

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Interim condensed consolidated financial
statements as of September 30, 2023**

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İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Condensed consolidated statement of financial position****as of September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

		Not Reviewed	Audited
		September 30,	December 31,
Assets	Notes	2023	2022
Current assets		11.917.931	11.745.316
Cash and cash equivalents	4	1.143.120	524.270
Financial investments	5	9.015.319	9.760.480
Trade receivables			
- Due from third parties		77.599	44.189
Other receivables			
- Due from related parties		6.752	-
- Due from third parties		85.656	90.489
Inventories	6	1.420.860	1.163.163
Biological asset		25.640	18.768
Prepaid expenses	7	137.165	132.927
Assets related to current period tax		-	535
Other current assests		5.820	10.457
Assets held for sale		-	38
Non-current assets		5.856.962	2.882.727
Financial investments	5	415.233	287.449
Other receivables			
- Due from related parties	19	662.738	-
- Due from third parties		3.906	3.516
Investment properties	8	109.263	215.551
Right-of-use assets		8.356	19.252
Property, plant and equipment	9	2.191.708	1.702.190
Intangible assets			
- Goodwill	10	11.232	11.232
- Other intangible assets	10	7.169	4.654
Prepaid expenses	7	1.707.351	163.100
Deferred tax assets	17	481.922	278.964
Other non-current assets		258.084	196.819
Total assets		17.774.893	14.628.043

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Condensed consolidated statement of financial position****as of September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

		Not Reviewed	<i>Audited</i>
Liabilities	Notes	September 30, 2023	December 31, 2022
Current liabilities		2.018.767	1.155.690
Short-term lease liabilities			
- Bank credits	11	373.498	-
- Lease liabilities		7.640	15.403
Trade payables			
- Due to third parties		288.840	172.122
Payables related to employee benefits		78.730	38.314
Other payables			
- Due to related parties		103.131	5.784
- Due to third parties		19.764	92.614
Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		2.258	2.061
Current income tax liabilities	17	274.535	38.954
Short-term provisions			
- Provisions for employment benefits	12	110.398	75.045
- Other short-term provisions	12	727.616	701.855
Other current liabilities		32.357	13.538
Non-current liabilities		729.786	510.472
Long-term lease liabilities			
- Lease liabilities		2.334	6.996
Other payables			
- Due to third parties		150.332	102.676
Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		396	194
Long-term provisions			
- Provisions for employment benefits	12	178.284	118.231
- Other long-term provisions	12	398.440	282.375
Equity		15.026.340	12.961.881
Equity of parent company		3.339.101	2.962.438
Paid-in share capital	13	259.786	259.786
Share premium		239	239
Cross share capital adjustment		(335.750)	-
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		(40.396)	(26.983)
Restricted reserves	13	624.855	312.256
Retained earnings		2.101.025	1.580.655
Profit for the period		729.342	836.485
Non-controlling interests		11.687.239	9.999.443
Total liabilities and equity		17.774.893	14.628.043

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Condensed consolidated statements of profit or loss and other comprehensive income
for the period ended September 30, 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

