

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ
TİCARET ANONİM ŐİRKET

FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2024 AND
INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT ON ANNUAL FINANCIAL STATEMENTS

To The General Assembly of
Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret A.Ş.
İstanbul

Report on Financial Statements

Opinion

We have audited the financial statements of Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret A.Ş. (hereinafter referred to as the "Company"), which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS") and other regulations issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("KGK") that are part of the Turkish Auditing Standards. Our responsibilities under those Standards are described in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the ethical requirements applicable in the Turkish legislation in relation to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with those provisions. We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our opinion.

Other Information

The statements of financial position of the Company as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 and the statements of profit or loss for the years then ended and the statements of financial position of the Company as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 prepared in accordance with the Law No. 6762, tax legislation and various other legislations other than TFRSs have not been audited by us and we have expressed no opinion on them.

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Emphasis of Matter

Within the scope of the "Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit" dated 23 November 2023 published by KGK, financial statements as of 31 December 2024 and 31 December 2023 are subject to inflation adjustment in accordance with TMS 29 "Financial Reporting in Hyperinflationary Economies". In this context, we draw attention to footnote 2.1, which includes explanations about the transition to inflation accounting. This matter does not affect our opinion.

Key audit matters

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the financial statements of the current period and are therefore key audit matters.

Key audit matters are not disclosed in our auditor's report unless disclosed:

- Disclosure of the relevant matter to the public is prevented by legislation or
- In very exceptional circumstances, where the adverse consequences of disclosing a matter to the public could reasonably be expected to outweigh the benefits to the public interest that would result from such disclosure, we decide not to disclose the matter in our auditor's report.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our 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. We concluded that there were no other key audit matters to report other than those disclosed in our report.

Cash and cash equivalents

Cash and cash equivalents constitute 21% of the Company's assets as of 31 December 2024. Therefore, the issue of whether the cash and cash equivalents financial statement item meets the requirements of TMS 7 'Statement of Cash Flows' was considered as an important issue for our audit.

During our audit, we performed the following audit procedures related to whether the cash and cash equivalents financial statement item meets the requirements of TMS 7 "Statement of Cash Flows":

- Evaluating the appropriateness of the Company's accounting policy for cash and cash equivalents in accordance with TFRSs,
- Analysing whether the Company's time deposits have a maturity of three months or less,
- Obtaining and controlling all bank reconciliation letters related to cash and cash equivalents,

As a result of the audit procedures performed in relation to whether the cash and cash equivalents financial statement item meets the requirements of TMS 7 "Statement of Cash Flows", we did not encounter any significant anomalies.

Inventories

Inventories, which form the basis of project costs as an element of the Company's core business and are one of the most important asset items, were assessed as a key audit matter as a result of analytical reviews. In particular, the concept of serious risk related to the existence and valuation of inventories was emphasised. Inventories are valued at their net realisable values in accordance with TFRS and market values published by the Istanbul Gold Exchange. The Company uses the average cost method for the valuation of inventories other than those valued at market value. Within the scope of our audit procedures, we mostly examined the relevant internal control procedures, with a particular focus on inventory-cost transactions generated by periodic inventory cycle counts and recording sales according to the completion rate. Calculations related to the reflection of inventories on costs were analysed in more detail, the accounting policy and appropriateness of the provision for inventory impairment were assessed, and actual margins and valuation movements were examined in more detail. In analysing the cost calculations, a full reconciliation between inventory movements and cost accounts has been attempted as far as possible, rather than using a sample method. Detailed testing of purchases and pricing was performed by increasing the sample levels in proportion to the risk level determination. The compatibility of inventory values with market values was checked. Based on the audit procedures performed, nothing has come to our attention that causes us to believe that there are any material misstatements contradicting management's assertions about the existence and valuation of inventories.

Property, Plant and Equipment

Although the Company's tangible fixed assets constitute 12% of total assets, they are considered as a significant item especially in terms of the application of inflation accounting. The Company has adopted the cost model as its accounting policy and property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. The Company management monitors whether there is any impairment in property, plant and equipment at each period. We considered depreciation calculations, review of impairment and control of estimates and assumptions used in determining the recoverable amount of property, plant and equipment as key audit matters.

In addition to our existing audit procedures, we tested controls and performed the following audit procedures to verify the Company's property, plant and equipment

- The accrual and payment transactions of purchases and sales made in the current period were verified with invoices and other documents.
- All depreciation calculations of the Company were checked by recalculation method, accounting estimates related to useful life were tested for reasonableness and consistency with the prior period, and the calculated depreciation was reconciled with the records.

Financial Reporting in Hyperinflationary Economies

TMS 29 "Financial Reporting in Hyperinflationary Economies" has been applied in the financial statements of the Company for the years ended 31 December 2024 and 31 December 2023. In accordance with the standard, the financial statements and financial information of prior periods have been restated to reflect the changes in the purchasing power of the Turkish Lira and presented in terms of the purchasing power of the Turkish Lira at the reporting date. The application of inflation adjustments has a significant effect on the financial statements, both on a widespread and consistent basis. Accordingly, the application of inflation adjustments has been identified as a key audit matter by us due to its complexity and technical difficulty.

The Company's accounting policies related to Financial Reporting in Hyperinflationary Economies are disclosed in Note 2.1.

During our audit, we performed the following audit procedures related to the application of inflation adjustments:

- Checking whether the distinction between monetary and non-monetary items made by the management is made in accordance with TMS 29,
- Testing the completeness and mathematical accuracy of the lists subject to calculation,
- Evaluating the calculation methods used by management and testing their consistency,
- Checking the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute,
- Confirming the materiality of the calculations by analytical examination and recalculation method.
- Checking the adequacy of the disclosures required to be included in the notes to the financial statements as a result of inflation adjustment in accordance with TMS 29.

Assessing the Going Concern of the Entity

It has been determined by us that the most important assumption used in the assessment of the Company's ability to continue as a going concern is the expected future profitability of trade sales as a key determinant of the estimated capital position. In addition, the Company management declares that since the Company has achieved high capital strength by executing transactions with market-making financial institutions in developed countries for cost minimisation and profit maximisation with arbitrage and funding differences in local and global markets, this issue is material in going concern analyses. The provisions for these transactions are carried out in accordance with the margin call principle in accordance with Takasbank regulations. The calculations supporting this assessment may require management to make subjective judgements and estimated future adjustments to certain amounts to reflect the requirements of the applicable financial reporting framework. These estimates are based on judgements and assumptions about future performance and form the basis for assessing whether the basis of accounting used in the preparation of the financial statements is appropriate. In assessing the appropriateness of this assumption, within the framework of the audit work performed by us, estimates and studies regarding the expected future sales rates, agreements made today, fair value of assets and return on investment rates have been examined and evaluated by us whether the accounts are based on realistic assumptions.

We have found these assumptions and estimates to be balanced and have concluded that the disclosures made by the Company appropriately disclose the significant inherent uncertainties in the estimates and the potential impact of subsequent revisions on these estimates. We have not identified any impropriety in the calculations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Financial Reporting Standards ("TFRS") and the regulations issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("KGGK"), and for establishing and maintaining such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

In an independent audit, we, the independent auditors, are responsible for the following:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on those financial statements based on our audit. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing which is a component of the Turkish Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit consists of auditing the financial statements in accordance with Standards on Auditing which is a component of the Turkish Standards on Auditing issued by KGK. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also consider:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (Since fraud may involve collusion, dishonesty, wilful neglect, misrepresentation or breach of internal control, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The responsible engagement partner of this audit is Üzeyir Kara.

Report on Other Obligations Arising from Legislation

Pursuant to Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors has made the necessary explanations and provided all the required documents. Nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2024 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting and that the annual report is not in conformity with the financial statements forming a basis for our audit report.

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 is required to establish a specialised committee for the purposes of early identification of causes that jeopardise the existence, development and continuity of the company, applying the necessary measures and remedies in this regard, and managing the risks, and to operate and improve the system. In other companies, this committee shall be established immediately upon the written notification of the auditor to the board of directors and shall submit its first report at the end of one month following its establishment. According to paragraph 4 of Article 398 of the same law, the auditor is required to prepare a separate report, the principles of which are determined by KGK, explaining whether the board of directors has established the system and the authorised committee stipulated in Article 378 in order to identify the risks that threaten or may threaten the company in a timely manner and to perform risk management, and if such a system exists, its structure and the practices of the committee, and submit this report to the board of directors together with the audit report.

As a result of our audit, the Company's shares are not traded on the stock exchange. Although the Company, whose shares are not traded on the stock exchange, does not have any committee members specifically assigned for early detection of risk within the scope of Article 378 of the TCC, upon examination of the Company's internal control and risk management system, it was understood that this task is fulfilled by the entire team at periodic meetings attended by the Board of Directors, the General Manager and all department managers, Pursuant to Borsa İstanbul regulations, all of which are in line with OECD criteria, at least one of the senior executives of the Company, which carries out its activities on its own behalf and account, is obliged to specialise in the financial sector, and the Undersecretariat of Treasury requires that he/she has a business, economics and banking background. The Company is also subject to mandatory supply chain audits due to the precious metals traded within the scope of Borsa İstanbul legislation. Therefore, since the Company's senior executives responsible for risk assessment consist of human resources with the necessary financial experience, it has been observed that a sufficient internal control environment has been established at a level that does not require the establishment of an additional committee in terms of international customer identification (KYC) processes and internal audit and compliance criteria. No problems have been detected in the functioning of the internal control environment and the internal control system, and there is no indication that the scope of the internal control system is inadequate in terms of the Company's functioning, business line and structure. Therefore, it has been assessed that there is no need to establish a separate specialised committee for the purposes of early detection of causes that jeopardise the existence, development and continuity of the Company, applying the necessary measures and remedies in this regard, and managing the risk.

Istanbul, 5 May 2025
CNS Bağımsız Denetim A.Ş.
Member of MSI Global Alliance

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CONTENTS	PAGE
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) _____	1-2
STATEMENT OF PROFIT OR LOSS _____	3
STATEMENT OF OTHER COMPREHENSIVE INCOME _____	4
STATEMENT OF CHANGES IN EQUITY _____	5
STATEMENT OF CASH FLOWS _____	6
NOTES TO THE FINANCIAL STATEMENTS _____	7-67
NOTE 1 ORGANIZATION AND NATURE OF THE BUSINESS	
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	
NOTE 3 BUSINESS COMBINATIONS AND INVESTMENTS IN OTHER ENTITIES	
NOTE 4 SEGMENT REPORTING	
NOTE 5 RELATED PARTY DISCLOSURES	
NOTE 6 TRADE RECEIVABLES AND PAYABLES	
NOTE 7 OTHER RECEIVABLES AND PAYABLES	
NOTE 8 INVENTORIES	
NOTE 9 BIOLOGICAL ASSETS	
NOTE 10 PREPAID EXPENSES AND DEFERRED INCOME	
NOTE 11 INVESTMENT PROPERTIES	
NOTE 12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS	
NOTE 13 INTANGIBLE ASSETS	
NOTE 14 GOODWILL	
NOTE 15 LEASING TRANSACTIONS	
NOTE 16 SERVICE CONCESSION ARRANGEMENTS	
NOTE 17 IMPAIRMENT OF ASSETS	
NOTE 18 GOVERNMENT GRANTS AND SUBSIDIES	
NOTE 19 BORROWING COSTS	
NOTE 20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	
NOTE 21 COMMITMENTS AND CONTINGENCIES	
NOTE 22 EMPLOYEE BENEFITS	
NOTE 23 OTHER ASSETS AND LIABILITIES	
NOTE 24 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS	
NOTE 25 REVENUE AND COST OF SALES	
NOTE 26 RECEIVABLES AND LIABILITIES FROM CONSTRUCTION CONTRACTS IN PROGRESS	
NOTE 27 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	
NOTE 28 OTHER OPERATING INCOME AND EXPENSES AND IMPAIRMENT GAINS/LOSSES AND REVERSAL OF IMPAIRMENT LOSSES DETERMINED IN ACCORDANCE WITH TFRS 9	
NOTE 29 INCOME AND EXPENSES FROM INVESTING ACTIVITIES	
NOTE 30 EXPENSES BY NATURE	
NOTE 31 FINANCIAL EXPENSES	
NOTE 32 ANALYSIS OF OTHER COMPREHENSIVE INCOME	
NOTE 33 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	
NOTE 34 INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	
NOTE 35 FINANCIAL INSTRUMENTS	
NOTE 36 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	
NOTE 37 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER FINANCIAL HEDGE ACCOUNTING)	
NOTE 38 NET MONETARY GAIN OR LOSS	
NOTE 39 EVENTS AFTER REPORTING DATE	
NOTE 40 OTHER MATTERS THAT HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL STATEMENTS OR THAT MAY AFFECT THE FINANCIAL STATEMENTS FOR CLARITY, INTERPRETABILITY AND COMPREHENSIBILITY	
NOTE 41 DISCLOSURES RELATED TO STATEMENT OF CASH FLOWS	
NOTE 42 ADDITIONAL DISCLOSURES RELATED TO STATEMENT OF CHANGES IN EQUITY	
NOTE 43 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITORS	

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

	Note Reference	Current year 31 December 2024	Previous year 31 December 2023
ASSETS			
Current Assets		797,838,991	1,406,801,495
Cash and Cash Equivalents	41	199,048,534	1,212,693,715
Trade Receivables	6	374,743,147	-
<i>Due from Third Parties</i>		<i>374,743,147</i>	<i>-</i>
Other Receivables	7	162,850,568	167,792,606
<i>Due from Third Parties</i>		<i>121,447,180</i>	<i>167,792,606</i>
Inventories	8	40,013,321	20,201,019
Prepaid Expenses	10	1,204,705	249,939
Other Assets Related to Current Period Taxation	34	18,452,462	4,519,852
Other Current Assets	23	726,254	1,344,364
Non-Current Assets		115,333,611	112,602,020
Financial Investments	35	35,537	35,537
Property, Plant and Equipment	11	80,680,474	82,886,533
Right of Use Assets	12	24,310,860	22,397,426
Intangible Assets	13	170,157	15,457
<i>Other Intangible Assets</i>	<i>13</i>	<i>170,157</i>	<i>15,457</i>
Deffered Tax Assets	34	10,136,583	7,267,067
TOTAL ASSETS		912,372,602	1,519,403,515

