

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

**UĞURAS KIYMETLİ MADENLER  
SANAYİ VE DIŞ TİCARET ANONİM  
ŞİRKETİ**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2020.

MMB Bağımsız Denetim ve Danışmanlık A.Ş.  
18 April 2022

This report includes 5 pages of independent auditor's report and 39  
pages of financial statements and explanatory footnotes to the  
financial statements.



*Bağımsız Denetim ve Danışmanlık Anonim Şirketi*

**UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ  
TİCARET ANONİM ŞİRKETİ**

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Profit And Loss And Other Comprehensive Income Statement  
Statement Of Changes In Shareholder's Equity  
Statement Of Cash Flow  
Notes to The Financial Statement



**Bağımsız Denetim ve Danışmanlık Anonim Şirketi**

## INDEPENDENT AUDIT REPORT

*To the General Assembly of Uğuras  
Kıymetli Madenler Sanayi ve Dış  
Ticaret Anonim Şirketi*

### A. Independent Audit of Financial Statements

#### 1. Qualified Opinion

For the accounting period ending on the same date with the financial position statement of Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret Anonim Şirketi ("Company") dated 31 December 2020; We have audited the financial statements consisting of the footnotes of the financial statements, including the profit or loss and other comprehensive income statement, the statement of changes in equity and the statement of cash flows, and a summary of significant accounting policies.

In our opinion, excluding the possible effects of the matters stated in the Basis for Qualified Opinion section, the accompanying financial statements present the Company's financial position as of 31 December 2020 and its financial performance and cash flows for the accounting period ending on the same date, in accordance with Turkish Accounting Standards ("TMS") fairly, in all material respects.

#### 2. Basis For Qualified Opinion

Since the independent audit contract between the company and MMB Independent Auditing and Consulting was signed on 02.11.2021, the company could not participate in the cash and inventory count dated 31.12.2020.

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Cumhuriyet Mah. Bengi Sok. Zin D Diamond Sit. No:1FA/11 Çekmeköy / İSTANBUL  
Tel : (0 216) 327 47 20 (pbx) Fax : (0216) 327 09 90



### 3. Key Audit Matters

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

Key Audit Matters	Procedures For Key Audit Matters
Inventories	
As the company consists of revenue transactions based on inventories as of 31 December 2020, accounting principles regarding inventories in the financial statements are explained in detail in Note 7.	<p>Inventories consist of precious metals and foreign currency inventories.</p> <p>Whether the inventories are available, whether there is movement, whether the valuations are made correctly or not, has been checked with counting minutes and valuation studies.</p> <p>Inventory turnover rate is compared with the previous year.</p> <p>The outflow of sales from inventories and their reflection on costs were tested by sampling method.</p>

### 4. Responsibilities of management and those charged with governance for the financial statements

The management of the company is responsible for the preparation of the financial statements in accordance with TFRS, their fair presentation and the internal control it deems necessary to prepare them in a way that does not contain material misstatement due to errors or fraud.

In preparing the financial statements, management is responsible for evaluating the Company's ability to maintain continuity, and it is also responsible for explaining the continuity issues when necessary and using the continuity principle of the business unless there is an intention or obligation to liquidate the Company or terminate the business activity.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### 5. Responsibilities of the Independent Auditor Regarding the Independent Audit of the Financial statements

In an independent audit, our responsibilities as independent auditors are:

Our aim is to obtain reasonable assurance whether the financial statements as a whole are free from errors or fraud, and to issue an independent auditor report that includes our opinion. Reasonable assurance as a result of an independent audit conducted in accordance with the SIA is a high level of assurance, but does not guarantee that any significant faults that may exist will





## **Bağımsız Denetim ve Danışmanlık Anonim Şirketi**

always be detected. Inaccuracies can be caused by errors or fraud. If inaccuracies are reasonably expected to affect the economic decisions of users of financial statements, individually or collectively, based on these statements, these inaccuracies are considered significant.

As a requirement of the independent audit conducted in accordance with the SIA, we use our professional judgment and maintain our professional skepticism throughout the independent audit. We also:

- Risks related to errors or fraud in the financial statements are identified and evaluated; Audit procedures that respond to these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained to underpin our view. (Since cheating may include acts of fraud, fraud, deliberate negligence, false statement, or violation of internal control, the risk of not detecting a material fraud caused by error is higher than the risk of failing to detect a material misstatement.)
- It is evaluated whether the financial statements, including explanations, reflect the overall presentation, structure and content, and the transactions and events underlying these statements in a way that will provide a fair presentation.
- Among the matters reported to those charged with governance, we identify the most important matters, namely the key audit matters, in the independent audit of the current period's financial statements. In cases where the legislation does not allow the disclosure of the matter to the public, or in exceptional cases where the negative consequences of public disclosure are reasonably expected to exceed the public interest arising from the disclosure, we may decide not to disclose the relevant matter in our independent auditor's report.
- In order to express an opinion on the financial statements, sufficient and appropriate audit evidence is obtained about the financial information regarding the businesses or operating segments within the Company. We are responsible for the direction, supervision and conduct of the company audit. We are also solely responsible for the audit opinion we give.

Among other things, we report the planned scope and timing of the independent audit and the key audit findings to those charged with governance, including significant internal control deficiencies we identified during the audit.

We have reported to those charged with governance that we comply with ethical requirements for independence. In addition, we have forwarded all relations and other matters that may be considered to have an impact on independence and, if applicable, relevant measures to those charged with governance.

Among the matters communicated to those charged with governance, we identify the most important matters, namely the key audit matters, in the independent audit of the current period's financial statements. In cases where the legislation does not allow the disclosure of the matter to the public, or in exceptional cases where the negative consequences of public disclosure are reasonably expected to exceed the public interest arising from the disclosure, we may decide not to disclose the relevant matter in our independent auditor's report.



**6. Other Liabilities Arising from Legislation**

1. In accordance with the fourth paragraph of article 402 of the TCC, no significant issue was found as to show that Company's bookkeeping order, financial statements and the Company's articles of association regarding financial reporting were not in compliance with the law and the financial reporting provisions of the Company during the period 31st December 2019.
2. Within the framework of Article 378 of the Turkish Commercial Code No. 6102 ("TCC"), there is no obligation to establish an Early Detection of Risk System and Committee, since the Company's shares are not traded on the stock exchange.
3. In accordance with the fourth paragraph of article 402 of the TCC, the Board of Directors made the required explanations and gave the requested documents within the scope of the audit.
4. According to Article 378 of the Turkish Commercial Code No. 6102, in companies whose shares are traded on the stock exchange, the board of directors establishes an expert committee in order to early detect the causes that endanger the existence, development and continuation of the company, to implement the necessary measures and remedies, and to manage the risk. is responsible for installing, operating and developing the system. According to paragraph 4 of article 398 of the same law, whether the auditor has established the system and authorized committee stipulated in article 378 in order to identify the risks that threaten or may threaten the company in a timely manner and to carry out risk management, if there is such a system, with its structure. The principles explaining the committee's practices are to be determined by the POA, and it is required to prepare a separate report and submit it to the board of directors together with the audit report.

Since the company's shares are not traded in the stock exchange, the board of directors has not established an early risk detection system and committee in accordance with Article 378 of the Turkish Commercial Code No. 6102. The Company does not have an internal audit unit. Company's; Our report, which includes our evaluations on the early detection of risk system and committee, was submitted to the company's board of directors together with the audit report.

Kerim Kuş is the responsible auditor in conducting this independent audit.

Kerim Kuş, SMMM  
Responsible Auditor



MMMB Bağımsız Denetim ve Danışmanlık Anonim Şirketi

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UĞURAS KIYMETLİ MADENLER SAN. VE DİŐ TİC.AŐ.  
INDEPENDENT AUDITED 31 DECEMBER 2020  
FINANCIAL STATUS TABLE

(Amounts are shown in Turkish Lira unless otherwise stated.)

	Footnote Reference	Current Period December 31st, 2020	Past Period December 31st, 2019
<b>ASSETS</b>			
<b>Current Assets</b>		<b>111.762.029</b>	<b>40.124.768</b>
Cash and Cash Equivalents	[3]	74.544.927	19.043.407
<b>Trade Receivables</b>		<b>27.568.969</b>	<b>3.186</b>
- Trade Receivables from Unrelated Parties	[5]	27.568.969	3.186
Stocks	[7]	8.642.448	20.007.757
Prepaid Expenses	[8]	10	0
Other Current Assets	[14]	1.005.675	1.070.418
<b>Assets</b>		<b>11.666.192</b>	<b>11.860.863</b>
<b>Other Receivables</b>	[6]	<b>73</b>	<b>58</b>
- Other Receivables from Unrelated Parties		73	58
Financial Investments	[4]	14.938	14.938
Tangible Assets	[11]	11,642,864	11,838,174
Prepaid Expenses	[8]	1.395	938
Deferred Tax Asset	[16]	6.922	6.755
<b>TOTAL ASSETS</b>		<b>123.428.221</b>	<b>51.985.631</b>



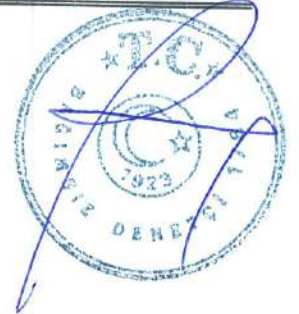
Attached footnotes form an integral part of the financial statements.

UĞURAS KIYMETLİ MADENLER SAN. VE DİŞ TİC.AŞ.  
INDEPENDENT AUDITED 31 DECEMBER 2020  
FINANCIAL STATUS TABLE

(Amounts are shown in Turkish Lira unless otherwise stated.)

	Footnote Reference	Current Period December 31st, 2020	Past Period December 31st, 2019
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>		<b>35.445.808</b>	<b>356.383</b>
Short-Term Borrowings	[4]	29.940.391	271.932
Other Financial Liabilities	[4]	4.143	0
<b>Trade Payables</b>		<b>231.566</b>	<b>68.494</b>
- Trade Payables to Unrelated Parties	[5]	231.566	68.494
Payables within the scope of Employee Benefits	[17]	956	2.418
<b>Other Payables</b>		<b>5.247.624</b>	<b>0</b>
- Other Liabilities to Related Parties	[32]	5.247.624	0
Profit Tax Liability for the Period	[13]	19.885	8.016
Other Short-Term Liabilities	[18]	1.243	5.523
<b>Long-Term Liabilities</b>		<b>1.614.409</b>	<b>375.092</b>
Long-Term Borrowings	[4]	0	123.367
<b>Long-Term Provisions</b>		<b>30.950</b>	<b>28.024</b>
- Long-term provisions for Employee Benefits	[17]	30.950	28.024
Deferred Tax Liability	[16]	1.583.459	223.701
<b>SHAREHOLDERS' EQUITY</b>		<b>86.368.004</b>	<b>51.254.156</b>
<b>Equity of the Parent Partnership</b>		<b>86.368.004</b>	<b>51.254.156</b>
Paid-in Capital	[19]	50.000.000	50.000.000
Other Accumulated Comprehensive Income or Expenses to Be Reclassified in Profit or Loss	[19]	(38.080)	(18.901)
Restricted Reserves Separated from Profit	[19]	71.420	62.075
Additional Capital Contributions of Shareholders	[19]	30.000.000	0
Prior Years' Profits /Losses	[19]	648.485	377.657
Net Profit/Loss for the Period	[19]	5.686.179	833.325
<b>TOTAL LIABILITIES</b>		<b>123.428.221</b>	<b>51.985.631</b>

Attached footnotes form an integral part of the financial statements.