		Not Reviewed January 1 – September 30, 2023	<i>Not Reviewed</i> <i>January 1 –</i> <i>September 30,</i> <i>2022</i>	Not Reviewed July 1 – September 30, 2023	<i>Not Reviewed</i> <i>July 1 –</i> <i>September 30,</i> <i>2022</i>
	Notes				
Revenue	14	5.374.747	4.805.634	2.156.943	2.016.770
Cost of sales (-)	14	(3.059.575)	(1.907.939)	(990.806)	(821.761)
Gross profit		2.315.172	2.897.695	1.166.137	1.195.009
Marketing, sales and distribution expenses (-)		(101.763)	(51.227)	(11.211)	(12.412)
General administrative expenses (-)		(470.994)	(286.778)	(174.924)	(113.246)
Research and development expenses (-)		(371.133)	(197.392)	(117.396)	(59.257)
Other operating income	16	77.713	176.147	25.654	23.460
Other operating expenses (-)	16	(711.477)	(520.607)	(36.696)	(136.251)
Operating profit		737.518	2.017.838	851.564	897.303
Income from investing activities	15	4.123.240	1.782.855	930.956	681.393
Expenses from investing activities (-)	15	-	(179.281)	8.546	(33.428)
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		96	4.808	(33)	1.469
Operating profit before financial income and expense		4.860.854	3.626.220	1.791.033	1.546.737
Financial expense (-)		(74.096)	-	(65.745)	(2.178)
Profit before tax from continued operations		4.786.758	3.626.220	1.725.288	1.544.559
Tax expense from continuing operations		(551.626)	(725.463)	(240.231)	(279.895)
- Current tax expense	17	(739.699)	(763.416)	(282.910)	(288.703)
- Deferred tax income / (expense)	17	188.073	37.953	42.679	8.808
Net profit for the period		4.235.132	2.900.757	1.485.057	1.264.664
Other comprehensive income / (expense)					
Total other comprehensive income not to be classified to profit or loss in subsequent years		(44.654)	(30.028)	3.634	(11.579)
Gains / (losses) on remeasurements of defined benefit plans		(59.539)	(37.535)	821	(14.474)
Gains / (losses) on remeasurements of defined benefit plans, tax effect		14.885	7.507	2.813	2.895
Total comprehensive income		4.190.478	2.870.729	1.488.691	1.253.085
Attributable to					
Non-controlling interests		3.505.790	2.282.119	1.391.304	986.911
Equity of parent company		729.342	618.638	93.753	277.753
Comprehensive income					
Non-controlling interests		3.474.549	2.265.262	1.394.144	981.017
Equity of parent company		715.929	605.467	94.547	272.068
Earnings per 100 share from profit for the period					
- common stock (TL)	18	2,807	2,381	0,361	1,069
Earnings per 100 shares from total comprehensive income					
common stock (TL)	18	2,756	2,331	0,364	1,098

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

(Convenience translation of the consolidated financial statements originally issued in Turkish)

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Condensed consolidated statements of changes in equity

for the period ended June 30, 2023

(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

			Other comprehensive income/expense not to be reclassified to profit or loss			Retained earnings				
	Paid in capital	Share premium	Capital Adjustments due to Cross- Ownership	Actuarial (loss) / gain fund for employment termination benefit	Restricted reserves	Retained earnings	Net profit for the period	Equity of parent company	Non- controlling interests	Total equity
Balance as of January 1, 2022	259.786	239	-	(3.854)	49.204	1.173.656	660.509	2.139.540	8.536.253	10.675.793
Net profit for the period	-	-	-	-	-	-	618.638	618.638	2.282.119	2.900.757
Other comprehensive income/(loss)	-	-	-	(13.171)	-	-	-	(13.171)	(16.857)	(30.028)
Total comprehensive income/(loss)	-	-	-	(13.171)	-	-	618.638	605.467	2.265.262	2.870.729
Transfers	-	-	-	-	263.052	407.248	(660.509)	9.791	(9.791)	-
Dividend payment (*)	-	-	-	-	-	-	-	-	(1.471.768)	(1.471.768)
Balances as of September 30, 2023	259.786	239	-	(17.025)	312.256	1.580.904	618.638	2.754.798	9.319.956	12.074.754
Balance as of January 1, 2022	259.786	239	-	(26.983)	312.256	1.580.655	836.485	2.962.438	9.999.443	12.961.881
Net profit for the period	-	-	-	-	-	-	729.342	729.342	3.505.790	4.235.132
Other comprehensive income/(loss)	-	-	-	(13.413)	-	-	-	(13.413)	(31.241)	(44.654)
Total comprehensive income/(loss)	-	-	-	(13.413)	-	-	729.342	715.929	3.474.549	4.190.478
Transfers	-	-	-	-	312.599	520.370	(836.485)	(3.516)	3.516	-
Dividend Payment	-	-	-	-	-	-	-	-	(684.463)	(684.463)
Increase (Decrease) through treasury share transactions(*)	-	-	(335.750)	-	-	-	-	(335.750)	(1.105.806)	(1.441.556)
Balances as of September 30, 2023	259.786	239	(335.750)	(40.396)	624.855	2.101.025	729.342	3.339.101	11.687.239	15.026.340

