessels Institute for Manufacturing Studies (TWIMS) graduate business school to promote executive expertise in green manufacturing and actively combat climate change across industries in southern Africa. We are refining our measurement and reporting of Environmental, Social and Governance (ESG) matters, including setting formal Key Performance Indicators (KPIs) and targets to drive iterative improvement and sustain our progress. Our goal is to raise sustainability from a governance reporting element into a key strategic element.

During 2022, we will begin rolling out solar power at our facilities in order to increase access to renewable energy and we will be upgrading factories to improve working conditions and safety.

Metair is committed to ensuring that all components manufactured across the group have a positive life cycle and end-of-life impact on the environment. All of our battery manufacturing facilities have lead refining capabilities and lead recycling is a core component of our business model for the Energy Storage businesses.

Results

Group revenue increased by 23% to R12.62 billion (FY2020: R10.23 billion), reflecting a strong rebound following the lock-down restrictions in 2020. Group operating profit (EBIT) increased by 107% to R1.16 billion (FY2020: R0.56 billion), while the operating margin rose to 9.2% (FY2020: 5.5%). Operating margins were negatively impacted by increased supply chain costs (both air- and seafreight), manufacturing volatility and volume declines, production disruptions due to the July civil unrest and a steel industry strike in South Africa, as well as project costs related to the investment in future growth.

The Automotive Components Vertical (including Hesto) contributed R6.7 billion in revenue, a 36% improvement compared with the 2020 reporting period. OEM customer volumes grew strongly in the first half of the year, but momentum slowed in the second half due to supply chain related disruptions to OEM production in South Africa. The Energy Storage Vertical delivered an 18% increase in revenue to R7.6 billion, benefitting from strong export demand as well as sustained local aftermarket and OEM demand.

Group earnings before interest, taxation, depreciation and amortisation (EBITDA) (including equity earnings and impairments), increased 80% to R1.4 billion (FY2020: R0.8 billion) and the EBITDA margin improved to 11% (FY2020: 8%).

As a result of supply chain instability and increased air- and seafreight the group invested in additional inventory holding. This in combination with capital expenditure related to new projects resulted in the group net debt increasing to R1.3 billion (2020: R0.8 billion) while net finance expenses decreased to R145 million (FY2020: R164 million) due to the reduction in interest rates.

Headline earnings per share increased by 139% to 354 cents per share (cps) (FY2020: 148 cps) and the weighted average number of shares increased to 193 million shares, from 192 million shares in 2020 due to shares issued under the Metair share scheme. Group adjusted return on invested capital (ROIC) increased to 11.7% (FY2020: 6.4%).

Segmental review:

Energy Storage Vertical

Turnover increased by 18% to R7.6 billion (FY2020: R6.4 billion) with sales of automotive battery units totalling 8.8 million units, an increase of 18%. Strong aftermarket demand and exports from Mutlu Akü resulted in volumes ending the year at 9 million units, 18% up on 2020 and 5% up on 2019.

EBIT improved by 51% to R887 million, with operating profit in local currency down at Rombat, up at First National Battery (FNB) and more than doubling at Mutlu Akü. High energy costs in Europe and Turkey in the second half of the year affected operating margins due to the lag in recovery from customers. Operating margins in the Energy Storage Vertical increased from 9.2% to 11.7%.

Mutlu Akü performed exceptionally well again with EBIT in local currency 117% higher than the year ended 31 December 2020. In Rand, this translated to a 57% increase to R643 million, due to the devaluation of the Turkish Lira.

FNB in South Africa is moving to a trade-focused model in its industrial manufacturing business and R40 million in costs related to the closure of the facility were incurred. Despite this, margins improved to 8.0% (FY2020: 4.0%) and operating profit increased to R156 million due to a good automotive trading performance.

Rombat in Romania reported a decline in operating profit of 20% to R84 million although overall volumes improved by 17%. Operating margin decreased to 4.8% due to high energy and material costs.

Sales of industrial batteries were consistent at R530 million (FY2020: R530 million), impacted by the change in strategy at FNB.