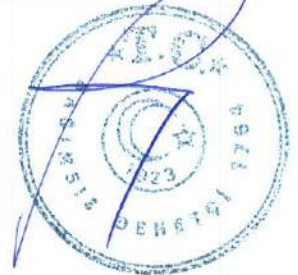


UĞURAS KIYMETLİ MADENLER SAN. VE DİŞ TİC.AŞ.  
INDEPENDENT AUDITED 31 DECEMBER 2020  
PROFIT/LOSS STATEMENT (INCOME STATEMENT)

(Amounts are shown in Turkish Lira unless otherwise stated.)

	Footnote Reference	Current Period December 31st, 2020	Past Period December 31st, 2019
<b>PROFIT OR LOSS PART</b>			
Revenue	[20]	10.191.585.243	4.392.256.312
Cost of Sales(-)	[20]	(10.186.262.259)	(4.396.918.203)
<b>GROSS PROFIT / (LOSS)</b>		<b>5.322.984</b>	<b>(4.661.891)</b>
General Administrative Expenses(-)	[21]	(1.029.749)	(531.764)
Marketing, Sales and Distribution Expenses(-)	[21]	(29.116)	(472.414)
Other Income from Core Operations	[23]	1.355.129	995.030
Other Expenses from Core Activities(-)	[23]	(203.799)	(5.043)
<b>OPERATING PROFIT / (LOSS)</b>		<b>5.415.449</b>	<b>(4.676.082)</b>
Income from Investment Activities	[24]	8.358	6.489
<b>OPERATING PROFIT / (LOSS) BEFORE FINANCE EXPENSES</b>		<b>5.423.807</b>	<b>(4.669.593)</b>
Financial Income	[25]	14.445.675	10.478.596
Financial Expenses(-)	[25]	(12.534.872)	(4.742.549)
<b>PRE-TAX PROFIT / (LOSS)</b>		<b>7.334.610</b>	<b>1.066.454</b>
- Period Tax Expense/Income	[26]	(92.409)	(41.122)
- Deferred Tax Expense/Income	[26]	(1.556.022)	(192.007)
<b>SUSTAINED OPERATIONS PERIOD PROFIT / (LOSS)</b>		<b>5.686.179</b>	<b>833.325</b>
<b>DISCONTINUED OPERATIONS PERIOD PROFIT / (LOSS)</b>		<b>5.686.179</b>	<b>833.325</b>
Earnings Per Share	[27]	0,1137	0,0167
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	[33]	<b>5.686.179</b>	<b>833.325</b>
<b>OTHER COMPREHENSIVE REVENUES</b>			
They Will Not Be Reclassified in Profit or Loss		(1.556.022)	(192.007)
- Deferred Tax Expense (-) / Income		(1.556.022)	(192.007)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(1.556.022)</b>	<b>(192.007)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>4.130.157</b>	<b>641.318</b>

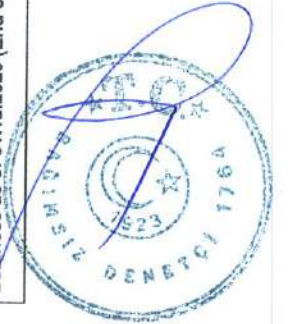
Attached footnotes form an integral part of the financial statements.



UĞURAS KIYMETLİ MADENLER SAN. VE DİŞ TİC.AŞ.  
INDEPENDENT AUDITED 31 DECEMBER 2019  
EQUITY CHANGE TABLE

(Amounts are shown in Turkish Lira unless otherwise stated.)

	Paid-in Capital	Other Accumulated Comprehensive Income and Expenses to Be Reclassified in Profit or Loss		Restricted Reserves Separated from Profit	Accumulated Profits		Sum of Equity
		Additional Capital Contributions of Shareholders	Actuarial Loss / Gains		Past Years Profit/Loss	Net Profit Loss for the Period	
<b>Balances as of 01.01.2019 (Beginning of Period)</b>	25.000.000	-	(2.631)	62.075	295.952	167.386	25.522.782
Transfers	-	-	(16.270)	-	81.705	(167.386)	(101.951)
Total Comprehensive Income / (Expense)	-	-	-	-	-	833.325	833.325
Dividends	25.000.000	-	-	-	-	-	25.000.000
<b>Balances as of 31.12.2019 (End of Period)</b>	50.000.000	-	(18.901)	62.075	377.657	833.325	51.254.156
<b>Balances as of 01.01.2020 (Beginning of Period)</b>	50.000.000	-	(18.901)	62.075	377.657	833.325	51.254.156
Adjustments to Changes in Accounting Policies	-	-	(19.179)	-	-	-	(19.179)
Transfers	-	-	-	9.345	270.828	(833.325)	(553.152)
Total Comprehensive Income / (Expense)	-	-	-	-	-	5.686.179	5.686.179
Capital Increase	-	30.000.000	-	-	-	-	30.000.000
<b>Balances as of 31.12.2020 (End of Period)</b>	50.000.000	30.000.000	(38.080)	71.420	648.485	5.686.179	86.368.004



**Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş**

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

**UĞURAS KIYMETLİ MADENLER SAN. VE DIŞ TİC.AŞ.  
INDEPENDENT AUDITED 31 DECEMBER 2019  
CASH FLOW TABLE***(Amounts are shown in Turkish Lira unless otherwise stated.)*

	Current Period December 31st, 2020	Past Period December 31st, 2019
<b>A. CASH FLOW RESULTING FROM OPERATING ACTIVITIES</b>		
<b>SUSTAINED OPERATIONS PERIOD PROFIT / (LOSS)</b>	5.686.179	833.325
Increase / decrease in Trade Receivables	12.856	3.186
Increase / decrease in Other Receivables	(11.365.309)	-
Increase / decrease in inventories	10	(19.046.405)
Increase / decrease in prepaid expenses	(64.743)	(567)
Increase/decrease in other rotating and non-current assets	(5.247.624)	5.974
Decrease / increase in other debts	-	-
Decrease / increase in corrections related to provisions	-	5.105
Other Adjustments to Non-Cash Items (+/-)	-	-
Adjustments to Losses (Earnings) resulting from Disposal of Financial Investments (+/-)	-	14.938
Adjustments to Other Items Resulting from Cash Flows From Investment or Financing Activities (+/-)	-	(265.210)
Other Adjustments to Net Profit (Loss) Reconciliation for the Period (+/-)	8.604.005	(147.685)
<b>Cash Flows From Operations</b>	<b>(2,374,626)</b>	<b>(18,597,339)</b>
Tax payments (Deferred Tax Asset / Liability), Net	(1.668.946)	(41.122)
<b>Net Cash Flow From Operating Activities</b>	<b>(1.668.946)</b>	<b>(41.122)</b>
Capital Increase	30.000.000	25.000.000
Cash Inflows / (Outflows) related to Financial Debt	29.545.092	(224.202)
<b>Net Cash Flow From Operating Activities</b>	<b>59.545.092</b>	<b>24.775.798</b>
Net Increase in Cash and Cash Equivalents	55.501.520	6.137.337
Cash and Cash Equivalents Per Period	19.043.407	12.906.070
<b>Period-End Cash and Cash Equivalents</b>	<b>74.544.927</b>	<b>19.043.407</b>



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

### 1. ORGANIZATION AND SUBJECT OF ACTIVITY OF THE COMPANY

Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret Anonim Şirketi ("Company"), (Former Title: Uğuras Kuyumculuk ve Değer Madenler Sanayi Dış Ticaret Limited Şirketi) was registered with the Istanbul Trade Registry on January 15, 2007 and numbered 495, dated January 19, 2007 in Turkey It was established by being announced in the Trade Registry Gazette.

Company T.C. Within the framework of the permission and authority given by the Undersecretariat of Treasury, the production, export, import of gold, silver and other precious metals and jewelry for the purpose of intermediation on behalf of itself and on behalf of others, within the framework of the principles determined in the relevant legislation, on precious metals whose standards and purity levels are determined by the Undersecretariat, It is engaged in marketing abroad, manufacturing all kinds of jewelry and wholesale and retail trading of precious metals, manufacturing, selling, importing, exporting, wholesale and retailing of pearls, silver, souvenirs and diamond goods.

The company is a member of the Istanbul Gold Exchange with the number 098, and it was granted permission to operate as a member on 18.05.2009.

The company operates in Turkey and its headquarters is located at Taya Hatun Mahallesi Acı Çeşme Sokak Zincirli Han No:18 K:3 Fatih / İSTANBUL.

As of 31 December 2020, the number of personnel employed in the company is 1 person. (31.12.2019: 3 persons)

As of 31 December 2020, the capital of the company is 50.000.000 TL (31.12.2019: 50.000.000 TL) and the shareholding structure is as follows;

Shareholders	31.12.2020		31.12.2019	
	Share Amount	Percentages of Shares	Share Amount	Percentages of Shares
Uğur UĞURAS	50.000.000	100%	50.000.000	100%
<b>Total Capital</b>	<b>50.000.000</b>	<b>100%</b>	<b>50.000.000</b>	<b>100%</b>
<b>Unpaid Share Capital</b>				
<b>NET CAPITAL</b>	<b>50.000.000</b>		<b>50.000.000</b>	

As announced on page 379 of TTSG dated 25 July 2018 and numbered 9628, the Company is subject to the registered capital system, and its capital is increased from 15.000.000 TL to 25.000.000 TL as announced on the 524th page of TTSG dated 29 July 2019 and numbered 9.878. It has increased its capital from TL 25,000,000 to TL 50,000,000, subject to the registered capital system.

25,000,000 TL of the last increased capital has been met from the receivables of the partners from the company, and there are no debts arising from the capital commitment.

As of 31 December 2020, the Company has no Subsidiaries and Affiliates.