(*) It is related to share repurchase and share purchase and sale transactions initiated with the decision of Koza Altın İşletmeleri A.Ş. Board of Directors. Within the scope of share repurchase transactions, 50,000,000 Koza Altın shares were repurchased during the period. Within the scope of share purchase and sale transactions, 7,778,677 Koza Anadolu Metal shares were purchased, 5,529,108 İpek Doğal Enerji shares were purchased and 63,307,785 shares in total were purchased for 1,441,556 thousand TL.

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Condensed consolidated statements of cash flows

for the period ended September 30, 2023

(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		Not Reviewed January 1 – September 30, 2023	Not Reviewed January 1 – September 30, 2022
	Note		
A. Cash flows from operating activities		192.202	1.221.992
Profit for the period from continuing operations		4.235.132	2.900.757
Adjustments to reconcile profit for the period			
Adjustments for depreciation and amortization		213.083	235.461
Adjustments for fair value loss (gains) of financial assets		(2.974.364)	(338.735)
Adjustments for recognition/ (derecognition) impairment of trade receivables		10.645	12.372
Adjustments for provisions			
- Adjustments for provisions for employee benefits	12	50.930	37.164
- Adjustment for lawsuits and / or penalty provision	12	87.999	161.823
- Adjustments for rehabilitation and state rights provision	12	483.748	495.121
- Adjustments for the payable provision		(61.545)	
Adjustments for tax expense	17	551.626	725.463
Adjustments for interest income	15	(282.973)	(1.308.567)
Adjustments for interest expenses		48.718	12.300
Adjustment for impairment in inventories	6	-	(48.913)
Adjustments for gains arising from disposal of fixed assets		(42.540)	(20.353)
Adjustments for losses (gains) on disposal of investment property		(778.932)	-
Total adjustments		(2.693.605)	(36.864)
Increase in trade receivables		(44.056)	(4.208)
Decrease in other receivables		(132.937)	26.342
Adjustment for increase in inventories	6	(257.697)	(286.097)
Decrease/ (increase) in biological assets		(6.872)	(3.577)
Increases in prepaid expenses		(49.488)	(96.648)
Decrease in trade payables		116.718	(19.175)
Increase in liabilities within the scope of employee benefits		40.416	20.324
Increase in other assets		(56.910)	335
Increase decrease in other liabilities		39.162	29.447
Other receivables related to activities from related parties decrease (increase)		(143.692)	5.539
Increase in deferred income		399	1.464
Decrease in other liabilities		21.845	3.784
Taxes paid		(372.848)	(906.591)
Payments of employee retirement benefits	12	(37.314)	(15.013)
Payments related to other provisions		(466.051)	(397.827)
Net cash from operating activities		(1.349.325)	(1.641.901)
B. Cash flows from investing activities		2.185.711	(7.961.921)
Cash inflows from the sales of property, plant and equipment		50.196	52.146
Advance given and payables (-)		(1.499.000)	-
Cash outflows from the purchase of tangible assets (-)	9	(593.987)	(387.676)
Cash outflows from the purchase of intangible assets (-)	10	(6.018)	(1.420)
Cash inflows from the sale of investment properties		359.089	-
Cash inflows from the sale of fixed assets classified for sale		38	-
Interest received		281.954	888.947
Cash inflows/outflows from financial investments		3.593.439	(8.513.918)
C. Net cash from financing activities		(1.758.379)	(1.422.323)
Cash outflows arising from changes in mutual participation shares (-)		(1.441.556)	-
Dividend payment (-)		(651.473)	(1.403.281)
Cash outflows related to lease agreements (-)		(14.507)	(19.042)
Cash inflows due to borrowing	11	349.157	-
Net increase in cash and cash equivalents		619.534	(8.162.252)
Cash and cash equivalents at the beginning of the year	4	522.572	9.138.738
Cash and cash equivalents at the end of the year	4	1.142.106	976.486