Automotive Components Vertical

Revenue in the Automotive Components Vertical increased by R1.8 billion to R6.7 billion (FY2020: R4.9 billion). South Africa's OEM production ended the year at 503 000 which is 21% up on 2020 but still below 2019 levels and well below expectations. This was as a result of supply chain disruptions and component shortages, including semi-conductor chips.

Operating profit improved to R257 million (FY2020: R88 million) and the operating margin recovered from 1.8% to 3.8% despite the effect of the many disruptions to manufacturing. ROIC for the automotive component segment was 10.7% (FY2020: 4.8%).

Financial position

Group net asset value per share decreased to 1 946 cents (FY2020: 2 133 cps) and net working capital increased by 18% to R2.2 billion due to increased inventory holdings as a result of increased activity and to offset shipping delays and airfreight costs. Cash generated from operations decreased to R0.6 billion (2020: R1.1 billion), representing a cash conversion ratio to EBITDA of above 44%.

Cash and cash equivalents decreased to R962 million from R1.6 billion in the prior period, while net debt (borrowings less cash and cash equivalents) increased to R1.3 billion at year-end (FY2020: R805 million).

The group's net debt to equity ratio increased to 35% (FY2020: 20%) and Metair remained in compliance with all lenders' covenants during the year. Net debt to EBITDA was 0.9 times (FY2020: 1.0 times), and 1.5 times (2020: 1.4 times) for covenant measurement purposes.

Capital allocation

Total capital expenditure (including intangible assets) for 2021 was R575 million (2020: R247 million). For 2022, including Hesto, R165 million has been allocated to maintenance, R882 million to expansion capex and R29 million in health and safety, improving the group's competitive position and efficiency.

The capital investment programme was impacted by global supply chain shortages and shipping delays, and a portion of planned capital expenditure for 2021 was delayed into 2022. Capital expenditure for 2022 will increase for the Automotive Components Vertical, to invest in facilities, tooling and machinery required to support planned new business, new model launches and facelifts. The debt funding will be raised at subsidiary level, with potential support from Metair especially in the case of Hesto.

Insurance claims

South African business interruption insurance claims related to COVID-19 were concluded during the year. Although COVID-19 related business interruption was significantly higher than the claims, the insured value was capped at R50 million (before costs) and has now been settled.

Dividend

Metair's dividend policy is to pay dividends that are covered by earnings (dividend cover) between two and four times. The board has declared a dividend of 90 cps for the 2021 financial year (FY2020: 75 cps).

Outlook and prospects

The board and management remain committed to building long term value creation in the Energy Storage and Automotive Components Verticals. Opportunities that deliver shareholder value in the short term will also be explored.

We do not anticipate that the supply chain challenges, and semi-conductor shortages will resolve in the first half of 2022. Given the Russian/Ukraine conflict a prolonged impact to supply chain challenges could see it extend throughout the year. Impact to OEM and battery sales into the EMEA region is likely with alternate markets being sought. Metair will continue to position the Automotive Components Vertical for future growth and diversify our customer base. The Automotive Component Vertical will focus on putting in place the necessary resources to successfully support the launch of major new customer models in the second half of the year, and ensuring the highest quality, best cost and on time delivery for all customers during the year.

The volume outlook for the Energy Storage Vertical is positive with increased demand for absorbed glass mat (AGM) batteries from OEMs, the aftermarket and export markets. First National Battery will complete the change of its industrial battery business to a trading model, and the installation and commissioning of the lithium-ion manufacturing line will be a core project focus at Mutlu Akü.

Appreciation

We would like to thank all our employees, the Metair head office team, subsidiary executives and leadership teams for their dedication and extraordinary efforts. We extend our appreciation to our board for their guidance and support through the year and acknowledge the new directors for the fresh and challenging perspectives they have introduced.

In closing, we would like to acknowledge Metair's previous leaders, customers, and partners. Thank you to all our customers for their confidence in our abilities and our partners for their technical knowledge and support to meet our shared objectives.