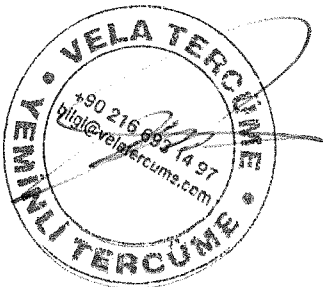


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MEGA METAL SANAYİ VE TİCARET A.Ş.  
31 DECEMBER 2023 FINANCIAL  
STATEMENTS AND NOTES TO THE  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Mega Metal Sanayi ve Ticaret A.Ş.

### A. Independent Auditing of Financial Statements

#### 1. Opinion

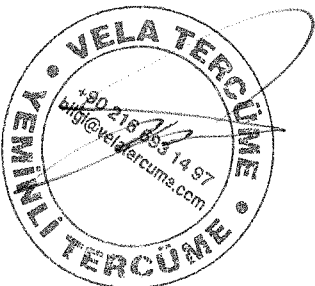
Mega Metal Sanayi ve Ticaret A.Ş. ("Company") financial statements dated 31 December 2023 and for the accounting periods ending on the same date; We have audited the accompanying financial statements, which consist of statements of profit or loss and other comprehensive income, statements of changes in equity and cash flow statements and financial statement footnotes, including a summary of significant accounting policies. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the years then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

#### 2. Basis for Opinion

Our independent audit was conducted in accordance with the independent auditing standards published by the Capital Markets Board and the Independent Auditing Standards (ISAs), which are a part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority (KGK). Our responsibilities under these Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We declare that we are independent from the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the POA and the ethical provisions contained in the legislation regarding the independent audit of financial statements. Other ethics-related responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence we obtained during the independent audit provides a sufficient and appropriate basis for forming our opinion.

#### 3. Other Considerations

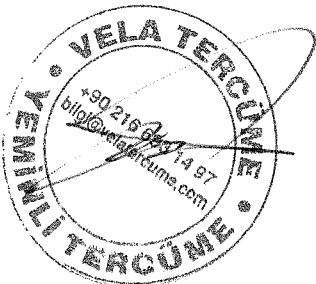
Since the functional currency of the Company is USD, the financial statements as of December 31, 2023 are not subject to inflation adjustment in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies" within the scope of the "Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit" dated November 23, 2023 published by POA. This issue does not affect the opinion given by us.



#### 4. Key Audit Matters

Key audit matters are, in our professional judgment, those matters that are of most importance in the independent audit of the current period financial statements. Key audit matters were addressed within the framework of our independent audit of the financial statements as a whole and in forming our opinion on the financial statements, and we do not express a separate opinion on these matters.

Key Audit Matters	How the key audit matter was handled in the audit
<p><i>Accounting the revenue</i></p> <p>In accordance with TFRS 15, the Company recognizes revenue in accordance with a five-step model.</p> <p>Revenue is recognized when control of the products subject to sale passes to the buyer.</p> <p>Due to the nature of the Company's operations, there are products that have been produced, invoiced to the customer, but are still in transit as of the reporting date. Among these products, there are products that have not been controlled by the customer.</p> <p>Considering the length of delivery periods, especially in the Company's sales abroad, the key audit matter is to record the sales in which the transfer is in progress as of the end of the year in the correct period.</p> <p>The Company's accounting policies and amounts related to revenue are disclosed in Note 2.f and Note 23.1.</p>	<p>During our audit, we performed the following audit procedures related to the control of revenue recognition in the financial statements.</p> <p>During our audit, we performed the following audit procedures related to the correct recognition of revenue.</p> <p>The relevant process was discussed with the Company's Sales and Logistics managers, sales and delivery processes were examined, and the design and implementation of key controls were tested.</p> <p>The shipping conditions of the contracts made with customers were examined and the accounting of revenue in the financial statements was evaluated taking into account the periodicity principle.</p> <p>Substantive procedures focus on evaluating situations where revenue has been invoiced but not earned. The Company's sales in progress as of the end of the year were determined and lists within the foreseen date range were obtained. The completeness and accuracy of these lists have been checked. To test whether the sales selected through the sample were recorded in the correct period, the delivery methods, customs declarations and invoices of the relevant sales were checked.</p> <p>In addition, the adequacy of the disclosures in the Revenue note in Note 23.1 was evaluated by us within the scope of TFRS 15.</p> <p>We did not have any significant findings as a result of these studies we carried out regarding revenue recognition.</p>



## **5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Company management; is responsible for the preparation of financial statements in accordance with TFRS, their fair presentation, and the internal control deemed necessary to prepare them in a way that does not contain material misstatements due to error or fraud. While preparing financial statements, Management; It is responsible for evaluating the Company's ability to continue its continuity, explaining the issues related to continuity when necessary, and using the principle of going concern unless there is an intention or obligation to liquidate the Company or terminate commercial activities. Those charged with governance are responsible for overseeing the Company financial reporting process.

## **6. Independent Auditor's Responsibilities for Independent Audit of Financial Statements**

In an independent audit, the responsibilities of independent auditors are:

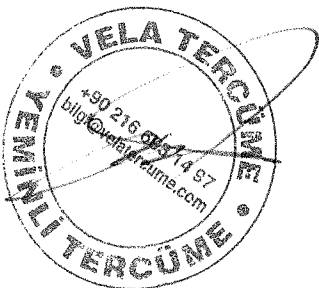
Our purpose is to obtain reasonable assurance whether the financial statements as a whole are free from errors or fraudulent inaccuracies and to issue an independent auditor's report that includes our opinion. The acceptable insurance given as a result of an independent audit carried out according to BDSs is a considerable insurance level but it does not guarantee that an important fault will be detected any time. The inaccuracies may have caused by errors or fraud. These inaccuracies are individually or collectively considered significant if inaccuracies are reasonably expected to affect the economic decisions of financial statement users based on these statements.

We use our professional judgment and maintain our professional skepticism throughout the independent audit as required by an independent audit conducted in compliance with the BDS. It is also carried out by us that:

The "material misstatement" risks due to errors or fraud in the financial statements are determined and evaluated; audit procedures against these risks are designed and implemented, sufficient and appropriate audit evidence is obtained to base our view. Fraud; The risk of failing to detect a significant inaccuracy cause by fraud is higher than the risk of failing to detect a significant misstatement caused by error as it may include acts of fraud, deliberate negligence, false statement or violation of internal control.

The Group's internal control is audited to design audit procedures appropriate to the situation, but not to provide an opinion on the effectiveness of the internal control.

Explanations on accounting estimates made with the appropriateness of accounting policies used by management are evaluated whether it is reasonable or not.



#### 6. Independent Auditor's Responsibilities for Independent Audit of Financial Statements (cont.)

Based on the audit evidences obtained, it can be concluded whether there is any significant uncertainty about any case or condition that could cause serious doubts related to sustainability capacity of the Company and related to suitability of using business continuity of the management. In case if we conclude that there is a significant uncertainty, we should not give any remark other than a positive one in case we draw attention to the financial statements or if these explanations are inadequate in our report. The results we have obtained are based on the audit evidences obtained until the date of independent auditor's report. Thereby, the incoming events or conditions may terminate end the continuity of the Company.

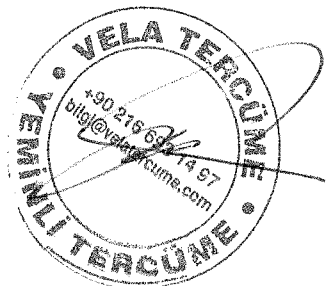
Including the explanations of financial statements, its overall presentation, structure and content, and whether these tables reflect the underlying processes and events in such a way as to provide a fair presentation.

- Sufficient and appropriate audit evidence is obtained about financial information regarding businesses or operating segments within the Company in order to express an opinion on the financial statements. We are responsible for directing, overseeing and conducting the company audit. We are solely responsible for the audit opinion we give.

In addition to other considerations, including the lack of significant internal control we have identified during the audit, we report the planned scope and timing of the independent audit to those responsible for the senior management with significant audit findings.

We have informed those charged with senior management that we comply with ethical provisions regarding independence. In addition, we have communicated all relations and other matters that may be regarded to have an impact on independence and the relevant measures, if any, to those responsible for senior management.

We determine the most important points which are actually the key points in the independent audit of the financial statements belonging to the current period among the issues reported to Supervisory officers. In cases where legislation does not let the issue to be published to the public or in cases where it is reasonably expected that the negative results of publishing the issue to the public could exceed the public welfare caused by the publishing, we may decide whether the related issue is to be reported in our independent audit report.



## B. Other Obligations Arising From Legislation

1. Pursuant to subparagraph 4 of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2023 are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

2. Since the Company's Risk Committee has not yet been established as of February 23, 2024, the Auditor Report on the Early Detection of Risk System and Committee, which must be prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TTK"), has not been prepared.

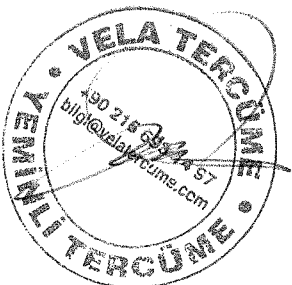
3. Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors provided us with the necessary explanations and submitted the required documents within the scope of audit.

The Auditor in Charge is Erkut Yavuz, who conducted and completed this independent audit alone.

**MITRA BAĞIMSIZ DENETİM A.Ş.**

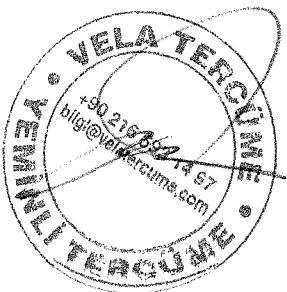
Istanbul, February 23, 2024

Erkut Yavuz  
Partner



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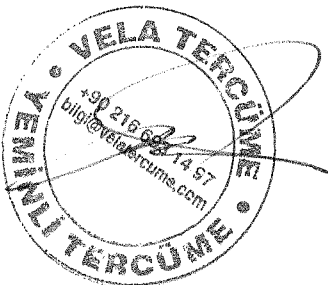


MEGA METAL SANAYİ VE TİCARET A.Ş.  
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

ASSETS	Notes	Audited December 31, 2023	Audited December 31, 2022
<b>Current assets</b>		<b>4.168.103.692</b>	<b>1.971.498.833</b>
Cash and cash equivalents	4	1.508.058.873	126.220.224
Financial investments	5	132.702.136	91.273.713
Trade Receivables	7	880.094.465	618.974.051
- Trade receivables, third parties	7	880.094.465	618.974.051
Other receivables		174,527,931	279.299.817
-Other receivables, related parties	3-8	7.569,062	151.174.597
- Other receivables, third parties	8	166.958.869	128.125.220
Inventories	9	1.345.348.643	745.903.571
Prepaid expenses	10	126.781.673	101.135.440
-Prepaid Expenses, third parties	10	126.781.673	101.135.440
Other Current Assets	11	589.971	8.692.017
<b>Total Amount</b>		<b>4.168.103.692</b>	<b>1.971.498.833</b>
<b>Non-Current assets</b>		<b>2,689,752,408</b>	<b>1.591.382.209</b>
Financial investments	5	30.012.009	19.062.767
Investment Properties	19	374.220.018	265.515.000
Property, Plant And Equipment	12	2.179.045.473	1.296.306.524
Using Right-of- assets	14	17.565.303	9.236.848
Intangible Assets	13	3.614.187	1.233.153
-Other Rights	13	3.614.187	1.233.153
Prepaid expenses	10	85.295.418	27.917
-Prepaid expenses, related parties	3-10	66.503.131	-
-Prepaid expenses, third parties	10	18.792.287	27.917
<b>TOTAL ASSETS</b>		<b>6.857.856.100</b>	<b>3.562.881.042</b>

The accompanying notes are an integral part of these financial statements.



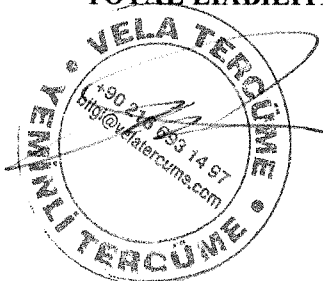


**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022**

(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Audited December 31, 2023</b>	<b>Audited December 31, 2022</b>
Current liabilities		<b>3.502.028.701</b>	<b>2.248.524.315</b>
Short-term Borrowings	6	1.577.501.168	786.644.683
Short-term portion of long-term borrowings	6	200.137.871	410.720.623
Other Financial Liabilities	6	182.306.723	100.220.002
Liabilities arising from lease transactions	6	17.254.150	4.807.924
Trade payables	7	1.071.586.703	710.987.708
-Trade payables to third parties	7	1.071.586.703	710.987.708
Liabilities of benefits, provided to employees	18	20.965.335	9.885.120
Other payables		37.894.226	254.509
- To related parties	3-8	37.835.008	-
-To unrelated parties	8	59.218	254.509
Delayed Income	15	367.874.388	208.619.183
Derivative Instruments	30	-	1.303.747
Short term provisions	16	20.372.767	12.823.722
- Short-term provisions related to benefits provided to employees	16	18.292.598	11.188.343
- Other short-term provisions	16	2.080.169	1.635.379
Other Short Term Liabilities	11	6.135.370	2.257.094
<b>SUB TOTAL</b>		<b>3.502.028.701</b>	<b>2.248.524.315</b>
Long Term liabilities		<b>587.780.197</b>	<b>491.426.659</b>
Long Term Borrowings	6	122.068.737	113.251.368
Other Long-Term Financial Liabilities	6	268.809.042	190.170.598
Liabilities arising from lease transactions	6	5.637.144	5.207.927
Delayed Income	15	136.021.573	110.376.100
Provisions		33.611.302	20.397.612
- Provisions for Employee Benefits	16	33.611.302	20.397.612
Deferred tax liability	28	21.632.399	52.023.054
<b>SUB TOTAL</b>		<b>587.780.197</b>	<b>491.426.659</b>
<b>Total liabilities</b>		<b>4.089.808.898</b>	<b>2.739.950.974</b>
<b>EQUITY</b>		<b>2.768.047.202</b>	<b>822.930.068</b>
Paid-in Capital	21	265.000.000	225.000.000
Share premiums/discounts	21	1.046.789.257	-
Other comprehensive income / (expense) not to be reclassified at profit or loss	21	(7.715.053)	2.806.201
Revaluation and measurement gains (losses)		(7.715.053)	2.806.201
- Revaluation and Measurement Gains	21	6.269.212	6.269.212
-Definition. benefit planning new measurement gains/(losses)	21	(13.984.265)	(3.463.011)
Other Comprehensive Income or Expense to be Reclassified to Profit or Loss		1.063.362.732	494.635.595
- Foreign Currency Translation Differences		1.063.362.732	494.635.595
Restricted reserves from the profit	21	3.566.619	3.566.619
Prior years profits and losses	21	96.921.653	15.230.680
Net income / (loss) for the period	21	300.121.994	81.690.973
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6.857.856.100</b>	<b>3.562.881.042</b>

The accompanying footnotes are an integral part of the financial statements.

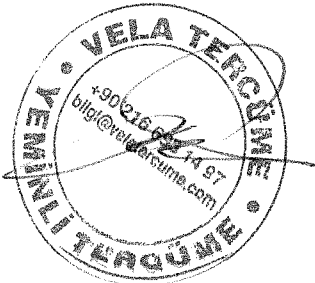


**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**PROFIT OR LOSS STATEMENTS FOR THE PERIOD ENDED**  
**DECEMBER 31, 2023 AND DECEMBER 31, 2022**

(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

		Audited	Audited
	Notes	January 01 - December 31, 2023	January 01- December 31, 2022
Revenues	23	11.726.940.184	8.840.193.329
Cost of sales	23	(10.633.579.974)	(8.159.087.666)
<b>Gross Profit</b>		<b>1.093.360.210</b>	<b>681.105.663</b>
General administrative expenses	24	(169.119.770)	(58.784.603)
Marketing expenses	24	(293.695.511)	(174.692.889)
Other income from operating activities	25	84.969.761	9.143.643
Other expenses from operating activities	25	(43.969.593)	(32.853.527)
<b>Operating profit / (loss)</b>		<b>671.545.097</b>	<b>423.918.287</b>
Income from investment activities	26	86.072.698	137.825.732
Expenses from investment activities	26	(50.214.092)	(1.154.037)
<b>Finance. income / (expense) preliminary operating profit / loss</b>		<b>707.403.703</b>	<b>560.589.982</b>
Financial income	27	87.535.167	18.196.105
Financial expenses	27	(541.535.960)	(431.858.977)
<b>Profit / (loss) before tax</b>		<b>253.402.910</b>	<b>146.927.110</b>
<b>Tax income/(expense)</b>		<b>46.719.084</b>	<b>(65.236.137)</b>
- Deferred Tax Income/(Expense)	28	46.719.084	(65.236.137)
<b>Continuing Activities Profit / (loss) for the period</b>		<b>300.121.994</b>	<b>81.690.973</b>
<b>Net profit / (loss) for the period</b>		<b>300.121.994</b>	<b>81.690.973</b>
Earnings per share	20	1.13	0.37

The accompanying notes are an integral part of these financial statements.