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

### 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

#### 2.1. The Basis of Prensation

##### 2.1.1. Applicable Accounting Standards

The Company keeps and prepares its statutory books and legal financial statements in accordance with the relevant provisions of the Turkish Commercial Code ("TCC") and accounting principles determined by the tax legislation.

The Company keeps its according records in accordance with the relevant provisions of the Turkish Commercial Code and tax legislation. The accompanying financial statements are prepared in accordance with the International Accounting Standards/International Financial Reporting Standards ("IAS/IFRS") and the related appendices and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The unconsolidated financial statements are based on the Company's statutory records and presented in Turkish Lira, and are prepared with adjustments and reclassifications for the purpose of fair presentation in the financial statements of financial position, results of operations and cash flows of the Company, including the notes to the financial statements in conformity with the International Accounting Standards issued by the International Financial Reporting Interpretations Committee.

Preparation of the financial statements in accordance and in conformity with IAS/IFRS requirements requires the use of certain assumptions and significant accounting estimates that will affect the explanatory notes on assets and liabilities, contingent assets and liabilities. Despite the fact that, these assumptions and estimates are based on management's best estimates within the framework of current events and actions, actual results could differ from those estimated. Complicated assumptions and estimates that require more advanced interpretation can have a significant impact on the financial statements.

There are no seasonal and cyclical fluctuations and factors that may significantly affect the Company's activities.

##### 2.1.2. Comparative Information

The financial statements of the Company for the current period are prepared in a manner that is comparative with the statements of the previous period, with the purpose of providing an opportunity for determining the financial status and performance trends. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

##### 2.1.3. Reporting Currency

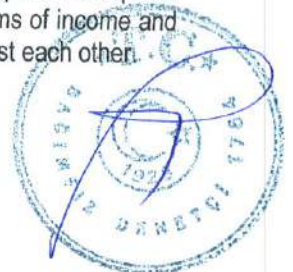
The Company's financial statements are presented in the currency of the primary economic environment (functional currency) in which the Company operates. The financial position and operating results of the Company is stated in Turkish Lira ("TL"), which is the functional and presentation currency for the financial statements.

##### 2.1.4. Going Concern Assumption

The Company's financial statements have been prepared on a going concern basis under the assumption that the company will use its existing assets and reap benefits within the forthcoming years and in the ordinary course of its activities and will continue to fulfill all of its obligations.

##### 2.1.5. Netting/Offsetting

Assets and liabilities included in the financial statements have not been offset against each other except when required or mandatory cases or in cases where allowed within the scope of IAS/IFRS. On the other hand, items of income and expense are only offset when it is required or permitted by IAS/IFRS, or otherwise are not offset against each other.



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

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### 2.1.6.Statement of Compliance with TFRS

The accompanying financial statements keep the accounting records in accordance with the Turkish Commercial Code and tax legislation. The accompanying financial statements have been prepared in accordance with the Turkish Accounting Standards / Turkish Financial Reporting Standards and their annexes and comments ("TMS/TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK").

The accounting policies used in the preparation of the financial statements for the accounting period ending as of 31 December 2018 have been applied consistently with those used in the previous year, except for the new and amended standards and interpretations valid as of 1 January 2018, which are summarized below.

**a)As of 31 December 2018, the new standards in force and the amendments and interpretations to the existing previous standards:**

- **TFRS 9 Financial Instruments Standard;** Effective for annual reporting periods beginning on or after 1 January 2018. This standard replaces TMS 39. It includes the requirements for the classification and measurement of financial assets and liabilities, as well as the expected credit risk model, which will replace the actual impairment loss model currently in use
- **TFRS 15 Revenue from Contracts with Customers Standard;** Effective for annual reporting periods beginning on or after 1 January 2018. The new standard aimed to ensure that the financial reporting of revenue and the total revenues of financial statements are comparable worldwide.
- **Changes in TFRS 15 Revenue from Contracts with Customers;** Effective for annual reporting periods beginning on or after 1 January 2018. These amendments include explanations regarding the implementation guidance determining performance obligations, accounting for intellectual property licenses, and evaluation of whether the business is principal or intermediary (net revenue presentation versus gross revenue presentation).
- These standards and amendments do not have a significant impact on the Company's financial statements.

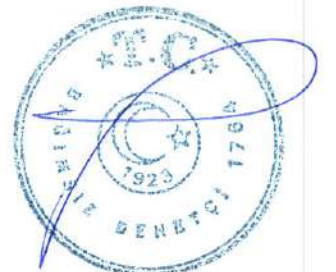
**b) Standards and amendments published but not yet effective as of 31 December 2018**

- **TFRS 16 Lease Transactions Standard;** Effective for annual reporting periods beginning on or after 1 January 2019. Early application is permitted with TFRS 15 Revenue from customer contracts standard. This new standard replaces existing TAS 17 guidance and makes a far-reaching change in accounting for specialty lessors.
- **TAS 28 (Amendments) Long-Term Interests in Associates and Joint Ventures;** This amendment clarifies that an entity applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment of the associate or joint venture but for which the equity method is not applied.
- **TFRS Interpretation 23 Uncertainties Regarding Income Tax Applications;** This Interpretation clarifies how the recognition and measurement requirements in TAS 12 apply when there is uncertainty regarding income taxation.

The possible effects of the said standards, amendments and improvements on the financial position and performance of the Company are being evaluated.

### 2.2. Changes in Accounting Policies

The Company has not made any change in its accounting policies that may affect the presentation of financial statements in a manner providing more relevant and reliable information about the effects of transactions, other events or conditions on the Company's financial position, financial performance, or cash flows. No change is predicted in the accounting policies applied in the foreseeable future.



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### 2.3. Changes in Accounting Estimates and Errors

The preparation of the financial statements requires the use of estimates and assumptions which might affect the amounts of assets and liabilities and disclosure of commitments and contingent liabilities which were reported as at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. In cases where changes in accounting estimates are related to only one period, they are recognized and reflected in the financial statements of the period when these changes are applied, however if changes in accounting estimates are related to future periods, they are recognized and reflected in the financial statements of both the period where the change is applied and in future periods prospectively in a manner to take into account in determination of the net profit or loss for the period.

Any amount corrected is taken into consideration retrospectively. Errors prior years are corrected with a retrospective restatement by restating the comparative amounts for the prior period(s) presented in which the errors occurred or if the error occurred before the next reporting period then by restating the accumulated profits relating to that period. However, in cases where restatement of information leads to an excessive cost, then comparative information relating to prior periods are not restated, and the carrying amount of the assets and liabilities is adjusted for the cumulative effect of the error. The beginning balance of retained earnings is adjusted and restated with the cumulative effect of the error.

#### Fixes for Errors;

The Company did not include derivative financial instruments in the financial statements in the previous period, and the detected error has been corrected by adding it to previous years' profits/losses in the current period, and the total effect of the corrected error on the financial statements is TL 31.915.299.

### 2.4. 1.4 Summary of Significant Accounting Policies

Accounting policies within the scope of IAS/IFRS are certain principles, basis, procedures, rules and applications used by entities in the preparation and presentation of their financial statements.

#### Recognition of Revenue

The Company recognizes revenue in the financial statements when it satisfies its performance obligation by transferring promised goods or services to its customer at a point of time (or over-time). Promised goods and services are deemed to have been transferred to the said customer when control passes to him at a point of time (or over-time).

The Company recognizes revenue in the financial statements in accordance and in compliance with the fundamental principles set out below:

- Identify the contract(s) with the customer(s);
- Identify the performance obligations in the contract;
- Determine the transaction price in the Contract(s);
- Allocate the transaction price to the performance obligations in the Contract(s);
- Recognize revenue when (or as) the entity satisfies each performance obligation.

The Company recognizes a contract with a customer as revenue if all of the following conditions are met:

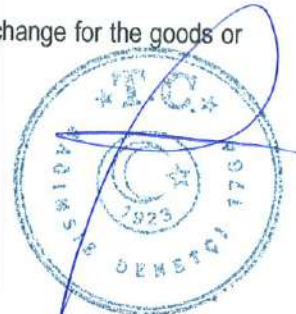
The Contract has been approved by the parties to the contract (either in writing or oral or in accordance with other customs of trade) and each party commits to perform their respective obligations in a proper manner;

The Company can identify each party's rights in relation to the goods or services to be transferred;

The Company can identify the payment terms for the goods or services to be transferred;

the contract has commercial substance

It is probable for the Company that the consideration to which the Company is entitled to in exchange for the goods or services will be collected



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In assessing whether the collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

### Revenue from Sales of Goods

When the Company is involved in providing goods or services to a customer, it determines whether the Company has promised to provide the specified goods or service itself (in other words, the Company is a principal) or to arrange for the specified goods or service to be provided to the customer by the other party (in other words, the Company is an agent). The Company is acting as a principal, if the Company controls the specified goods or service before that good or service is transferred to the customer. In such a case, the Company recognizes revenue in the financial statements when it satisfies its performance obligation by transferring promised goods or services to its customer at a point of time (or over-time). On the other hand, in cases where the Company acts as an agent and arranges for the specified goods or service to be provided to the customer by the other party it does not reflect revenue for the fulfilment of the performance obligation in the financial statements.

In cases where the Company is entitled to collect a consideration directly corresponding to the value of its completed operation from the customer (i.e. the delivery of products/services), the Company accounts for the amount of revenue in the financial statements as far as it has the right to billing (issue an invoice). The Company determines and does not make any adjustments as no significant financing component will have an effect on the promised price, as it expects that the period between the transfer date of the goods or services it has committed to the customer and the date, the customer has paid the price of that goods or services will be one year or less at contract inception.

Pursuant to IFRS 15, the Company elected to apply practical expedient that allows entities to ignore a significant financing component due to the fact that the Company, at contract inception, expects that the period between the customer's payment and the Company's transfer of the goods or services to be one year or less. For this reason, the Company has not made any adjustment to the revenue for the effect of the significant finance component.

The Company does not have any contract assets arising from its contracts with its customers and contract costs to be capitalized with regard to the aforementioned contracts.

### Financial Instruments

#### a) Financial Assets

Financial assets are initially recognized at their acquisition cost, including the transaction costs which is accepted to reflect the fair value of those instruments. The aforementioned purchases and sales are the one which require the delivery of the financial assets within the time interval identified with the established practices and regulations in the market.

Classification and Valuation of Financial Assets;

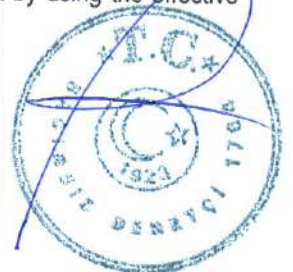
#### i) Financial Assets Measured at Amortized Cost

Financial assets are measured at amortized cost when they meet both of the following conditions:

Financial Assets must be held within a business model whose objective is to hold assets in order to collect contractual cash flows;

The contractual terms relating to financial assets must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using the effective



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interest rate method. The differences between the gross carrying value of a financial assets and its amortized cost are reflected to profit or loss.