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

	Note Reference	Current year 31 December 2024	Previous year 31 December 2023
LIABILITIES			
Current Liabilities		21,965,188	667,090,902
Financial Borrowings	35	-	69,789,231
Other Financial Liabilities	35	1,114,586	86,991
Trade Payables	6	1,195,468	573,307,583
<i>Due to Third Parties</i>		<i>1,195,468</i>	<i>573,307,583</i>
Employee Termination Benefits	22	149,779	173,894
Other Payables	7	-	15,241,834
<i>Due to Related Parties</i>	5	-	<i>15,241,834</i>
Deferred Income	10	1,300	536,066
Corporate Tax Liability	34	19,460,678	7,892,676
Short Term Provisions		43,377	62,627
<i>Provision for Employee Termination Benefits</i>	20	<i>43,377</i>	<i>62,627</i>
Non-Current Liabilities		231,371	202,909
Long Term Provisions		231,371	202,909
<i>Provision for Employee Termination Benefits</i>	22	<i>231,371</i>	<i>202,909</i>
TOTAL LIABILITIES		22,196,559	667,293,811
LIABILITIES			
		890,176,043	852,109,704
Share Capital	24	400,000,000	325,000,000
Capital adjustments	24	628,434,744	703,434,744
Capital contribution of shareholders	24	238,225,350	238,225,350
Other Accumulated Comprehensive Income That will Not Be Reclassified in Profit or Loss		19,866	5,681
<i>Accumulated Remeasurement Gains/Losses on Defined Benefit Plans</i>	22, 32	<i>19,866</i>	<i>5,681</i>
Restricted Reserves	24	2,670,428	2,670,428
Retained Earnings		(417,226,499)	(274,458,436)
Profit / (Loss) for The Period		38,052,154	(142,768,063)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		912,372,602	1,519,403,515

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

	Note Reference	Current year 1 January- 31 December 2024	Previous year 1 January- 31 December 2023
Revenue	25	96,232,895,110	143,567,268,206
Cost of Sales (-)	25	(93,094,736,703)	(143,496,209,104)
Gross Profit		3,138,158,407	71,059,102
Administrative Expenses (-)	27	(10,345,815)	(12,584,736)
Sales and Marketing Expenses (-)	27	(3,999,220)	(5,782,080)
Other Operational income	28	62,453,533	4,548,483
Other Operational Expenses (-)	28	(103,862,844)	(1,961,055)
Operational Profit		3,082,404,061	55,279,714
Investment Income	29	315,605,725	55,807,935
Investment Expense (-)	29	(89,853,725)	(8,171,778)
Impairment Gains/(Losses) and Reversal of Impairment Losses (+/-) determined in accordance with IFRS 9	28	(1,926,572)	-
OPERATING PROFIT / (LOSS) BEFORE FINANCIAL EXPENSES		3,306,229,489	102,915,871
Financial Expenses (-)	31	(41,186,708)	(36,731,864)
Net Monetary Position Gain or Loss	38	(3,209,032,480)	(219,601,606)
PROFIT / (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION		56,010,301	(153,417,599)
Tax Expense from Continuing Operations		(17,958,147)	10,649,536
Current tax Expense	34	(23,066,131)	(7,892,676)
Deferred Tax Income/(Expense)	34	5,107,984	18,542,212
PROFIT / (LOSS) FOR THE YEAR		38,052,154	(142,768,063)

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.**STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

	Note Reference	Current year 1 January- 31 December 2024	Previous year 1 January- 31 Aralık 2023
PROFIT / (LOSS) FOR THE PERIOD		38,052,154	(142,768,063)
OTHER COMPREHENSIVE INCOME/EXPENSES			
Other comprehensive income/expenses that will not be reclassified in profit or loss		14,185	(14,122)
Remeasurement Gains/Losses on Defined Benefit Plans	22, 32	18,913	(18,831)
Taxation on other comprehensive income/expenses that will not be reclassified in profit or loss		(4,728)	4,709
- <i>Deferred Tax Income / (Expense)</i>	22, 34	(4,728)	4,709
Other comprehensive income/expenses that will be reclassified in profit or loss		-	-
OTHER COMPREHENSIVE INCOME / (EXPENSES)		<u>14,185</u>	<u>(14,122)</u>
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		<u>38,066,339</u>	<u>(142,782,185)</u>

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

UÇURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

	Other Accumulated Comprehensive Income That will Not Be Reclassified in Profit or Loss							Total
	Capital adjustment differences	Accumulated Gains/Losses on Defined Benefit Plans	Additional capital contributions of shareholders	Profit reserves	Retained earnings	Profit or loss for the year		
Balances as of 1 January 2023 (opening)	220,000,000	699,712,922	289,640,339	19,803	834,385	(190,345,169)	(82,337,359)	977,524,039
- Indexed balances with carrying conductor								
Transfers	-	-	-	-	-	(82,337,359)	82,337,359	-
Capital income	105,000,000	3,721,822	(169,166,589)	-	1,836,043	(41,775,926)	-	(40,384,699)
Capital contributions of shareholders	-	-	57,751,600	-	-	-	-	57,751,600
Total comprehensive income / expense	-	-	-	(14,122)	-	-	(142,768,063)	(142,768,189)
Balances as of 31 December 2023 (closing)	325,000,000	703,434,744	238,225,350	5,681	2,670,428	(274,458,436)	(142,768,063)	832,109,794
- Indexed balances with carrying conductor								
Balances as of 1 January 2024 (opening)	325,000,000	703,434,744	238,225,350	5,681	2,670,428	(274,458,436)	(142,768,063)	832,109,794
- Indexed balances with carrying conductor								
Transfers	75,000,000	(75,000,000)	-	-	-	(142,768,063)	142,768,063	-
Total comprehensive income / expense	-	-	-	14,185	-	-	38,052,154	38,066,339
Balances as of 31 December 2024 (closing)	400,000,000	628,434,744	238,225,350	19,866	2,670,428	(417,226,499)	38,052,154	890,176,043

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

	Note Reference	Current year 1 January- 31 December 2024	Previous year 1 January- 31 December 2023
A. Cash flows from operating activities		(641,240,486)	909,990,427
Cash flows from operating activities			
Profit/loss for the period		56,810,301	(153,417,599)
Adjustments to reconcile profit/loss for the period			
Adjustments related to depreciation and amortization expenses	11,12,13	28,451	4,034
Adjustments related to provisions			
- Adjustments related to provision for vacation pay	20	-	38,346
- Adjustments related to provision for employee termination benefit	20	96,742	197,634
- Adjustments related to provision for income taxes	20	15,918,362	(4,297,163)
- Adjustments related to bad debt provision	6	2,191,493	-
Adjustments related to interest income and expenses		13,740,174	319,831
Adjustments related to unrealized currency translation differences		(181,451,883)	18,019,670
Adjustments related to gain/loss on fair value		(2,612,378)	(3,061,037)
Adjustments related to increase/decrease in inventories		(24,506,490)	392,789,130
Adjustments related to increase/decrease in trade receivables		(394,697,114)	-
Adjustments related to increase/decrease in other receivables		(46,633,801)	(26,519,948)
Adjustments related to increase/decrease in trade payables		(455,802,007)	570,802,722
Adjustments related to increase/decrease in other payables		62,668,528	(55,201,338)
Monetary gain/loss		352,257,046	172,539,085
Income tax returns/income taxes paid		(38,389,125)	(3,439,648)
Other cash inflows/outflows			
Increase/decrease in prepaid expenses and deferred income		65,615	(96,473)
Increase/decrease in other current and non-current assets		204,877	807,665
Increase/decrease in other current liabilities		40,706	2,898
Increase/decrease in advances received		(369,986)	536,059
Payments for employee termination benefit	22	-	(27,439)
B. Cash flows from investing activities		(4,793,589)	(242,892)
Cash outflows for acquisition of shares in other entities or shares in funds or debt instruments		(10,923)	-
Payments for acquisition of property, plant and equipment and intangible assets	12, 13	(4,763,753)	(256,062)
Other cash inflows/outflows		(18,913)	13,970
C. Cash flows from financing activities		(61,823,362)	(32,952,618)
Cash inflows from issue of shares or other equity instruments		-	115,379,890
Cash inflows for additional capital contributions of shareholders			57,751,600
Cash inflows from borrowings		53,388,994	334,970,337
Cash used for repayment of borrowings		(115,466,690)	(540,275,883)
Other cash inflows/outflows		1,054,334	(778,554)
Net increase/(decrease) in cash and cash equivalents before the effect of exchange rate changes (A+B+C)		(707,857,437)	876,795,725
D. Effects of exchange rate changes on cash and cash equivalents		66,168,226	23,914,493
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		(648,889,211)	900,710,218
E. Cash and cash equivalents at the beginning of the period	41	1,212,693,715	514,827,485
E. Effect of inflation adjustments on cash and cash equivalents		(372,755,970)	(202,043,988)
Cash and cash equivalents at the end of the period (A+B+C+D+E)		199,848,534	1,212,693,715

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

1. ORGANIZATION AND NATURE OF THE BUSINESS

Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret A.Ş. ("the Company") was established in 2007 in Istanbul and continues its operations at Ataköy 2-5-6.Kısım Mahallesi Rauf Orbay Caddesi Yalı Ataköy Sitesi C Blok N:4/22 Bakırköy Istanbul adress.

The Company's principal activities are summarized as *the procurement and wholesale of precious metals in accordance with OECD guidelines, wholesale trade of precious metal ores and concentrates, all kinds of jewelry manufacturing and wholesale and retail purchase and sale of precious metals.*

As of 31 December 2024, the average number of personnel employed during the year was 8 (31 December 2023: 9).

The Company is not part of any ultimate group and its share capital held is as follows

<u>Shareholders</u>	<u>%</u>	<u>31 December 2024</u>	<u>%</u>	<u>31 December 2023</u>
Uğur Uras	100.00	400,000,000	100.00	325,000,000
<u>Total</u>	<u>100.00</u>	<u>400,000,000</u>	<u>100.00</u>	<u>325,000,000</u>
Capital inflation corrections		628,433,116		703,434,744
Corrected capital		<u>1,028,433,116</u>		<u>1,028,434,744</u>

Globalization Activities and Results of the Period:

As part of globalization strategy in 2022, the Company started trading with prestigious international brokerage houses and refineries within the scope of its commercial agreements, which had a positive impact on turnover, EBITDA and operating profit. By utilizing the advantageous supply costs in international markets, the Company's operating results improved rapidly. The Company closed the years 2024 and 2023 with a profitability of TL 3,312,222,958 and TL 107,264,277 in terms of EBITDA and TL 3,082,404,061 and TL 55,279,714 in terms of operating results, respectively. In terms of EBITDA and operating profitability, the Company concluded both operating periods with profitability.

Dividend payments

There is no dividend distribution decision for current year and no planned decision for 2025 and the Company management has decided that the general assembly will decide whether to pay dividends to the shareholders. Therefore, no additional liability related to dividend payment has been included in the financial statements in the current period.

Approval of the financial statements:

The financial statements have been approved by the Board of Directors and submitted to the General Assembly for approval with authorization to be published on 5 May 2025. However, the General Assembly has the authority to amend the accompanying financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

The financial statements are prepared on the historical cost basis, except for gold inventories, certain non-current assets and financial instruments which are revalued or carried at fair value.

The determination of historical cost is generally based on the fair value of the consideration paid for the assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market on the measurement date under current market conditions, regardless of whether the price is directly observable or estimated using another valuation method (i.e. the exit price). In measuring the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants take those characteristics into account when determining the price of the asset or liability. The fair value measurements and/or disclosures in these financial statements are determined on this basis, except for share-based payment transactions within the scope of TFRS 2, finance leases within the scope of TMS 17 and other measurements similar to fair value measurements (such as net realizable value as defined in TMS 2 or value in use as defined in TMS 36).

In addition, the calculation of fair value is categorized into Level 1, Level 2 and Level 3, as described below, based on the level of observability of the fair value information and the inherent significance of that information:

- Level 1 information is quoted prices (unadjusted) obtained by an entity at the measurement date that are quoted in an active market for similar assets and liabilities.
- Level 2 information is information that is observable for an asset or liability, either directly or indirectly, other than quoted prices included in Level 1; and
- Level 3 information is information that is not based on observable market data used to determine the fair value of an asset or liability.

Netting / Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when; there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Comparative information and restatement of prior period financial statements

The financial statements of the Company are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. The Company has prepared the statement of financial position as at December 31, 2024 comparatively with the statement of financial position as at December 31, 2023 and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended December 31, 2024 comparatively with the related financial statements for the year ended December 31, 2023. Where necessary, comparative information is reclassified to conform to the presentation of the current period financial statements and significant differences are explained.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Comparative information and restatement of prior period financial statements (cont'd)

The financial statements of the Company are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. The Company has prepared the statement of financial position as at December 31, 2024 comparatively with the statement of financial position as at December 31, 2023 and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended December 31, 2024 comparatively with the related financial statements for the year ended December 31, 2023. In order to comply with the presentation of the current period financial statements, comparative information is reclassified and significant differences are explained when necessary. The Company has determined that the corporate tax provision and the corresponding tax expense amount in the prior period financial statements have not been recognized in the financial statements and reflected TL 7.892.676 to the prior period comparative financial statements in the current period.

Changes and errors in significant accounting policies and estimates and restatement of prior period financial statements

Changes in accounting policies arising from the first-time adoption of a new TMS/IFRS are applied retrospectively or prospectively in accordance with the transition requirements, if any, of that TMS/IFRS. Changes that do not include any transitional provisions, significant optional changes in accounting policies or identified accounting errors are applied retrospectively and prior period financial statements are restated.

Financial reporting in hyperinflationary economies

The financial statements and the corresponding figures for previous periods are restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period in accordance with TMS 29 Financial Reporting in Hyperinflationary Economies.

TMS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. When a hyperinflation in an economy exists, TMS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy is stated in terms of the measuring unit current at the end of the reporting period.