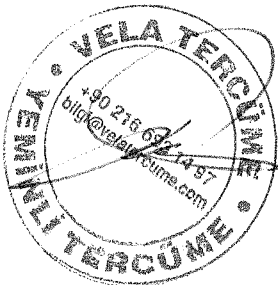


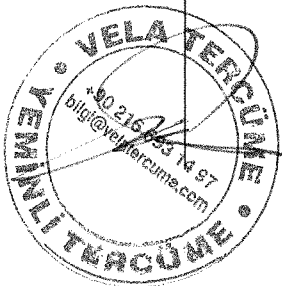
MEGA METAL SANAYİ VE TİCARET A.Ş.  
COMPREHENSIVE INCOME/EXPENSE STATEMENTS FOR THE PERIOD  
ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

		Audited	Audited
	Notes	January 01 - December 31, 2023	January 01 - December 31, 2022
Net profit / (loss) for the period		300.121.994	81.690.973
<i>Other comprehensive income</i>		558.205.883	157.594.032
Not to be reclassified at profit or loss:			
- Remeasuring Gain/ loss arising from defined benefit plans	21	(13.318.043)	(4.046.655)
- Gain/ loss arising from defined benefit plans, tax effect	21	2.796.789	809.331
Items to be reclassified to profit or loss			
- Foreign currency conversion differences	21	568.727.137	160.831.356
<b>TOTAL COMPREHENSIVE INCOME/ (EXPENSE)</b>		<b>858.327.877</b>	<b>239.285.005</b>

The accompanying notes are an integral part of these financial statements.





**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

			Other comprehensive income and expenses not to be reclassified under profit or loss		Other Comprehensive Income or Expense to be Reclassified under Profit or Loss	Foreign Currency Translation Differences				Retained earnings / (losses)	Net profit	Total equity
						Share issue premiums	Gain or loss on remeasurement of defined benefit plans	Other Gains/Losses	Currency Translation Differences			
<b>Previous period</b>												
<b>Balances as of January 01, 2022</b>												
Transfers						-	(225.687)	6.269.212	333.804.240	20.942.033	4.288.647	583.645.064
Capital increase						-	-	-	-	4.288.647	(4.288.647)	-
Total comprehensive income / (loss)						-	(3.237.324)	-	160.831.355	(10.000.000)	-	-
<b>Balances as of December 31, 2022</b>						-	(3.463.011)	6.269.212	494.635.595	15.230.680	81.690.973	239.285.004
<b>Balances as of January 1, 2023</b>						-	(3.463.011)	6.269.212	494.635.595	15.230.680	81.690.973	822.930.068
Transfers						-	-	-	-	81.690.973	(81.690.973)	-
Capital increase						1.046.789.257	-	-	-	-	-	1.086.789.257
Total comprehensive income / (loss)						-	(10.521.254)	-	568.727.137	-	-	858.327.877
<b>Balances as of December 31, 2023</b>						1.046.789.257	(13.984.265)	6.269.212	1.063.362.732	96.921.653	300.121.994	2.768.047.202

The accompanying notes are an integral part of these financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş.  
CASH FLOW STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

	Notes	Independently Audited January 01 - December 31, 2023	Independently Audited January 01 - December 31, 2022
<b>CASH FLOWS ARISING FROM BUSINESS ACTIVITIES</b>		<b>1.193.648.085</b>	<b>593.462.150</b>
Profit (Loss) for the Period		300.121.994	81.690.973
- Profit (Loss) for the Period from Continuing Operations		300.121.994	81.690.973
Adjustments Related to Reconciliation of Net Profit (Loss) for the Period		<b>1.114.326.027</b>	<b>684.880.563</b>
Amendments to depreciation and amortization	12,13, 14	224.011.564	120.315.773
Adjustments Related to Provisions		7.526.164	20.133.951
Adjustments related to interest expense	27	331.376.829	431.858.977
Adjustments related to interest income	27	(87.535.167)	(18.196.105)
Adjustments related to unrealized foreign currency translation differences		565.178.778	195.511.164
Adjustments Related to Fair Value Losses (Gains) on Investment Properties	19	49.307.177	(127.694.008)
Adjustments Related to Losses (Gains) on Disposal of Property, Plant and Equipment	26	(22.664.278)	(2.285.326)
Adjustments Related to Losses (Gains) on Disposal of Investment Properties		405.876	-
Adjustments Related to Tax (Income) Expense	28	46.719.084	65.236.137
<b>Changes in Working Capital</b>		<b>(220.799.936)</b>	<b>(173.109.386)</b>
Adjustments related to increase/decrease in trade receivables		(259.247.951)	(66.981.857)
Adjustments related to increase/decrease in other receivables from operating activities		104.771.886	(177.557.454)
Adjustments for Decreases (Increases) in Stocks	9	(599.445.072)	(31.071.954)
Decrease (increase) in prepaid expenses	10	(110.913.734)	(81.455.284)
Adjustments related to increase/decrease in trade payables		360.598.995	40.380.194
Adjustments Regarding Increase/Decrease in Employee Benefit Debts	18	11.080.215	5.226.715
Adjustments Related to Increase/Decrease in Other Payables Related to Operations	8	75.474.725	(1.435.689)
Adjustments for Increase/Decrease in Deferred Revenues	15	184.900.678	88.727.597
Adjustments for Other Actual Increases (Decreases) in Working Capital		11.980.322	51.058.346
<b>Cash Flows from Operating Activities</b>		<b>1.193.648.085</b>	<b>593.462.150</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(363.074.796)</b>	<b>(443.426.209)</b>
Cash inflows/outflows from derivative instruments		(1.303.747)	-
Cash Outflows from Other Long-Term Asset Purchases		(62.761.702)	(111.398.492)
Cash outflows from acquisition of property, plant and equipment and intangible assets	12,13	(354.816.275)	(358.293.826)
Cash inflows from sale of property, plant and equipment and intangible assets		63.492.113	43.101.258
Cash Inflows/Outflows Resulting from Purchases and Sales of Investment Real Estate		(7.685.185)	(16.835.149)
<b>CASH FLOWS FROM FINANCING OPERATIONS</b>		<b>1.040.460.527</b>	<b>51.453.572</b>
Cash inflows from issuance of shares and other equity instruments	21	1.086.789.257	10.000.000
Cash inflows/outflows from borrowings (-)		(18.122.009)	318.630.342
Cash Inflow/Outflow from Other Financial Borrowings		173.600.608	136.486.102
Interest Paid	27	(289.342.496)	(431.858.977)
Interest Received	27	87.535.167	18.196.105
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1.871.033.816</b>	<b>201.489.513</b>
<b>THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>(489.195.167)</b>	<b>(189.026.667)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE TERM</b>		<b>126.220.224</b>	<b>113.757.378</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>1.508.058.873</b>	<b>126.220.224</b>

The accompanying notes are an integral part of these financial statements.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS**

Mega Metal San. Ve Tic. A.Ş. ("Company or Mega Metal") was established by being published in the T.T. Registry Gazette dated 14 May 2004 and numbered 6050.

The Company was established in 2004 under the name Dost Telekomünikasyon Hizmetleri Tic. Ltd. Şti. on September 03, 2004, its title was changed to Mega Metal Sanayi ve Ticaret Ltd Şti. . The Company's name of Mega Metal Sanayi ve Ticaret Limited Şirketi has been changed to Mega Metal Ticaret Anonim Şirketi through a change of type in accordance with Articles 180 and 193 of the Turkish Commercial Code. The relevant change was registered on 29 December 2017 and was announced in the Trade Registry Gazette No. 9490 dated 9 January 2018.

The Company's field of activity includes the manufacture, export, import and purchase of all types of copper raw materials, copper concentrate, blister copper, cathode copper and enameled laden wire scraps, electronic copper, copper wire rod, coppering, copper wire and other products, copper by-products and products. , selling and marketing.

As of December 31, 2023, the average number of personnel working during the year is 677 (December 31, 2022: 657).

The shareholding structure of the Company as of December 31, 2023 and December 31, 2022 is as follows

Name	December 31, 2023		December 31, 2022	
	Share amount	Share Percentage	Share amount	Share Percentage
Cüneyt Ali Turgut	96.575.000	36,44%	157.500.000	70,00%
Abdullah Turgut	60.675.000	22,90%	67.500.000	30,00%
Fatma Donmez	22.500.000	8,48%	-	-
İhsan Ahmet Turgut	11.250.000	4,25%	-	-
Mehmet Emin Turgut	11.250.000	4,25%	-	-
Public Portion	62.750.000	23,68%	-	-
<b>Nominal Equity</b>	<b>265.000.000</b>	<b>100,00%</b>	<b>225.000.000</b>	<b>100%</b>

The Company's shares with a nominal value of TL 40,000,000 to be increased due to the increase in its issued capital from TL 225,000,000 to TL 265,000,000 and TL 22,500,000 nominal value of its existing shares were offered to the public on December 7 and 8, 2023 at a price of TL 28.30 per share through the "Fixed Price Demand Collection" method, and all of the shares offered to the public were sold on the relevant dates. From the sale of the shares with an increased nominal value of 40,000,000 TL, an issue premium of 1,046,789,257 TL was obtained after the public offering expenses. The capital increase in question was published in the Trade Registry Gazette dated January 29, 2024. The capital structure formed after the public offering is presented in the table above.

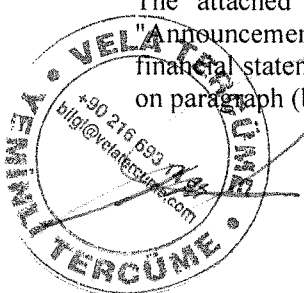
**NOTE 2 PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS**

**2.a Basic Principles Regarding Presentation**

**Declaration of conformity**

The accompanying financial statements have been prepared in accordance with the Turkish Accounting Standards ("TAS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") in accordance with the Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") of the Capital Markets Board ("CMB") published in the Official Gazette dated June 13, 2013 and numbered 28676. TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The attached financial statements of the Company have been prepared in accordance with the CMB's "Announcement on Financial Statement and Footnote Formats" dated 07 June 2013. In addition, the attached financial statements are presented in accordance with the October 2022 Taxonomy developed by the POA based on paragraph (b) of Article 9 of the Decree Law No. 660 ("Decree Law").



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**How Financial Statements Are Prepared**

The accompanying financial statements have been prepared in accordance with the provisions of the Capital Markets Board's Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" published in the Official Gazette No: 28676 dated June 13, 2013. The accompanying financial statements are based on the Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority in accordance with the fifth article of the related communiqué. In addition, the Company's financial statements and explanatory notes are presented in accordance with the formats announced by CMB with the announcement dated June 07, 2013, including the mandatory information.

**Correction of Financial Statements during High Inflation Periods**

Since the functional currency of the Company is USD, the financial statements as of December 31, 2023 are not subject to inflation adjustment in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies" within the scope of the "Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit" dated November 23, 2023 published by POA.

**Currency Measurement Unit and Reporting Unit**

Although the currency of the country in which the Company conducts its commercial activities is Turkish Lira, the functional currency of the Company's operations is determined as US Dollar. The US Dollar is used significantly in and has a significant impact on the Company's activities and reflects the nature of key events and economic conditions relevant to the Company.

The company uses US Dollars in the measurement of its financial statements and Turkish Lira as the reporting currency. All currencies other than the currency selected for measuring items in the financial statements are considered foreign currencies. Accordingly, the Company's transactions and balances outside the USA have been translated into US Dollars, which is the functional currency, in accordance with the relevant provisions of TAS 21 Effects of Changes in Foreign Exchange Rates.

**Conversion to Presentation Currency**

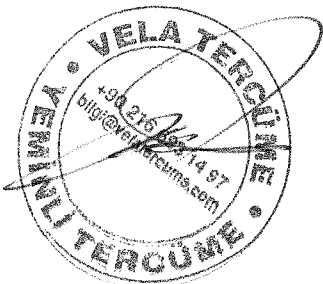
As of December 31, 2023, the presentation currency of the financial statements is Turkish Lira.

As of December 31, 2023, the Company's financial statements prepared in US Dollars have been translated into Turkish Lira using the following method:

- Assets in the balance sheet have been converted into TL using the US Dollar foreign exchange buying rate and liabilities have been converted into TL using the foreign exchange selling rate announced by the Central Bank of the Republic of Turkey on the balance sheet date. The Company's share capital account is shown at nominal capital amount, all other equity items are kept at their historical Turkish Lira values and all differences arising are accounted for in the foreign currency translation differences account.
- The statement of profit or loss and other comprehensive income has been translated into TL using monthly average exchange rates.
- All resulting exchange rate differences are shown as a separate element of shareholders' equity under the name of translation difference.

**Netting / 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 liability simultaneously.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**Business Continuity**

The accompanying financial statements have been prepared on a going concern basis, which assumes that the Company will realize the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

**Approval of Financial Statements**

The financial statements of the Company have been approved by the Board of Directors and authorized for issue on 23 February 2024. Although there is no such intention, some regulatory bodies have the authority to change the financial statements prepared in accordance with the legal legislation after they are published.

**2.a Changes in Accounting Policies and Errors**

A business can only use its accounting policies; It can change in the following cases;

- is required by a Standard or Interpretation, or
- If it is of a nature that will enable the effects of transactions and events on the financial position, performance or cash flows of the enterprise to be presented in the financial statements in a more appropriate and reliable manner.

Users of financial statements should have the opportunity to compare an entity's financial statements over time to determine trends in the entity's financial position, performance and cash flows. Therefore, unless a change in accounting policy meets one of the situations set out in the paragraph above, the same accounting policies should be applied in each interim period and each accounting period.

**2.b Comparative Information and Restatement of Prior Period Financial Statements**

The financial statements of the Company are prepared comparatively with the prior period in order to enable the determination of the financial position and performance. The Company has prepared the statement of financial position as of December 31, 2023 comparatively with the statement of financial position as of December 31, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period January 1 - December 31, 2023 comparatively with the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period January 1 - December 31, 2022, respectively.

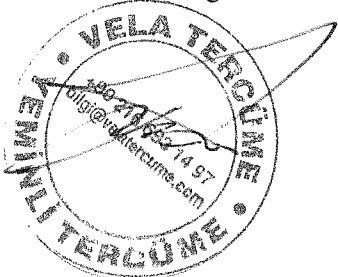
**2.c Accounting Estimates**

The preparation of the accompanying financial statements in conformity with Capital Market Accounting Standards requires management to make estimates and assumptions regarding the carrying amounts of certain assets and liabilities and disclosures about contingent liabilities and the reported amounts of revenues and expenses. Actual amounts may differ from estimates. These estimates are reviewed at regular intervals and reported in the statement of profit or loss for the periods in which they are known.

Interpretations that may have a significant effect on the amounts reflected in the financial statements and significant assumptions and evaluations made by taking into account the main sources of estimates that exist at the statement of financial position date or that may be realized in the future are as follows

*Litigation Provision*

While setting aside provisions for lawsuits, the possibility of losing the relevant lawsuits and the consequences that will be incurred in case of loss are evaluated in line with the opinions of the Company's legal advisors. Explanations are made regarding the provisions deemed necessary by the Company Management in line with the best estimates made using the available data.





**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

*Provision for Severance Pay*

Severance pay liability is determined by actuarial calculations based on a number of assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long-term, these assumptions involve significant uncertainties.

*Leave provisions*

It is the monetary equivalent of employees' earned but unused vacation days. It is calculated by multiplying the unused vacation days by the gross daily wage.

The estimates used are shown in the relevant accounting policies or footnotes.

*Beneficial lives of tangible and intangible fixed assets*

The Company depreciates its tangible and intangible assets over their useful lives.

**2.e New and Revised International Financial Reporting Standards**

As at December 31, 2023, the accounting policies adopted in preparation of the financial statements for the year ended December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2023. The effects of these standards and interpretations on the financial position and performance of the Company are disclosed in the related paragraphs.

**TAS 1 (Amendments) Disclosure of Accounting Policies**

This change requires businesses to base their accounting policies on materiality.

The amendment to IAS 1 is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

**IAS 8 (Amendments) Definition of Accounting Estimates**

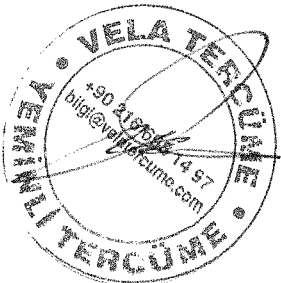
With this change, the definition of "accounting estimate" was included instead of the definition of "change in accounting estimates", sample and explanatory paragraphs regarding the estimates were added, and the issues of prospective application of estimates and retrospective correction of errors and the differences between these concepts were clarified.

Early application is also permitted even though these amendments made in TAS 8 will be applied in the annual accounting periods starting from January 1, 2023 or after.

**IAS 12 (Amendments) Deferred Tax on Assets and Liabilities Arising from a Single Transaction**

With these amendments, it has been clarified that the exemption regarding the initial recognition of an asset or liability in the financial statements is not valid in transactions in which equal amounts of taxable and deductible temporary differences occur when the asset and liability are first recorded.