### ii) Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are measured at fair value though other comprehensive income when they meet both of the following conditions:

Financial Assets must be held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

### iii) Financial Assets measured at fair value through profit or loss

Any financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

#### Cash and Cash Equivalents

Cash and cash equivalent items consist of cash on hand, deposits at bank including demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash, maturing in 3 months or less and which are subject to an insignificant risk of changes in value.

#### Financial Liabilities

The Company's s financial liabilities and equity instruments are classified according to the definition of a contractual arrangement, a financial liability and a tool based on equity. The contract, which represents the rights of remaining assets after deducting all debts of the Group, is a financial instrument based on equity. The detailed information about the accounting policies applied based upon certain financial liabilities and equity instruments is presented below.

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

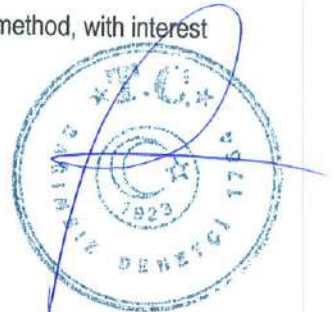
#### Financial Liabilities at Fair Value through profit or loss

Financial liabilities at fair value through profit or loss are accounted for at fair value, and they are revalued at the balance sheet at fair value in each reporting period. The change in fair value is recognized in the income statement. Net gains or losses recognized in the income statement also includes the interest paid for such liability.

#### Other Financial Liabilities

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.



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The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### Recognition and derecognition of financial assets and liabilities

All purchases and sales of financial assets and liabilities are recognized on the transaction date, in other words, the date the Company commits to purchase or sell the asset. The aforementioned purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognized where;

the rights to receive cash flows from the asset have expired

the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

(the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the consolidated financial statements.

On the other hand, financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expire

### Inventories

Inventories are assets held for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Advances to suppliers are classified as current assets until the relevant inventory item is recognized.

Inventories are measured at the lower of cost or net realizable value. Costs of inventories consist of all purchasing costs, conversion costs and other costs that have been borne to bring the inventories to their present condition and situation. Conversion costs consist of costs similar to labour costs, which directly related with production; those costs also include systematically allocation of fixed and variable production costs that support to process materials to finished products. The cost of inventories is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs to make the sale.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories may not be carried on the accounting records and in financial statements at a value greater than their realizable value which is expected to be obtained from their use or sale. In cases where the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The amount to be reversed is limited to the amount of the original write-down.

The company uses the weighted average cost method in calculating the cost of inventories.



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### Investment Property

Investment properties are properties held to earn rentals and/or capital appreciation and they are stated at cost less accumulated depreciation and impairment losses, if any. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. In which the relevant property is retired from use or disposed. Gains/losses arising from sales or disposal or being retired or withdrawn from use are recognized in the income statement in the period in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property that is measured at fair value to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property subsequently becomes an investment property that is measured at fair value, the Company accounts for such property in accordance with the policy stated under the "Property, Plant and Equipment" up to the date of change in use.

The Company does not have any investment property.

The company values its investment properties at cost.

### Property, Plant and Equipment [PP&E] (Tangible Fixed Assets)

Physical assets which are held and estimated to be used more than one period by the Company for the purpose of producing goods and/or provision of services, or for rental purposes (for assets other than immovable property) for administrative purpose are stated at their historical value within the scope the cost model.

The acquisition cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs and expenses associated with their repair and maintenance are reflected in the statement of profit or loss during the reporting period in which they are incurred. The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company

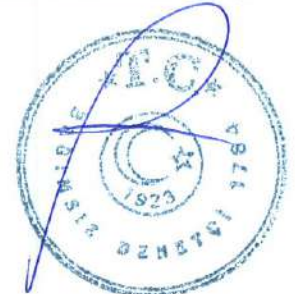
Leasehold improvements consist of expenses made to the rented property. Leasehold improvements are depreciated over the shorter period of estimated useful life in cases where its useful life is longer than the lease term or over its lease term

Depreciation of a tangible asset starts from the time when the asset is available for use. Depreciation shall continue to be applied even in the periods when the asset is idle.

The estimated useful lives, residual values and depreciation method are reviewed on each reporting period on a regular basis, and accordingly it is looked at whether the depreciation method and deprecation period are in line with the economic benefits to be obtained or derived from the relevant asset, and in case of necessity the relevant depreciation method and/or deprecation period is adjusted accordingly and then restated in the accounting records and financial statements.

Revaluation Method:

The Company values a part of its tangible assets using the revaluating method.



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

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### Cost Method

Tangible fixed assets (property, plant and equipment) are recorded at their historical cost less accumulated depreciation and accumulated impairment losses.

Tangible fixed assets under development or construction for administrative purposes or for other purposes not determined yet are carried at cost, less any impairment cost, if any. Legal fees, charges and expenses are also added to costs. Such assets are depreciated, on the same basis used for other fixed assets, when they are ready to use.

Tangible fixed assets (property, plant equipment), other than construction in progress, are depreciated over their expected useful lives by using the straight-line method. The estimated useful life, residual value, and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis

Any gain or loss arising on the disposal or retirement of a tangible fixed asset (property, plant or equipment) is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of income.

Tangible Asset	Useful Life	Useful Life
	December 31st, 2020	December 31st, 2019
Buildings	2-50 years	2-50 years
Machinery and equipment	4-25 years	4-25 years
Vehicles	5 years	5 years
Assets	3-5 years	3-5 years

### Intangible Fixed Assets

Intangible fixed assets purchased

Purchased intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and depreciation method are reviewed every year in order to determine the possible effects of the changes in the estimates and the changes in the estimates are accounted for prospectively.

### Computer Software

Purchased computer software is capitalized over the costs incurred during its purchase and during the period from purchase until it is ready for use.

### Derecognition Of Intangible Fixed Assets

An intangible asset is derecognised when it is disposed of or when future economic benefits are not expected from its use or sale. The profit or loss resulting from the derecognition of an intangible asset is calculated as the difference between the net proceeds from the disposal of the assets and their carrying amount, if any. This difference is recognized in profit or loss when the related asset is derecognised

Intangible Asset	Useful Life	Useful Life
	December 31st, 2020	December 31st, 2019
Rights	3-10 years	3-10 years
Other intangible assets	3-15 years	3-15 years



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

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### Impairment of Assets

Intangible assets such as goodwill which has indefinite useful life are not subject to amortization. An impairment test is applied for these assets on an annual basis. Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the relevant asset's book value (carrying amount) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels (cash generating units) for which there are separately cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

### Borrowing Costs and Loans Received

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale (qualifying assets) are added to the cost of the said asset until such asset is ready for its intended use or sale. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### Effects of Changes in Foreign Currency Exchange Rates

The Company's financial statements are presented in the currency of the primary economic environment (functional currency) in which the Company operates. The financial position and operating results of the Company is stated in Turkish Lira ("TL"), which is the functional and presentation currency for financial statements.

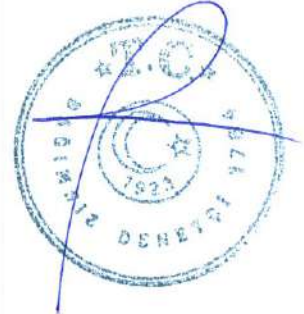
In preparing the Company's financial statements, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated into Turkish Lira using the foreign exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into Turkish Lira at the rates prevailing at the date when the fair value was determined. On the other hand, non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences arising from translations to TL from original foreign currencies are recognized in the statement of profit or loss in the relevant period, except for the following:

Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.

Exchange differences on transaction entered into in order to hedge certain risks arising from foreign currency risks (hedge accounting policies to provide protection against foreign exchange rate fluctuations are explained in the following sections;

- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

For the periods ended as of 31 December, foreign currency parity is as follows:

	Currency Position	
	31.12.2020	31.12.2019
USD(USD)/TL	7,3405	5,9402
Euro (EUR)/TL	9,0079	6,6506
Swiss franc (CHF)/TL	8,2841	6,0932
Danish Krone (DKK)/TL	1,2090	0,8890
British Pound (GBP)/TL	9,9438	7,7765
Japanese Yen (JPY)/TL	7,0930	5,4291
Gold (XAU)/TL	444,1409	290,3455
Silver (XGU)/TL	6,2736	3,4300

### Earnings per Share- Earnings per Share from Continuing Operations/Activities

Earnings per share are calculated by dividing the net profit/loss generated from the continuing operations for the current year by the weighted average number of the Company's ordinary shares outstanding in the relevant period. Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from its retained earnings and free reserves. For the purpose of earnings per share computations, such Bonus Share issuance are regarded as issued shares. Accordingly, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares, i.e. bonus shares to existing shareholders from its retained earnings and free reserves. For the purpose of earnings per share calculations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued

For the purposes of the calculation of earnings per share, there is no preferred stock or a potential share with dilution effect.

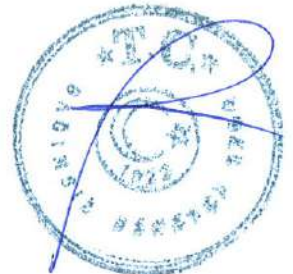
### Subsequent Events (Events after the Reporting Period)

Events after the balance sheet date or reporting period refer to the events that occur, happen or arise in favor of or against the Company between the balance sheet date and date on which the Board of Directors approved the financial sheets for issuance. Two types of events are defined depending on whether an adjustment is required to be made:

adjusting events that provide further evidence of conditions that existed at the reporting date and result in adjustments to the financial statements, and

Non-adjusting events that are indicative of a condition that arose after the ending of the reporting period (and those events that do not result in adjustment to the financial statements. They should be disclosed if of such importance that non-disclosure would affect the ability of the users to make proper evaluations and decision.

In the accompanying financial statements of the Company, adjusting events that require adjustment to the financial statements are recorded whereas non-adjusting events are disclosed in the notes.



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

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### Provisions, Contingent Assets and Contingent Liabilities

#### Provisions

The Company is required to recognize a provision in respect of an event when it is a present obligation, whether legal or implied, which arises from a past obligating event, and the outflow of economic benefits to satisfy the obligation must be probable and the amount of economic benefits required to satisfy the obligation must be reliably estimated. If the criteria referred to above is not satisfied then the Company discloses these matters in the relevant notes. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values.

#### Contingent Liabilities

The liabilities that fall within this category are possible obligations arising from past events whose existence will only be confirmed on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the entity and, accordingly considered as contingent liabilities and are not included in the financial statements. This is because it is not probable that an outflow of resources embodying economic resources will be required to settle the obligation or the amount of the liability cannot be measured reliably. The Company discloses its contingent liabilities in the notes to the financial statements unless possibility of outflow of resources embodying economic benefits is remote.