As of the reporting date, since the cumulative change in the general purchasing power of the last three years has been over 100% according to the Consumer Price Index ("CPI") number, entities operating in Turkey are required to apply TMS 29 "Financial Reporting in High Inflation Economies" for reporting periods ending on or after 30 June 2022.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Financial reporting in hyperinflationary economies (cont'd)

Following table shows inflation rates for related years calculated considering the Consumer Price Indexes published by the Turkish Statistical Institute:

Date	Index	Adjustment Coefficient	Three years compound inflation rates
31 December 2024	2,684.55	1.0000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%
31 December 2021	686.95	3.90793	74%

The outlines of TMS 29 indexing operations are as follows:

- As of the reporting date, all items except those expressed in terms of current purchasing power are indexed using the relevant adjustment coefficients. Amounts from prior years are also indexed in the same way.
- Monetary assets and liabilities are not indexed since they are expressed in terms of current purchasing power at the balance sheet date. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, associates and similar assets are indexed over their historical costs, not exceeding their market values. Depreciations are similarly adjusted. The amounts included in the shareholders' equity have been restated as a result of the application of the general price indices in the periods when these amounts are included in the Company or occurred within the Company.
- Except for income statement items affected by indexing non-monetary items in the statement of financial position that have an impact on the statement of income, all items in the income statement are indexed with the coefficients calculated over the periods in which the income and expense accounts are initially reflected in the financial statements.
- The gain or loss on the net monetary position arising from general inflation is the difference of adjustments made to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in the profit or loss.

The effect of applying TMS 29 Inflation Accounting is summarized below:

Restatement of Statement of Financial Position

Statement of financial position amounts not already expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated since they are already expressed in terms of the monetary unit current at the end of the reporting period. Non-monetary items are required to be restated unless they are carried at amounts current at the end of the reporting period.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Financial reporting in hyperinflationary economies (cont'd)

Restatement of Statement of Financial Position (cont'd)

The gain or loss on the net monetary position arising from restatement of non-monetary items is included in profit or loss and separately presented in the statement of comprehensive income.

Restatement of Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts are restated by applying the changes in the monthly general price index.

Cost of inventory sold is restated by using restated inventories balance. Depreciation and amortization expenses is restated by using restated property and equipment, intangible assets and right of use assets balances.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of any subsidiary whose functional currency is the currency of a hyperinflationary economy is restated by applying a general price index before they are included in the consolidated financial statements issued by its parent. Where such a subsidiary is a foreign subsidiary, its restated financial statements are translated at closing rates. If financial statements with different ends of the reporting periods are consolidated, all items, whether non-monetary or monetary, are restated into the measuring unit current at the date of the consolidated financial statements.

Corresponding figures

Corresponding figures for the previous reporting period are restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period. Information that is disclosed in respect of earlier periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.2 Declaration of Compliance with TFRSs

The accompanying financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("KGK").

The financial statements and footnotes are presented in accordance with the "financial statement examples and user guide" announced by KGK with the principle decision dated May 30, 2019 and "TFRS Taxonomy" published on October 4, 2022.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Currency Used

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The results and financial position of the Company are expressed in TL, which is the functional currency of the Company and the presentation currency for the financial statements.

2.4 Going Concern Assumption

The financial statements have been prepared on a going concern basis, which assumes that the Company will realize the benefits from its assets and settle its liabilities within the next year and in the normal course of business. As at December 31, 2024 and December 31, 2023, the Company management is of the opinion that there is no indication that the Company's ability to continue as a going concern may be jeopardized and management does not foresee any risks in the long term.

2.5 New and Revised Turkish Financial Reporting Standards

a) New and revised Standards that are effective on and after the year 2024

TFRS 17	<i>Insurance Contracts</i>
TFRS 4 (Amendments)	<i>Extension of Temporary Exemption Period for the Implementation of TFRS 9</i>
TMS 1 (Amendments)	<i>Classification of Liabilities as Current or Non-Current</i>
TFRS 16 (Amendments)	<i>Lease Liability in Sale and Leaseback Transaction</i>
TMS 1 (Amendments)	<i>Long-term liabilities under the terms of loan agreements</i>
TMS 7 and TFRS 7 (Amendments)	<i>Supplier Financing Agreements</i>
TFRS S1	<i>Sustainability Related Financial General Requirements for Disclosure of Information</i>
TFRS S2	<i>Climate Related Explanations</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current settlement value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for 1 year and will replace TFRS 4 Insurance Contracts on January 1, 2024.

TFRS 4 (Amendments) Extension of Temporary Exemption Period for the Application of TFRS 9

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 New and Revised Turkish Financial Reporting Standards (cont'd)

a) New and revised Standards that are effective on and after the year 2024 (cont'd)

TMS 1 (Amendments) *Classification of Liabilities as Current or Non-Current*

The purpose of these amendments is to ensure consistent application of the requirements of the standard by assisting entities in deciding whether debt and other liabilities in the statement of financial position that have no fixed maturity should be classified as current (expected to be settled within one year) or non-current. The amendments to TMS 1 are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted, but deferred for one year.

TFRS 16 (Amendments) *Lease Liability in a Sale and Leaseback transaction*

These amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that meet the requirements in TFRS 15 to be recognized as sales.

TMS 1 (Amendments) *Long-Term Liabilities with Loan Agreement Terms*

The amendments to TMS 1 clarify how conditions that an entity must meet within twelve months of the reporting period affect the classification of a liability.

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

The amendments to TMS 7 and TFRS 7 add guidance that requires entities to provide qualitative and quantitative information about supplier financing arrangements and disclosure requirements to existing disclosure requirements.

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

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024.

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024.

The Company has not yet fully determined the effects that may arise in its financial statements as a result of the application of these standards, but does not expect that the differences that may arise from the changes in standards will have a significant impact on its financial statements.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 New and Revised Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17 Amendments to TFRS 4	<i>Insurance Contracts Extension of the Temporary Exemption from Applying</i>
TFRS 17 (Amendments)	<i>Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information</i>
TMS 21 (Amendments)	<i>Lack of Tradability</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current settlement value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17. has been deferred for insurance, reinsurance and pension companies for a further 1 year and will replace TFRS 4 Insurance Contracts on January 1, 2026.

TFRS 17 (Amendments) Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information

Amendments have been made to TFRS 17 to reduce implementation costs, improve disclosure of results and ease transition. The amendment also permits entities that are first-time adopters of TFRS 7 and TFRS 9 to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset. The amendments will be applied when TFRS 17 is first adopted.

IAS 21 (Amendments) Non-exchangeability

These amendments include guidance on determining when a currency is fungible and how to determine the exchange rate when it is not. The amendments are effective for annual periods beginning on or after January 1, 2025. These standards, amendments and improvements are not expected to have a significant impact on the financial position or performance of the Company, but their potential impact is currently being evaluated by the Company management.

2.6 Summary of Significant Accounting Policies

Related Parties

Related parties are individuals or entities that are related to the entity that is preparing its financial statements (reporting entity).

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Related Parties (cont'd)

a) A person or a close member of that person's family is related to a reporting entity if The person in question,

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity,
- (iii) is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions are met

- (i) The entity and the reporting entity are members of the same group (i.e. each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) The entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of that third entity.
- (v) The entity has a post-employment benefit plan for the benefit of employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, whether or not for consideration.

Revenue

The Company recognizes revenue when, or as, it fulfills its performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company recognizes revenue in its financial statements in accordance with the following basic principles:

- (a) Identifying contracts with customers
- (b) Determining the performance obligations in the contract
- (c) Determination of the transaction price in the contract
- (d) Allocation of the transaction price to the performance obligations in the contract
- (e) Recognition of revenue when each performance obligation is satisfied

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

According to this model, the goods or services promised in each contract with customers are first evaluated and each commitment to transfer such goods or services is determined as a separate performance obligation. Subsequently, it is determined whether the performance obligations will be fulfilled over time or at a certain point in time. If the Company transfers control of a good or service over time and therefore fulfills the performance obligations related to the related sales over time, the Company should recognize revenue over time by measuring the progress towards the full fulfillment of these performance obligations. Revenue related to performance obligations that are promises to transfer goods or services is recognized when customers obtain control of the goods or services.

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

- (a) The parties to the contract have approved the contract (whether in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) The Company is able to identify the rights to the goods or services to be transferred by each party,
- (c) The Company may define payment terms for the goods or services to be transferred,
- (d) The contract is commercial in nature,
- (e) It is probable that the Company will collect the consideration for the goods or services to be transferred to the customer. In assessing whether the collectability of consideration is probable, the entity considers only the customer's ability and intention to pay the consideration when due.

Net sales represent the invoiced value of the service, excluding sales tax, less discounts, reflecting the rate of completion of the service. Expenses incurred but not yet invoiced at the balance sheet date should be estimated and accrued.

When the Company assesses the transfer of control of the goods or services sold to the customer;

- Ownership of the right to collect for the goods or services
- The customer's ownership of the legal right to the goods or service
- Transfer of physical possession of goods
- Ownership of the significant risks and rewards of ownership
- It takes into account the customer's acceptance of the goods or services.

For each performance obligation, the Company considers whether the performance obligation was fulfilled in time at the inception of the contract or whether the performance obligation was fulfilled at a particular point in time. The Company recognizes revenue from product sales when control is transferred to the customer.

In the event that the Company is entitled to collect a price from its customers that directly corresponds to the value of the completed performance for the customer (delivery of products), the Company recognizes revenue up to the amount that it has the right to invoice. The Company carries out its trade both within and outside BIST in accordance with delivery and receipt with cash payment record.

The transaction price varies due to reasons such as discounts and rebates given to customers and if such discounts and rebates have not yet been invoiced, they are determined and accrued by the most probable amount method.



UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

The Company recognizes a refund liability in the financial statements when it expects to repay some or all of the consideration collected from a customer. A refund liability is recognized for the portion of the consideration collected (or receivable) that the entity does not expect to be entitled to. The refund liability is updated at the end of each reporting period, taking into account changes in circumstances.

Sale of goods

The Company is engaged in the purchase and sale of precious metals such as gold and silver. The time of fulfillment of the performance obligation of the Company is the moment of delivery of the goods. Therefore, in the 5-step revenue recognition process in accordance with TFRS 5, the time of revenue recognition is recognized in the statement of profit or loss as delivery at a specific moment. The primary responsibility for the use and sale of goods after delivery lies with the customer and the customer bears the risks of damage, obsolescence and loss. A trade receivable is recognized in the financial statements when the goods are delivered to the customer. A receivable is an entity's unconditional right to receive consideration. The right to receive the consideration is unconditional only if the collection of the consideration is conditional on a maturity date.

In accordance with the Company's standard contract terms, customers do not have any right of return except for returns due to defective production. According to the historical return trend, the return obligation and the related revenue adjustment for the goods sold are recognized if material due to periodicity. The Company estimates the return obligation by utilizing past experience on a product group basis. It is considered highly probable that there will be no significant reversal or increase in the cumulative revenue amount reflected in the financial statements due to the consistent course observed in returns in previous years, and since no transition between periods is expected, no adjustment has been made in the revenue amounts related to the return issue in both the current period and the previous period.

Inventories

Inventories are valued at the lower of cost or net realizable value. In accordance with paragraph 3(b) of TMS 2, inventories are revalued at the end of each period with the market values prevailing in the Istanbul Gold Exchange and any increase or decrease in value is recognized in other operating income and expenses. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

When the net realizable value of inventories is less than cost, the inventories are written down to their net realizable value and the expense is recognized in the income statement in the year the write-down or loss occurred. An impairment loss is reversed when the circumstances that previously caused inventories to be written down to net realizable value no longer exist or when there is evidence of an increase in net realizable value due to changing economic conditions. The amount reversed is limited to the amount of the previously recognized impairment loss.



UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Property, Plant and Equipment

Cost Method

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Land and land improvements are not depreciated and are stated at cost less accumulated impairment losses.

Assets under construction for administrative or other purposes not yet determined are carried at cost less any accumulated impairment losses. Cost also includes legal fees. Borrowing costs are capitalized if they relate to qualifying assets that will take a substantial period of time to get ready for their intended use or sale. When the construction of these assets is completed and they are ready for their intended use, they are reclassified to property, plant and equipment. Such assets are depreciated when they are ready for use, in accordance with the depreciation method used for other fixed assets. However, the Company does not have any fixed assets that should be considered as qualifying assets both in the current and prior periods.

The Company is prohibited from acquiring any property, plant and equipment without the pre-approval of the Ministry of Treasury and Finance, and prior authorization must be obtained from the Ministry before each request.

The cost of property, plant and equipment, other than land and construction in progress, is depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives in the same way as owned property, plant and equipment. If it is uncertain whether ownership will be obtained at the end of the lease term, they are depreciated over the shorter of the expected useful life and the lease term.

An item of property, plant and equipment is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible Assets

Intangible assets acquired

Intangible assets purchased with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives and amortization method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Acquired intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Intangible Assets (cont'd)

Computer software

Purchased computer software is capitalized at the time of purchase and at the cost incurred from the date of purchase until the software is ready for use. These costs are amortized over their useful lives.

Costs associated with developing and maintaining computer software are recognized in the income statement in the period in which they are incurred. Costs that are directly attributable to the development of identifiable and unique software products controlled by the Company and that will generate economic benefits in excess of cost for more than one year are recognized as intangible assets. Costs include the costs of employees developing the software and a portion of production overheads.

Derecognition of intangible assets

An intangible asset is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an intangible asset is calculated as the difference, if any, between the net proceeds from disposal and the carrying amount of the asset. This difference is recognized in profit or loss when the asset is derecognized.

Impairment of Intangible Assets other than Property, Plant and Equipment and Goodwill

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any impairment in value. If assets are impaired, the recoverable amount of the assets, if any, is measured to determine the amount of impairment. If the recoverable amount of an asset cannot be measured, the Company measures the recoverable amount of the cash-generating unit associated with the asset. If a reasonable and consistent basis of allocation can be determined, the Company's assets are allocated to the cash-generating units. Where this is not possible, the Company's assets are allocated to the smallest cash-generating unit to determine a reasonable and consistent basis of allocation.

Intangible assets that have indefinite useful lives and are not available for use are tested for impairment at least annually or whenever there is an indication of impairment. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and value in use. Value in use is the present value of future cash flows expected to be derived from an asset or cash-generating unit. Value in use is calculated using a pre-tax discount rate that reflects current market assessments of the value in use of money and the risks specific to the asset that are not taken into account in the estimation of future cash flows.