Early application is also permitted even though these amendments made in TAS 12 will be applied in the annual accounting periods starting from January 1, 2023 or after.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**2.e New and Revised International Financial Reporting Standards (Continued)**

**TMS 17 (Amendments) First Application of Insurance Contracts and TFRS 17 and TFRS 9 – Comparative Information**

Changes have been made in TAS 17 in order to reduce implementation costs, facilitate the disclosure of results and transition.

The amendment also permits entities that are first-time adopters of TFRS 7 and TFRS 9 to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset. The changes will be applied when TFRS 17 is first implemented.

**TFRS 12 (Amendments) International Tax Reform – Second Pillar Model Rules**

The amendments provide a temporary exception to the requirements for deferred tax assets and liabilities related to pillar Two income tax. The amendment to IAS 12 is effective for annual periods beginning on or after January 1, 2023.

The Company management has evaluated that this change does not have a material impact on the Company's financial statements.

**Standards, amendments and interpretations to existing standards that are not yet effective**

The company has not yet implemented the standards given below which are not put into force yet, and the amendment s below and reviews made to previous existing standards:

**TFRS 17 Insurance Contracts**

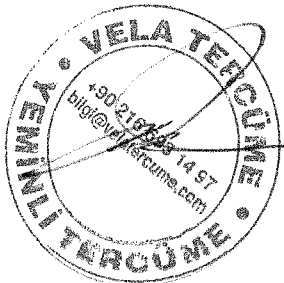
IFRS 17 necessitates insurance responsibilities to be measured at a current coverage value and gives a more streamlined measurement and presentation approach for each insurance contracts. These necessities are prepared to obtain consistent, principle-based accounting in insurance contracts. TFRS 17 has been postponed for 1 year for insurance, reinsurance and pension companies, and will replace TFRS 4 Insurance Contracts as of January 1, 2024.

**TFRS 4 (Amendments) Extending Temporary Exemption Period Related To the Application of TFRS 9**

As the effective date of TFRS 17 has been postponed to 1 January 2024 for insurance, reinsurance and pension companies, the expiry date of the temporary exemption period for the application of TFRS 9 provided to these companies has also been revised to 1 January 2024.

**TMS 1 (Amendments) Classification of Liabilities as Short or Long Term**

The goal for these amendment s is that the requirements of the standard are consistently implemented by supporting the companies within the decision-making process of whether receivables and other liabilities, which are included in the statement of financial position and do not have a certain maturity, should be classified as short-term (expected to be paid within a year) or long-term. Early application is also permitted even though these amendments made in TAS 1 will be delayed for one year and applied in the annual accounting periods starting from January 1, 2024 or after.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**Standards, amendments and interpretations to existing standards that are not yet effective  
(Continued)**

**TFRS 16 (Amendments) Lease Obligation in Sale and Leaseback Transactions**

These amendments to TFRS 16 explain how a seller-lessee subsequently measures sale and leaseback transactions that meet the requirements in TFRS 15 to be recognized as sales. These amendments to TFRS 16 are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

**TAS 1 (Amendments) Long-Term Liabilities Including Credit Agreement Conditions**

The amendments to IAS 1 explain how the conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability. Early application is also permitted even though these amendments made in TAS 1 will be applied in the annual accounting periods starting from January 1, 2024 or after.

**TAS 7 and TFRS 7 (Amendments) Supplier Financing Arrangements**

The amendments to TMS 7 and TFRS 7 add road signs asking businesses to provide qualitative and quantitative information about supplier financing agreements and disclosure requirements to existing disclosure requirements. The amendments are effective for annual periods beginning on or after January 1, 2024.

**TSRS 1 General Requirements for Disclosure of Sustainability-Related Financial Information**

IFRS S1 sets out general requirements for sustainability-related financial disclosures, requiring an entity to disclose information about sustainability-related risks and opportunities that is useful for primary users of general purpose financial reports to make decisions about funding the entity. The standard is effective for annual periods beginning on or after January 1, 2024.

**TSRS 2 Climate-Related Disclosures**

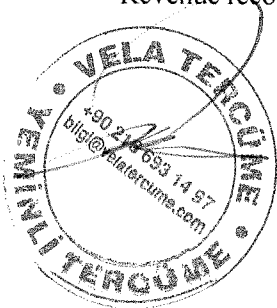
TFRS S2 sets out requirements for identifying, measuring and disclosing climate-related risks and opportunities that will be useful to primary users of general purpose financial reports in their decisions about providing resources to the business. This standard is effective for annual periods beginning on or after January 1, 2024. The possible effects of these standards, changes and improvements on the financial position and performance of the Company are evaluated.

**2.f. Summary of Significant Accounting Policies**

**Recording Revenue**

In accordance with TFRS 15 "Revenue from Contracts with Customers" effective from January 1, 2018, the Company has started to use the following five-step model in revenue recognition.

- Defining contracts with customers
- Defining performance obligations in contracts
- Determination of the transaction price in contracts
- Allocation of the transaction price to performance obligations
- Revenue recognition



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

First of all, the goods or services promised in each contract with customers are evaluated and each commitment made to transfer the said goods or services is determined as a separate performance obligation according to this model. Then, it is determined whether the performance obligations will be performed over time or at a certain time.

in case the company transfers control of a good or service over time and therefore fulfills its performance obligations regarding the relevant sales over time, it measures the progress towards the full fulfillment of the said performance obligations and records the revenue in the financial statements over time.

The revenue related to performance obligations in the form of goods or service transfer commitments are accounted when the control of the goods or services is taken over by the customers.

While the company is evaluating the transfer of control of the goods or services sold to the customer,

- a) it takes into account the ownership of the Company's right to collection for goods or services,
- b) the customer's ownership of the legal ownership of the goods or services,
- c) transfer of possession of goods or services,
- d) the customer's ownership of significant risks and rewards arising from owning the property or service,
- e) the conditions of customer's acceptance of the goods or services.

The Company does not adjust the promised amount of consideration for the effect of a significant financing component if, at the inception of the contract, the Company expects that the period between the date of transfer of the promised goods or services to the customer and the date on which the customer pays for those goods or services will be one year or less. On the other hand, if there is a significant financing element in the revenue, the revenue value is determined by discounting the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from main activities on an accrual basis.

**Interest Income**

Interest income is accrued over the remaining principal amount of the financial asset and the estimated future cash inflows over the expected life of the asset, based on the effective interest method.

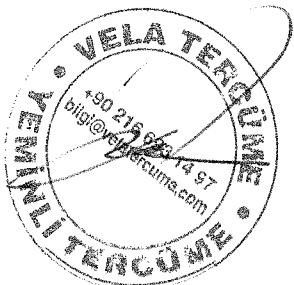
Interest income and exchange rate difference income related to commercial transactions are accounted as other income from main activities.

Dividend income from stock investments is reflected in the financial statements when the shareholders' right to receive dividends arises. Dividend payables are reflected in the financial statements as liabilities after the approval of the general assembly as an element of profit distribution.

**Stocks**

Inventories are valued at the lower of cost or net realizable value. The cost is determined according to the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Stock impairment provisions that reduce stocks to their net realizable value and losses related to stocks are recognized as expenses in the period in which the reduction and losses occur. The inventory impairment provision amount canceled due to the increase in net realizable value is accounted in a way that reduces the accrued sales cost of the period in which the cancellation occurs. The net realizable value is reviewed at each financial statement period.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

If the conditions that previously caused inventories to be written down to net realizable value no longer exist or if there is evidence of an increase in net realizable value due to changing economic conditions, the provision for impairment is reversed (the amount reversed is limited to the amount of the previously recognized impairment loss).

**Tangible Fixed Assets**

Tangible assets are shown in the statement of financial position with their net value after deducting the accumulated depreciation from the acquisition cost and deducting any permanent impairment, if any.

Assets subject to depreciation are subject to pro rata depreciation, taking into account the date they become active according to the straight-line depreciation method, with rates based on their estimated economic lives over their cost amounts.

The depreciation periods for property, plant and equipment, based on their estimated useful lives, are as follows:

	<u>Useful Life</u>
Buildings	50 years
Plant, Machinery and Equipment	4 - 16 years
Fixtures	3 - 15 years
Vehicles	5 years

Maintenance and repair expenses are recorded as expenses in the profit or loss statement of the period in which they occur. Costs related to major renovations are added to the cost of that asset in cases where the tangible asset is expected to provide economic benefits in the future with a better performance than the situation before the renovation.

These post-capitalization expenses added to the cost of the asset are depreciated within the framework of the economic life of the relevant asset.

The company removes the carrying values of the replaced parts within the scope of expenses after capitalization from the statement of financial position, regardless of whether they are depreciated independently of other parts.

**Intangible Assets**

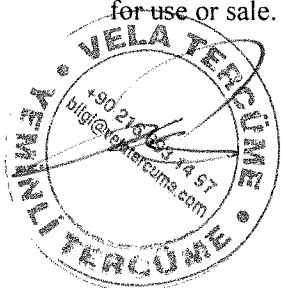
Intangible assets include acquired rights of use, information systems and other identifiable rights. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which do not exceed 15 years.

**Impairment of assets**

The Company evaluates all tangible and intangible assets other than goodwill at each reporting date to see whether there is any indication of impairment of the asset in question. If such an indicator exists, the carrying value of that asset is compared with the net realizable value, which is the higher of the amounts to be obtained through use or sale. If the registered value of the asset in question or any cash-generating unit to which that asset belongs is higher than the amount to be recovered through use or sale, impairment has occurred. In this case, impairment losses are recognized in the statement of comprehensive income. The increase in the book value of the asset (or cash-generating unit) due to cancellation of impairment should not exceed the book value (net amount remaining after depreciation) that would have occurred if the impairment had not been recognized in the financial statements in previous years. The reversal of the impairment loss is recognized in the statement of comprehensive income.

**Borrowing Costs**

In the case of assets that require significant time to be ready for use or sale, borrowing costs directly associated with the purchase, construction or production are included in the cost of the asset until the relevant asset is ready for use or sale.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

Financial investment income obtained by temporarily utilizing the unspent portion of the investment-related loan in financial investments is offset against borrowing costs eligible for capitalization. All other borrowing costs are recorded in the statement of profit or loss in the periods in which they are incurred. There are no borrowing costs capitalized for the accounting periods ending on 31 December 2023, 31 December 2022.

**Financial Instruments**

TFRS 9 regulates the provisions regarding the recognition and measurement of financial assets and financial liabilities. This standard is IAS 39 Financial Instruments: It replaced the Recognition and Measurement standard.

The practices regarding the accounting, classification, measurement and derecognition of financial instruments in TMS 39 are now transferred to TFRS 9.

The latest version of TFRS 9 includes a new expected credit loss model for calculating impairment on financial assets, as well as the practices published in previous versions of TFRS 9, which were published in phases, including updated practices regarding new general hedge accounting requirements. . TFRS 9 is effective for annual periods beginning on or after January 1, 2018.

***Classification of financial assets and liabilities***

TFRS 9 largely preserves the existing provisions in TMS 39 for the classification and measurement of financial liabilities. However, the previous IAS 39 classification categories for held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets have been abolished.

The application of TFRS 9 did not have a significant impact on the Company's accounting policies regarding its financial liabilities and derivative financial instruments. The impact of TFRS 9 on the classification and measurement of financial assets is stated below.

Under IFRS 9, on initial recognition, a financial asset is classified as either measured at amortized cost; fair value through other comprehensive income ("FVOCI") - debt instruments; FVOCI - equity instruments; or FVTPL - profit or loss. Classification of financial assets within the scope of TFRS 9 is generally based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. Within the scope of the standard, the obligation to separate embedded derivatives from financial assets has been eliminated, and how a hybrid contract will be classified as a whole should be evaluated.

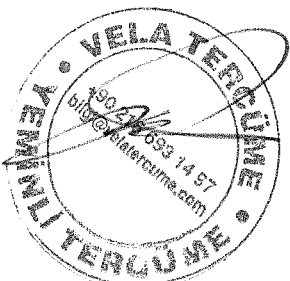
A financial asset is measured at amortized cost if both of the following conditions are met and it is not classified as measured at GUD through profit or loss:

- The financial asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at GUD through other comprehensive income if both of the following conditions are met and it is not classified as measured at GUD through profit or loss:

- The financial asset is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of investments in equity instruments that are not held for trading purposes, an irrevocable election may be made to present subsequent changes in fair value in other comprehensive income. The selection of this option can be made on an individual investment basis.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

All financial assets that are not measured at amortized cost as stated above or by reflecting the GUD difference to other comprehensive income are measured by reflecting the GUD difference to profit or loss. These include all derivative financial assets.

On initial recognition of financial assets, a financial asset may be designated as measured at fair value through profit or loss on an irrevocable basis, provided that it eliminates or significantly reduces an accounting mismatch that would arise from measuring financial assets and recognizing gains or losses on them differently.

Financial assets other than those at fair value through profit or loss (other than trade receivables that are measured at transaction cost on initial recognition and do not have a significant financing component) are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

***Impairment of financial assets***

Impairment of financial assets and contract assets is calculated with the "expected credit loss" model. The impairment model is applied to amortized cost financial assets and contract assets.

cThe "simplified approach" is applied in the impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (less than 1 year). Under this approach, when trade receivables are not impaired for specific reasons (other than realized impairment losses), the allowance for losses on trade receivables is measured at an amount equal to "lifetime expected credit losses".

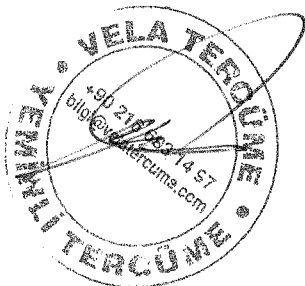
***Financial liabilities***

A financial liability is measured at fair value upon initial recognition. On initial recognition of financial liabilities at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial liability are added to the fair value. Financial liabilities are recognized at amortized cost using the effective interest method, with interest expense calculated based on the effective interest rate in subsequent periods.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

***Financial liabilities at fair value through profit or loss***

Financial liabilities whose fair value difference is reflected in profit or loss are recorded at their fair value and are revalued at each reporting period with their fair value at the reporting date. Changes in fair values are recognized in the income statement. The net gain or loss recognized in the statement of profit or loss includes the amount of interest paid on the financial liability in question.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

***Other financial liabilities***

Other financial liabilities, including financial liabilities, are initially recognized at fair value, net of transaction costs.

Other financial liabilities are recognized at amortized cost using the effective interest method, with interest expense calculated based on the effective interest rate in subsequent periods.

The effective interest method is a method of calculating the amortized costs of a financial liability and distributing the relevant interest expense over the relevant period. Effective interest rate; It is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or, if appropriate, a shorter time period, to the net present value of the relevant financial liability.

**Trade Receivables**

Trade receivables arising as a result of providing products or services to the buyer are recognized at the amortized value of the amounts to be obtained in subsequent periods, recorded at the original invoice value, using the effective interest method. Short-term receivables with no stated interest rate are stated at the invoice amount unless the effect of the original effective interest rate is significant.

The "simplified approach" is applied in the impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (less than 1 year). Under this approach, when trade receivables are not impaired for specific reasons (other than realized impairment losses), the allowance for losses on trade receivables is measured at an amount equal to "lifetime expected credit losses".

Following the provision for impairment, if all or part of the impaired receivable amount is collected, the collected amount is deducted from the impairment provision and recorded in other income from main activities.

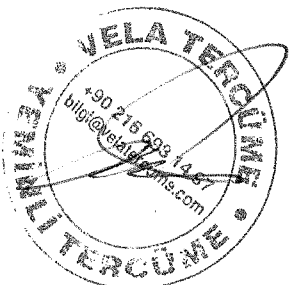
Maturity difference income/expenses and exchange rate difference gains/losses related to commercial transactions are accounted in the "Other Income/Expenses from Main Activities" account in the profit or loss statement.

**Trade Payables**

Trade payables refer to payments that must be made for goods and services provided from suppliers in normal activities. Trade payables are initially measured at fair value and subsequently at amortized cost calculated using the effective interest method.

**Cash and cash equivalents**

Cash and cash equivalent items are cash on hand, demand deposits and other short-term investments with high liquidity, with maturities of 3 months or less from the date of purchase, that can be converted into cash immediately and do not carry a significant risk of change in value. The book value of these assets is close to their fair value.





**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**Financial Liabilities**

Financial liabilities are measured at fair value upon initial recognition. Transaction costs that can be directly associated with the assumption of the relevant financial liability are also added to the fair value in question.

Effective interest method; It is a method of calculating the amortized costs of a financial liability and distributing the relevant interest expense over the relevant period. Effective interest rate; It is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or, if appropriate, a shorter time period, to the net present value of the relevant financial liability.

Financial liabilities are classified as equity-based financial instruments and other financial liabilities.

**Earnings / (Loss) per Share**

Earnings/(loss) per share stated in the profit or loss statement is calculated by dividing the net profit/(loss) by the weighted average number of shares in the market throughout the reporting period.