#### Contingent Assets

The Company considers the assets arising from past events whose existence will only be confirmed on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Company as contingent assets. In cases where inflow of resources embodying economic benefits into the Company is not certain, then contingent assets are disclosed in the notes to the financial statements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Related Parties

The Company's related parties include entities that can directly or indirectly control or significantly affect the counterparty through shareholding, ownership of shares, contractual right, family relationship or similar means. In the accompanying financial statements, the shareholders of the Company and the companies owned by such shareholders, their key management personnel and other companies known to be related are defined as related parties.

In case of presence of any of the following criteria, the party is considered related to the Company:

Directly, or indirectly through one or more intermediaries, if such party:

Controls or is controlled by the Company or

Is under common control with the Company (including parent, subsidiaries and fellow subsidiaries);

Has an interest in the Company that gives it significant influence over the Company or has joint control over the Company;

Such party is an affiliate or associate of the Company;

Such party is a joint venture in which the Company is a venturer;

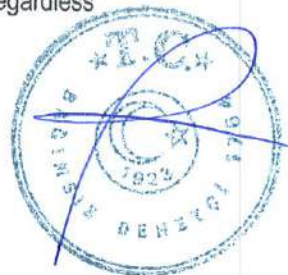
Such party is a member of the key management personnel of the Company or its parent;

Such party is a close member of any individual referred to in (i) or (iv);

Such party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (iv) above or

Such party is a post-employment benefit plan for the benefit of employees of the Company or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.



### **Tax calculated on the basis of the Company's Earnings**

Income tax expense, consists of the total sum of the tax payable for the period and deferred tax expense.

The current tax liability is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted or substantively enacted as of the reporting date.

### **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding statutory tax bases which are used in the computation of taxable profit using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences whereas deferred tax assets are recognized for all deductible temporary differences to the extent that it is most probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable commercial profit/loss nor the accounting profit/loss.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is most probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future

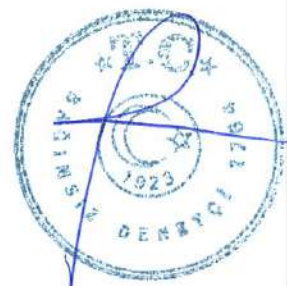
The carrying amount of the deferred tax assets is reviewed at each balance sheet date. The carrying amount of the deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a netting basis.

### **Current and deferred tax basis for the period**

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity (in which case the tax is also recognized directly in equity with the related transaction) or in cases where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is considered in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

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### Employee Benefits and Severance (Termination) Pays

In Turkey, pursuant to the provisions of the relevant applicable law and collective labor agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as defined retirement benefit plans in accordance with the TAS 19 "Employee Benefits Standards" ("TAS 19).

The retirement benefit obligation recognized in the balance sheet represents the net present value of the total defined benefit obligation due to retirement of all employees. All actuarial gains and losses calculated are recognized in the statement of other comprehensive income.

### Reporting of Cash Flow

The Company prepares cash flow statements to provide users of financial statements with the changes in its net assets, financial structure and its professional ability to manage the amounts and timing of its cash flows according to the changing conditions. In the cash flow statement, cash flows for the period are reported by classifying them according to and based on operating, investing and financing activities.

Cash flows from operating activities represent cash flows generated from main business operations of the Company. Cash flows from investing activities represent cash flows used by the Company in its investing activities (investments in property, plant and equipment and financial investments) and cash flows generated by the Company in its investing activities. On the other hand, cash flows from financing activities represent the resources used by the Company in its financing activities and their repayment. Cash and cash equivalents include cash on hand, bank deposits and other short-term investments with due date of three months or shorter, which can easily be turned into cash, has high liquidity and the risk of change of value is insignificant.

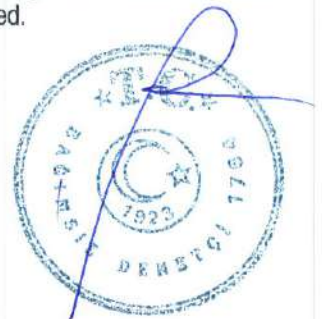
### Capital and Dividends

Ordinary shares are classified as shareholders' equity. Dividends are reflected in the financial statements as liability in the period in which they are declared as an element of profit distribution.

### Critical Accounting Judgments and Key Sources of Estimates of Uncertainty

The preparation of the financial statements requires the Company management to make estimates and assumptions which might affect the amounts of assets and liabilities and disclosure of commitments and contingent liabilities which were reported as at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Although these estimates and assumptions are based on the best estimates and knowledge of the Company's management on the existing events and operations the actual results may differ from those estimate and assumptions. The estimates and assumptions are reviewed on a regular and consistent basis and all necessary adjustments are made and restated in the relevant profit and loss statement.

Preparation of the financial statements in accordance and in conformity with IAS/IFRS requirements requires the use of certain assumptions and significant accounting estimates that will affect the explanatory notes on assets and liabilities, contingent assets and liabilities. Despite the fact that, these assumptions and estimates are based on management's best estimates within the framework of current events and actions, actual results could differ from those estimated.



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Notes used in these estimates are as follows:

Note 5 – Trade receivables, trade payables

Note 11– Tangible fixed assets

Note 12– Intangible fixed assets

Note 17 – Provisions for employee benefits

Note 26 – Tax assets and liabilities

### 3. CASH AND CASH EQUIVALENTS

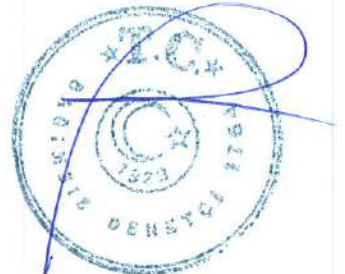
As of 31 December 2020 and 31 December 2019, the details of cash and cash equivalents are as follows:

Cash and Cash Equivalents	31.12.2020	31.12.2019
<b>Cash</b>	<b>821.291</b>	<b>241.877</b>
- Turkish Lira (TL)	155.946	87.095
- USD(USD)/TL	644.579	71.708
- Euro (EUR)/TL	20.766	83.074
<b>Banks</b>	<b>73.723.636</b>	<b>18.801.530</b>
Term Deposit - TL	2.158.984	53.456
Term Deposit - Foreign Currency	71.564.652	18.748.074
- Term Deposit - USD	71.327.319	18.561.648
- Term Deposit - EUR	237.333	186.426
<b>Sum</b>	<b>74.544.927</b>	<b>19.043.407</b>

As of 31 December 2020, the Company has no blocked accounts (31 December 2019: None.).

The foreign currency position of Cash and Cash Equivalents is as follows:

Currency Position	31.12.2020		31.12.2019	
	Original Money	TL Provision	Original Money	TL Provision
Turkish Lira (TL)	2.314.930	2.314.930	140.551	140.551
USD(USD)/TL	9.804.768	71.971.898	2.801.756	18.633.356
Euro (EUR)/TL	28.653	258.099	40.523	269.500
<b>Sum</b>		<b>74.544.927</b>		<b>19.043.407</b>



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

### 4. FINANCIAL INVESTMENTS

<b>Long-Term Financial Investments</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Other Financial Assets	14.938	14.938
<b>Sum</b>	<b>14.938</b>	<b>14.938</b>

Financial investments consist of Istanbul Gold Exchange Shares acquired as a member in return for registration in the Istanbul Gold Exchange.

<b>Short-Term Borrowings</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Bank Loans	29.800.000	-
Current instalments & interests of long term loans	140.391	271.932
<b>Sum</b>	<b>29.940.391</b>	<b>271.932</b>

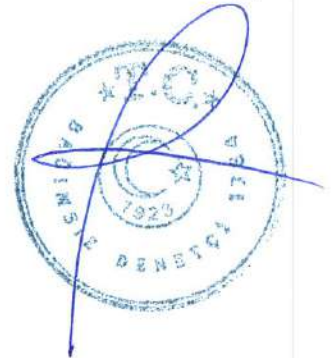
<b>Long-Term Borrowings</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Bank Loans	-	123.367
<b>Sum</b>	<b>-</b>	<b>123.367</b>

Bank loans consist of 72-month TL loans used in 2015 for real estate acquisition.

a) The maturities of bank loans are as follows.

<b>Loans</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
0-3 months	29.940.391	71.307
4-12 months	-	200.626
1-5 years	-	123.367
<b>SUM</b>	<b>29.940.391</b>	<b>395.299</b>

<b>Other Short and Long Term Financial Liabilities</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Other Financial Liabilities (Short Term)	4.143	-
<b>Sum</b>	<b>4.143</b>	<b>-</b>



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

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### 5. TRADE RECEIVABLES AND TRADE DEBTS

As of 31 December 2019, the average maturity of trade receivables is 30 days.

<b>Short-Term Trade Receivables</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
Buyers	12.856	3.186
Deposits and Guarantees	27.556.113	-
<b>Sum</b>	<b>27.568.969</b>	<b>3.186</b>

Futures and Options Market (VIOP) collaterals are included under the Deposits and Guarantees Given account.

VIOP Markets are markets that have the same risk of gain and loss in the leverage system, which allows high volume transactions with small collateral, and which also has a loss risk as well as high profit potential in the Leverage system.

The collateral system that allows trading in VIOP includes the risk of loss if effective collateral management is not implemented. In order for the investor to carry the position he has opened, the collateral must not fall below the initial margin. Positions that fall below the initial margin are automatically closed by the system as per the legislation. Therefore, the investor may lose his position without realizing his trading strategy. In order to avoid these situations, it is aimed not to open a position with the entire balance, and to protect the position by keeping the balance in the account above the initial margin.

All transactions in the Futures Options Exchange are under the control of Takasbank and daily settlement is made.

The company does not have any uncollectible receivables.

<b>Currency Position</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
	<b>Original Money</b>	<b>TL Provision</b>	<b>Original Money</b>	<b>TL Provision</b>
Turkish Lira (TL)	22.484.303	22.484.303	3.186	3.186
USD(USD)/TL	692.687	5.084.666	0	0
<b>Sum</b>		<b>27.568.969</b>		<b>3.186</b>

<b>Liquidity Position</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
0 - 3 months	27.568.969	3.186
<b>Sum</b>	<b>27.568.969</b>	<b>3.186</b>

As of 31 December 2020, the average maturity of trade payables is 30 days.

The borrowing limits of the company under the responsibility of Takasbank have been determined in TL, and debt receivables are closed at the end of each day.