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

1. Group's organization and nature of operations

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. ("Company") was established as a Joint Stock Company with Trade Registry Number 55759 with the articles of association published in the Trade Registry Gazette dated January 8, 1985 and numbered 1174. The Group has changed its title as İpek Doğal Enerji Kaynak Araştırma ve Üretim A.Ş. on June 10, 2011 which was İpek Matbaacılık Sanayi ve Ticaret A.Ş., by including oil, natural gas, energy and energy resources research and production activities in its main field of activity which was printing and invitation in the establishment. This change was announced in the Trade Registry Gazette dated June 15, 2011 and numbered 7837. The company and all of its subsidiaries, whose details are explained in footnote 2.2, are named as "Group" together.

Group's address; Uğur Mumcu Mahallesi, Fatih Sultan Mehmet Bulvarı, İstanbul Yolu 10. Km, No: 310, 06370, Yenimahalle, Ankara, Türkiye.

As of 30 September 2023, 62.12% of the Company's shares, including the stocks traded in Borsa İstanbul ("BIST"), belong to Koza İpek Holding A.Ş. Pursuant to the decision of the Company dated October 26, 2015, the Company Management was transferred to the Board of Trustees, and subsequently, with the Decree Law No. 674 on Making Certain Arrangements Under the State of Emergency ("KHK"), published on September 1, 2016, all the powers of the Company were transferred to the Savings Deposit Insurance Fund on September 22, 2016. ("TMSF"). As of September 30, 2023, shares corresponding to 37.72% of the Company's capital (31 December 2022: 37.72%) are traded on the BIST.

As of October 26, 2015, all the powers of the management body have been transferred to the trustees appointed to the Group Management and it has been decided that new management bodies will be formed by these trustees.

With the Decree Law No. 674 on Making Some Regulations under the State of Emergency ("Decree") published on September 1, 2016, it was decided to transfer all the powers previously given to the trustees assigned to companies by the courts to the Savings Deposit Insurance Fund ("SDIF"). In this context, on September 22, 2016, it has decided to terminate all the powers given to the trustees assigned to the Group on the basis of the article 19/1 of the aforementioned Decree and transfer the Group to the SDIF.

In accordance with the "reservation of the rights of bona fide shareholders and third parties" stipulated in the decision of the 3rd Criminal Chamber of the Supreme Court of Appeals dated April 14, 2023, numbered 2022/18087 Principles, Decision no. 2023/2215, the Company and other Koza İpek Group companies are in a way that protects the rights of bona fide shareholders and third parties, the parent company-subsidiary structure in group companies continues as it is, and the rights of investors in companies traded on BIST are protected, and the registration and announcement of the shares of real persons other than these on behalf of the Treasury are carried out by the Trade Registry Office. It was held in July 2023.

The Group's consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 have been approved by the Board of Directors with the board decisions dated April 24, 2018, April 30, 2018, February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively and published by excluding the possible cumulative effects of the works and transactions belonging to the previous financial periods, whose judgment process continues, in accordance with the provisions of Article 401/4 of the Turkish Commercial Code No. 6102 ("TCC"). Audited consolidated financial statements for the year ended December 31, 2015 were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 as explained in detailed in Note 10, could not be carried out due to various examinations and works by the Prosecutor's Office, the Police Financial Crimes Branch and the CMB, and these consolidated financial statements of the Group could not be submitted to the approval of the General Assembly.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements for the interim period ended September 30, 2023

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

1. Group's organisation and nature of operations (continued)

Koza Altın İşletmeleri AŞ, a subsidiary of the Group, has established UK-based Koza Ltd., which owns 100%, in order to establish abroad mining ventures on March 31, 2014. The control of Koza Ltd, which the Company was consolidated until September 11, 2015, was lost as a result of the General Assembly held on September 11, 2015. The legal process initiated by the CMB regarding loss of control pursuant to decision dated February 4, 2016 continues as of the date of the consolidated financial statements. Under condensed consolidated financial statements, the Group has presented Koza Ltd. under the "Financial Investments" account with a cost value amounting to Thousand TL 218.325 (December 31, 2022: Thousand TL 218.325).