In Turkey, companies can increase their capital by distributing "bonus shares" to their existing shareholders from their previous year's earnings and the positive differences from the equity inflation adjustment carried in their legal financial statements. This type of bonus share distributions are considered as issued shares in earnings per share calculations. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the free issuance of shares retroactively from the beginning of the previous reporting period.

**Events After the Statement of Financial Position (Balance Sheet) Date**

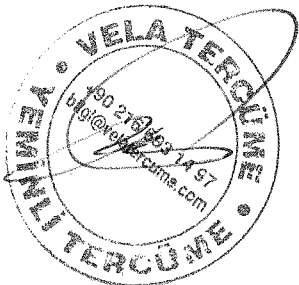
In the event that an event requiring adjustment to the financial statements occurs between the date of the statement of financial position and the authorization date of the statement of financial position, necessary adjustments are made to the financial statements, and in cases that do not require adjustment, the related event is disclosed in the notes to the statement of financial position.

**Provisions, Contingent Liabilities and Contingent Assets**

Provisions are accrued if there is a possible obligation (legal or structural liability) arising from past events, it is probable that there will be a decrease in the assets required to settle this obligation in the future, and the amount of the obligation can be determined reliably. These accrued provisions are reviewed in each statement of financial position period and revised to reflect current estimates.

Contingent liabilities and contingent assets

Transactions that create commitments and contingent liabilities refer to situations whose realization depends on the outcome of one or more events in the future. Therefore, some transactions have been recognized as off-balance sheet items due to their potential for future losses, risks or uncertainties. If an estimate is made for obligations or losses that may occur in the future, these liabilities are considered as expenses and debts for the Company. However, income and profits that seem likely to occur in the future are reflected in the financial statements.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**Reporting Financial Details According to Sections**

Industrial sections

Segments that differ from other segments of the Company in terms of providing a particular good or service or a of related goods or services or in terms of risks and benefits.

The following factors should be taken into account when determining whether goods or services are related to each other:

- Nature of goods or services
- Nature of production processes
- Types and classes of customers of goods or services
- Geographic divisions by method used to deliver goods or provide services

A segment is a component of the Company that provides goods or services within a particular economic environment and is subject to risks and rewards that are different from those of other segments operating in another economic environment.

The following factors should be taken into account when determining geographical divisions:

- Similarity of economic and political conditions
- Specific risks associated with activities in different geographical regions
- Proximity of activities
- Specific risks associated with activities in a particular region
- Regulations regarding foreign exchange control
- Key exchange rate risks

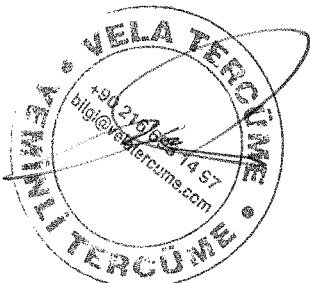
If the risk and return rates of the enterprise are particularly affected by the differences in the goods and services it produces, industrial segments are determined as the primary format for reporting segment information, while information on the basis of geographical segments is reported secondary. Similarly, if the risk and return rates of the business are particularly affected by the fact that the business operates in different countries or other geographical regions, geographical segments are determined as the primary format for reporting segment information, while information based on industrial segments is reported secondary.

Since the Company does not operate in different sectors and geographical regions, reporting by segments is not made.

**Government Incentives and Aids**

Government incentives and aid are transactions made to encourage a business to engage in certain businesses that it would not be able to do without government assistance or for other reasons. State aid refers to actions taken by the state to provide economic benefits to an enterprise or of enterprises, provided that they fulfill certain criteria; state incentives refer to the economic resources transferred by the state to the enterprise in return for the fact that the enterprise has complied or will comply with certain criteria related to its main field of activity in previous periods or in the future.

All government grants, including non-monetary government grants that are tracked at their fair values, are recognized in the financial statements when there is reasonable assurance that the conditions for their acquisition will be met by the entity and the incentive will be obtained by the entity.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**Employee Benefits / Severance Pay**

In accordance with the current labor law, the company is obliged to pay a certain amount of severance pay to personnel who leave the job due to retirement after serving for at least one year or whose employment is terminated for reasons other than resignation and bad behavior. This liability is a maximum of 23,489.82 TL for each year worked, as of December 31, 2023 (December 31, 2022: 15.371,40 TL) is calculated based on the 30-day total gross wage and other rights.

The Company has calculated the provision for employment termination benefits in the accompanying financial statements using the "Projected Unit Credit Method" based on the Company's experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the effective interest rate at the statement of financial position date. All gains and losses other than the calculated actuarial gain / (loss) are reflected in the statement of profit or loss, and actuarial gains / (losses) are reflected in the statement of changes in equity.

The ratios of the basic assumptions used on the day of the statement of financial position are as follows;

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Net discount rate	3,55%	3,64%
Interest Rate	29%	24,37%
Estimated inflation rate	24.58%	20.00%

**Retirement Plans**

Retirement plans refer to plans in which the benefits to be provided to employees at or after the end of their service (in the form of an annual salary or lump sum payment) or the employer's contributions to provide these benefits can be determined or estimated before retirement based on the conditions contained in a document or the practices of the enterprise. The Company does not have any retirement plans for its employees.

**Cash Flow Statement**

The company prepares cash flow statements to provide financial statement users with information about the changes in its net assets, its financial structure and its ability to direct the amount and timing of cash flows according to changing conditions. In the cash flow table, the cash flows related to the turnover are reported by being classified as operating, investing and financing activities. Cash flows from operating activities represent cash flows from the Company's operating activities. Cash flows from investing activities represent the cash flows used in and generated from investing activities (fixed asset investments and financial investments). Cash flows from financing activities represent the resources used by the Company in its financing activities and the repayment of these resources. Cash and cash equivalents comprise cash on hand and demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less.

**Taxes Calculated on Corporate Earnings**

The Company is subject to corporate tax applicable in Turkey.

The corporate tax to be accrued on taxable corporate income is calculated on the remaining base after adding non-deductible expenses to the tax base written as expenses in determining commercial income and deducting dividends received from domestic companies, non-taxable income and investment allowances used.

In Turkey, the corporate tax rate is 25% as of December 31, 2023 (2022: %23)

In the accompanying financial statements, tax expense consists of current tax provision and deferred tax. A provision has been made for corporate and income tax liabilities arising from the period's operating results, within the framework of the legal tax rates valid at the date of the statement of financial position.

**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

Deferred tax assets and liabilities arise from significant timing differences (future taxable timing differences) as a result of different treatment of accounting and taxation and are calculated at the current tax rate using the "borrowing" method. Deferred tax is recognized using the liability method, based on temporary differences between the values of assets and liabilities in the reported financial statements and their values in the legal financial statements prepared for tax purposes.

Deferred tax liabilities are generally recognized for all taxable or deductible temporary differences; However, deferred tax assets are recognized if it is probable that there will be taxable profits against which deductible temporary differences can be offset. Net deferred tax assets arising from timing differences are reduced in proportion to tax deductions in cases where it is not certain that they can be used in future years in the light of available data.

**Deferred Tax**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities or assets are reflected in the financial statements at the estimated increase and decrease rates in the tax amounts to be paid in future periods when such temporary differences will disappear.

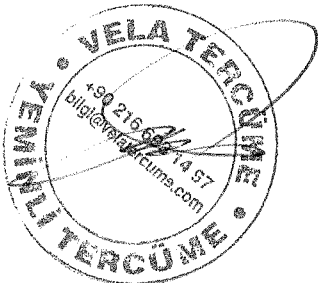
Deferred tax assets are allocated in cases where it is possible to obtain tax advantages in future periods. It is deducted from the relevant asset to the extent that it is understood that this asset cannot be utilized.

**Related Parties**

In the presence of one of the following criteria, the party is deemed to be related to the Company,

- (a) The party in question, directly or indirectly, through one or more intermediaries,
  - (i) Controls the business, is controlled by the business, or is under common control with the business (including parent companies, subsidiaries and subsidiaries in the same line of business);
  - (ii) Having a share that will enable it to have significant influence on the company, or
  - (iii) Have joint control over the company;
- (b) The party is a subsidiary of the Company,
- (c) The party is a business partnership in which the Company is a joint venturer,
- (d) The party is a member of the key management personnel of the Company or its parent,
- (e) The party is a close family member of any individual mentioned in (a) or (d);
- (f) Of the party; is an entity controlled, jointly controlled or under significant influence, or in which any individual referred to in (d) or (e) has, directly or indirectly, significant voting rights, or
- (g) The party must have post-employment benefit plans provided to employees of the business or a business that is a related party to the business.

A transaction with related parties is the transfer of resources, services or obligations between related parties, regardless of whether they are in exchange for a fee. The Company enters into business relations with its related parties within the framework of its ordinary activities.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 3 - RELATED PARTY DISCLOSURES**

**i) Due from related parties:**

Details of receivables and payables from related parties as of 31 December 2023 and 31 December 2022 are as follows;

Short-term other receivables	December 31, 2023	December 31, 2022
Megatech Yatırım Holding A.Ş. (family company)	7.569.062	6.415.955
Cüneyt Ali Turgut (Company partner)	-	99.171.632
M-Core Trade LLC (family company)	-	45.587.010
<b>Total</b>	<b>7.569.062</b>	<b>151.174.597</b>

Long-term prepaid expenses	December 31, 2023	December 31, 2022
Txt Gayrimenkul Yatırım A.Ş. (family company) (*)	66.503.131	-
<b>Total</b>	<b>66.503.131</b>	<b>-</b>

(\*) It is the advance given to TXT company in accordance with the contract for the project currently under construction on the Zekeriköy land, which is included in the assets of the Company and classified as investment real estate. Within the scope of this project, it is planned to build and sell 8 luxury villas on the land. The project management of the construction in question is carried out by TXT company on behalf of the Company. A contract has been signed with this company for the villa project, which is planned to be delivered to the Company on a turnkey basis.

Other short-term payables	December 31, 2023	December 31, 2022
Cüneyt Ali Turgut (Company partner)	37.835.008	-
Abdullah Turgut (Company partner)	-	-
<b>Total</b>	<b>37.835.008</b>	<b>-</b>

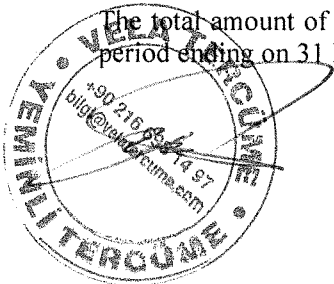
**ii) Sales, purchases and transactions made to related parties:**

a) The details of the transactions made to related parties are as follows;

January 1 - December 31, 2023	Income	Purchases
Cüneyt Ali Turgut (Company partner)	21.122.667	-
M-Core Trade LLC (family business)	5.462.822	6.156.200
Txt Gayrimenkul Yatırım A.Ş. (family company)	5.427.671	-
Abdullah Turgut (Company partner)	3.729.627	-
Megatech Yatırım Holding A.Ş. (family company)	815.097	-
<b>Total</b>	<b>36.557.885</b>	<b>6.156.200</b>

January 1 - December 31, 2022	Income	Purchases
M-Core Trade LLC (family business)	1.494.765	4.313.609
Megatech Yatırım Holding A.Ş. (family company)	880.561	-
Cüneyt Ali Turgut (Company partner)	512.583	-
<b>Total</b>	<b>2.887.909</b>	<b>4.313.609</b>

The total amount of wages and similar benefits provided to senior managers of the Company for the accounting period ending on 31 December 2023 is 23,056,669 TL (31 December 2022: 6.226.811 TL).



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 4 CASH AND CASH EQUIVALENTS**

The details of the Company's cash and cash equivalents as of 31 December 2023 and 31 December 2022 are as follows;

<b>Liquid Assets</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Case	256.966	280.816
Banks		
- Time deposits	1.140.149.346	-
- Demand deposits	369.234.246	126.191.910
Expected credit loss	(1.581.685)	(252.502)
<b>Total</b>	<b>1.508.058.873</b>	<b>126.220.224</b>

The details of the Company's time deposits in original currency as of 31 December 2023 and 31 December 2022 are as follows;

<b>December 31, 2023</b>	<b>Foreign Exchange Amount</b>	<b>Due Date</b>
TRY	7.296.260	January 2, 2024
TRY	1.132.853.086	March 14, 2024
<b>Total</b>	<b>1.140.149.346</b>	

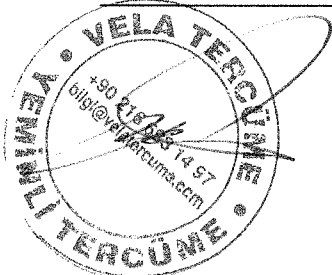
The details of the Company's demand deposits in original currency as of 31 December 2023 and 31 December 2022 are as follows;

<b>Currency</b>	<b>Original Currency Amount December 31, 2023</b>	<b>December 31, 2023 TRY equivalent</b>	<b>Original Currency Amount December 31, 2022</b>	<b>December 31, 2022 TRY equivalent</b>
TRY	14.888.718	14.888.718	64.590.545	64.590.545
USD	5.942.063	174.923.639	531.998	9.947.467
EURO	5.494.928	178.991.235	2.591.129	51.653.898
GBP	11.502	430.654	-	-
<b>Total</b>		<b>369.234.246</b>		<b>126.191.910</b>

**NOTE 5 - FINANCIAL INVESTMENTS**

The details of the Company's financial investments as of December 31, 2023 and December 31, 2022 are as follows

<b>Short-term financial investments</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Currency protected deposit	110.988.961	91.273.713
Gold	21.713.175	-
<b>Total</b>	<b>132.702.136</b>	<b>91.273.713</b>
<b>Long-term financial investments</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Eurobond	30.012.009	19.062.767
<b>Total</b>	<b>30.012.009</b>	<b>19.062.767</b>



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 6 – SHORT- AND LONG-TERM DEBT**

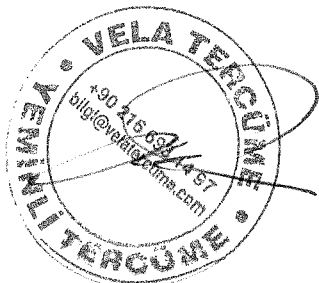
The details of the Company's short and long-term financial debts as of 31 December 2023 and 31 December 2022 are as follows;

	December 31, 2023	December 31, 2022
<b>Short term</b>		
Short-term bank borrowings	1.577.501.168	786.644.683
Short-term portion of long-term borrowings	200.137.871	410.720.623
Short-term financial lease payables	182.306.723	100.220.002
Short-term payables from rental transactions	17.254.150	4.807.924
<b>Total short-term borrowings</b>	<b>1.977.199.912</b>	<b>1.302.393.232</b>
<b>Long-Term</b>		
Long-term bank loans	122.068.737	113.251.368
Long-term financial lease liabilities	268.809.042	190.170.598
Long-term liabilities from leases	5.637.144	5.207.927
<b>Total long-term borrowings</b>	<b>396.514.923</b>	<b>308.629.893</b>
<b>Total borrowings</b>	<b>2.373.714.835</b>	<b>1.611.023.125</b>
	December 31, 2023	December 31, 2022
Within 1 year	1.977.199.912	1.302.393.232
1-5 years	390.253.773	270.792.903
Over 5 years	6.261.150	37.836.990
<b>Total</b>	<b>2.373.714.835</b>	<b>1.611.023.125</b>

The details of bank loans in foreign currency are as follows;

<b>December 31, 2023</b>			
Type	Foreign Exchange Amount	TRY amount	Weighted Average Effective Interest Rate %
TL Loans	440.456.795	440.456.795	41%
Euro Loans	34.035.799	1.110.676.614	9%
USD Loans	11.819.566	348.574.367	10%
<b>Total</b>		<b>1.899.707.776</b>	

<b>December 31, 2022</b>			
Type	Foreign Exchange Amount	TRY amount	Weighted Average Effective Interest Rate %
TL Loans	567.836.386	567.836.386	18%
Euro Loans	29.801.944	595.168.663	7%
USD Loans	7.880.185	147.611.625	9%
<b>Total</b>		<b>1.310.616.674</b>	



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 7 - TRADE RECEIVABLES AND TRADE PAYABLES**

The details of the Company's trade receivables as of December 31, 2023 and December 31, 2022 are as follows

Trade Receivables	December 31, 2023	December 31, 2022
Trade Receivables	627.281.294	392.048.341
Receivable Cheques and notes receivables	252.813.171	226.925.710
Doubtful Receivables	203.536	1.791.185
Provision for doubtful debts (-)	(203.536)	(1.791.185)
<b>Total</b>	<b>880.094.465</b>	<b>618.974.051</b>

The movements of the provision for doubtful trade receivables within the accounting periods ending on 31 December 2023 and 31 December 2022 are as follows;

Change in provision for doubtful receivables	December 31, 2023	December 31, 2022
<b>Beginning of the period - January 1</b>	<b>1.791.185</b>	<b>3.310.137</b>
Provisions made during the period	-	999.851
Outstanding Provisions	(1.872.463)	(2.529.382)
Conversion differences	284.814	10.579
<b>Balance at the end of the period</b>	<b>203.536</b>	<b>1.791.185</b>

The details of the Company's trade payables as of December 31, 2023 and December 31, 2022 are as follows

Trade Payables	December 31, 2023	December 31, 2022
Trade Payables	1.009.041.230	542.643.542
Cheques and notes payable	62.545.473	168.344.166
<b>Total</b>	<b>1.071.586.703</b>	<b>710.987.708</b>

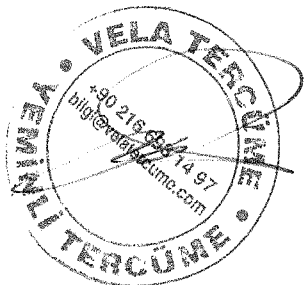
**NOTE 8 - OTHER RECEIVABLES AND OTHER PAYABLES**

The details of other receivables as of December 31, 2023 and December 31, 2022 are as follows

Short-term other receivables	December 31, 2023	December 31, 2022
Other receivables from related parties (*)	7.569.062	151.174.597
Receivables from tax office (**)	145.410.568	118.593.895
Receivables from staff	30.704	19.446
Deposits and guarantees given	10.320.326	8.685.790
Other receivables from unrelated parties	11.197.271	826.089
Other doubtful receivables	-	339.019
Provision for other doubtful receivables (-)	-	(339.019)
<b>Total</b>	<b>174.527.931</b>	<b>279.299.817</b>

(\*) See. Note 3

(\*\*) The relevant amount consists of receivables arising from VAT refunds.