When the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized directly in profit or loss unless the asset is measured at revalued amount. In this case, the impairment loss is recognized as a revaluation decrease.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Impairment of Intangible Assets other than Property, Plant and Equipment and Goodwill (cont'd)

When an impairment loss is reversed in a subsequent period, the carrying amount of the asset (or related cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the related cash-generating unit) in prior periods. A reversal of an impairment loss is recognized directly in profit or loss, unless the asset is carried at a revalued amount. Reversal of an impairment loss on a revalued asset is recognized as a revaluation increase.

Borrowing Costs

In the case of assets that take a substantial period of time to get ready for their intended use or sale (qualifying assets), borrowing costs directly attributable to the acquisition, construction or production of the asset are included in the cost of the asset until the asset is ready for its intended use or sale.

The amount of borrowing costs that can be capitalized in a period in respect of funds borrowed to acquire a qualifying asset in relation to a financial liability that is directly attributable to the qualifying asset is the total borrowing costs incurred in the relevant period for those assets, less any income from temporary investments of those funds.

However, when borrowing for general purposes and a portion of these funds are used to finance a qualifying asset, the amount of borrowing costs that can be capitalized is determined with the help of a capitalization rate to be applied to the expenditures made for the related asset. This capitalization rate is the weighted average of the borrowing costs of all borrowings outstanding during the relevant period, excluding borrowings for the purchase of qualifying assets. Borrowing costs eligible for capitalization are offset against the borrowing income from the temporary investment of the unspent portion of the loan related to the investment in financial investments. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

Financial Instruments

Financial assets and liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of those financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities are recognized directly in profit or loss.

Financial assets

Financial assets that are traded in the normal course of business are recognized or derecognized on the trade [delivery date].



UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

The Company classifies its financial assets as (a) business model used by the entity to manage financial assets, (b) measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss on subsequent recognition based on the characteristics of the contractual cash flows of the financial asset. When an entity changes its business model for managing financial assets, it reclassifies all affected financial assets. Reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, no adjustment is made to previously recognized gains, losses (including impairment gains or losses) or interest.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Financial assets that meet the following conditions are measured at fair value through other comprehensive income:

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

If a financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss.

On initial recognition, the Company may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for the following:

(a) Financial assets that are credit-impaired when acquired or originated. For such financial assets, the entity applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

(i) Amortized cost and effective interest method (cont'd)

(b) Financial assets that are not credit-impaired financial assets when acquired or originated, but subsequently become credit-impaired financial assets. For such financial assets, the entity applies the effective interest rate to the amortized cost of the asset at subsequent reporting dates.

Interest income is recognized on subsequent recognition using the effective interest method for debt instruments measured at amortized cost and at fair value through other comprehensive income. Interest income is recognized in profit or loss.

(i) Financial assets at fair value through other comprehensive income

Changes in the fair value of corporate bonds held by the Company are recognized in other comprehensive income. Fair value is determined as explained in Note 2.6. Corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the fair value of these corporate bonds arising from foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method (see (i)) are recognized in profit or loss. The amounts recognized in profit or loss are the same as those that would be recognized in profit or loss if these corporate bonds were measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and presented in the revaluation reserve. When these corporate bonds are derecognized, the total amount previously recognized in other comprehensive income is reclassified to profit or loss.

(ii) Equity instruments at fair value through other comprehensive income

On initial recognition, an entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

A financial asset is considered to be held for trading if it is

- acquired with the intention to sell in the near future; or
- at the time of initial recognition, is part of a portfolio of specific financial instruments that the Company manages together and there is recent evidence that the Company has a propensity to earn a profit in the short term; or
- a derivative instrument (other than a financial guarantee contract or a derivative instrument that is a designated and effective hedging instrument).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the revaluation reserve. On disposal of an equity investment, the cumulative gain or loss is transferred to retained earnings.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets (cont'd)

(iii) Equity instruments at fair value through other comprehensive income (cont'd)

Dividends from equity instruments are recognized in profit or loss in accordance with TFRS 9, unless they represent a partial recovery of investment costs. Dividends are recognized in profit or loss under "income from investing activities".

There are no equity instruments within the Company's assets that are required to be classified as at fair value through other comprehensive income under TFRS 9.

(iii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income (see (i) - (iii)) are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each period and all changes in fair value are recognized in profit or loss, unless the financial assets are designated as hedging instruments (see hedge accounting policy).

Foreign exchange gains and losses

The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. In particular,

- For financial assets carried at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- Exchange differences on the amortized cost of debt instruments measured at FVTOCI that are not part of a designated hedging relationship are recognized in profit or loss for the period. All other exchange differences arising are recognized in other comprehensive income;
- for financial assets measured at fair value through profit or loss that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss for the period; and
- Exchange differences relating to equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

The Company recognizes a provision for impairment in its financial statements for expected credit losses on debt instruments, lease receivables, trade receivables, assets arising from contracts with customers and investments in financial guarantee contracts that are measured at amortized cost or at fair value through other comprehensive income. The amount of expected credit loss is revised at each reporting date to reflect changes in the credit risk since the initial recognition of the financial asset.

The Company uses the simplified approach for trade receivables, assets arising from contracts with customers and *lease receivables* that do not have a significant financing element and calculates impairment losses equal to the expected credit loss over the life of the related financial assets.

For all other financial instruments, the Company recognizes lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition. However, if the credit risk of the financial instrument has not increased significantly since initial recognition, the Company recognizes a loss allowance equal to 12 months expected credit losses for that financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, the loss given default (i.e. the magnitude of the loss given default) and the amount at risk given default. The assessment of the probability of default and loss given default is based on historical data adjusted with forward-looking information. The amount at risk in the event of default of financial assets is reflected at the gross carrying amount of the assets at the reporting date.

The expected credit loss on financial assets is the present value of the difference between all of the Company's contractual cash flows that will be collected as they fall due and all of the cash flows that the Company expects to collect (all cash shortfalls), calculated using the initial effective interest rate (or credit-adjusted effective interest rate for financial assets that were credit-impaired when acquired or originated).

The Company calculates impairment losses for trade receivables and receivables from related parties in an amount equal to lifetime expected credit losses, using the simplified approach permitted by TFRS 9.

In this context, in order to measure the expected credit loss for trade receivables and receivables from related parties, the Company groups these assets according to their risk levels and the time elapsed since their maturity.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Measurement and recognition of expected credit losses (cont'd)

The expected loss calculation rates in accordance with TFRS 9 regulations are as follows:

31 December 2024	Maturity not passed	30 days overdue	30 to 60 days overdue	60 to 90 days overdue	3 to 12 months overdue	Over 1 year overdue
Expected credit loss rate	0.5%	1.5%	5%	10%	50%	100%

31 December 2023	Maturity not passed	30 days overdue	30 to 60 days overdue	60 to 90 days overdue	3 to 12 months overdue	Over 1 year overdue
Expected credit loss rate	0.5%	1.5%	5%	10%	50%	100%

If there is no reasonable expectation of partial or full recovery of the value of trade receivables, the Company directly reduces the gross carrying amount of the related receivables and excludes them from its financial statements. The main indicators that there is no reasonable expectation of recovery of a receivable are that the debtor has not made a repayment plan with the Company regarding the overdue debt and the debt payments are overdue for more than 1 year. Trade receivables that are not likely to be recovered are derecognized.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

When a financial asset measured at amortized cost is derecognized, the difference between the carrying amount of the asset and the consideration received or receivable is recognized in profit or loss. In addition, on derecognition of a debt instrument measured at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss. On derecognition of an equity instrument that the Company has elected to measure at fair value through other comprehensive income on initial recognition, the cumulative gain or loss previously accumulated in the revaluation reserve is not recognized in profit or loss but is transferred directly to retained earnings.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial liabilities

An entity measures a financial liability at fair value on initial recognition. On initial measurement of liabilities other than those at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability are added to the fair value.

The entity classifies all financial liabilities as measured at amortized cost on subsequent recognition, except for the following:

(a) Financial liabilities at fair value through profit or loss: These liabilities, including derivatives, are measured at fair value on subsequent recognition.

(b) Financial liabilities that arise when the transfer of a financial asset does not meet the derecognition criteria or when the continuing relationship approach is applied: When an entity continues to recognize an asset in the financial statements to the extent of its continuing involvement, it also recognizes a corresponding liability in the financial statements. The transferred asset and the related liability are measured to reflect the rights and obligations that the entity continues to hold. The liability associated with the transferred asset is measured in the same way as the net carrying amount of the transferred asset.

(c) Contingent consideration recognized by the acquirer in a business combination to which TFRS 3 applies: After initial recognition, changes in the fair value of such contingent consideration are measured at fair value through profit or loss.

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the Company's obligations are discharged, cancelled or expire. The difference between the carrying amount of the derecognized financial liability and the amount paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Effects of Exchange Rate Changes

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The results and financial position of the Company are expressed in TL, which is the functional currency and the presentation currency for the financial statements.

In preparing the financial statements, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. Non-monetary items at fair value through profit or loss denominated in foreign currencies are translated into TL at the exchange rates prevailing at the dates when the fair value was determined. Non-monetary items in foreign currencies measured at historical cost are not subject to retranslation.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Effects of Changes in Foreign Exchange Rates (cont'd)

Exchange differences are recognized in profit or loss in the period in which they arise, except as noted below:

- Exchange differences relating to assets under construction for future use that are treated as an adjustment to interest costs on foreign currency denominated liabilities and included in the cost of such assets,
- Foreign exchange differences arising from transactions entered into to hedge foreign currency exposures (accounting policies for hedging are described below),
- Exchange differences arising on monetary receivables and payables from foreign operations that form part of the net investment in foreign operations, which are recognized in translation reserves and recognized in profit or loss on disposal of the net investment, and for which there is no intention or possibility of settlement.

When a foreign entity is acquired, goodwill arising on the date of acquisition and any fair value adjustments to the carrying amounts of assets and liabilities are recognized as assets and liabilities of the foreign entity. Accordingly, they are denominated in the functional currency of the foreign operation and translated at the period-end exchange rate. Exchange differences arising are recognized in equity.

In accordance with the announcement on the subsequent measurement of monetary items denominated in foreign currencies published by the Public Oversight Accounting and Auditing Standards Board of Turkey ("KGK") on March 15, 2021; the exchange rates published by the Central Bank of the Republic of Turkey ("TCMB") on the last day of the relevant year and effective as of January 1 on the day after the last day of the year are used in the period-end valuation of foreign currency denominated balances, the effective buying rate on the relevant date is used for foreign currency denominated assets and the effective selling rate is used for foreign currency denominated liabilities.

Events after the Reporting Period

Subsequent events cover all events that occur between the reporting date and the date when the financial statements are authorized for issue, even if they occur after the announcement of any profit or loss or public disclosure of other selected financial information.

The Company adjusts the amounts recognized in the financial statements if events requiring an adjustment occur after the reporting date.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Provisions, Contingent Assets and Liabilities (continued)

The amount recognized as a provision is the most reliable estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. If the provision is measured using the estimated cash flows required to settle the present obligation, the carrying amount of the provision is equal to the present value of those cash flows.

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 virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segmental Reporting of Financial Information

The Company analyzes its operating results on the basis of revenue generated by product groups and geographically all sales are realized within Turkey. The Company has two product segments, Gold and Silver, which contain information used by management to evaluate performance and decide on resource allocation. These segments are managed separately as they are affected by different economic conditions and different locations in terms of risk and return. The Company management has determined revenue performance and gross profitability by product groups as the most appropriate method to evaluate the performance of the segments.

Discontinued Operations

A disposal group is a component of a Company that is disposed of or classified as available-for-sale and whose activities and cash flows are segregable from those of the Company as a whole. A disposal group is a separate business or geographical area of operations, is part of a separate plan to sell or dispose of, or is a Subsidiary acquired for the purpose of sale. The disposal group is measured at the lower of the carrying amount of the assets and liabilities and fair value less costs to sell.

Government Incentives and Aids

Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the period in which the costs intended to be compensated by the grants are recognized as expenses. Government grants which are considered as a financing instrument, should be recognized in the statement of financial position (balance sheet) as unearned income and charged to profit or loss on a systematic basis over the economic life of the related assets, rather than recognized in profit or loss to offset the expenditure item they finance.

Government grants given to compensate for expenses or losses already incurred or to provide immediate financial support to the entity without any future cost are recognized in profit or loss in the period in which they become collectible.

The benefit of a loan from the government at a lower than market interest rate is considered a government subsidy. The benefit of the lower interest rate is measured as the difference between the initial carrying amount of the loan and the gains realized.



2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Taxes on corporate profit

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current corporate tax

Current year tax liability is recognized on taxable profit for the year. 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. Current tax liability is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such 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 profit nor the accounting profit.

Deferred tax liabilities are recognized for all 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 taxable temporary differences associated with such investments and interests are recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit 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 reporting 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Taxes on corporate profit (cont'd)

Deferred Tax (cont'd)

Deferred tax assets and liabilities are offset 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 net basis.

Current and deferred tax 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, or where they arise from the initial accounting for a business combination. In business combinations, the tax effect is taken into account in the calculation of goodwill or in determining the excess of the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary over the cost of acquisition.

Leasing Transactions

Company in case of tenant

The Company assesses whether a contract is, or contains, a lease at inception of the contract. The Company recognizes the right-of-use asset and the related lease liability for all leases in which it is the lessee, except for short-term leases (leases with lease terms of 12 months or less) and leases of low-value assets. For these leases, the Company recognizes lease payments as an operating expense on a straight-line basis over the lease term, unless there is another systematic basis that better reflects the timing of the economic benefits derived from the leased assets.

At initial recognition, lease liabilities are recognized at the present value of the lease payments outstanding at the inception of the lease, discounted at the lease rate. If this rate is not specified in advance, the Company uses an alternative borrowing rate determined by the Company.

Lease payments included in the measurement of the lease liability consist of the following:

- fixed lease payments (essentially fixed payments) less any lease incentives;
- variable lease payments that are linked to an index or rate, initially measured using an index or rate at the commencement date;
- the amount of debt expected to be paid by the lessee under residual value guarantees;
- the exercise price of the payment options where the tenant would reasonably exercise the payment options; and
- penalty payment for lease cancellation if there is a right to cancel the lease during the lease period.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Lease Transactions (cont'd)

The Company as a lessee (cont'd)

The lease liability is presented as a separate line item in the statement of financial position. Lease liabilities are subsequently measured by increasing the net carrying amount to reflect interest on the lease liability (using the effective interest method) and decreasing the net carrying amount to reflect the lease payment made.