Main activity of the group is the operation of gold mines in Ovacık-Bergama-İzmir, Çukuralan-İzmir, Kaymaz-Eskişehir, Mastra-Gümüşhane and Himmetdede-Kayseri; gold mine exploration and ongoing projects across Turkey including gold mine field development.

Group's consolidated participations located in Turkey until December 31, 2015, Bugün Televizyon Radyo ve Perakende A.Ş., Yaşam Televizyon Yayın Hizmetleri A.Ş. ve Koza İpek Basın ve Basım Sanayi ve Ticaret A.Ş. and subsidiaries Koza Prodüksiyon ve Ticaret A.Ş., Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ve İpek Online Bilişim Hizmetleri Ltd. Şti. has not been included in the scope of consolidation since 2016 due to the official cancellation of the trade registry record with the Decree Law in 2016.

As of September 30, 2023, the number of employee is 2.796 (December 31, 2022: 2.821 people).

2. Basis of presentation of condensed consolidated financial statements

2.1 Basis of presentation

Financial reporting standards

The Company and its subsidiaries established in Turkey, prepare its financial statements in accordance with the Turkish Commercial Code (TCC) numbered 6102, tax legislation and the Uniform Chart of Accounts published by the Ministry of Finance.

The accompanying condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Resmi Gazete No:28676 on June 13, 2013. The accompanying condensed consolidated financial statements are prepared based on the Turkish Financial Reporting Standards and Interpretations ("TAS/IFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The consolidated condensed consolidated financial statements and notes are presented in accordance with the "2022 TAS Taxonomy" announced by the POA with the principle decision dated October 4, 2022.

The condensed consolidated financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some corrections and classification changes in order to present the Company's status according to TAS and IFRS.

Foreign currency

Functional and reporting currency

The condensed consolidated financial statements are presented in TL, which is the functional currency of the Group and the presentation currency of the Group.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.1 Basis of presentation (continued)

Foreign currency transactions and balances

Foreign currency transactions have been converted over the exchange rates valid on the dates of the transaction. Monetary assets and liabilities based on foreign currency are converted using the exchange rates valid on the date of the statement of financial position. Exchange difference income or expense arising from foreign currency-based operational transactions (trade receivables and debts) is presented under the "other income / expenses from operating activities", while the exchange difference income or expense arising from the translation of other foreign currency based monetary assets and liabilities is presented under "finance income / expenses" in the statement of profit or loss.

Adjustment of Financial Statements in High Inflation Periods

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on September 30, 2023 in accordance with TAS 29. In this context, TMS 29 is not applied, and inflation adjustment has not been reflected in the condensed financial statements as of September 30, 2023.

Going concern

The Group has prepared its condensed consolidated financial statements according to the going concern principle.

Declaration of conformity to TFRS

The Group has prepared its interim condensed consolidated financial statements for the period ending on September 30, 2023, in accordance with the CMB's Communiqué Serial: II-14.1 and its announcements clarifying this communiqué. The condensed consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB and including the required information.

Comparative information and correction of previous period financial statements

The financial statements of the Group are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when necessary and significant differences are explained. The classification made in the profit or loss and other comprehensive income statement of the Group of 30 September 2023 is as follows;

- Advertising expenses amounting to TL 41.668 thousand, which were accounted for under general administrative expenses in the income statement on 30 September 2023, were reclassified as marketing, sales and distribution expenses.