**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 8 - OTHER RECEIVABLES AND OTHER PAYABLES (CONTINUED)**

The movement table of provision for other doubtful receivables is as follows;

	December 31, 2023	December 31, 2022
<b>Beginning of the period - January 1</b>	<b>339.019</b>	-
Provisions set aside during the period	-	339.019
Provisions/collections that are no longer relevant	(339.019)	-
<b>End of period - December 31</b>	<b>-</b>	<b>339.019</b>

The details of the Company's other payables as of December 31, 2023 and December 31, 2022 are as follows

<b>Other Short Term Payables</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Other payables to related parties (*)	37.835.008	-
Deposits and Guarantees Taken	38.014	254.509
Other	21.204	-
<b>Total</b>	<b>37.894.226</b>	<b>254.509</b>

(\*) See. Note 3

**NOTE 9 - INVENTORIES**

The Company's inventories as of December 31, 2023 and December 31, 2022 are as follows;

<b>Inventories</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Raw Materials	388.216.645	330.703.912
Semi-finished Work in process	435.758.190	176.154.945
Finished Goods	434.175.799	232.067.107
Other inventories	87.198.009	6.977.607
<b>Total</b>	<b>1.345.348.643</b>	<b>745.903.571</b>

There is no stock provided as collateral for the Company's liabilities (31 December 2022: None).

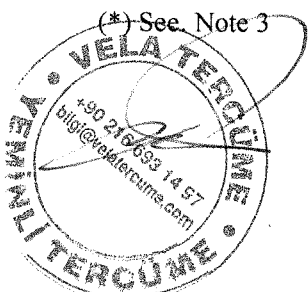
**NOTE 10 - PREPAID EXPENSES**

The details of prepaid expenses as of December 31, 2023 and December 31, 2022 are as follows

<b>Short-term prepaid expenses</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Prepaid expenses for following months	14.090.830	21.183.285
Order advances given	111.530.948	79.688.808
Work advances	1.159.895	263.347
<b>Total</b>	<b>126.781.673</b>	<b>101.135.440</b>

<b>Long Term Prepaid Expenses</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Order advances given to related parties (*)	66.503.131	-
Order advances given	18.375.854	-
Prepaid expenses	416.433	27.917
<b>Total</b>	<b>85.295.418</b>	<b>27.917</b>

(\*) See. Note 3



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 11 - OTHER ASSETS AND LIABILITIES**

The fair values of the Company's other current assets as of December 31, 2023 and December 31, 2022 are as follows;

Other Short Term Current Assets	December 31, 2023	December 31, 2022
Deferred VAT	-	8.652.582
Advances given to personnel	589.971	39.435
<b>Total</b>	<b>589.971</b>	<b>8.692.017</b>

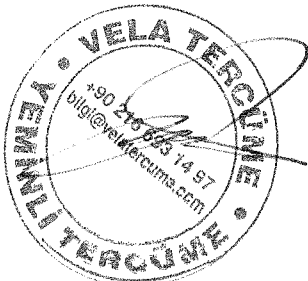
The details of other liabilities as of December 31, 2023 and December 31, 2022 are as follows

Other Short Term Liabilities	December 31, 2023	December 31, 2022
Tax liabilities	6.135.370	2.257.094
<b>Total</b>	<b>6.135.370</b>	<b>2.257.094</b>

**NOTE 12 - PROPERTY, PLANT AND EQUIPMENT**

The Company's tangible asset movements as of December 31, 2023 and December 31, 2022 are as follows;

	January 1, 2023	Addition	Disposal	Transfers	Foreign currency translation differences	December 31, 2023
<b>Cost</b>						
Land and Parcels	32.482.145	42.064.100	-	-	28.757.639	103.303.884
Underground and surface layouts	1.786.286	29.825	-	-	1.033.157	2.849.268
Buildings	236.187.782	8.052.016	-	-	137.594.638	381.834.436
Machinery, plant and equipment	1.421.907.380	155.704.309	-	9.426.054	856.364.674	2.443.402.417
Vehicles	87.858.824	69.105.440	(63.106.917)	-	51.904.592	145.761.939
Fixtures	177.752.416	50.679.429	(6.349.117)	258.000	112.751.849	335.092.577
Special costs	10.453.958	7.337.868	-	-	7.880.805	25.672.631
Ongoing Investments	2.651.195	18.737.540	-	(9.684.054)	23.629.784	35.334.465
	<b>1.971.079.986</b>	<b>351.710.527</b>	<b>(69.456.034)</b>	<b>-</b>	<b>1.219.917.138</b>	<b>3.473.251.617</b>
<b>Accumulated depreciation</b>						
Underground and surface layouts	(917.749)	(151.222)	-	-	(563.447)	(1.632.418)
Buildings	(20.773.392)	(6.126.413)	-	-	(13.402.885)	(40.302.690)
Machinery, plant and equipment	(501.263.934)	(143.781.184)	-	-	(322.440.446)	(967.485.564)
Vehicles	(30.353.229)	(19.465.306)	22.424.996	-	(16.713.511)	(44.107.050)
Fixtures	(114.792.261)	(42.731.780)	6.203.203	-	(74.653.559)	(225.974.397)
Special costs	(6.672.897)	(3.385.436)	-	-	(4.645.692)	(14.704.025)
	<b>(674.773.462)</b>	<b>(215.641.341)</b>	<b>28.628.199</b>	<b>-</b>	<b>(432.419.540)</b>	<b>(1.294.206.144)</b>
<b>Net book value</b>	<b>1.296.306.524</b>					<b>2.179.045.473</b>



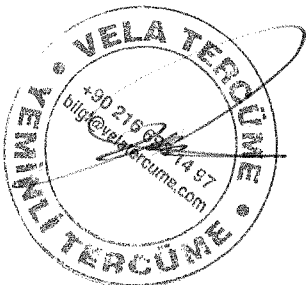
**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	January 1, 2022	Addition	Disposal	Transfers	Foreign currency translation differences	December 31, 2022
<b>Cost</b>						
Land and Parcels	15.625.120	10.562.763	-	-	6.294.262	32.482.145
Underground and surface layouts	1.267.628	8.017	-	-	510.641	1.786.286
Buildings	152.449.358	22.327.489	-	-	61.410.935	236.187.782
Machinery, plant and equipment	842.943.046	231.988.304	(3.743.288)	6.291.904	344.427.414	1.421.907.380
Vehicles	55.936.468	20.996.357	(11.606.806)	-	22.532.805	87.858.824
Fixtures	104.515.448	31.740.610	(1.198.854)	593.395	42.101.817	177.752.416
Special costs	4.806.504	3.711.268	-	-	1.936.186	10.453.958
Ongoing Investments	10.152.772	26.526.343	(31.232.446)	(6.885.299)	4.089.825	2.651.195
	<b>1.187.696.344</b>	<b>347.861.151</b>	<b>(47.781.394)</b>	<b>-</b>	<b>483.303.885</b>	<b>1.971.079.986</b>
<b>Accumulated depreciation</b>						
Underground and surface layouts	(569.508)	(105.348)	-	-	(242.893)	(917.749)
Buildings	(11.617.836)	(3.968.792)	-	-	(5.186.764)	(20.773.392)
Machinery, plant and equipment	(296.288.564)	(76.578.353)	1.341.345	-	(129.738.362)	(501.263.934)
Vehicles	(14.119.700)	(13.914.781)	5.151.937	-	(7.470.685)	(30.353.229)
Fixtures	(63.320.947)	(23.442.487)	472.180	-	(28.501.007)	(114.792.261)
Special costs	(4.482.983)	(340.536)	-	-	(1.849.378)	(6.672.897)
	<b>(390.399.538)</b>	<b>(118.350.297)</b>	<b>6.965.462</b>	<b>-</b>	<b>(172.989.089)</b>	<b>(674.773.462)</b>
<b>Net book value</b>	<b>797.296.806</b>					<b>1.296.306.524</b>

As of December 31, 2022, 87.858.824 TL of the Company's vehicles were acquired through the sale-leaseback method, and as of December 31, 2022, the net book value of the relevant fixed assets is 57.505.595 TL.

As of December 31, 2023, the rental payments of the vehicles acquired through the sale-leaseback method have been completed and the relevant vehicles have become the property of the Company.



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 13 - INTANGIBLE ASSETS**

Movements of intangible assets as of December 31, 2023 and December 31, 2022 are as follows

	January 1, 2023	Addition	Foreign currency translation differences	December 31, 2023
<b>Cost</b>				
Other Intangible Fixed Assets	11.134.165	3.105.748	7.199.369	21.439.282
<b>Total Cost</b>	<b>11.134.165</b>	<b>3.105.748</b>	<b>7.199.369</b>	<b>21.439.282</b>
<b>Accumulated depreciation</b>				
Other Intangible Fixed Assets	(9.901.012)	(1.803.974)	(6.120.109)	(17.825.095)
<b>Total accumulated amortization</b>	<b>(9.901.012)</b>	<b>(1.803.974)</b>	<b>(6.120.109)</b>	<b>(17.825.095)</b>
<b>Net book value</b>	<b>1.233.153</b>			<b>3.614.187</b>

	January 1, 2022	Addition	Foreign currency conversion differences	December 31, 2022
<b>Cost</b>				
Other Intangible Fixed Assets	7.620.616	393.477	3.120.072	11.134.165
<b>Total Cost</b>	<b>7.620.616</b>	<b>393.477</b>	<b>3.120.072</b>	<b>11.134.165</b>
<b>Accumulated amortization</b>				
Other Intangible Fixed Assets	(6.314.241)	(925.086)	(2.661.685)	(9.901.012)
<b>Total accumulated amortization</b>	<b>(6.314.241)</b>	<b>(925.086)</b>	<b>(2.661.685)</b>	<b>(9.901.012)</b>
<b>Net book value</b>	<b>1.306.375</b>			<b>1.233.153</b>

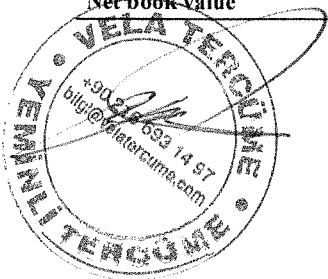
**NOTE 14 – USE RIGHTS**

As of December 31, 2023 and December 31, 2022, the movements of the Company's right of use are as follows

	January 1, 2023	Addition	Disposal	Conversion difference	December 31, 2023
<b>Cost</b>					
Buildings	10.140.498	-	-	5.676.429	15.816.927
Vehicles	269.594	10.384.037	-	1.084.833	11.738.464
<b>Total</b>	<b>10.410.092</b>	<b>10.384.037</b>	<b>-</b>	<b>6.761.262</b>	<b>27.555.391</b>
<b>Accumulated depreciation</b>					
Buildings	(1.066.394)	(4.251.438)	-	(2.250.165)	(7.567.997)
Vehicles	(106.850)	(2.314.811)	-	(430)	(2.422.091)
<b>Total</b>	<b>(1.173.244)</b>	<b>(6.566.249)</b>	<b>-</b>	<b>(2.250.595)</b>	<b>(9.990.088)</b>
<b>Net book value</b>	<b>9.236.848</b>				<b>17.565.303</b>

	January 1, 2022	Addition	Disposal	Conversion difference	December 31, 2022
<b>Cost</b>					
Buildings	1.619.418	9.779.209	(1.619.418)	361.289	10.140.498
Vehicles	472.704	259.989	(472.704)	9.605	269.594
<b>Total</b>	<b>2.092.122</b>	<b>10.039.198</b>	<b>(2.092.122)</b>	<b>370.894</b>	<b>10.410.092</b>
<b>Accumulated depreciation</b>					
Buildings	(839.148)	(963.540)	839.148	(102.854)	(1.066.394)
Vehicles	(472.704)	(76.850)	472.704	(30.000)	(106.850)
<b>Total</b>	<b>(1.311.852)</b>	<b>(1.040.390)</b>	<b>1.311.852</b>	<b>(132.854)</b>	<b>(1.173.244)</b>
<b>Net book value</b>	<b>780.270</b>				<b>9.236.848</b>



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**NOTE 15 – DEFERRED INCOME**

The details of the Company's short-term deferred revenues as of 31 December 2023 and 31 December 2022 are as follows;

	December 31, 2023	December 31, 2022
Income for the coming months (*)	279.723.447	140.490.281
Received order advances	82.346.050	68.128.902
Salary promotion income	5.804.891	-
<b>Total</b>	<b>367.874.388</b>	<b>208.619.183</b>

(\*) Consists of not fully realized sales revenues (exports realized in the period following the not realized sale date).

The details of the Company's long-term deferred revenues as of 31 December 2023 and 31 December 2022 are as follows;

	December 31, 2023	December 31, 2022
Income for future years (*)	136.021.573	110.376.100
<b>Total</b>	<b>136.021.573</b>	<b>110.376.100</b>

(\*) 127.797.983 TL of this amount (31 December 2022: It consists entirely of vehicle leasing revenues subject to sale and leaseback.

**NOTE 16 – SHORT-TERM AND LONG-TERM PROVISIONS**

The Company's short-term provisions as of December 31, 2023 and December 31, 2022 are as follows

Short term provisions	December 31, 2023	December 31, 2022
Provision for unused vacation	18.292.598	11.188.343
Provision for lawsuits	2.080.169	1.635.379
<b>Total</b>	<b>20.372.767</b>	<b>12.823.722</b>

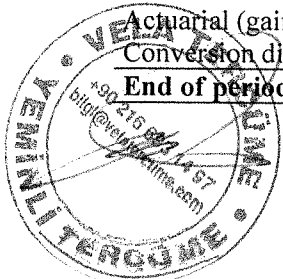
The Company's long-term debt provisions as of December 31, 2023 and December 31, 2022 are as follows;

	December 31, 2023	December 31, 2022
Provision for Severance Pay	33.611.302	20.397.612
<b>Total</b>	<b>33.611.302</b>	<b>20.397.612</b>

In accordance with the current labor law in Turkey, the Company is obliged to pay a certain amount of severance pay to personnel who leave their jobs due to retirement or whose employment is terminated for reasons other than resignation and violations listed in the law. These compensations are calculated on a monthly salary of up to 23,489.82 TL for each year worked (December 31, 2022: 15.371,40 TL).

The company has reflected the severance pay obligation in its financial statements, which is calculated by discounting it to the balance sheet date, using the expected inflation rate and real rediscount rate, based on the principles stated above. The movement table for the severance pay provision for the periods 31 December 2023 and 31 December 2022 is as follows;

	January 01 - December 31, 2023	January 01 - December 31, 2022
<b>Beginning balance</b>	<b>20.397.612</b>	<b>8.039.280</b>
Payments during the period	(19.929.891)	(2.964.579)
Service cost	7.860.397	3.417.879
Interest cost	9.312.946	4.019.374
Actuarial (gains)/losses	(13.318.043)	(4.046.655)
Conversion differences	29.288.281	11.932.313
<b>End of period balance</b>	<b>33.611.302</b>	<b>20.397.612</b>



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**NOTE 17 GOVERNMENT INCENTIVES AND AIDS**

Investment incentives and discounts; It consists of supports such as corporate/income tax reductions (varies by region), insurance premium employer share discount, investment location allocation and interest support. As stated, the company will benefit from investment discounts for the investments it will make in this period and in the future. The total amount of expenditure made by the Company within the scope of investment incentive certificates for the period 01 January 2023 - 31 December 2023 is 141,193,438 TL (01 January 2022 - 31 December 2022: 132.860.190 TL).