The Company remeasures the lease liability (and makes appropriate modifications to the related right-of-use asset) when

- When the lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term or in the assessment of the exercise of a purchase option.
- When the lease liability is remeasured by discounting the restated lease payments using the initial discount rate when there is a change in the lease payments due to changes in the index, changes in the rate or a change in the expected payment in the committed residual value (a revised discount rate is used if the change in lease payments is due to a change in the variable interest rate).
- When a lease is modified and the lease modification is not accounted for as a separate lease, the lease liability is restated by discounting the revised lease payments using the revised discount rate.

The Company has not made any such changes during the periods presented in the financial statements.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date and other direct initial costs. These assets are subsequently measured at cost less accumulated depreciation and impairment losses.

A provision is recognized in accordance with TMS 37 when the Company incurs costs necessary to dismantle and remove a lease asset, restore the space on which the asset is located, or restore the underlying asset in accordance with the terms and conditions of the lease. These costs are included in the related right-of-use asset unless they are incurred to produce inventory.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. The associated right-of-use asset is depreciated over the useful life of the host asset when ownership of the underlying asset is transferred or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset. Depreciation commences on the commencement date of the lease.

Right-of-use assets are presented as a separate line item in the statement of financial position.

The Company applies TMS 36 to determine whether right-of-use assets are impaired and recognizes all identified impairment losses as described in the 'Property, Plant and Equipment' policy.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Summary of Significant Accounting Policies (cont'd)

Lease Transactions (cont'd)

The Company as a lessee (cont'd)

Variable rents that are not linked to an index or rate are not included in the measurement of the lease liability and right-of-use asset. Related payments are recognized as an expense in the period in which the underlying event or events giving rise to the payments occur and are included in 'Other expenses' in the statement of profit or loss.

As a practical expedient, TFRS 16 permits a lessee to account for all leases and non-lease related items as a single lease contract and not separately present the non-lease related items.

Employee Benefits

Severance payments:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan in accordance with the revised TMS 19 *Employee Benefits* ("TMS 19").

The retirement pay liability recognized in the balance sheet is calculated by estimating the net present value of the future probable obligation of the Company arising from the retirement of all employees and reflected in the financial statements. All actuarial gains and losses are recognized in other comprehensive income.

Dividend and bonus payments

Dividends and bonuses calculated on the basis of a method that takes into account the profit attributable to the Company's shareholders after adjustments are recognized as a liability and expense. Provision is recognized where there is a contractual obligation or a past practice that creates an implied obligation. The Company does not have any liability in this context in the current period.

Statement of Cash Flows

In the statement of cash flows, cash flows for the period are classified and reported based on operating, investing and financing activities.

Cash flows from operating activities primarily represent cash flows from the Company's activities related to the sale of finished goods and merchandise.

Cash flows from investing activities represent the cash flows used in and generated from investing activities (fixed investments and financial investments).

Cash flows from financing activities represent the resources used in financing activities and the repayment of these resources.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Statement of Cash Flows (cont'd)

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as a deduction from retained earnings in the period in which the dividend is declared.

2.7 Significant Accounting Judgments, Estimates and Assumptions

Critical judgments made in applying accounting policies and the main sources of estimation uncertainty

In the process of applying the accounting policies described in Note 2.6, the company has made the following interpretations and judgments that involve significant assumptions about the future that have a significant effect on the amounts recognized in the financial statements and that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following period, and these interpretations and judgments constitute the main sources of accounting uncertainty.

Business model assessment

The classification and measurement of financial assets depends on the results of principal and interest payments and the business model test. The Company determines its business model at a level that reflects how groups of financial assets are managed together to achieve a specific business objective. This assessment includes judgments that reflect all relevant evidence, including how the performance of assets is assessed and measured, how risks affecting performance are managed and how asset managers are evaluated. The Company continually assesses financial assets measured at amortized cost or fair value that are derecognized before maturity to determine whether the reason for derecognition is consistent with the intended use of the asset. These assessments include whether the business model for the Company's remaining financial assets is appropriate and, if not, whether there has been a change in the business model. If there is a change, a prospective change in the classification of financial assets should be made. No such change was required in the current period.

Provisions on the determination of the time of fulfillment of performance obligations

In making its assessment, management considers the detailed conditions set out in TFRS 15 for the fulfillment of performance obligations and the recognition of the related allocated transaction costs as revenue, in particular whether control over the goods and services has passed to the customer.

Deferred tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. Since the Company does not have unused tax losses, deferred tax is not recognized for tax losses.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 Significant Accounting Judgments, Estimates and Assumptions (cont'd)

Critical judgments made in applying accounting policies and the main sources of estimation uncertainty (cont'd)

Deferred Tax (cont'd)

The Company has deferred tax assets resulting from deductible temporary differences. The partially or fully recoverable amount of deferred tax assets is estimated under current circumstances. During the assessment, future profit projections, losses incurred in current periods, the expiration dates of unused losses and other tax assets and tax planning strategies that can be used when necessary are taken into consideration. If, based on the available evidence, it is probable that the Company's future taxable profit will not be sufficient to utilize all or part of its deferred tax assets, a provision is recognized for all or part of the deferred tax asset. Based on the Company's future projections, no provision has been recognized for deferred tax assets since the Company believes that all of its deferred tax assets are recoverable.

Main sources of calculation uncertainty

Significant assumptions about the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of subsequent periods and other key sources of estimation uncertainty at the balance sheet date are set out below.

Impairment of financial assets

When assessing impairment of financial assets, management makes assumptions such as default risk and expected credit loss rate. The Company makes these assumptions and judgments at each reporting date based on the Company's past experience, current market conditions and future market expectations.

3. BUSINESS COMBINATIONS AND INVESTMENTS IN OTHER ENTITIES

Business Combinations

None (December 31, 2023: None).

a) Subsidiaries

None (December 31, 2023: None).

b) Subsidiaries

None (December 31, 2023: None).

c) Joint Ventures

None (December 31, 2023: None).

d) Joint Activities

None (December 31, 2023: None).

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

4. SEGMENT REPORTING

The Company analyzes its sales revenue by product groups and makes critical decisions based on these segmentations. Although the Company management is of the opinion that there is no segment reporting obligation under TFRS 8, the reporting breakdowns used in management decisions on product group basis are presented in the segment reporting framework. The Company management analyzes segment results in terms of turnover and revenue and does not use any segment reporting for assets and liabilities.

Operating segments are determined based on internal reports that are regularly reviewed by the chief operating decision maker. The authorized decision-making authority of the Company is the Board of Directors.

The revenue of the Company's reportable operating segments mainly consists of Gold and Silver sales in terms of product/service groups.

The breakdown of revenue by product group is presented in Note 25.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

5. RELATED PARTY DISCLOSURES

Receivables and payables to related parties generally arise from financing transactions and sales and purchases of goods and services and have approximate maturities of 30 to 45 days. Interest is not charged on receivables and payables other than financial liabilities, except for the legal interest charged to shareholders.

a) Balances with related parties

The details of balances between the Company and its related parties are explained below.

	31 December 2024			
	Receivables		Payables	
	Current		Current	
Related party balances	Trade	Other	Trade	Other
Shareholders				
Uğur Uras	-	41,403,388	-	(238,225,350)
	-	41,403,388	-	(238,225,350)
	31 December 2023			
Related party balances	Receivables		Payables	
	Current		Current	
	Trade	Other	Trade	Other
Shareholders				
Uğur Uras	-	-	-	(253,467,184)
	-	-	-	(253,467,184)

There are no guarantees given in favor of related parties.

b) Transactions with related parties:

Transactions with related parties	1 January - 31 December 2024	
	Purchase of goods/services	Sale of goods/services
Uğur Uras	6,489,915,443	3,916,241,788
Ercan Ertemel	5,373,433	-
Serdar Ertemel	36,709,160	30,431,805
Adnan Veynel Ertemel	2,653,583	682,506
	<u>6,534,651,620</u>	<u>3,947,356,099</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

5. RELATED PARTY DISCLOSURES (cont'd)

b) Transactions with related parties: (cont'd)

Transactions with related parties	1 January - 31 December 2023	
	Purchase of goods/services	Sale of goods/services
Uğur Uras	618,621,718	834,643,489
Ercan Ertemel	13,918,790	5,394,497
İlknur Mentey	306,516	834,643,489
Nurettin Albora	1,917,229	-
Serdar Ertemel	44,863,989	69,400,575
Adnan Veysel Ertemel	103,855	-
	<u>679,732,096</u>	<u>1,744,082,050</u>

Transactions with related parties consist of commercial transactions except for transactions with shareholders.

c) Benefits to key management:

None (2023: None).

6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

The details of the Company's trade receivables are as follows

	31 December 2024	31 December 2023
<u>Current trade receivables</u>		
Trade receivables	385,314,467	-
Other	(8,644,748)	-
Allowance for doubtful receivables (-)	(1,926,572)	-
	<u>374,743,147</u>	<u>-</u>

Short-term trade receivables:

None (December 31, 2023: None).

Long-term trade receivables:

None (December 31, 2023: None).

The Company measures impairment for trade receivables based on lifetime expected credit losses, if any. Expected credit losses on trade receivables are estimated using an allowance matrix that is constructed by analyzing customers' past defaults, analyzing their current financial position and taking into account the general economic conditions of the industry in which the customer operates and the conditions at the reporting date.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES (cont'd)

a) Trade Receivables (cont'd)

If the Company has trade receivables that are overdue for 1 year or more, the Company provides 100% provision for all such receivables based on the risk of uncollectibility. On the other hand, the Company does not have any receivables overdue more than 1 year in the current period.

There have been no significant changes in management's estimates and assumptions in the current period.

The table below shows the risk profile of the Company's trade receivables based on the allowance matrix. As the Company's past credit loss experience does not differ significantly for different customer groups, no further distinction is made in the provisioning for different customer groups.

31 December 2024	Maturity not passed	30 days overdue	30 to 60 days overdue	60 to 90 days overdue	3 to 12 months overdue	Over 1 year overdue
Expected credit loss rate	0.5%	1.5%	5%	10%	50%	100%

31 December 2023	Maturity not passed	30 days overdue	30 to 60 days overdue	60 to 90 days overdue	3 to 12 months overdue	Over 1 year overdue
Expected credit loss rate	0.5%	1.5%	5%	10%	50%	100%

As of the reporting date, the maximum credit risk is equal to the carrying values of the receivable groups defined above.

There are no past due but not impaired receivables (December 31, 2023: None).

There are no overdue and impaired receivables. All provisions for doubtful receivables consist of expected credit losses (December 31, 2023: None).

The Company has no guarantees received against its trade receivables (December 31, 2023: None).

b) Trade Payables

The details of the Company's trade payables are as follows

Short-Term Trade Payables	31 December 2024	31 December 2023
Trade payables	464,931	572,315,612
Other payables	740,968	1,277,730
Discount on trade payables (-)	(10,431)	(285,759)
	<u>1,195,468</u>	<u>573,307,583</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables (cont'd)

The foreign currency denominated short-term trade payables, their type and amount are explained below:

<u>Currency Type</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
ABD Doları	464,931	-
TL	-	572,315,612
	<u>464,931</u>	<u>572,315,612</u>

The Company's average payment term for trade payables is 30 days (December 31, 2023: 30 days). For trade payables, no interest is charged for days beyond the invoice date. The Company has financial risk management policies in place to ensure that all debts are paid within the lending period.

The nature and level of risks related to trade payables are disclosed in Note 36.

7. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

<u>Other Short-Term Receivables</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Due from related parties	41,403,388	0
<i>Due from shareholder</i>	41,403,388	0
Due from third parties	121,447,180	167,792,606
<i>Deposits and guarantees given</i>	121,447,180	167,792,606
	<u>162,850,568</u>	<u>167,792,606</u>

The foreign currency denominated short-term other receivables, their type and amount are explained below.

<u>Currency Type</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
	<u>TL Equivalent</u>	<u>TL Equivalent</u>
TL	162,850,568	167,792,606
	<u>162,850,568</u>	<u>167,792,606</u>

Other Long-Term Receivables

None (December 31, 2023: None).

The nature and level of risks related to other receivables are disclosed in Note 36.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

7. OTHER RECEIVABLES AND PAYABLES (cont'd)

b) Other Payables

<u>Other Short-Term Payables</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Due to related parties	-	15,241,834
	<u>-</u>	<u>15,241,834</u>

The foreign currency denominated short-term other payables, their type and amount are explained below.

<u>Currency Type</u>	<u>31 December 2024</u> <u>TL Equivalent</u>	<u>31 December 2023</u> <u>TL Equivalent</u>
TL	-	15,241,834
	<u>-</u>	<u>15,241,834</u>

Other Long-Term Payables

None (December 31, 2023: None).

The nature and level of risks in other payables are disclosed in Note 36.

8. INVENTORIES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Trade goods	37,923,939	20,201,019
Diğer stoklar	2,089,382	-
	<u>40,013,321</u>	<u>20,201,019</u>

The Company has no provision for impairment of inventories (December 31, 2023: None).

The Company's inventories consist of gold and silver inventories and are valued at the end of the period at the fair value of the Istanbul Gold Exchange. In the current period, a valuation gain of TL 2,612,378 has been recognized (2023: TL 2,300,791 valuation gain).

9. BIOLOGICAL ASSETS

None (December 31, 2023: None).

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

10. PREPAID EXPENSES AND DEFERRED INCOME

<u>Short-Term Prepaid Expenses</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Advances given (*)	1,185,000	249,939
Prepaid expenses	19,705	-
	<u>1,204,705</u>	<u>249,939</u>

(*) Advances given were transferred against the gold to be imported from abroad and the corresponding gold was imported in the first month of the following year.

Long-Term Prepaid Expenses

None (December 31, 2023: None).

Prepaid expenses are related to prepaid insurance expenses (December 31, 2023: Prepaid expenses are related to prepaid insurance expenses).

<u>Short-Term Deferred Income and Accrued Expenses</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Advances received	1,300	536,066
	<u>1,300</u>	<u>536,066</u>

Long Term Deferred Income and Accrued Expenses

None (December 31, 2023: None).