<b>Short-Term Trade Payables</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
Buy	12.084	767
Other Trade Payables	219.482	67.727
<b>Sum</b>	<b>231.566</b>	<b>68.494</b>



**Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş**

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<b>Currency Position</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
	<b>Original Money</b>	<b>TL Provision</b>	<b>Original Money</b>	<b>TL Provision</b>
Turkish Lira (TL)	231.566	231.566	68.494	68.494
<b>Sum</b>		<b>231.566</b>		<b>68.494</b>

<b>Trade Payables Liquidity Position</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
0 - 3 months	231.566	68.494
<b>Sum</b>	<b>231.566</b>	<b>68.494</b>

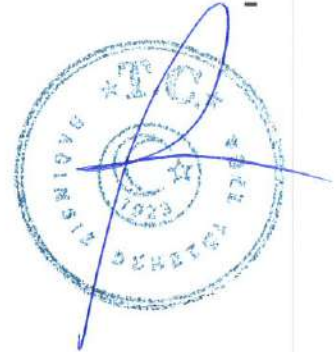
**6. OTHER RECEIVABLES AND OTHER LIABILITIES**

<b>Other Long-Term Receivables</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Long-Term Deposits and Guarantees	73	58
<b>Sum</b>	<b>73</b>	<b>58</b>

<b>Currency Position</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
	<b>Original Money</b>	<b>TL Provision</b>	<b>Original Money</b>	<b>TL Provision</b>
USD(USD)/TL	10	73	10	58
<b>Sum</b>		<b>73</b>		<b>58</b>

<b>Liquidity Position</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Sight	58	51
<b>Sum</b>	<b>58</b>	<b>51</b>

<b>Other Short-Term Liabilities</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Debts to Partners	5.247.624	-
<b>Sum</b>	<b>5.247.624</b>	<b>-</b>



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**7. STOCKS**

<b>Stocks</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Commercial goods	8.642.448	20.007.757
<b>Sum</b>	<b>8.642.448</b>	<b>20.007.757</b>

<b>Effective and Precious Metal Stocks</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
	<b>Quantity</b>	<b>TL Provision</b>	<b>Quantity</b>	<b>TL Provision</b>
HAS GOLD	12.074.69 Gr.	6.723.479	62.522.67 Gr.	18.593.845
ATA GOLD	232 Ad.	446.826	232 Ad.	446.136
FULL GOLD	23 Name.	43.070	23 Name.	43.605
HALF GOLD	63 Name.	58.987	63 Name.	59.117
QUARTER GOLD	1,832 Ad.	857.655	1,832 Ad.	859.541
SILVER	81680.37 Gr.	512.430	1,680,37 Gr.	5.513
<b>Sum</b>		<b>8.642.448</b>		<b>20.007.757</b>

Stock counts were not included in the audit studies. Inventories are valued using the average cost method. The company's audit day closing count was made and verified by the retrospective method. Net realizable value has been calculated by deducting the necessary completion and marketing expenses to sell from the estimated selling value. Pure gold, which is the first material, and processed gold, which is included in jewelry products and commercial goods, were valued at the closing price of the Istanbul Gold Exchange. The pure gold amounts in the finished goods and commercial goods were determined by the milliem calculation, and the original material was collected and evaluated with the pure amounts in the material. Precious stones and jewelry in commercial goods were followed at their cost due to the lack of an organized exchange of related securities.

**8. PAID EXPENSES AND DEFERRED INCOME**

<b>Short Term - Prepaid Expenses</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Order Advances Issued	10	-
<b>Sum</b>	<b>10</b>	<b>-</b>

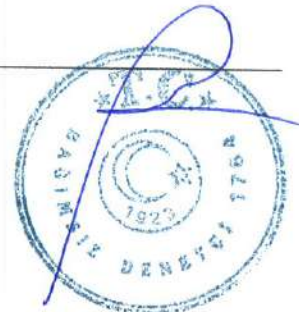
<b>Long Term - Prepaid Expenses</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Expenses for Future Years	1.395	938
<b>Sum</b>	<b>1.395</b>	<b>938</b>

There are no Short Term - Deferred Income. (31.12.2019 : Not available.)

There are no Long Term - Deferred Income. (31.12.2019 : Not available.)

**9. INVESTMENTS VALUED BY EQUITY METHOD**

Not available (31 December 2019: None)



**Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş**

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

**10. INVESTMENT PROPERTIES**

Not available (31 December 2019: None).

**11. TANGIBLE ASSETS**

<b>Tangible Assets</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Buildings	12.336.896	12.336.896
Vehicles	200.548	200.548
Assets	198.775	135.463
Accumulated Depreciations (-)	(1,093,355)	(834,733)
<b>Sum</b>	<b>11,642,864</b>	<b>11.838.174</b>

<b>Tangible Assets</b>	<b>31.12.2018</b>	<b>Entrance</b>	<b>Exit</b>	<b>31.12.2019</b>	<b>Entrance</b>	<b>Exit</b>	<b>31.12.2020</b>
Buildings	12.336.896	0	0	12.336.896	0	0	12.336.896
Vehicles	200.548	0	0	200.548	0	0	200.548
Assets	129.490	5.973	0	135.463	63.312	0	198.775
<b>Sum</b>	<b>12.666.933</b>	<b>5.974</b>	<b>0</b>	<b>12.672.907</b>	<b>63.312</b>	<b>0</b>	<b>12.736.219</b>

<b>Depreciation of Tangible Assets</b>	<b>31.12.2018</b>	<b>Entrance</b>	<b>Exit</b>	<b>31.12.2019</b>	<b>Entrance</b>	<b>Exit</b>	<b>31.12.2020</b>
Buildings	255.311	246.738	0	502.049	246.738	0	748.787
Vehicles	200,548	0	0	200,548	0	0	200.548
Assets	122,088	10.048	0	132,136	11.884	0	144.020
<b>Sum</b>	<b>577.947</b>	<b>256.786</b>	<b>0</b>	<b>834.733</b>	<b>258.622</b>	<b>0</b>	<b>1.093.355</b>

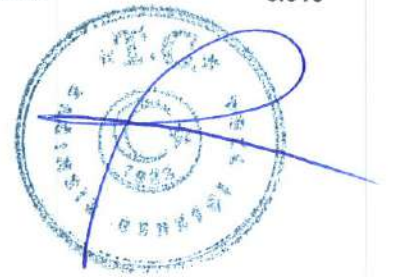
<b>Total Tangible Assets (Net)</b>	<b>12,088,986</b>			<b>11,838,174</b>			<b>11,642,864</b>
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**12. INTANGIBLE ASSETS**

Not available (31 December 2019: None)

**13. ASSETS RELATED TO CURRENT PERIOD TAX / PERIOD PROFIT TAX LIABILITY**

<b>Profit Tax Liability for the Period</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Corporate tax payable - current	92.409	41.122
Prepaid tax and other legal payables (-)	(72.524)	(33.106)
<b>Sum</b>	<b>19.885</b>	<b>8.016</b>



**Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş**

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Footnotes for Financial Statements

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<b>Profit Tax Liability for the Period</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Commercial profit / loss	385.859	181.873
Financial Profit	420.040	186.916
<i>Profit to be taxed (22%) (Previous Period 22%)</i>	420.040	186.916
<b>Tax Liability</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<i>Calculated tax liability (22%)</i>	92.409	41.121
<i>Prepaid Tax</i>	(72.524)	(33.106)

**14. OTHER REVOLVING ASSETS / OTHER SHORT-TERM LIABILITIES**

<b>Other Current Assets</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Transferable Value Added Tax	1.005.675	1.070.418
<b>Sum</b>	<b>1.005.675</b>	<b>1.070.418</b>

<b>Other Short-Term Liabilities</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Taxes and Funds to Be Paid	1.243	5.523
<b>Sum</b>	<b>1.243</b>	<b>5.523</b>

**15. GOVERNMENT INCENTIVES AND BENEFITS**

Not available (31 December 2019: None)

**16. PROVISIONS / CONDITIONAL ASSETS AND LIABILITIES**

<b>Conditional Entities</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Guarantees Received	-	-
<b>Sum</b>	<b>-</b>	<b>-</b>

<b>Conditional Obligations</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
İst.GOLD EXCHANGE-DENIZBANK (350.000 USD.)	2.569.175	2.079.070
İst.GOLD EXCHANGE-DENIZBANK (300.000 USD.)	2.202.150	1.782.060
İst.GOLD EXCHANGE-DENIZBANK (350.000 USD.)	2.569.175	2.079.070
İST.ANADOLU 2.İCRA MÜD. - DENIZBANK (TL)	143.000	143.000
<b>Sum</b>	<b>7.483.500</b>	<b>6.083.200</b>



## Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

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Footnotes for Financial Statements

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### Issued by the Company

<b>GPMs (Guarantee - Pledge-Mortgages)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
A GPMs given on behalf of its own legal entity	7.483.500	6.083.200
B GPM's given in favor of partnerships included in full consolidation	-	-
C GPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	-	-
D Other given GPMs	-	-
- GPM's given in favor of the main partner	-	-
- GPM's given in favor of other group companies that are not in the scope of B and C.	-	-
- GPM's given in favor of 3rd parties that are not in the scope of article C	-	-
<b>Sum</b>	<b>7.483.500</b>	<b>6.083.200</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Ratio of other GPMs to equity	8,66%	11,87%

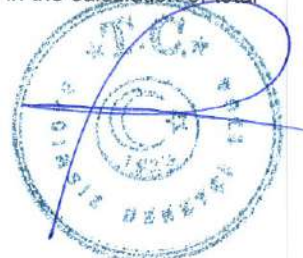
### 17. BENEFITS FOR EMPLOYEES

<b>Payables within the scope of Employee Benefits</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Debts to Staff	-	-
Sauce to Pay. Interruptions	956	2.418
<b>Sum</b>	<b>956</b>	<b>2.418</b>
<b>Long-Term Provisions for Employee Benefits</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Severance Pay	30.950	28.024
<b>Sum</b>	<b>30.950</b>	<b>28.024</b>

#### Severance Pay Provision Expense

Within the framework of the applicable laws regulating the working life and employment conditions and pursuant to the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service with the Company and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service for men and 20 years for women or reaches the retirement age (58 for women and 60 for men).