**NOTE 18- EMPLOYEE BENEFIT OBLIGATIONS**

The Company's liabilities within the scope of benefits provided to employees as of December 31, 2023 and December 31, 2022 are as follows;

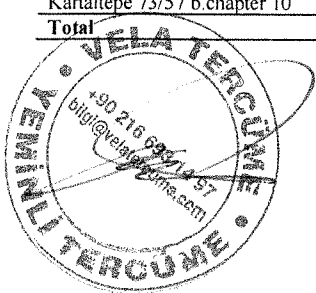
Liabilities under benefits provided to employees	December 31, 2023	December 31, 2022
Social obligations payable	6.241.450	2.752.836
Debts to Personnel	14.723.885	7.132.284
<b>Total</b>	<b>20.965.335</b>	<b>9.885.120</b>

**NOTE 19 - INVESTMENT PROPERTIES**

The Company's investment properties as of December 31, 2023 and December 31, 2022 are as follows

	January 1, 2023	Addenda	Outputs	Revaluation increases/decreases(-)	Conversion differences	December 31, 2023
Plots	172.666.431	-	(3.000.000)	(50.352.565)	138.730.474	258.044.340
Buildings	92.848.569	10.000.000	-	1.045.388	12.281.721	116.175.678
<b>Total</b>	<b>265.515.000</b>	<b>10.000.000</b>	<b>(3.000.000)</b>	<b>(49.307.177)</b>	<b>151.012.195</b>	<b>374.220.018</b>

Real Estate	Date of Report:	Opening	Introduction	Resulting Value Increases/Decreases)	Exit	Conversion differences	Current Appraisal Values as of 31 December 2023	Valuation Method
Vizyonpark Workshop	5.01.2024	21.000.000	-	288.046	-	12.061.954	33.350.000	Market Approach
Kemerburgaz Duplex Flat (A-3)	5.01.2024	7.000.000	-	(1.120.661)	-	4.020.661	9.900.000	Market Approach
Kemerburgaz Duplex Flat (B-4)	5.01.2024	8.250.000	-	(1.338.634)	-	4.738.634	11.650.000	Market Approach
Kemerburgaz Duplex Flat (A-1)	5.01.2024	11.000.000	-	(2.533.168)	-	6.318.186	14.785.018	Market Approach
Zekeriyeköy Land	5.01.2024	166.825.000	-	(52.645.677)	-	95.820.677	210.000.000	Market Approach
Avclar Shop	5.01.2024	18.500.000	-	(21.008)	-	10.626.008	29.105.000	Market Approach
Çatalca - Çakıl - Field (117-74)(*)	5.01.2024	10.240.000	-	493.376	-	5.881.624	16.615.000	Market Approach
Çatalca - Ovayenice - Field (117-42)	5.01.2024	3.000.000	-	-	(3.000.000)	-	-	Market Approach
Antalya - Manavgat - Field (273-93)	5.01.2024	5.765.000	-	(1.151.298)	-	3.311.298	7.925.000	Market Approach
Antalya - Manavgat - Gündoğdu (242-67)	5.01.2024	2.990.000	-	1.217.596	-	1.717.404	5.925.000	Market Approach
İzmir - Dikili - Yenice (130-196)	5.01.2024	1.240.000	-	347.776	-	712.224	2.300.000	Market Approach
Çatalca - Gökçeali (112/51)	5.01.2024	6.685.000	-	1.315.284	-	3.839.716	11.840.000	Market Approach
Çatalca - Kızılcaali (102/84)	5.01.2024	3.020.000	-	70.377	-	1.734.623	4.825.000	Market Approach
Bahçelievler-Kartaltepe 73/57 b.chapter 10	5.01.2024	-	10.000.000	5.770.814	-	229.186	16.000.000	Market Approach
<b>Total</b>		<b>265.515.000</b>	<b>10.000.000</b>	<b>(49.307.177)</b>	<b>(3.000.000)</b>	<b>151.012.195</b>	<b>374.220.018</b>	



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(\*) Although the building on the relevant land is used as a warehouse by the company, there is no building permit for the warehouse on the parcel. For this reason, the relevant real estate was included in the financial statements as land and its fair value was presented at the land value.

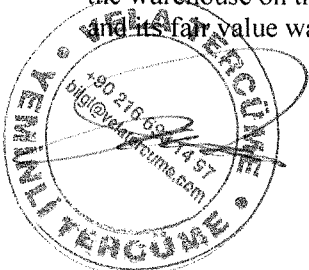
For the fair value estimation in the financial statements dated 31 December 2023, the Company used various valuation reports prepared by İnvest Gayrimenkul Değerleme ve Danışmanlık A.Ş., which has a valuation license issued by the CMB.

	January 1, 2022	Addenda	Revaluation increases	Conversion differences	December 31, 2022
Lands	80.817.286	5.200.583	99.931.434	(13.282.872 )	172.666.431
Buildings	19.150.214	11.634.566	27.762.574	34.301.215	92.848.569
	<b>99.967.500</b>	<b>16.835.149</b>	<b>127.694.008</b>	<b>21.018.343</b>	<b>265.515.000</b>

**NOTE 19 - INVESTMENT PROPERTIES (CONTINUED)**

Real Estate	Date of Report:	Opening	Introduction	Resulting Value Increases/ (Decreases)	Conversion differences	Current Appraisal Values as of 31 December 2022	Valuation Method
Vizyonpark Workshop	16.01.2023	5.600.000	-	5.149.245	10.250.755	21.000.000	Market Approach
Kemberburgaz Duplex Flat (A-3)	16.01.2023	3.000.000	-	4.759.682	(759.682)	7.000.000	Market Approach
Kemberburgaz Duplex Flat (B-4)	16.01.2023	3.500.000	-	6.009.682	(1.259.682)	8.250.000	Market Approach
Kemberburgaz Duplex Flat (A-1)	16.01.2023	4.500.000	-	8.759.682	(2.259.682)	11.000.000	Market Approach
Zekeriye köy Land	16.01.2023	74.635.000	-	111.444.581	(19.254.581)	166.825.000	Market Approach
Avcılar Shop	16.01.2023	-	11.634.566	3.084.282	3.781.152	18.500.000	Market Approach
Çatalca – Çakıl – Field (117-74) (*)	16.01.2023	3.400.000	-	(962.208)	7.802.208	10.240.000	Market Approach
Çatalca – Ovayenice – Field (117-42)	16.01.2023	1.000.000	-	(2.029.338)	4.029.338	3.000.000	Market Approach
Antalya - Manavgat – Field (273-93)	16.01.2023	1.415.000	-	(1.349.722)	5.699.722	5.765.000	Market Approach
Antalya - Manavgat – Gündoğdu (242-67)	16.01.2023	912.500	-	(4.464.096)	6.541.596	2.990.000	Market Approach
İzmir - Dikili – Yenice (130-196)	16.01.2023	1.000.000	-	(689.964)	929.964	1.240.000	Market Approach
Çatalca - Gökçeali (112/51)	16.01.2023	-	5.200.583	(556.361)	2.040.778	6.685.000	Market Approach
Çatalca - Kızılcaali (102/84)	16.01.2023	1.005.000	-	(1.461.459)	3.476.459	3.020.000	Market Approach
<b>Total</b>		<b>99.967.500</b>	<b>16.835.149</b>	<b>127.694.008</b>	<b>21.018.343</b>	<b>265.515.000</b>	

(\*) Although the building on the relevant land is used as a warehouse by the company, there is no building permit for the warehouse on the parcel. For this reason, the relevant real estate was included in the financial statements as land and its fair value was presented at the land value.



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**NOTE 20 - EARNINGS / (LOSS) PER SHARE**

The Company's earnings per share and gross dividend distributed per share as of December 31, 2023 and September 30, 2022 are as follows;

	1st of January- December 31, 2023	1st of January- December 31, 2022
Profit / (loss) for the period, net	300.121.994	81.690.973
Weighted average number of shares	265.000.000	225.000.000
divided earnings/(loss) per share (TL)	1.13	0.37

**NOTE 21 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

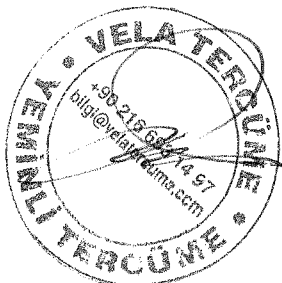
**21.1 Paid-in Capital**

The Company's registered capital ceiling as of December 31, 2023 is 1.000.000.000 TL and the registered capital is divided into 1.000.000.000 shares. The Company's issued capital as of December 31, 2023 is 265.000.000 TL and 47.250.000 of the shares with a nominal value of 47.250.000 TL are Group (A) Privileged shares, the remaining 217.750.000 shares with a nominal value of 217.750.000 TL ( Group B) consists of shares. Group (A) shares have the privilege of nominating and voting for the board of directors (5 voting rights for each share). If the Company's Board of Directors consists of 5 members, 2 board members are elected, if it consists of 6 or 7 members, 3 board members are elected, if it consists of 8 or 9 members, 4 board members are elected among the candidates nominated by Group (A) shareholders. Group (A) shareholders have the right to 5 votes for each share, and group (B) shareholders have the right to 1 vote for each share at the ordinary and extraordinary general assembly meetings of the company.

The capital structure of the Company as of December 31, 2023 and December 31, 2022 is as follows

	December 31, 2023		December 31, 2022	
Name	Share amount	Share Percentage	Share amount	Share Percentage
Cüneyt Ali Turgut	96.575.000	36.44%	157.500.000	70.00%
Abdullah Turgut	60.675.000	22.90%	67.500.000	30.00%
Fatma Donmez	22.500.000	8.48%	-	-
İhsan Ahmet Turgut	11.250.000	4.25%	-	-
Mehmet Emin Turgut	11.250.000	4.25%	-	-
Public Portion	62.750.000	23.68%	-	-
<b>Nominal Equity</b>	<b>265.000.000</b>	<b>100.00%</b>	<b>225.000.000</b>	<b>100%</b>

The Company's shares with a nominal value of TL 40.000.000 to be increased due to the increase in its issued capital from TL 225.000.000 to TL 265.000.000 and TL 22.500.000 nominal value of its existing shares were offered to the public on December 7 and 8, 2023 at a price of TL 28.30 per share through the "Fixed Price Demand Collection" method, and all of the shares offered to the public were sold on the relevant dates. From the sale of the shares with an increased nominal value of 40.000.000 TL, an issue premium of 1.046.789.257 TL was obtained after the public offering expenses. The capital increase in question was published in the Trade Registry Gazette dated January 29, 2024. The capital structure formed after the public offering is presented in the table above.





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**NOTE 21 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)**

**21.2 Defined Benefit Plans Remeasurement Gains/(Losses) and Property, Plant and Equipment Revaluation Increases**

The company has reflected the severance pay obligation, calculated by discounting it to the date of the statement of financial position, using the expected inflation rate and real rediscount rate, based on the principles detailed in Footnote 2, in its financial statements for the accounting periods ending on 31 December 2023 and 31 December 2022. All gains and losses other than the calculated actuarial gain/(loss) are shown in the profit or loss statement and actuarial gains/(losses) are shown in the statement of changes in equity.

	December 31, 2023	December 31, 2022
Accumulated defined benefit plans remeasurement gain/(loss)	(13.984.265)	(3.463.011)
Revaluation and Classification Gain/Loss	6.269.212	6.269.212
<b>Total</b>	<b>(7.715.053)</b>	<b>2.806.201</b>

**21.3 Restricted Reserves**

Accumulated profits in the legal books can be distributed except for the provision regarding legal reserves stated below.

According to the Turkish Commercial Code, legal reserves are divided into two: first and second legal reserves. First order legal reserves according to the Turkish Commercial Code. 5% of the legal net profit is allocated until 20% of the paid-in capital of the Parent Company is reached.

The second set of legal reserves is 10% of the distributed profits exceeding 5% of the paid capital. According to the Turkish Commercial Code, unless legal reserves exceed 50% of the paid-in capital, they can only be used to offset losses and cannot be used in any other way.

	December 31, 2023	December 31, 2022
Legal reserves	3.566.619	3.566.619
<b>Total</b>	<b>3.566.619</b>	<b>3.566.619</b>

**21.4 Premiums and discounts on shares**

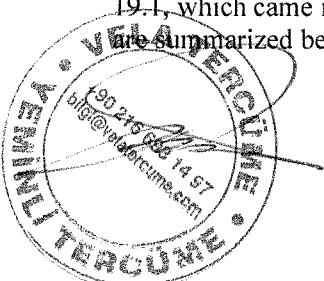
The details of the Company's premiums and discounts regarding shares as of 31 December 2023 and 31 December 2022 are as follows;

Share premiums/discounts	December 31, 2023	December 31, 2022
Share premium	1.046.789.257	-
<b>Total</b>	<b>1.046.789.257</b>	-

The Company's shares with a nominal value of TL 40.000.000 to be increased due to the increase in its issued capital from TL 225.000.000 to TL 265.000.000 and TL 22.500.000 nominal value of its existing shares were offered to the public on December 7 and 8, 2023 at a price of TL 28.30 per share through the "Fixed Price Demand Collection" method, and all of the shares offered to the public were sold on the relevant dates. From the sale of the shares with an increased nominal value of 40.000.000 TL, an issue premium of 1.046.789.257 TL was obtained after the public offering expenses, as presented in the table above.

**21.5 Retained Earnings**

Public companies make dividend distributions in accordance with the CMB's Dividend Communiqué numbered II-19.1, which came into force as of February 1, 2014. The regulations and explanations in the Dividend Communiqué are summarized below.



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**NOTE 21 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)**

Profit distribution will be distributed by the decision of the general assembly within the framework of the Dividend Distribution Policy to be determined by the general assembly. While partnerships determine their profit distribution policies, they will also decide whether to distribute profits. In this context, profit distribution is in principle voluntary. CMB may determine different principles regarding profit distribution policies depending on the characteristics of the companies.

In the profit distribution policies of partnerships:

- Whether to distribute profit or not.
- Profit share rates and the account item to which these rates will be applied.
- Payment methods and time.
- Whether the dividend will be distributed in cash or bonus shares. (For publicly traded companies)
- Whether advance dividends will be distributed or not are regulated.

The upper limit of the dividend amount to be distributed is the distributable amount of the relevant dividend sources in the legal records. As a rule, dividends are distributed equally to all existing shares as of the distribution date. The acquisition and issue dates of shares are not taken into account. Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend foreseen for the partners in the articles of association and profit distribution policy are set aside, it cannot be decided to allocate other reserve funds or transfer profits to the following year. Provided that it is included in the articles of association, shares from the profits may be given to holders of privileged shares or dividend shares, members of the board of directors, employees and other non-shareholders. However, dividends cannot be paid to dividend share holders, board members, employees and other persons unless the dividend determined for the shareholders is paid in cash. In principle, the Communiqué stipulates that if there is no determination in the articles of association regarding the dividend amount to be paid to the listed persons, excluding privileged shares, the amount to be distributed to them may be at most ¼ of the dividend distributed to the shareholders.

**21.5 Retained Earnings (Continued)**

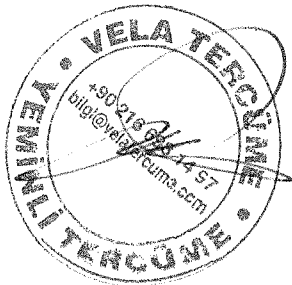
If dividends will be distributed to people other than shareholders and if payment is made in installments, the installment amounts are paid in proportion to the installment payments to be made to the shareholders and according to the same principles.

The new Capital Markets Law and therefore the new Communiqué allow partnerships to make donations. However, this is required to be a provision in the articles of association. Although the amount of donations can be determined by the general assemblies, the CMB may impose an upper limit.

Companies whose shares are traded on the stock exchange:

- Board of directors' proposal regarding profit distribution
- Or the decision of the board of directors regarding the distribution of advance dividends.
- Profit distribution table or dividend advance distribution table

is announced to the public. The profit distribution table must be disclosed to the public at the latest on the date when the agenda of the ordinary general assembly is announced.