11. INVESTMENT PROPERTIES

	<u>Building</u>
<u>Cost Value</u>	
Opening balance as of 1 January 2024	96,130,475
Closing balance as of 31 December 2024	<u>96,130,475</u>
<u>Accumulated Depreciation</u>	
Opening balance as of 1 January 2024	(13,243,942)
Charge for the year	<u>(2,206,059)</u>
Closing balance as of 31 December 2024	<u>(15,450,001)</u>
Carrying value as of 31 December 2024	<u>80,680,474</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

11. INVESTMENT PROPERTIES (cont'd)

	<u>Building</u>
Cost Value	
Opening balance as of 1 January 2023	96,130,475
Closing balance as of 31 December 2023	96,130,475
Accumulated Depreciation	
Opening balance as of 1 January 2023	(10,789,142)
Charge for the year	(2,454,800)
Closing balance as of 31 December 2023	(13,243,942)
Carrying value as of 31 December 2023	82,886,533

12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

a) Property, plant and equipment

	<u>Buildings</u>	<u>Motor Vehicles</u>	<u>Furniture and Fixture</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Cost Value					
Opening balance as of 1 January 2024	18,137,587	7,206,542	4,535,144	346,290	30,225,563
Additions	-	3,567,759	1,012,843	-	4,580,602
Closing balance as of 31 December 2024	18,137,587	10,774,301	5,547,987	346,290	34,806,165
Accumulated Depreciation					
Opening balance as of 1 January 2024	(1,088,256)	(3,917,024)	(2,668,117)	(154,740)	(7,828,137)
Charge for the year	(362,751)	(1,585,473)	(651,338)	(67,606)	(2,667,168)
Closing balance as of 31 December 2024	(1,451,007)	(5,502,497)	(3,319,455)	(222,346)	(10,495,305)
Carrying value as of 31 December 2024	16,686,580	5,271,804	2,228,532	123,944	24,310,860
Cost Value					
Opening balance as of 1 January 2023	18,137,587	7,057,178	4,428,446	346,290	29,969,501
Additions	-	149,364	106,698	-	256,062
Closing balance as of 31 December 2023	18,137,587	7,206,542	4,535,144	346,290	30,225,563
Accumulated Depreciation					
Opening balance as of 1 January 2023	(725,504)	(3,057,549)	(2,068,378)	(87,133)	(5,938,564)
Charge for the year	(362,752)	(859,475)	(599,739)	(67,607)	(1,889,573)
Closing balance as of 31 December 2023	(1,088,256)	(3,917,024)	(2,668,117)	(154,740)	(7,828,137)
Carrying value as of 31 December 2023	17,049,331	3,289,518	1,867,027	191,550	22,397,426

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (cont'd)

There are no assets acquired through financial leasing in the current period financial statements (December 31, 2023: None).

Depreciation periods for property, plant and equipment are as follows

	<u>31 December 2024</u>	<u>31 December 2023</u>
	Usefull life	Usefull life
Buildings	50 years	50 years
Vehicles	5 years	5 years
Furniture and fixtures	3-15 years	3-15 years
Other (Leasehold improvements)	5 years	5 years

b) Right of use assets

None, December 31, 2023: None).

Depreciation expenses related to property, plant and equipment are fully recognized in general administrative expenses (December 31, 2023: Fully recognized in general administrative expenses).

There is insurance on assets amounting to TL 35,025.

13. INTANGIBLE ASSETS

	<u>Softwares</u>
<u>Cost Value</u>	
Opening balance as of 1 January 2024	83,491
Additions	183,151
Closing balance as of 31 December 2024	266,642
<u>Accumulated Amortization</u>	
Opening balance as of 1 January 2024	(68,034)
Charge of the year	(28,451)
Closing balance as of 31 December 2024	(96,485)
Carrying value as of 31 December 2024	170,157
	<u>Softwares</u>
<u>Cost Value</u>	
Opening balance as of 1 January 2023	83,491
Closing balance as of 31 December 2023	83,491
<u>Accumulated Amortization</u>	
Opening balance as of 1 January 2023	(64,000)
Charge of the year	(4,034)
Closing balance as of 31 December 2023	(68,034)
Carrying value as of 31 December 2023	15,457

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

All amortization expenses have been recognized in general administrative expenses both in the current and prior periods.

13. INTANGIBLE ASSETS (cont'd)

The amortization periods used for intangible assets are as follows

	<u>31 December 2024</u>	<u>31 December 2023</u>
	<u>Usefull life</u>	<u>Usefull life</u>
Softwares	5 years	5 years

14. GOODWILL

None (December 31, 2023: None).

15. LEASING TRANSACTIONS

Operating Lease - Lessee

None (December 31, 2023: None).

Financial Lease - Lessee

None (December 31, 2023: None).

Financial Lease - Lessor

In the current period, the Company has rental income amounting to TL 6,698,081 (2023: TL 7,128,879) from its investment properties. These leases are in the nature of operational leases and are for 1 year. The lessee does not have the option to purchase the asset at the end of the lease agreement.

16. SERVICE CONCESSION ARRANGEMENTS

None (December 31, 2023: None).

17. IMPAIRMENT OF ASSETS

There is no impairment on the Company's assets other than doubtful receivables arising from expected credit losses.

18. GOVERNMENT INCENTIVES AND SUBSIDIES

The Company benefits from insurance premium incentives for employees in accordance with the laws numbered 5510, 6111, 17103 and 14857.

19. BORROWING COSTS

Since the Company does not have any assets considered as qualifying assets, all of the borrowings are considered as general operating borrowings and all borrowing costs are recognized in the statement of profit or loss.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

20. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**a) Provisions**

<u>Short-Term Provisions</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Corporate tax provision	19,460,678	7,892,676
Unused vacation provision	43,377	62,627
	<u>19,504,055</u>	<u>7,955,303</u>

The provision amount is recognized as general administrative expenses in the income statement. The balance as of December 31, 2024 is expected to be utilized in 2025.

In the opinion of the management, the lawsuits and proceedings to which the Company is a party are not of a nature that would cause a significant loss for the current and prior periods. Therefore, no provision for litigation has been recognized.

<u>Long-Term Provisions</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Provision for employee termination benefits	231,371	202,909
	<u>231,371</u>	<u>202,909</u>

The Company does not have any lawsuit against the Company (December 31, 2023: None).

	<u>Corporate tax Provision</u>	<u>Unused Vacation</u>	<u>Total</u>
As of 1 January 2024	7,892,676	62,627	7,955,303
Charge for the year	22,136,716	-	22,136,716
Monetary gain/loss	(4,350,360)	(19,250)	(4,369,610)
As of 31 December 2024	<u>25,679,032</u>	<u>43,377</u>	<u>25,722,409</u>

	<u>Corporate tax Provision</u>	<u>Unused Vacation</u>	<u>Total</u>
As of 1 January 2023	5,669,807	52,599	5,722,406
Charge for the year	9,856,532	21,267	9,877,799
Monetary gain/loss	(1,963,856)	(11,239)	(1,975,095)
As of 31 December 2023	<u>7,892,676</u>	<u>62,627</u>	<u>7,955,303</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

21. COMMITMENTS

Guarantees-Pledges-Mortgages ("GPM")

As of December 31, 2024 and December 31, 2023, the Company's nominal collateral/pledge/mortgage position is as follows:

31 December 2024	TL Equivalent	US Dollars
A.Total amount of GPMs given on behalf of own legal entity	73,968,930	2,100,000
-Guarantees	73,968,930	2,100,000
Letter of guarantee	73,968,930	2,100,000
Total	73,968,930	2,100,000
31 December 2023	TL Equivalent	US Dollars
A.Total amount of GPMs given on behalf of own legal entity	61,820,220	1,100,000
-Guarantees	61,820,220	1,100,000
Letter of guarantee	61,820,220	1,100,000
Total	61,820,220	1,100,000

As of December 31, 2024 and December 31, 2023, all of the letters of guarantee given are guarantees given at BİST KMTTP and obtained from the related banks against surety.

Assets pledged as collateral:

None (December 31, 2023: None).

Lease agreements:

As a lessor, the Company has operating lease income from investment properties. Although there is no right to purchase the assets at the end of the lease term, the lessor has the right of priority in case of any sale.

22. EMPLOYEE BENEFITS

Employee benefit obligations

	31 December 2024	31 December 2023
Wages to be paid to staff	104,284	97,475
Social security premiums payable	8,268	14,439
Income tax withholdings payable	37,227	61,980
	149,779	173,894

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

22. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for employee benefits

Provision for employment termination benefits

Under the Turkish Labor Law, the Company is required to make lump-sum termination indemnities to each employee whose employment is terminated without due cause and whose employment is terminated without due cause. In addition, the Company is required to make lump-sum termination indemnities to each employee who has earned the right to retire by receiving severance pay in accordance with the provisions of Article 60 of the Social Insurance Law No: 506 as amended by the Laws No: 2422 dated March 6, 1981 and No: 4447 dated August 25, 1999. Certain transitional provisions related to pre-retirement service conditions were removed from the Law with the amendment of the related law on May 23, 2002.

As of December 31, 2024, the amount payable consists of severance pay, subject to a monthly ceiling of TL 41,828.42 (December 31, 2023: TL 23,489.83).

The retirement pay liability is not legally subject to any funding. The provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Accordingly, the assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Accordingly, in the accompanying financial statements as at December 31, 2023, provisions are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 44% and a discount rate of 46%, resulting in a real discount rate of approximately 1.39% (December 31, 2023: 0.8%). The voluntary termination rate is also considered as 2% (December 31, 2023: 2%). The maximum amount of TL 41,828.42 effective as of December 31, 2023 has been taken into consideration in the calculation of the Company's provision for employment termination benefits (December 31, 2023: TL 23,489.83).

The maximum liability is revised semi-annually and the maximum amount of TL 41,828.42 effective from July 1, 2024 has been taken into consideration in calculating the provision for employment termination benefits of the Company (December 31, 2023: TL 23,489.83 effective from July 1, 2023).

Movement of provision for employment termination benefits:

	1 January- 31 December 2024	1 January- 31 December 2023
Provision at 1 January	202,909	103,768
Service cost	96,742	191,634
Retirement pay paid	-	(27,439)
Actuarial gain/loss	(18,913)	18,830
Monetary gain/loss	(49,367)	(83,884)
Provision at 31 December	<u>231,371</u>	<u>202,909</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

22. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for employee benefits (cont'd)

Provision for employment termination benefits (cont'd)

Movement of Accumulated Remeasurement Gains/Losses of Defined Benefit Plans:

	1 January- 31 December 2024	1 January- 31 December 2023
As of 1 January 2024	5,681	19,802
Actuarial gain/loss	18,913	(18,830)
Deferred tax effect	(4,728)	4,709
As of 31 December 2024	<u>19,866</u>	<u>5,681</u>

23. OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 December 2024	31 December 2023
VAT receivable carried forward	57,251	1,344,363
	<u>57,251</u>	<u>1,344,363</u>

Other Non-Current Assets

None (December 31, 2023: None).

Other Short Term Liabilities

None (December 31, 2023: None).

Other Long Term Liabilities

None (December 31, 2023: None).

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

24. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The capital structure of the Company is as follows:

Shareholders	%	31 December 2024	%	31 December 2023
Uğur Uras	100.00	400,000,000	100.00	325,000,000
Total	100.00	400,000,000	100.00	325,000,000
Capital inflation corrections		628,433,116		703,434,744
Corrected capital		<u>1,028,433,116</u>		<u>1,028,434,744</u>

The Company is subject to the registered share capital system and the registered share capital ceiling is TL 400,000,000 as of the reporting date. The Company's share capital consists of 400,000 shares (December 31, 2022: 325,000 shares). The nominal value of the shares is TL 1,000 per share (December 31, 2022: TL 1, December 31, 2021: TL 1,000). All issued shares have been paid in cash.

The Company management has decided that whether or not to pay dividends to shareholders for the current period will be decided by the participants of the general assembly in the general assembly. Accordingly, no additional liability for dividend payment has been included in the financial statements for the current period.

Restricted reserves are comprised entirely of legal reserves.

The additional capital contributions of shareholders item consists of capital reserves transferred from payables to shareholders to be added to share capital in accordance with the decisions of the Board of Directors for the purpose of capital increase.

25. REVENUE AND COST OF SALES

	1 January- 31 December 2024	1 January- 31 December 2023
Domestic Sales	96,027,579,057	132,050,484,725
Gold Sales	96,026,775,118	132,049,746,728
Other	803,939	737,997
Overseas Sales	205,316,054	-
Gold Sales	205,316,054	-
	<u>96,232,895,111</u>	<u>132,050,484,725</u>
Cost of merchandises sold	(93,094,736,703)	(143,496,209,104)
	<u>3,138,158,408</u>	<u>(11,445,724,379)</u>

The timing of the Company's performance obligations is mostly "proportional to the fulfillment at the time of delivery". All adjustments required by periodicity are reflected in the financial statements.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

26. RECEIVABLES AND LIABILITIES FROM CONSTRUCTION CONTRACTS IN PROGRESS

None (December 31, 2023: None).

27. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

<u>Administrative expenses</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Maintenance and repair	(144,343)	(16,071)
Depreciation and amortization	(4,066,897)	(3,720,963)
Dues	(407,552)	(407,383)
Electricity, water and natural gas	(33,896)	(40,918)
Personnel	(2,254,902)	(1,734,041)
Consultancy	(1,550,583)	(790,977)
Communication	(919,823)	(915,211)
Taxes and duties	(16,551)	(11,080)
Donations	(814,394)	(3,557,540)
Other	(136,874)	(1,390,552)
	<u>(10,345,815)</u>	<u>(12,584,736)</u>
<u>Marketing and selling expenses</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Car rental	(251,138)	(355,997)
Travel and Accommodation	(843,505)	(1,718,868)
Mail and Cargo	(1,076,323)	(1,867,473)
Representation and hospitality	(635,651)	(1,158,100)
Depreciation and amortization	(834,781)	(627,444)
Other	(172,430)	(54,198)
	<u>(3,999,220)</u>	<u>(5,782,080)</u>

28. OTHER OPERATING INCOME AND EXPENSES AND IMPAIRMENT GAINS/LOSSES AND REVERSAL OF IMPAIRMENT LOSSES DETERMINED IN ACCORDANCE WITH TFRS 9

a) Other operational income

	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Foreign Currency translation gain	56,456,945	-
Revaluation gain on inventories	2,612,378	2,300,791
Other	3,384,210	2,247,692
	<u>62,453,533</u>	<u>4,548,483</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

28. OTHER OPERATING INCOME AND EXPENSES AND IMPAIRMENT GAINS/LOSSES AND REVERSAL OF IMPAIRMENT LOSSES DETERMINED IN ACCORDANCE WITH TFRS 9 (cont'd)**b) Other operational expense**

	1 January- 31 December 2024	1 January- 31 December 2023
Commission expenses	(3,741,402)	(1,803,695)
Foreign Currency translation loss	(100,089,237)	(108,983)
Other	(32,205)	(48,377)
	<u>(103,862,844)</u>	<u>(1,961,055)</u>

c) Gains/losses on expected credit losses determined in accordance with TFRS 9

2024: TL 1,926,572 loss (2023: None).

29. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January- 31 December 2024	1 January- 31 December 2023
<u>Investment Income</u>		
Interest income	247,510,320	46,469,484
Gains on sales of financial assets	59,665,315	-
Discount on trade receivables	-	275,422
Leasing income from investment properties	8,430,090	9,063,029
	<u>315,605,725</u>	<u>55,807,935</u>
	1 January- 31 December 2024	1 January- 31 December 2023
Loss on sale of Financial Assets	(89,853,725)	(8,171,778)
	<u>(89,853,725)</u>	<u>(8,171,778)</u>

30. EXPENSES BY NATURE

	1 January- 31 December 2024	1 January- 31 December 2023
Representation and hospitality	(635,651)	(1,158,100)
Depreciation and amortization	(4,901,678)	(4,348,407)
Dues	(407,552)	(407,383)
Electricity, water and natural gas	(33,896)	(40,918)
Personnel	(2,440,294)	(1,734,041)
Consultancy	(1,550,583)	(790,977)
Communication	(919,823)	(915,211)
Taxes and duties	(16,551)	(11,080)
Donations	(814,394)	(3,557,540)
Car rental	(251,138)	(355,997)
Travel and Accommodation	(843,505)	(1,718,868)
Mail and Cargo	(1,076,323)	(1,867,473)
Other	(453,647)	(1,460,821)
	<u>(14,345,035)</u>	<u>(18,366,816)</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

31. FINANCIAL EXPENSES

<u>Financial Expense</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Discount expense	(8,832,240)	-
Interest expense	(32,354,468)	(36,731,864)
	<u>(41,186,708)</u>	<u>(36,731,864)</u>

32. ANALYSIS OF OTHER COMPREHENSIVE INCOME

	<u>31 December 2024</u>	<u>31 December 2023</u>
Remeasurement Gains/Losses on Defined Benefit Plans	19,866	5,681
	<u>19,866</u>	<u>5,681</u>
	<u>31 December 2024</u>	<u>31 December 2023</u>
Opening balance	7,573	26,404
Other comprehensive income/expense - gross	18,913	(18,831)
Closing balance	26,486	7,573
Deferred tax asset/liability	(6,620)	(1,892)
Net balance	19,866	5,681
Tax income/expense on other comprehensive income	(4,728)	4,709

33. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (December 31, 2023: None).

34. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES)

<i>(Assets related to current period taxation)/ Tax liability for the period:</i>	<u>31 December 2024</u>	<u>31 December 2023</u>
Current corporation tax provision	19,460,678	7,892,676
Less: Prepaid taxes and funds	(18,452,462)	(4,519,852)
	<u>1,008,216</u>	<u>3,372,823</u>

Tax expense in the statement of profit or loss:

<u>Tax (expense) / income consists of the following:</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Current tax (expense) / income	(23,066,131)	(7,892,676)
Deferred tax (expense)/income related to arose of and reversal of temporary differences	<u>5,107,984</u>	<u>18,542,212</u>
	<u>(17,958,147)</u>	<u>10,649,536</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

34. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (cont'd)

Tax recognised directly in equity

	1 January- 31 December 2024	1 January- 31 December 2023
<u>Deferred tax</u>		
Tax recognised directly in equity		
- Actuarial gain or loss	(4,728)	4,709
	<u>(4,728)</u>	<u>4,709</u>

Corporate Tax

The Company is subject to corporate tax in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the current period.

The corporate tax rate to be accrued over the taxable corporate income is calculated over the tax base remaining after the addition of non-deductible expenses and deducting tax-exempt earnings, non-taxable income and other deductions (prior year losses, if any, and investment incentives used if preferred).

As at December 31, 2024, the effective tax rate is 25% (December 31, 2023: 25%).

In Turkey, advance tax is calculated and accrued on a quarterly basis. In 2020, the advance tax rate required to be calculated over corporate earnings during the taxation of corporate earnings as of advance tax periods is 25%. (2023: %25). Losses can be carried forward for a maximum of 5 years to be deducted from future taxable income. However, losses cannot be deducted retrospectively from the profits of previous years.

In Turkey, there is no definite and rigid reconciliation procedure for tax assessments. Companies file their tax returns between April 1-25 of the year following the closing date of the relevant year. These returns and the underlying accounting records can be reviewed and amended by the Tax Office within 5 years.

Income Tax Withholding

In addition to corporate income tax, companies should also calculate income withholding tax on dividends distributed, except for companies receiving dividends and declaring such dividends as part of their corporate income, and branches of foreign companies in Turkey. Income withholding tax was applied at a rate of 10% for all companies between April 24, 2003 and July 22, 2006. As of July 22, 2006, this rate is applied as 15% with the Council of Ministers Decree No: 2006/10731. Dividends that are not distributed but added to capital are not subject to withholding tax.

19,8% withholding tax is required to be withheld on investment allowances utilized based on investment incentive certificates obtained before April 24, 2003. After this date, tax is not withheld on investment expenditures made without an incentive certificate.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

34. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (cont'd)

Deferred Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TMS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for the financial statements prepared in accordance with TMS and tax legislation.

As of December 31, 2020, according to the regulations dated December 5, 2017, it is foreseen that the Corporate Tax rate in Turkey will be applied as 22% as of December 31, 2020 and the rate will be applied as 20% for the following periods. However, with the Provisional Article 13 added to the Corporate Tax Law No. 5520 with Article 11 of the Law No. 7316 on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws, which entered into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, it was ruled that the Corporate Tax rate will be applied as 25% for 2021 and 23% for 2022. For the following years, it is envisaged that the rate of 20% will be applied again. This amendment is effective for the taxation of corporate income for the periods starting from January 1, 2021, starting from July 1, 2021. On the other hand, pursuant to the provisions of the Law numbered 7456 "Law on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on February 6, 2023 and Amendments to Certain Laws and Decree Law No. 375", the corporate tax rate has been increased by 5 points and it has been determined that the corporate tax rate will be applied as 25% starting from the declarations to be submitted as of October 1, 2023.

A tax rate of 25% has been used for the deferred tax calculations in the accompanying financial statements as of December 31, 2024 and December 31, 2023.

<u>Temporary differences basis for deferred tax calculation</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Discount on trade payables	8,634,317	(285,760)
Şüpheli alacak karşılıkları	1,926,572	-
Depreciation and amortisation of assets and usefull life differences	(2,231,092)	63,804
Adjustments of effective interest calculations on loans	-	319,836
Adjustments to interest accrual on deposits	-	(18,479,116)
Adjustments related to employee benefits	293,122	273,108
Fair value differences of inventories	(6,828,578)	(6,087,308)
Temporary differences related to inflation adjustments	38,763,857	53,271,272
Actiarial gain/loss	(26,480)	(7,568)
Other	14,615	-
	<u>40,546,333</u>	<u>29,068,268</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

34. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (cont'd)

Deferred Tax (cont'd)

<u>Deferred tax assets / (liabilities)</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Discount on trade payables	2,158,579	(71,440)
Şüpheli alacak karşılıkları	481,643	-
Depreciation and amortisation of assets and usefull life differences	(557,773)	15,951
Adjustments of effective interest calculations on loans	-	79,959
Adjustments to interest accrual on deposits	-	(4,619,779)
Adjustments related to employee benefits	73,280	68,277
Fair value differences of inventories	(1,707,144)	(1,521,827)
Temporary differences related to inflation adjustments	9,690,964	13,317,818
Actiarial gain/loss	(6,620)	(1,892)
Other	3,654	-
	<u>10,136,583</u>	<u>7,267,067</u>

The Company does not have any usable prior year financial losses.

The movement of deferred tax assets / (liabilities) is as follows:

<u>Movements of Deferred tax assets / (liabilities)</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Opening balance as of 1 January	7,267,067	(18,384,002)
Recognised in profit or loss	5,107,984	18,542,212
Recognised in other comprehensive income	(4,728)	4,709
Monetary gain/loss	(2,233,740)	7,104,148
Closing balance as of 31 December	<u>10,136,583</u>	<u>7,267,067</u>

The reconciliation of tax expense in the statement of profit or loss is as follows

<u>Reconciliaiton of tax provision:</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Loss before tax	56,010,301	(153,417,599)
Tax rate	25%	25%
	(14,002,575)	38,354,400
Taxation effect:		
- Income not subject to tax	-	1,704,003
- Non-deductable expenses	(43,705)	(787,417)
- Other	(3,911,867)	(28,621,450)
Tax (expense) / income in profit or loss	<u>(17,958,147)</u>	<u>10,649,536</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

35. FINANCIAL INSTRUMENTS

Financial Investments

Long-Term Financial Investments	1 January 2024	Additions	Disposal	Monetary gain/loss	31 December 2024
Equity instruments measured at cost					
-Stock Shares	35,537	-	-	-	35,537
	<u>35,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,537</u>
Uzun Vadeli Finansal Yatırımlar	1 January 2023	Additions	Disposal	Monetary gain/loss	31 December 2023
Equity instruments measured at market value					
-Stock Shares	84,542	-	-	(49,005)	35,537
	<u>84,542</u>	<u>-</u>	<u>-</u>	<u>(49,005)</u>	<u>35,537</u>

Financial Liabilities

Short-Term	1 January 2024	Additions	Reclass	Payments	Currency difference and interest accrual	Monetary gain/loss	31 December 2024
Due to financial institutes							
- Bank loans	69,789,231	55,050,000	-	(115,466,690)	13,740,174	(23,112,715)	-
Other financial liabilities	86,991	4,573,541	-	(3,519,207)	-	(26,739)	1,114,586
	<u>69,876,222</u>	<u>59,623,541</u>	<u>-</u>	<u>(118,985,897)</u>	<u>13,740,174</u>	<u>(23,139,454)</u>	<u>1,114,586</u>
Long-Term	1 January 2024	Additions	Reclass	Payments	Currency difference and interest accrual	Monetary gain/loss	31 December 2024
Due to financial institutes							
- Bank loans	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Short-Term	1 Ocak 2023	Additions	Reclass	Payments	Currency difference and interest accrual	Monetary gain/loss	31 December 2023
Due to financial institutes							
- Bank loans	363,586,216	234,851,695	37,481,968	(374,206,695)	319,831	(192,243,784)	69,789,231
Other financial liabilities	1,426,184	60,252	-	(599,495)	-	(799,950)	86,991
	<u>365,012,400</u>	<u>234,911,947</u>	<u>-</u>	<u>(374,806,190)</u>	<u>319,831</u>	<u>(193,043,734)</u>	<u>69,876,222</u>
Long-Term	1 Ocak 2023	Additions	Reclass	Payments	Currency difference and interest accrual	Monetary gain/loss	31 December 2023
Due to financial institutes							
- Bank loans	89,168,706	-	(37,481,968)	-	-	(51,686,738)	-
	<u>89,168,706</u>	<u>-</u>	<u>(37,481,968)</u>	<u>-</u>	<u>-</u>	<u>(51,686,738)</u>	<u>-</u>

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

35. FINANCIAL INSTRUMENTS (continued)

Financial Liabilities (continued)

All financial liabilities are denominated in TL and the effective interest rate is 5.05 for gold loans and 24.5 for operating loans (December 31, 2023: 5.05 and 24.5, respectively) There is no loan balance as of the end of the current period (December 31, 2023: TL 18,318,392 of the loans are in the form of gold loans and the remaining portion is operating loans).

Maturities of bank loans are less than 1 year.

The fair value of the Company's borrowings approximates their carrying amount.

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

The Company's principal financial instruments consist of bank borrowings, cash and short-term deposits. The main purpose of these financial instruments is to finance the Company's operating activities and investment activities. The Company also has other financial instruments such as trade payables and trade receivables arising directly from operating activities.

a) Capital risk management

The Company's objectives when managing capital are to maintain an optimal capital structure to benefit shareholders and reduce the cost of capital, and to ensure the continuity of the Company's operations.

As at December 31, 2024 and December 31, 2023, the debt to equity ratio, which is calculated by dividing net debt less cash and cash equivalents and short-term financial investments by total paid-in capital, is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Financial liabilities	-	69,789,231
Less: Cash and Cash Equivalents and Short Term Financial Investments	(199,048,534)	(1,212,693,715)
Net Debt	(199,048,534)	(1,142,904,484)
Total Capital	400,000,000	325,000,000
Debt to Equity Ratio	(2.01)	(0.28)

b) Financial Risk Factors

The main risks associated with the Company's financial instruments are currency risk, interest rate risk, precious metal price risk, liquidity risk and credit risk. The Company's management and board of directors have reviewed and adopted policies to manage these risks. The Company also considers the market value risk of all its financial instruments.