Retirement pay liability (termination benefits pay) is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 ("Employee Termination Benefits") requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:



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<b>Assumptions</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Projected uptime	Retirement	Retirement
Severance ceiling	7.117,17	6.379,86
Projected rate hike	9,08%	9,08%
Discount rate	0,57%	0,57%
Compensation rate (average)	61,17%	69,51%
	<b>31.12.2020</b>	<b>31.12.2019</b>
DB Liability	<b>28.024</b>	<b>14.146</b>
Period Payment	(12.056)	-
Interest cost	1.018	2.743
Current service	2.759	1.018
Loss Resulting from Payment/Cancellation	(8.802)	(6.980)
Actuarial Loss Gain	20.008	17.097
<b>DS Liability</b>	<b>30.951</b>	<b>28.024</b>

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of 31 December 2020 and 31 December 2019, provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

**18. OTHER ASSETS AND LIABILITIES**

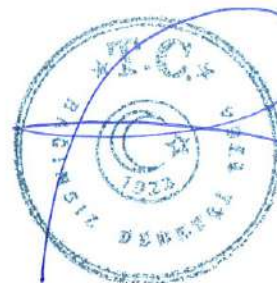
There are no other assets and liabilities. (31 December 2019: NONE.)

**19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS***i) Minority Interest*

The Company does not have any non-controlling interests at the end of the period.

*ii) Capital / Capital Adjustments Due to Cross-Ownership*

<b>Capital</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Capital	50.000.000	50.000.000
<b>Sum</b>	<b>50.000.000</b>	<b>50.000.000</b>



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As of 31 December 2019, the shareholders and their share ratios are as follows:

Shareholder	31.12.2020		31.12.2019	
	Share Amount	Partnership Share	Share Amount	Partnership Share
Ugur UĞURAS	50.000.000	100%	50.000.000	100%
<b>Total Capital</b>	<b>50.000.000</b>	<b>100%</b>	<b>50.000.000</b>	<b>100%</b>
<b>Outstanding Capital</b>				
<b>NET CAPITAL</b>	<b>50.000.000</b>		<b>50.000.000</b>	

**Number of shares and share groups and privileges:**

As of 31 December 2020, the Company's capital consists of 50,000 shares, each with a nominal value of TL 1,000. (31 December 2019: 1.000 TL 50,000 Shares) There is no privilege on the shares.

**Capital increase during the year:**

The capital of the company was increased from 5,000,000 TL to 15,000,000 TL as announced in the Turkish Trade Registry Gazette dated 18.08.2016 and numbered 9140. The registered capital system has been adopted and a registered capital of 25,000,000 TL has been registered.

The capital of the company increased from 15.000.000 TL to 25.000.000 TL as announced in the Turkish Trade Registry Gazette dated 25.07.2018 and numbered 9628, then from 25.000.000 TL to 50.000.000 TL as announced in the Turkish Trade Registry Gazette dated 29.07.2019 and numbered 9878. was raised to.

The capital movements of the company as of the end of the period are given below.

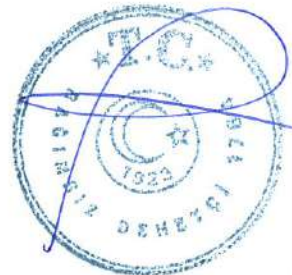
	31.12.2020	31.12.2019
Beginning of Period	50.000.000	25.000.000
Cash Committed	-	-
Transmitted from Internal Sources	-	25.000.000
<b>Sum</b>	<b>50.000.000</b>	<b>50.000.000</b>

**Ortaklık yapısında önemli değişmeler:**

Not available (31 December 2019: None).

**Important changes in the partnership structure:**

Not available (31 December 2019: None).



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### Capital adjustments due to cross-ownership:

Since the firm does not have any subsidiaries that will be subject to mutual capital adjustment, there is no capital/mutual shareholding capital adjustment as of the end of the period.

#### *iii) Capital Reserves*

The Company's Capital Reserves as of 31 December 2020 are disclosed in the equity table below.

#### *iv) Profit Restricted Reserves*

Restricted reserves set aside from profit consist of legal reserves.

According to article 519 of the Turkish Commercial Code no 6102 ("TCC"), Companies are required to set aside 5% of their annual profits as legal reserves until it reaches 20% of their paid-up capital. If the company has retained losses from prior years, these retained earnings shall be deducted from the annual profit in calculation of the 5 % referred to above. In accordance with subparagraph c of article 519 of the TCC, after paying 5% dividend to shareholders, 10% of the total amount decided to be distributed to shareholders and other persons participating in the profit shall be added to general legal reserves.

### **Other Accumulated Comprehensive Income or Expenses to Be Reclassified in Profit or Loss**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Actuarial Gain / Loss	(38.078)	(18.901)
<b>Sum</b>	<b>(38.078)</b>	<b>(18.901)</b>

### **Restricted Reserves Separated from Profit**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Additional Capital Contributions of Shareholders	30.000.000	-
Legal Reserves	71.420	62.075
<b>Sum</b>	<b>30.071.420</b>	<b>62.075</b>

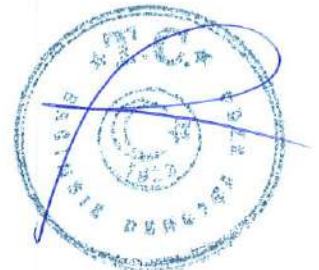
#### *v) Past Year Profits / Losses*

Accumulated profits other than net period profit are shown in this item. Extraordinary reserves, which are in essence accumulated profits and therefore not restricted, are also considered accumulated profits and are shown in this item.

As of 31 December 2020 and 31 December 2019, the details of the profits and losses for the past year are as follows.

### **Prior Years' Profits /Losses**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Past Years Profits	745.085	474.257
Past Years Losses (-)	(96.600)	(96.600)
<b>Sum</b>	<b>648.485</b>	<b>377.657</b>



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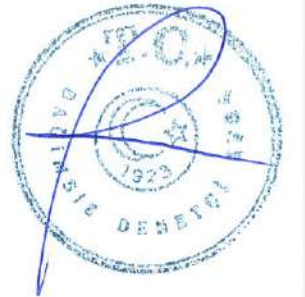
**20. COST OF SALES AND REVENUE (-)**

<b>The proceeds</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Domestic Sales	10.190.162.985	4.391.534.007
Other Revenues	213.575	722.305
<b>Sum</b>	<b>10.191.585.243</b>	<b>4.392.256.312</b>
<b>Cost of Sales(-)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Cost of Goods Sold(-)	(10.186.262.259)	(4.396.918.203)
<b>Sum</b>	<b>(10.186.262.259)</b>	<b>(4.396.918.203)</b>
<b>GROSS PROFIT / (LOSS)</b>	<b>5.322.984</b>	<b>(4.661.891)</b>

**21. GENERAL MANAGEMENT EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (-)**

The company's operating expenses detail consists of the following expense items.

<b>General Administrative Expenses(-)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Marketing, Sales and Distribution Expenses(-)	(29.116)	(472.414)
General Administrative Expenses (-)	(1.029.749)	(531.764)
<b>Sum</b>	<b>(1.058.865)</b>	<b>(1.004.178)</b>



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**22. EXPENSES ACCORDING TO THEIR QUALIFICATIONS**

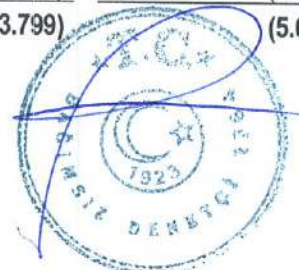
<b>General Administrative Expenses(-)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
-Workers' Wages and Expenses	79.254	126.438
-Communication Expenses	8.409	7.557
-Electricity and Energy Expenses	3.789	3.110
-Other Self-Employment Expenses	30.500	29.476
-Audit and Danışanlık Expenses	40.000	9
-Maintenance and Repair Service Expenses	16.667	16.939
-Workplace Rental Expenses	428.039	52.695
-Small Fixture and Accessory Expenses	6.525	674
-Kirtasiye and Printed Document Expenses	229	1.518
-Notary Expenses	532	287
-Connected Room and Dues Expenses	14.685	19.700
-Other Miscellaneous Expenses	2.249	12.389
-Stamp Duty	8.321	1.667
-Depreciation and Depletion Expenses	390.548	259.304
<b>Sum</b>	<b>1.029.749</b>	<b>531.764</b>

<b>Marketing, Sales and Distribution Expenses(-)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
-Stock Exchange Commission Expenses	425	462.197
-Cargo and Transportation Expenses	160	174
-Maintenance Repair Expenses	1.049	212
-Travel and Travel Expenses	2.114	34
-Fuel Expenses	0	6.646
-Stone Maintenance Repair Expenses	7.880	237
-Taitlar Insurance Expense	8.695	2.689
-Depreciation and Depletion Expenses	0	225
-RepresentationAl Hospitality Expenses	8.793	0
<b>Sum</b>	<b>29.116</b>	<b>472.414</b>

**23. OTHER REVENUES AND EXPENSES FROM THE MAIN ACTIVITIES (-)**

<b>Other Income from Core Operations</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Other Ordinary Income And Profits	1.297.273	994.074
Other.Unusual Income And Profits	57.856	956
<b>Sum</b>	<b>1.355.129</b>	<b>995.030</b>

<b>Other Expenses from Core Activities(-)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Commission Expenses (-)	(169.618)	-
Other (-)	(34.181)	(5.043)
<b>Sum</b>	<b>(203.799)</b>	<b>(5.043)</b>



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**24. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (-)**

Not available (31 December 2019: None)

**25. FINANCE REVENUES / EXPENSES (-)**

<b>Financial Income</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Foreign Exchange Profits	13.777.601	10.478.596
<b>Sum</b>	<b>14.445.675</b>	<b>10.478.596</b>
<b>Financial Expenses(-)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Foreign Exchange Losses (-)	(11.746.260)	(5.188.143)
Short-Term Borrowing (-)	(788.612)	(114.773)
<b>Sum</b>	<b>(12.534.872)</b>	<b>(5.302.916)</b>

**26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

<b>Corporate Tax Provision</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Prepaid tax and other legal payables (-)	(92.409)	(41.122)
<b>Sum</b>	<b>(92.409)</b>	<b>(41.122)</b>

As of 31 December 2020, the corporate tax rate applied for the Company operating in Turkey is 22% (31 December 2019: 22%). The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the institutions and deducting the exemptions in the tax laws.

The corporate tax rate was increased from 20% to 22% for the years 2018, 2019 and 2020 within the scope of the Law No. 7061 on the Amendment of Certain Tax Laws and Some Other Laws, which was published in the Official Gazette dated 5 December 2017. Within the scope of the aforementioned law, deferred tax assets and liabilities in the financial statements as of 31 December 2017 are calculated with a tax rate of 22% for the part of the temporary differences that will have a tax effect in 2018, 2019 and 2020, and 25% for the part of the temporary differences that will have a tax effect in 2021 and the following periods. calculated by the ratio.

According to the Corporate Tax Law, 75% of the profits arising from the sale of the participation shares of the Corporations for at least two years and the founder's shares, usufruct shares and preference rights with the same period of time, and the gains arising from the sale of the immovables owned for the same period after 5 December 2018 If 50% of it is recorded in equity accounts within five years from the date of sale, it is subject to tax exemption. The remaining 50% is subject to corporate tax.