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**NOTE 22 - CONTINGENT ASSETS AND LIABILITIES**

a) Contingent Liabilities

The Company's guarantee, pledge and mortgage position given by the Parent Company as of 31 December 2023 and 31 December 2022 is as follows;

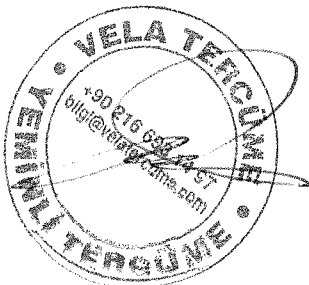
<b>contingent liabilities</b> <b>Guarantees, pledges, mortgages (GPM) given</b> <b>by the Parent Company</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
A. The Total Amount of TRIs Given by Its Legal Entity	2.019.890.692	826.015.326
B. Total amount of GPMs given in favor of subsidiaries included in the scope of full consolidation	-	-
C. Other 3. For the Purpose of Carrying Out Ordinary Commercial Activities. Total amount of GPMs given for the purpose of securing debts of persons	-	-
D. Total amount of other GPMs given	-	-
i. Total amount of GPMs given in favor of the main shareholder	-	-
ii. Total amount of GPMs given in favor of other group companies not included in the scope of B and C	-	-
Total amount of GPMs given in favor of third parties not included in the scope of Article iii.C	-	-
<b>Total</b>	<b>2.019.890.692</b>	<b>826.015.326</b>

The details of GPMs as of 31 December 2023 and 31 December 2022 are as follows;

<b>December 31, 2023</b>	<b>TL equivalent</b>	<b>Turkish Lira</b>	<b>US Dollars</b>	<b>Euros</b>
A. The Total Amount of TRIs Given by Its Legal Entity				
<i>Guarantee</i>	1.008.007.267	25.875.889	5.937.000	24.731.144
<i>-Mortgage</i>	1.011.883.425	945.528.000	2.250.000	-
<b>Total</b>	<b>2.019.890.692</b>	<b>971.403.889</b>	<b>8.187.000</b>	<b>24.731.144</b>

<b>December 31, 2022</b>	<b>TL equivalent</b>	<b>Turkish Lira</b>	<b>US Dollars</b>	<b>Euros</b>
A. The Total Amount of TRIs Given by Its Legal Entity				
<i>Guarantee</i>	372.790.326	60.537.644	3.340.000	12.502.644
<i>-Mortgage</i>	453.225.000	411.078.000	2.250.000	-
<b>Total</b>	<b>826.015.326</b>	<b>471.615.644</b>	<b>5.590.000</b>	<b>12.502.644</b>



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**NOTE 23- REVENUE AND COST OF SALES**

**23.1 Revenue**

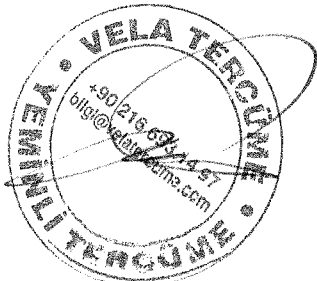
Company's 31 December 2023 and 31 December 2022 The details of the revenue amount for the accounting periods ending on dates are as follows;

<b>Revenues</b>	<b>January 01 - December 31, 2023</b>	<b>January 01 - December 31, 2022</b>
Domestic Revenues	5.250.180.047	3.804.251.058
Export Revenues	6.492.008.459	5.056.710.223
Other Income	59.574.746	27.225.521
Returns from sales (-)	(22.779.952)	(16.690.750)
Other Discounts (-)	(52.043.116)	(31.302.723)
<b>Total</b>	<b>11.726.940.184</b>	<b>8.840.193.329</b>

**23.2 Cost of Sales**

The details of the Company's cost of sales for the periods ended December 31, 2023 and December 31, 2022 are as follows

<b>Cost of sales</b>	<b>January 01 - December 31, 2023</b>	<b>January 01 - December 31, 2022</b>
Raw Materials and Material Expenses	(8.479.669.369)	(7.111.826.082)
Cost of goods sold	(847.268.240)	(612.449.131)
Electricity expenses	(167.194.895)	(163.496.600)
Direct labor expenses	(179.497.934)	(57.170.546)
Depreciation and amortization expenses	(199.300.807)	(108.748.654)
Material expenses	(90.320.854)	(37.377.000)
Natural gas expenses	(3.581.299)	(6.858.580)
Change in finished goods inventories	(149.198.055)	(38.441.371)
Other general production expenses	(517.548.521)	(22.719.702)
<b>Total</b>	<b>(10.633.579.974)</b>	<b>(8.159.087.666)</b>



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**NOTE 24 - OPERATING EXPENSES**

**24.1 General administrative expenses**

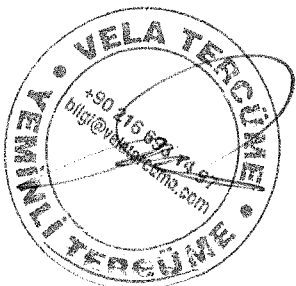
The details of the Company's general administrative expenses for the accounting periods ending on 31 December 2023 and 31 December 2022 are as follows;

General administrative expenses	January 01 - December 31, 2023	January 01 - December 31, 2022
Personnel, wages, premiums, bonuses, etc. expenses	(66.627.964)	(24.699.187)
Consulting expenses	(11.480.288)	(4.160.340)
Depreciation and amortization expenses	(23.579.636)	(10.719.073)
Donations and aids	(5.661.319)	(2.162.011)
Travel Expenses	(26.408.251)	(5.699.694)
Insurance expenses	(5.905.731)	(1.635.756)
Rent Expenses	(4.359.101)	(2.156.007)
Maintenance and repair expenses	(4.355.599)	(1.162.786)
Tax, duty, fee expenses	(3.942.545)	(689.098)
Telephone, fax, internet expenses	(1.165.853)	(571.379)
Food expenses	(508.581)	(1.146.049)
Kitchen expenses	(515.731)	(543.811)
Dues expenses	(2.004.752)	(187.167)
Education Expenses	(597.003)	(516.086)
Other	(12.007.416)	(2.736.159)
<b>Total</b>	<b>(169.119.770)</b>	<b>(58.784.603)</b>

**24.2 Marketing expenses**

The details of the Company's marketing expenses for the years ended December 31, 2023 and December 31, 2022 are as follows

Marketing Expenses	January 01 - December 31, 2023	January 01 - December 31, 2022
Export expenses	(105.699.143)	(7.463.377)
Shipping costs	(78.529.221)	(147.777.998)
Import expenses	(46.930.796)	(4.964.475)
Personnel expenses	(33.296.246)	(7.606.158)
Travel expenses	(3.109.674)	(826.942)
Gasoline and Oil Expenses	(670.364)	(1.171.318)
Depreciation and amortization expenses	(1.299.774)	(848.046)
Insurance expenses	(1.990.860)	(767.501)
Maintenance and Repair Expenses	(448.912)	(669.413)
Food expenses	(1.626.192)	(429.074)
Other	(20.094.329)	(2.168.587)
<b>Total</b>	<b>(293.695.511)</b>	<b>(174.692.889)</b>



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**NOTE 24 – OPERATING EXPENSES (CONTINUED)**

The functional breakdown of depreciation and amortization is as follows;

	January 01 - December 31, 2023	January 01 - December 31, 2022
Cost of sales	(199.300.807)	(108.748.654)
Marketing expenses	(1.131.121)	(848.046)
General administrative expenses	(23.579.636)	(10.719.073)
<b>Total</b>	<b>(224.011.564)</b>	<b>(120.315.773)</b>

The functional breakdown of personnel expenses is as follows;

	January 01 - December 31, 2023	January 01 - December 31, 2022
Cost of sales	(179.497.934)	(57.170.546)
General administrative expenses	(33.296.246)	(7.606.158)
Marketing expenses	(66.627.964)	(24.699.187)
<b>Total</b>	<b>(279.422.144)</b>	<b>(89.475.891)</b>

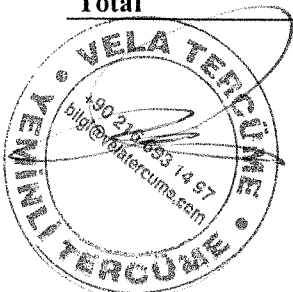
**NOTE 25 - OTHER OPERATING INCOME / (EXPENSES)**

The Company's other income from main activities for the accounting periods ending on 31 December 2023 and 31 December 2022 are as follows;

Other Income From Operating Activities	January 01 - December 31, 2023	January 01 - December 31, 2022
Rediscount income	15.727.192	3.867.883
Outstanding Provisions	2.270.527	2.529.382
Insurance and compensation income	1.436.916	31.009
Previous period income and profits	145.966	23.744
Salary promotion income	2.725.600	-
Lump Sum Expense Cancellations	57.607.636	-
Other revenues	5.055.924	2.691.625
<b>Total</b>	<b>84.969.761</b>	<b>9.143.643</b>

The Company's other expenses from main activities for the accounting periods ending on 31 December 2023 and 31 December 2022 are as follows;

Other Expenses From Operating Activities	January 01 - December 31, 2023	January 01 - December 31, 2022
Deferred financial expenses	(12.819.604)	(521.448)
Export Lump Sum Expenses	(19.726.860)	(20.977.647)
Reconciliation and rounding difference expenses	(6.177.109)	(1.338.870)
Provision for Doubtful Receivables	-	(5.369.326)
Other expenses	(5.246.020)	(4.646.236)
<b>Total</b>	<b>(43.969.593)</b>	<b>(32.853.527)</b>



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
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**NOTE 26 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES**

The Company's income from investment activities for the accounting periods ending on 31 December 2023 and 31 December 2022 are as follows;

<b>Income From Investment Activities</b>	<b>January 01 - December 31, 2023</b>	<b>January 01 - December 31, 2022</b>
Investment property value increases	-	127.694.008
Gain on sale of fixed assets	23.165.364	2.285.326
Foreign exchange gains from investment activities	54.002.811	-
Rental income	4.409.426	7.603.101
Gain on sale of marketable securities	-	191.212
Other	4.495.097	52.085
<b>Total</b>	<b>86.072.698</b>	<b>137.825.732</b>

<b>Expenses From Investment Activities</b>	<b>January 01 - December 31, 2023</b>	<b>January 01 - December 31, 2022</b>
Expenses from derivative transactions	-	(1.154.037)
Loss on sales of investment properties	(405.876)	-
Investment property value decreases	(49.307.130)	-
Loss on sale of fixed assets	(501.086)	-
<b>Total</b>	<b>(50.214.092)</b>	<b>(1.154.037)</b>

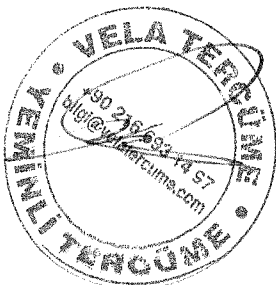
**NOTE 27 - FINANCIAL INCOME / (EXPENSES)**

The details of the Company's financial income for the periods ended December 31, 2023 and December 31, 2022 are as follows

<b>Financial Income</b>	<b>January 01 - December 31, 2023</b>	<b>January 01 - December 31, 2022</b>
Related parts interest income	37.212.509	2.875.909
Interest Income	50.322.658	15.320.196
<b>Total</b>	<b>87.535.167</b>	<b>18.196.105</b>

The details of the Company's financial expenses for the periods ended December 31, 2023 and December 31, 2022 are as follows

<b>Financial Expenses</b>	<b>January 01 - December 31, 2023</b>	<b>January 01 - December 31, 2022</b>
Foreign exchange losses	(210.159.131)	(276.077.447)
Loan interest expenses	(331.376.829)	(155.781.530)
<b>Total</b>	<b>(541.535.960)</b>	<b>(431.858.977)</b>



**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
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**NOTE 28 - TAX ASSETS AND LIABILITIES**

**Deferred tax**

The Company's deferred tax assets and liabilities consist of temporary differences between the financial statements prepared in accordance with TFRS and the Company's legal records. These differences arise from the taxation of income and expenses in different reporting periods in the tables prepared for TFRS and tax purposes.

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of the statement of financial position dates, using the applicable tax rates, is as follows;

Deferred tax assets/(liabilities)	December 31, 2023	December 31, 2022
Investment deduction and previous year losses	216.915.061	137.149.338
Deductible financial damage	-	11.035.792
Provision for Severance Pay	7.058.359	4.079.522
Vacation benefit expenses	3.841.448	2.237.669
Doubtful receivable provision	42.821	358.883
Loan interest accruals	1.007.334	290.503
Other receivables that are impaired	-	67.926
Adjustments to investment properties	(48.418.492)	(42.315.756)
Tangible-Intangible asset depreciation adjustments	(230.127.014)	(112.362.574)
Other	28.048.084	(52.564.357)
<b>Deferred Tax Assets</b>	<b>(21.632.399)</b>	<b>(52.023.054)</b>

The tax income / (expenses) in the Company's profit or loss statement for the accounting periods ending on 31 December 2023 and 31 December 2022 are as follows;

Tax income / (expense) from continuing operations	January 01 - December 31, 2023	January 01 - December 31, 2022
Deferred tax income / (expense)	46.719.084	(65.236.137)
<b>Tax income / (expense), net</b>	<b>46.719.084</b>	<b>(65.236.137)</b>

The movement of the Company's deferred tax assets and liabilities for the accounting periods ending on 31 December 2023 and 31 December 2022 is given below;

Deferred tax assets / (liabilities)	December 31, 2023	December 31, 2022
<b>Opening balance at the beginning of the period</b>	<b>(52.023.054)</b>	<b>(5.434.841)</b>
Accounted in the statement of profit or loss	46.719.084	(65.236.137)
Accounted for related to equity	2.796.789	809.331
Foreign Currency Translation Differences	(19.125.218)	17.838.593
<b>Deferred tax assets / (liabilities)</b>	<b>(21.632.399)</b>	<b>(52.023.054)</b>





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**NOTE 28 - TAX ASSETS AND LIABILITIES (CONTINUED)**

**Corporate Tax**

The Company is subject to corporate tax applicable in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the current period. Corporate tax is payable on taxable corporate income, which is calculated on the tax base remaining after adjusting for certain non-deductible expenses and deducting tax-exempt income, non-taxable income and other deductions (prior year losses, if any, and investment incentives used if preferred).

In Turkey, the corporate tax rate is 25% as of December 31, 2023 (December 31, 2022: %23). Corporate tax rate is applied to the tax base which is calculated by adding non-deductible expenses and deducting exemptions (participation exemption, investment allowance exemption, etc.) and deductions (R&D allowance, etc.). No additional tax is paid if the profit is not distributed.

The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

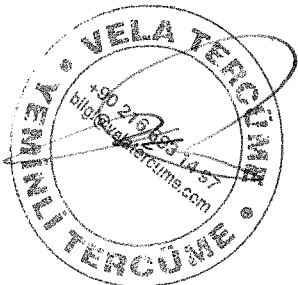
Authorities authorized for tax inspection may examine accounting records retroactively for five years, and if erroneous transactions are detected, they may change tax amounts due to the resulting tax assessment.

*Deductible Financial Damages*

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate earnings, provided that they do not exceed 5 years. But financial losses can not be offsetted from last year's profits.

*Income Tax Withholding*

In addition to corporate taxes, excluding the legally obligated institutions who obtains a share and declares by including the shares in the institution earning in case of allocation and those who allocate to the branches of foreign companies in Turkey, a separate income tax stoppage must be calculated on their share rates. The income tax withholding rate has been determined as 15% until the end of 2021 and 10% in subsequent periods. Addition of profit to capital is not considered as profit distribution. Dividends that are not allocated but included in the capital are not subject to income tax withholding.



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**NOTE 29 RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**Financial Instruments Credit risk**

Credit risk is the risk that a party to a financial instrument will default on a contractual obligation, resulting in a financial loss to the Company. The company is exposed to credit risk due to its trade receivables arising from forward sales and deposits held in banks. The company management reduces the credit risk related to its receivables from customers by setting credit limits separately for each customer and, if necessary, obtaining collateral, by making sales only through cash collection to customers it deems risky. The Company's collection risk may arise mainly from its trade receivables. Trade receivables are evaluated by the Company management, taking into account past experiences and the current economic situation, and are shown net in the statement of financial position after setting aside an appropriate amount of doubtful receivables provision.

The credit risks the Company is exposed to by financial instrument types as of December 31, 2023 and December 31, 2022 are stated below;

December 31, 2023	Receivables				Deposits in Banks
	Trade Receivables		Other Receivables		
	Related party	Other party	Related party	Other party	
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	-	880.094.465	7.569.062	166.958.869	1.509.383.592
- The portion of maximum risk under guarantee with collaterals, etc.	-	-	-	-	-
- The portion of maximum risk under guarantee with collaterals, etc.	-	880.094.465	7.569.062	166.958.869	1.509.383.592
A. Net book value of financial assets that are not depreciated or not impaired	-	-	-	-	-
B. Book value of financial assets whose terms have been renegotiated and would otherwise be considered overdue or impaired	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-
C. Net book value of assets that have been depreciated but not impaired	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-
D. Net book value of assets that are impaired	-	-	-	-	-
- Undue (gross book value)	-	203.536	-	-	-
Impairment (-)	-	(203.536)	-	-	-
- The part of the net value secured by guarantee	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
- The part of the net value secured by guarantee	-	-	-	-	-
E. Off statement of financial position items with credit risk	-	-	-	-	-

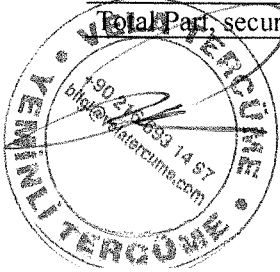
(1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into consideration.

No guarantee has been received for receivables.

(2) Financial assets that are not overdue or impaired are not expected to be impaired in the future and have no credit risk.

(3) The aging analysis of overdue and impaired financial assets as of December 31, 2023 is as follows;

	Receivables	
	Overdue Amount	Doubtful Receivables Provisions
Overdue more than 1 year	203.536	(203.536)
<b>Total</b>	<b>203.536</b>	<b>(203.536)</b>
Total Part, secured with collateral, etc.	-	-



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**NOTE 29 - RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**

(4) There are no guarantees or irrevocable loan commitments received from companies that pose a credit risk.