UGURAS KIYMETLI MADENLER SANAYI VE DIS TICARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd))

b) Financial Risk Factors (cont'd)

b.ii) Credit risk management (cont'd)

Credit risk exposures by types of financial instruments

31 December 2024	Trade				Receivables				Financial Investments
	Related parties	Other parties	Related parties	Other	Related parties	Other parties	Bank deposits	Financial Investments	
Maximum credit risk exposure as at reporting date (*)	-	374,743,147	41,403,388	121,447,180	199,048,534	1,204,705	35,537	-	
- The portion of maximum risk under guarantee with collateral, etc.	-	-	-	-	-	-	-	-	
A. Net book value of assets that are neither past due nor impaired	-	374,743,147	41,403,388	162,850,568	199,048,534	1,204,705	35,537	-	
B. Net book value of assets past due but not impaired	-	-	-	-	-	-	-	-	
C. Net book value of impaired assets	-	-	-	-	-	-	-	-	
- Past due (gross carrying amount)	-	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	-	
- The part of net value under guarantee with collateral, etc.	-	-	-	-	-	-	-	-	
- Net overdue (gross book value)	-	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	-	
- The part of net value under guarantee with collateral, etc.	-	-	-	-	-	-	-	-	
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-	

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd))

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

Credit risk exposures by types of financial instruments

31 December 2023	Receivables				Bank deposits	Prepaid expenses	Financial instruments
	Trade	Other parties	Related parties	Other			
Maximum credit risk exposure as at reporting date (*)	-	-	-	167,792,606	1,206,870,280	249,939	35,537
- The portion of maximum risk under guarantee with collateral, etc.	-	-	-	-	-	-	-
A. Net book value of assets that are neither past due nor impaired	-	-	-	167,792,606	1,206,870,280	249,939	35,537
B. Net book value of assets past due but not impaired	-	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-
- Part due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral, etc.	-	-	-	-	-	-	-
- Net overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral, etc.	-	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

Credit risk is the risk that a party to a financial instrument will default on a contractual obligation, resulting in a financial loss to the Company. The Company's financial instruments that are subject to significant concentrations of credit risk mainly consist of cash and cash equivalents and advances and deposits given. The Company's maximum exposure to credit risk is the amount recognized in the financial statements.

The Company has cash and cash equivalents with financial institutions. The Company manages this risk by continuously assessing the reliability of the financial institutions with which it has relationships.

The Company realizes all of its sales in the short term. Credit risk is minimized by collecting the contract price in cash for sales realized through contracts. The Company manages all of its BIST and non-BIST transactions according to cash and end-of-day offsetting. On the other hand, offsetting instruments such as checks and notes cannot be made without approval under the Treasury and Foreign Exchange desk. If such unapproved transactions are detected, sanctions such as termination of operations may be possible. The Company's capital adequacy is around TL 400 million and is at the level of TL 1.2 billion with the permission received from the Ministry of Trade for 2024.

Explanations on credit quality of financial assets

The allowance for doubtful receivables for financial assets is determined based on past experience of uncollectibility and legal disputes.

The aging of overdue receivables is as follows:

31 December 2024	Receivables					Total
	Trade Receivable	Other	Bank deposits	Derivatives	Other	
1-3 months past due	-	-	-	-	-	-
3-6 months past due	-	-	-	-	-	-
6-12 months past due	-	-	-	-	-	-
1-5 years past due	-	-	-	-	-	-
More than 5 years past due	-	-	-	-	-	-
Total overdue receivables	-	-	-	-	-	-
Secured by collateral, etc.	-	-	-	-	-	-

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

31 December 2023	Receivables					Total
	Trade Receivable	Other	Bank deposits	Derivatives	Other	
1-3 months past due	-	-	-	-	-	-
3-6 months past due	-	-	-	-	-	-
6-12 months past due	-	-	-	-	-	-
1-5 years past due	-	-	-	-	-	-
More than 5 years past due	-	-	-	-	-	-
Total overdue receivables	-	-	-	-	-	-
Secured by collateral, etc.	-	-	-	-	-	-

Information on guarantees received for receivables is given in Note 21.

b.2) Liquidity risk management

Liquidity risk is the risk that a company will be unable to meet its funding needs. The Company aims to ensure the continuity and variability of cash inflows primarily through self-financing and secondarily through short and long term bank loans. The equivalent of the TL-based loans used is Currency Protected Deposits and is included in cash and cash equivalents. In other words, there is a USD asset against the indebtedness.

The following table presents the maturity profile of the Company's non-derivative financial liabilities. Non-derivative financial liabilities are undiscounted and based on the earliest payment dates. Interest payable on these liabilities is included in the table below.

Liquidity risk tables are as follows:

31 December 2024

Contractual maturities	Carrying value	Total contractual	Less than 3	3-12	1-5 yr	Over 5
		outflows (I+II+III+IV)	months (I)	months (II)	months (III)	years (IV)
Non-derivative financial liabilities						
Bank loans	-	-	-	-	-	-
Other financial liabilities	1,114,586	1,114,586	1,114,586	-	-	-
Trade payables	1,195,468	1,195,468	1,195,468	-	-	-
Other payables	-	-	-	-	-	-
Total	2,310,054	2,310,054	2,310,054	-	-	-

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.2) Liquidity risk management (cont'd)

31 December 2023

Contractual maturities	Carrying value	Total contractual outflows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 yıl months (III)	Over 5 years (IV)
Non-derivative financial liabilities						
Bank loans	69,789,231	77,767,479	17,857,535	59,909,943	-	-
Other financial liabilities	86,991	86,991	86,991	-	-	-
Trade payables	573,307,583	573,307,583	573,307,583	-	-	-
Other payables	15,241,834	15,241,834	15,241,834	-	-	-
Total	658,425,639	666,403,887	606,493,943	59,909,943	-	-

b.3) Market risk management

The Company's activities expose it primarily to financial risks associated with changes in interest rates. As of the reporting date, the Company is also exposed to a limited level of currency risk. In order to control the risks associated with interest rates, the Company closely monitors the reliability of credit institutions and economic conditions, and at the same time seeks alternative funding opportunities to create the optimal mix of resources.

The Company management makes precautionary forecasts and closely monitors the political and economic conjuncture in order to identify operational risks early and take necessary measures in a timely manner. Therefore, the Company closely monitors the measures to be taken under different conditions by making worst-case scenario analyzes according to the expected conditions. In addition, the Company determines preventive policies to protect its revenue volume by taking into account indicators such as financial structure, cash flow situation, profit margin situation and revenue volume. The research team plays a major role in determining the Company's activities. In order to manage these risks at an optimum level, low interest rate loans are supported by high interest rate deposits.

Market risks are also assessed through sensitivity analysis.

b.3.1) Currency risk management

Transactions in foreign currencies expose the Company to foreign currency risk. The exchange rates used in the valuation of the Company's foreign currency denominated assets and liabilities are as follows

	31.12.2024	31.12.2023	31.12.2022	31.12.2024	31.12.2023	31.12.2022
	Buying	Buying	Buying	Sale	Sale	Sale
USD	35.2233	29.4382	18.6983	35.2868	29.4913	18.7320
EUR	36.7429	32.5739	19.9349	36.8091	32.6326	19.9708
GBP	44.2458	37.4417	22.4892	44.4765	37.6369	22.6065

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (continued)

b.3) Market risk management (continued)

b.3.1) Foreign currency risk management (continued)

	1.01.2025	1.01.2024	1.01.2023	1.01.2025	1.01.2024	1.01.2023
	Buying	Buying	Buying	Sale	Sale	Sale
USD	35,2803	29,4382	18,6983	35,3438	29,4913	18,7320
EUR	36,7362	32,5739	19,9349	36,8024	32,6326	19,9708
GBP	44,2073	37,4417	22,4892	44,4378	37,6369	22,6065

The breakdown of the Company's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities as of the balance sheet date is as follows

	31 December 2024		
	US Dollars	Euro	Total TL Equivalent
Cash and cash equivalents	4,111,380	7,626	145,330,935
Short-term trade receivables	10,639,070	-	375,349,581
Short-term trade payables	(13,200)	-	(466,522)
Net foreign currency position	14,737,250	7,626	520,213,994

	31 December 2023			
	US Dollars	Euro	Total TL Equivalent (as per 31 December 2022 purchase power)	Total TL Equivalent (as per 31 December 2023 purchase power)
Cash and cash equivalents	11,537,138	61,013	341,619,998	493,227,537
Net foreign currency position	11,537,138	61,013	341,619,998	493,227,537

b.3.2) Sensitivity to currency risk

The Company is mainly exposed to foreign currency risk in USD and EUR.

The following table details the sensitivity to a 10% increase and decrease in foreign exchange rates. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items at year-end and adjusts their translation at year-end for a 10% change in foreign exchange rates. A positive value indicates an increase in profit/loss and other equity items.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (continued)

b.3) Market risk management (continued)

b.3.2) Sensitivity to foreign currency risk (continued)

	USD Dollar Effect		Euro Effect	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Profit or loss	519,094,586	433,838,119	280,190	280,190
Equity	-	-	-	-

The Company's floating interest rate borrowings consist of borrowings from the parent company and the Company has no other floating interest rate liabilities. The Company is exposed to fixed interest rate risk as it borrows mainly at fixed interest rates. These exposures are managed using natural hedges that arise from offsetting interest rate dependent assets and liabilities. Interest rates of financial assets and liabilities are disclosed in the related notes.

b.3.3) Interest rate sensitivity

The Company's interest rate position, which shows the distribution of interest rate sensitive financial instruments, is as follows

	31.12.2024	31.12.2023
Financial instruments with fixed rate		
Financial assets		
Loans and receivables	538,798,420	168,042,545
Bank deposits	199,048,534	1,206,870,280
Financial Liabilities		
Trade payables	1,195,468	573,307,583
Other payables	-	15,241,834
Bank loans	-	69,789,231
Other financial liabilities	1,114,586	86,991

The Company's sensitivity to interest rates has increased slightly in the current period.

b.3.4) Other price risks

The company made a certain amount of payment to be included in the BIST member category. In return for this payment, it became both a member and a small partner of BIST. As a result of BIST's corporate and fair approach, our company, which has the right to vote in the General Assembly every year, participates in the General Assembly. It receives dividends every year as a result of its natural membership. The Company does not engage in any activities related to the purchase and sale of stocks, does not bear any such risk and does not have any stock assets other than BIST stocks. Therefore, there is no active frequent trading of similar investments by the Company.

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

36. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (continued)

b.3) Market risk management (continued)

b.3.4) Other price risks (continued)

On the other hand, the Company is affected by the market value of inventories. The Company monitors market risk and makes inventory holding decisions based on risk analysis.

Equity price sensitivity

The following sensitivity analyses are based on the equity price risk exposures at the reporting date.

At the reporting date, if all other variables were held constant and the valuation method was 10% higher/lower, net profit/loss would not be affected, unless the investments in equity securities are classified as available-for-sale and are neither disposed of nor impaired,

The Company's sensitivity to equity prices has not changed significantly compared to the previous year.

37. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING)

31 December 2024	Financial assets at amortized cost (including cash equivalents)	Available for sale	Fair value through profit or loss	Financial liabilities at amortized cost	Carrying value
Financial assets					
Cash and cash equivalents	199,048,534	-	-	-	199,048,534
Trade receivables	374,743,147	-	-	-	374,743,147
Due from related parties	41,403,388	-	-	-	41,403,388
Other financial assets	321,700,419	-	-	-	321,700,419
Financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	-	-	1,195,468	1,195,468
Due to related parties	-	-	-	-	-
Other financial liabilities	-	-	-	1,114,586	1,114,586
31 December 2023					
Financial assets					
Cash and cash equivalents	1,212,693,715	-	-	-	1,212,693,715
Trade receivables	-	-	-	-	-
Due from related parties	-	-	-	-	-
Other financial assets	1,374,912,825	-	-	-	1,374,912,825
Financial liabilities					
Borrowings	-	-	-	69,789,231	69,789,231
Trade payables	-	-	-	373,307,583	373,307,583
Due to related parties	-	-	-	15,241,834	15,241,834
Other financial liabilities	-	-	-	86,991	86,991

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

37. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING) (cont'd)

Level classifications of inventories carried at fair value:

The Company's inventories recognized at fair value in the financial statements are valued at current active market values and fair value determination is made with level 1 inputs.

38. NET MONETARY POSITION GAIN OR LOSS

	1 January- 31 December 2024	1 January- 31 December 2023
Adjustments to prepaid expenses	(18,618)	26,880
Adjustments for retained earnings	53,246,451	99,112,326
Adjustments related to actuarial gain or loss	(9,158)	(7,122,827)
Adjustments related to fixed assets	31,832,518	47,807,600
Adjustments related to financial investments	10,923	13,970
Adjustments related to profit or loss items	(3,052,156,670)	(11,221,740)
Equity adjustments	(241,937,926)	(348,217,815)
	<u>(3,209,032,480)</u>	<u>(219,601,606)</u>

39. EVENTS AFTER THE REPORTING PERIOD

Significant receipts, payments and expenditures

The Company has borrowed a loan amounting to TL 30 Million after the reporting date and has repaid the same amount of loan.

40. OTHER MATTERS THAT MAY HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL STATEMENTS OR THAT ARE NECESSARY FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None (December 31, 2023: None).

41. DISCLOSURES RELATED TO CASH FLOW STATEMENT

	31 December 2024	31 December 2023
Cash in Banks	199,048,534	1,206,870,280
Demand deposits	199,048,534	965,414,835
Time deposits with maturity of less than 3 months	-	241,455,445
Other cash equivalents (*)	-	5,823,435
	<u>199,048,534</u>	<u>1,212,693,715</u>

(*) Other cash and cash equivalents consist of collection amounts pending with banks that have not yet been transferred to the Company's accounts.

The nature and level of risks related to cash and cash equivalents are disclosed in Note 36. There is no blockage on bank deposits (December 31, 2023: None).

There are no time deposits at the end of the period (December 31, 2023: Interest rates of time deposits are around 46% for TL denominated deposits).

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŐ TİCARET A.Ő.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

41. DISCLOSURES RELATED TO CASH FLOW STATEMENT (cont'd)

The details of cash and cash equivalents denominated in foreign currencies are as follows

<u>Currency Type</u>	<u>31 December 2024</u> <u>TL equivalent</u>	<u>31 December 2023</u> <u>TL equivalent</u>
US Dollar	144,816,362	490,358,113
Euro	280,189	2,869,424
British Pound Sterling	15	19
TL	53,951,968	713,642,725
	<u>199,048,534</u>	<u>1,206,870,280</u>

42. ADDITIONAL EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN EQUITY

None.

43. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITORS

a. Independent Audit Fee

TL 200,000 (2023: TL 100,000).

b. Fees for Other Services

• **Fees for Other Assurance Services**

None (2023: None).

• **Fees for Tax Consultancy Services**

None (2023: None).

• **Fees for Services Other Than Independent Audit**

None (2023: None).