In addition, there is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. 15% withholding tax is applied on dividend payments excluding those made to non-resident companies and companies residing in Turkey that generate income through a workplace or permanent representative in Turkey. In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Agreements are also taken into account.



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According to the Turkish tax legislation, financial losses can be carried for five years to be set off from future corporate income, but financial losses cannot be carried retrospectively.

In Turkey, there is no practice of reaching an agreement with the tax authorities about the taxes to be paid. Corporate tax returns are submitted within four months following the end of the accounting period. The tax inspection authorities may examine the tax returns and the accounting records underlying them for five years, starting from the beginning of the year following the filing of the tax return, and make a reassessment as a result of their findings.

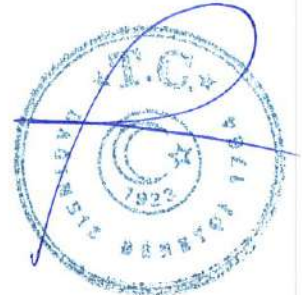
Financial losses can be carried over to the next taxable years from the year in which the loss occurred, to be set off from the future corporate income. If tax losses are reported to the tax authorities for four consecutive tax periods, the tax authorities are entitled to an unscheduled audit.

#### Deferred Assets and Liabilities

The Company recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements resulting from restatement of its balance sheet items in accordance with IAS/IFRS and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different reporting periods for international accounting standards and statutory tax purposes. The tax rate that will apply to deferred tax assets and liabilities calculated by liability method over temporary differences is 22%.

Deferred Tax Asset	31.12.2020	31.12.2019
Deferred Tax Asset	6.922	6.755
Deferred Tax Liability (-)	(1.583.459)	(223.701)
<b>Sum</b>	<b>(1.576.537)</b>	<b>(216.946)</b>

Deferred Tax Assets / Liabilities	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	Cumulative Timing Differences		Deferred Tax	
Provisions for Suspicious Receivables	0	0	0	0
Tangible Assets Amorisman Differences	244.529	110.890	(53.796)	(24.396)
Intangible Asset Depreciation Differences	0	0	0	0
Setup Correction Differences	16	0	4	0
Adjustments to Stocks	(6.953.766)	(892.535)	(1.529.828)	(196.358)
Severance Provision Expenses	30.950	13.878	6.809	3.053
Credit Effective Interest Adjustments	1.255	3.437	276	756
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(6.677.016)</b>	<b>(764.330)</b>	<b>(1.576.536)</b>	<b>(216.944)</b>



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### 27. EARNINGS PER SHARE

<b>Earnings Per Share</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
Weighted average of issued shares	50.000.000	50.000.000
Net profit / loss for the period (-) (TL)	5.686.179	833.325
<b>Profit per Share / (Loss) from Continuing Operations</b>	<b>0,1137</b>	<b>0,0167</b>
<b>Profit/Loss for the Period</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
Profit/Loss for the Period	5.686.179	833.325
Tax Liability for Profit/Loss for the Period	-72.524	-33.106
<b>Net Profit/Loss for the Period</b>	<b>5.613.655</b>	<b>800.219</b>
<b>a) Capital Risk Management</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
Total Payables	37.060.217	731.475
Minus: Ready values	(74.544.927)	(19.043.407)
Net Debt	(37.484.710)	(18.311.932)
Equity	86.368.004	51.254.156
Total Capital	50.000.000	50.000.000
<b>Debt / Total Capital</b>	<b>(0,43)</b>	<b>(0,36)</b>

### 28. EVENTS AFTER THE REPORTING PERIOD

Not available (31 December 2019: None).

### 29. FİNANSAL ARAÇLARDAN KAYNAKLANAN RİSKLERİN NİTELİĞİ VE DÜZEYİ

#### Financial risk management

The Company may be exposed to the following risks depending on the use of financial instruments:

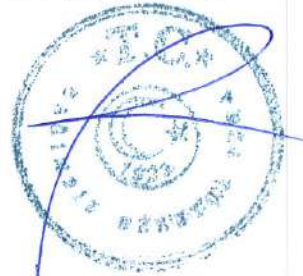
- Credit risk
- Liquidity risk
- Market risk

This footnote explains the Company's exposure to each of the above-mentioned risks, and the Company's objectives, policies and methods for measuring and managing these risks. More detailed quantitative disclosures are available in the financial statements.

Financial risk management is implemented by each subsidiary within the framework of the policies approved by its Board of Directors within the general principles determined by the Company.

#### Risk Management System

The Company's risk management policies have been established in order to determine and analyze the risks faced by the Company, appropriate risk limits and controls, and to monitor compliance with the relevant limits. Risk management policies and systems are reviewed regularly to reflect changes in the market and Company activities. The company aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities through the training and management standards and procedures it implements.



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## Credit Risk

Holding financial instruments also carries the risk of failing to meet the requirements of the agreement. Company management covers these risks by limiting the average risk for each contracting counterparty. The Company's collection risk may arise mainly from its trade receivables. The Company manages this risk that may arise from its customers by limiting the loan periods determined for it. The use of credit limits is constantly monitored by the Company, and the customer's credit quality is constantly evaluated, taking into account the customer's financial position and other factors.

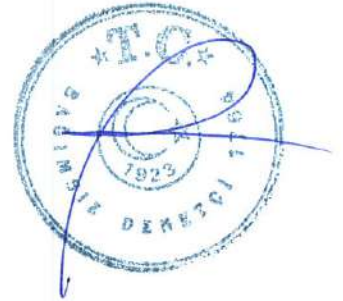
Since the day-to-day transactions of the company are based on mutual deductions in Borsa Istanbul, there is no liquidity and default problem in the balance sheet items of the company.

The Company does not have derivative financial instruments (31 December 2019: None).

As of 31 December 2020 and 31 December 2019, the credit risk exposure by financial instrument types is as follows.

### Credit risks incurs in terms of types of financial instruments

Current Period 31.12.2020	Receivables				Deposits in Banks	Other
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk as of reporting date	0	27.568.969	0	73	73.723.636	10.469.351
- The part of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that have not been overdue or undervalued	0	27.568.969	0	73	73.723.636	10.469.351
B. The book value of financial assets that are reneged on, otherwise deemed overdue or undervalued	-	-	-	-	-	-
A. Net book value of assets that are overdue but have not been undervalued	-	-	-	-	-	-
- Part secured by collateral, etc.	-	-	-	-	-	-
D. Net book value of assets that have suffered depreciation	-	-	-	-	-	-
E. Factors involving off-balance sheet credit risk	-	-	-	-	-	-



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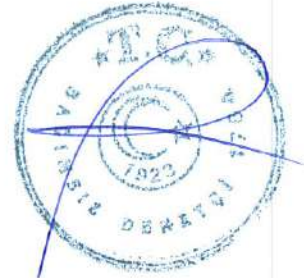
Previous Period 31.12.2019	Receivables				Deposits in Banks	Other
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk as of reporting date	0	3.244	0	0	18.801.530	21.319.994
- The part of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that have not been overdue or undervalued	0	3.244	0	0	18.801.530	21.319.994
B. The book value of financial assets that are renegeed on, otherwise deemed overdue or undervalued	-	-	-	-	-	-
A. Net book value of assets that are overdue but have not been undervalued	-	-	-	-	-	-
- Part secured by collateral, etc.	-	-	-	-	-	-
D. Net book value of assets that have suffered depreciation	-	-	-	-	-	-
E. Factors involving off-balance sheet credit risk	-	-	-	-	-	-

**Liquidity Risk**

The main responsibility for liquidity risk management rests with the Board of Directors. An appropriate liquidity risk management has been established for the short, medium and long term funding and liquidity requirements of the Company's management. The Company manages its liquidity risk by regularly monitoring the estimation and actual cash flows and ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

The types of transactions realized in the Company's Precious Metals Market are foreign currency and gold. Considering that the Company's Assets (including Stocks) consist of cash and the like, the risk situation is determined to be quite low.

The table below shows the maturity distribution of the Company's non-derivative and non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest due dates. Interests to be paid on these liabilities are included in the table below.



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Currency: Turkish Lira ("TL")

31.12.2020						
Maturities under contract	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	29.940.391	29.940.391	29.940.391	-	-	-
Financial Liabilities	29.940.391	29.940.391	29.940.391	-	-	-
Expected Maturities	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	5.535.548	5.535.548	256.974	5.247.624	30.950	-
Trade Payables	231.566	231.566	231.566	-	-	-
Payables within the scope of Employee Benefits	30.950	30.950	-	-	30.950	-
Other Payables	5.247.624	5.247.624	-	5.247.624	-	-
Deferred Income	-	-	-	-	-	-
Profit Tax Liability for the Period	19.885	19.885	19.885	-	-	-
Other Short-Term Liabilities	5.523	5.523	5.523	-	-	-
Long-Term Provisions	-	-	-	-	-	-

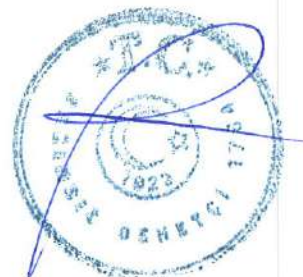
31.12.2019						
Maturities under contract	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	395.299	395.299	71.307	200.626	123.367	-
Financial Liabilities	395.299	395.299	71.307	200.626	123.367	-
Expected Maturities	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	110.057	110.057	82.033	-	28.024	-
Trade Payables	68.494	68.494	68.494	-	-	-
Payables within the scope of Employee Benefits	28.024	28.024	-	-	28.024	-
Other Payables	-	-	-	-	-	-
Deferred Income	-	-	-	-	-	-
Profit Tax Liability for the Period	8.016	8.016	8.016	-	-	-
Other Short-Term Liabilities	5.523	5.523	5.523	-	-	-
Long-Term Provisions	-	-	-	-	-	-

**30. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS WITHIN THE FRAMEWORK OF FINANCIAL RISK PROTECTION ACCOUNTING)**

There is no transaction carried out by the company within the framework of hedging accounting. (31 December 2018: None).

**31. OTHER CONSIDERATIONS THAT SIGNIFICANTLY AFFECT FINANCIAL STATEMENTS OR REQUIRE FINANCIAL STATEMENTS TO BE OPEN, INTERPRETABLE AND UNDERSTANDABLE**

Not available (31 December 2019: None).



**Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş**

December 31st, 20th20 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

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**32. RELATED PARTY DISCLOSURES**

Not available (31 December 2019: None).

**33. POST-INFORMATION EVENTS**

The company has started studies to establish an internal control system for the new financial period, and since it does not cover the examined financial period, the internal control system has been ignored since its effects will be observed in the new financial period.