December 31, 2022	Receivables				Deposits in Banks
	Trade Receivables		Other Receivables		
	Related party	Other party	Related party	Other party	
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	-	618.974.051	151.174.597	128.125.220	126.191.910
- The portion of maximum risk under guarantee with collaterals, etc.	-	-	-	-	-
A. Net book value of financial assets that are not depreciated or not impaired	-	618.974.051	151.174.597	128.125.220	126.191.910
B. Book value of financial assets whose terms have been renegotiated and would otherwise be considered overdue or impaired	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-
C. Net book value of assets that have been depreciated but not impaired	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-
D. Net book value of assets that are impaired	-	-	-	-	-
- Undue (gross book value)	-	1.791.185	-	339.019	-
Impairment (-)	-	(1.791.185)	-	(339.019)	-
- The part of the net value secured by guarantee	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
- The part of the net value secured by guarantee	-	-	-	-	-
E. Off statement of financial position items with credit risk	-	-	-	-	-

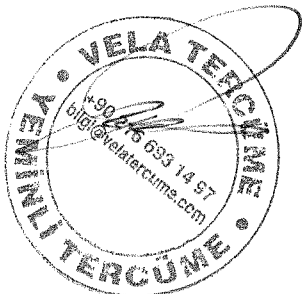
(1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into consideration. No guarantee has been received for receivables.

(2) Financial assets that are not overdue or impaired are not expected to be impaired in the future and have no credit risk.

(3) The aging analysis of overdue and impaired financial assets as of December 31, 2022 is as follows;

	Receivables	
	Overdue Amount	Doubtful Receivables Provisions
Overdue more than 1 year	1.791.185	(1.791.185)
<b>Total</b>	<b>1.791.185</b>	<b>(1.791.185)</b>
Total part secured with collateral, etc.	-	-

(4) There are no guarantees or irrevocable loan commitments received from companies that pose a credit risk.



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**NOTE 29 - RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**

**Interest rate risk**

Fluctuations may occur in the values of financial instruments due to changes in market prices. Such fluctuations may result from price changes in securities or factors specific to the issuer of these securities or factors affecting the entire market. Since the Company does not have financial instruments with variable interest rates, there is no interest rate risk.

**Currency risk**

Foreign currency risk arises from the effects of movements in foreign exchange rates on assets, liabilities and off-balance sheet liabilities denominated in foreign currencies. Foreign currency transactions realized during the period were translated at the exchange rates valid on the transaction dates. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates valid at the end of the period. Exchange rate gains or losses arising from the translation of foreign currency-based monetary assets and liabilities are reflected in the profit/loss statement.

It exceeds the Company's monetary foreign exchange liabilities and monetary foreign currency receivables; If exchange rates rise, the Company is exposed to foreign currency risk.

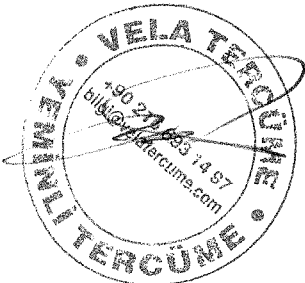
As of 31 December 2023 and 31 December 2022, the Company's foreign currency defined assets and liabilities are as follows;

December 31, 2023	Total TL equivalent	TRY	Euros	GBP
1. Commercial receivables	734.601.254	395.251.294	320.899.072	18.450.888
2a. Monetary financial assets (including cash, bank accounts)	1.334.716.921	1.155.042.843	179.243.424	430.654
2b. Non-monetary financial assets	-	-	-	-
3. Other	216.473.403	207.102.011	7.072.509	2.298.883
4. <b>Current assets (1+2+3)</b>	<b>2.285.791.579</b>	<b>1.757.396.148</b>	<b>507.215.006</b>	<b>21.180.425</b>
5. Commercial receivables	-	-	-	-
6a. Monetary financial assets	110.988.961	110.988.961	-	-
6b. Non-monetary financial assets	21.713.175	21.713.175	-	-
7. Other	-	-	-	-
8. <b>Fixed assets (5+6+7)</b>	<b>132.702.136</b>	<b>132.702.136</b>	-	-
9. <b>Total assets (4+8)</b>	<b>2.418.493.715</b>	<b>1.890.098.284</b>	<b>507.215.006</b>	<b>21.180.425</b>
10. Commercial payables	(191.081.321)	(130.680.262)	(58.843.267)	(1.557.791)
11. Financial liabilities	(1.607.937.421)	(416.496.916)	(1.191.440.505)	-
12a. Other monetary obligations	(11.140.473)	(480.396)	(10.610.816)	(49.261)
12b. Other non-monetary liabilities	-	-	-	-
13. <b>Short-term liabilities (10+11+12)</b>	<b>(1.810.159.215)</b>	<b>(547.657.574)</b>	<b>(1.260.894.588)</b>	<b>(1.607.052)</b>
14. Commercial payables	-	-	-	-
15. Financial liabilities	(372.208.753)	(23.959.879)	(348.248.874)	-
16a. Other monetary obligations	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. <b>Long-term liabilities (14+15+16)</b>	<b>(372.208.753)</b>	<b>(23.959.879)</b>	<b>(348.248.874)</b>	-
18. <b>Total liabilities (13+17)</b>	<b>(2.182.367.968)</b>	<b>(571.617.453)</b>	<b>(1.609.143.463)</b>	<b>(1.607.052)</b>
19. Net asset / (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-
19a. Amount of active off-balance sheet foreign currency derivative products	-	-	-	-
19b. Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-
20. <b>Net foreign currency asset / (liability) Position (9-18+19)</b>	<b>236.125.746</b>	<b>1.318.480.830</b>	<b>(1.101.928.457)</b>	<b>22.787.478</b>
21. <b>Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a- 10-11-12a-14-15-16a)</b>	<b>236.125.746</b>	<b>1.318.480.830</b>	<b>(1.101.928.457)</b>	<b>22.787.478</b>
22. Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-

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**NOTE 29 - RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**

	December 31, 2022	Total TL equivalent	TRY	Euros	GBP
1.	Commercial receivables	300.368.118	128.614.074	166.287.625	5.466.419
2a.	Monetary financial assets (including cash, bank accounts)	150.803.784	150.608.833	194.257	694
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	114.666.137	112.379.343	2.286.794	-
4.	<b>Current assets (1+2+3)</b>	<b>565.838.039</b>	<b>391.602.250</b>	<b>168.768.676</b>	<b>5.467.113</b>
5.	Commercial receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	<b>Fixed assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9.	<b>Total assets (4+8)</b>	<b>565.838.039</b>	<b>391.602.250</b>	<b>168.768.676</b>	<b>5.467.113</b>
10.	Commercial payables	(244.996.223)	(202.398.009)	(41.241.679)	(1.356.536)
11.	Financial liabilities	(1.136.520.061)	(539.014.531)	(597.505.530)	-
12a.	Other monetary obligations	(64.520.484)	(36.845.261)	(27.593.814)	(81.409)
12b.	Other non-monetary liabilities	-	-	-	-
13.	<b>Short-term liabilities (10+11+12)</b>	<b>(1.446.036.768)</b>	<b>(778.257.801)</b>	<b>(666.341.022)</b>	<b>(1.437.944)</b>
14.	Commercial payables	-	-	-	-
15.	Financial liabilities	(285.372.140)	(5.419.118)	(279.953.021)	-
16a.	Other monetary obligations	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	<b>Long-term liabilities (14+15+16)</b>	<b>(285.372.140)</b>	<b>(5.419.118)</b>	<b>(279.953.021)</b>	<b>-</b>
18.	<b>Total liabilities (13+17)</b>	<b>(1.731.408.907)</b>	<b>(783.676.919)</b>	<b>(946.294.044)</b>	<b>(1.437.944)</b>
19.	Net asset / (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-
19a.	Amount of active off-balance sheet foreign currency derivative products	-	-	-	-
19b.	Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-
20.	<b>Net foreign currency asset / (liability) Position (9-18+19)</b>	<b>(1.165.570.868)</b>	<b>(392.074.669)</b>	<b>(777.525.368)</b>	<b>6.905.058</b>
21.	<b>Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.165.570.868)</b>	<b>(392.074.669)</b>	<b>(777.525.368)</b>	<b>6.905.058</b>
22.	Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-



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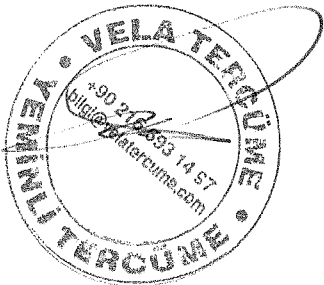
**NOTE 29 - RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**

**Sensitivity Analysis to Currency Risk**

According to the foreign currency position in the statement of financial position as of 31 December 2023 and 31 December 2022, if the Turkish Lira had appreciated / lost 10% against foreign currencies and all other variables had remained constant, in the accounting period ending on the same date, the assets and assets in foreign currency Net loss as a result of foreign exchange gain/loss arising from liabilities is as follows;

	Profit/(Loss)		Equity Capital	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>December 31, 2023</b>				
If TL appreciates by 10% against TL				
1- TL Dollar net asset / liability	131.526.673	(131.526.673)	-	-
2- TL hedged portion (-)	-	-	-	-
<b>3- TL net impact (1+2)</b>	-	-	-	-
If Euro appreciates by 10% against TL				
4- Euro net asset / liability	(110.192.846)	110.192.846	-	-
5- Euro hedged portion (-)	-	-	-	-
<b>6- Euro net effect (4+5)</b>	-	-	-	-
If other currencies appreciate by 10% against TL				
7- Net assets / liabilities in other currencies	2.278.748	(2.278.748)	-	-
8- Hedged portion of other currencies (-)	-	-	-	-
<b>9- Net effect of other currencies (7+8)</b>	-	-	-	-
<b>Total (3+6+9)</b>	<b>23.612.575</b>	<b>(23.612.575)</b>	-	-

	Profit/(Loss)		Equity Capital	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>December 31, 2022</b>				
If TL appreciates by 10% against TL				
1- TL Dollar net asset / liability	(116.158.934)	116.158.934	-	-
2- TL hedged portion (-)	-	-	-	-
<b>3- TL net impact (1+2)</b>	-	-	-	-
If Euro appreciates by 10% against TL				
4- Euro net asset / liability	(367.608)	367.608	-	-
5- Euro hedged portion (-)	-	-	-	-
<b>6- Euro net effect (4+5)</b>	-	-	-	-
If other currencies appreciate by 10% against TL				
7- Net assets / liabilities in other currencies	(30.545)	30.545	-	-
8- Hedged portion of other currencies (-)	-	-	-	-
<b>9- Net effect of other currencies (7+8)</b>	-	-	-	-
<b>Total (3+6+9)</b>	<b>(116.557.087)</b>	<b>116.557.087</b>	-	-



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**NOTE 29 - RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**

**Liquidity risk**

Liquidity risk. It is the possibility that the company will not fulfill its net funding obligations. Events that result in a decrease in fund resources, such as disruptions in the markets or a decrease in credit score, cause liquidity risk to occur. Company management manages liquidity risk by distributing fund resources and keeping sufficient cash and equivalent resources to fulfill its current and potential obligations.

The tables showing the liquidity risk of the Company as of December 31,2023 and December 31,2022 are below;

December 31, 2023	Carrying value	Contracted cash flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Financial Payables	2.373.714.835	2.659.133.447	708.553.630	1.382.049.500	562.014.532	6.515.785
Commercial payables	1.071.586.703	1.079.802.125	1.071.021.090	8.781.035	-	-
Other payables	37.894.226	37.894.226	37.894.226	-	-	-
<b>Total</b>	<b>3.483.195.764</b>	<b>3.776.829.798</b>	<b>1.817.468.946</b>	<b>1.390.830.535</b>	<b>562.014.532</b>	<b>6.515.785</b>

December 31, 2022	Carrying value	Contracted cash flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Financial Payables	1.611.023.125	1.631.623.998	587.138.488	733.498.577	306.872.805	4.114.128
Commercial payables	710.987.708	711.231.344	-	711.231.344	-	-
Other payables	254.509	254.509	254.509	-	-	-
<b>Total</b>	<b>2.322.265.342</b>	<b>2.343.109.851</b>	<b>587.392.997</b>	<b>1.444.729.921</b>	<b>306.872.805</b>	<b>4.114.128</b>

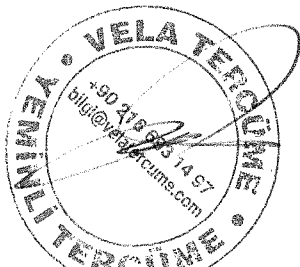
**Capital risk management**

The Company's objectives when managing capital are to maintain the optimal capital structure in order to ensure the continuation of the Company's activities and to reduce the cost of capital in order to provide returns to its partners and benefits to other shareholders.

Company. It monitors capital management using the debt/capital ratio. This ratio is found by dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (which includes short and long-term liabilities as shown in the statement of financial position). Total capital is calculated by adding equity and net debt as shown in the statement of financial position.

The Company's net debt / total capital ratio as of December 31,2023 and December 31,2022 is as follows;

	December 31, 2023	December 31, 2022
Total Liabilities	2.373.714.835	1.611.023.125
Deduction of Liquid Assets	(1.508.058.873)	(126.220.224)
<b>Net Debt</b>	<b>865.655.962</b>	<b>1.484.802.901</b>
Total Shareholders' Equity	2.768.047.202	822.930.068
<b>Total Capital</b>	<b>3.633.703.164</b>	<b>2.307.732.969</b>
<b>Net Debt/Total Capital Ratio</b>	<b>23,82%</b>	<b>64,34%</b>



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(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 30- FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING)**

Fair value refers to the price of a financial instrument that is subject to purchase and sale between willing parties in a current transaction, excluding situations such as forced sale or liquidation. Quoted market price if any. It is the value that best reflects the fair value of a financial instrument. The fair values of the Company's financial instruments have been estimated to the extent that relevant and reliable information can be obtained from the financial markets in Turkey. Estimates presented herein may not reflect amounts the Company could realize in a market transaction. The following methods and assumptions were used to estimate the fair values of the Company's financial instruments.

The methods below and assumptions are used to foresee the values of financial instruments whose reasonable values can be estimated:

**Financial Assets**

Monetary assets whose fair value approaches book value:

- Foreign currency balances are converted at the end-of-period exchange rate.
- It is assumed that the fair values of some financial assets (cash-bank) shown at cost in the statement of financial position are approximate to the values in the statement of financial position.
- It is estimated that the fair value of trade receivables is close to their carrying value after provisions are set aside.

**Financial Liabilities**

Monetary liabilities whose fair value approaches book value:

- The fair values of short-term loans and other monetary liabilities. Because they are short term. Book values are assumed to be approximate.
- It is assumed that the fair value of long-term debts denominated in foreign currencies and translated at the end-of-period exchange rates is equal to the book value.
- It is assumed that the book values of trade payables and accrued expenses, which represent the estimated amounts to be paid to third parties, carried in the statement of financial position, are approximate to market values.

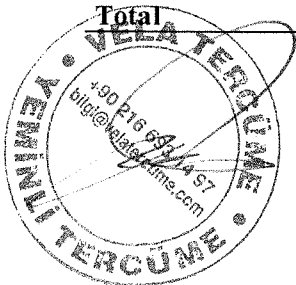
**Derivative Instruments**

Derivative instruments that are held for speculative purposes and do not meet the requirements of hedge accounting are classified as "held for trading" and the fair value changes of these instruments are reflected in profit or loss. Assets related to derivative instruments that are expected to be closed within 12 months following the balance sheet date are presented as current assets and liabilities are presented as short-term liabilities.

The Company's derivative assets and liabilities arising from derivative transactions as of December 31,2023 and December 31,2022 are as follows:

The Company's derivative instruments as of the period ends are explained below:

	December 31, 2023		December 31, 2022	
	Presence	Obligation	Presence	Obligation
Forward Foreign Exchange Purchase / Sale Agreements	-	-	-	1.303.747
Forward Raw Material Purchase/Sale Agreements	-	-	-	-
<b>Total</b>	-	-	-	1.303.747





**MEGA METAL SANAYİ VE TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Amounts expressed in Turkish Lira "TL" unless otherwise indicated)

**NOTE 31 – EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

None.

**NOTE 32 - OTHER MATTERS THAT HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL STATEMENTS OR THAT NEED TO BE DISCLOSED FOR THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS**

None.

**NOTE 33- FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT FIRM**

- a) Independent Audit Fee: 1.800.000 TL (01.01-31.12.2022: 700.000 TL).
- b) Fees for Other Services:
- . Fee for Other Assurance Services: 150.000 TL (01.01-31.12.2022: None.
  - . Fee for Tax Consultancy Services: None (01.01-31.12.2022: None.
  - . Fees for Other Non-Audit Services: None (01.01-31.12.2022: None.