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

2. Basis of presentation of condensed consolidated financial statements (continued)

2.2 Consolidation principles

- (a) Consolidated financial statements include the accounts of the Company and its subsidiaries prepared according to the principles stated below. During the preparation of the financial statements of the companies included in the scope of consolidation, necessary corrections and classifications were made in terms of compliance with TFRS and the accounting policies and presentation styles applied by the Group.
- (b) The subsidiaries controlled by the company has been included in the consolidated financial statements by full consolidation method. Control is provided only when all of the following indicators are present on the enterprise in which the Company invests;
 - a) has power over the enterprise in which it invests,
 - b) is exposed to or is entitled to varying returns due to its relationship with the investee,
 - c) has the ability to use its power over the investee to influence the amount of returns it will generate.

During the consolidation process, the registered participation values of the shares owned by the Company and its subsidiaries were netted mutually with the relevant equities. Intra-group transactions and balances between the Company and the subsidiaries have been netted during the consolidation process. The registered values of the shares owned by the Company and the dividends arising from them have been netted from the relevant equity and profit or loss statement accounts. The subsidiaries have been included in the scope of consolidation as of the date the control over its activities was transferred to the Group.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.2 Consolidation principles (continued)

Subsidiaries

As of September 30, 2023 and December 31, 2022, the activities of the consolidated subsidiaries and the operating segments in which the subsidiaries operate in line with the purpose of the consolidated financial statements are as follows:

September 30, 2023			
Title	Business segments	Nature of business	
Koza Anadolu Metal Madencilik İşletmeleri A.Ş.	Mining	Mining	
ATP İnşaat ve Ticaret A.Ş.	Construction and mining	Mining	
Koza Altın İşletmeleri A.Ş.	Mining	Mining	
Özdemir Antimuan Madenleri A.Ş.	Mining	Mining	
ATP Havacılık Ticaret A.Ş.	Air transportation	Transportation	
	Tourism and hotel management	Tourism	
ATP Koza Turizm Seyahat Ticaret A.Ş.			
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Food and farming	Food	
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Mining	Mining	
December 31, 2022			
Title	Business segments	Nature of business	
Koza Anadolu Metal Madencilik İşletmeleri A.Ş.	Mining	Mining	
ATP İnşaat ve Ticaret A.Ş.	Construction and mining	Mining	
Koza Altın İşletmeleri A.Ş.	Mining	Mining	
Özdemir Antimuan Madenleri A.Ş.	Mining	Mining	
ATP Havacılık Ticaret A.Ş.	Air transportation	Transportation	
	Tourism and hotel management	Tourism	
ATP Koza Turizm Seyahat Ticaret A.Ş.			
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Food and farming	Food	
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Mining	Mining	

As of September 30, 2023 and December 31, 2022 titles, capitals, effective ownership rates and minority rates of the subsidiaries of the Group are as follows:

September 30, 2023			
Title	Direct ownership share (%)	Effective ownership share (%)	Minority share (%)
Koza Anadolu Metal Maden. İşletmeleri A.Ş.	52,25	52,25	47,75
ATP İnşaat ve Ticaret A.Ş.	-	51,75	48,25
Koza Altın İşletmeleri A.Ş. (*)	-	23,29	76,71
Özdemir Antimuan Madenleri A.Ş.	-	51,75	48,25
ATP Havacılık Ticaret A.Ş.	-	51,23	48,77
ATP Koza Turizm Seyahat Ticaret A.Ş.	-	51,75	48,25
ATP Koza Gıda Tarım Hayvancılık San. ve Tic. A.Ş.	-	51,75	48,25
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	-	37,48	62,52
Koza İpek Tedarik Ticaret A.Ş. (**)	28,00	52,88	47,12

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.2 Consolidation principles (continued)

December 31, 2022

Title	Direct ownership share (%)	Effective ownership share (%)	Minority share (%)
Koza Anadolu Metal Maden. İşletmeleri A.Ş.	52,25	52,25	47,75
ATP İnşaat ve Ticaret A.Ş.		51,75	48,25
Koza Altın İşletmeleri A.Ş. (*)	-	23,29	76,71
Özdemir Antimuan Madenleri A.Ş.	-	51,75	48,25
ATP Havacılık Ticaret A.Ş.	-	51,23	48,77
ATP Koza Turizm Seyahat Ticaret A.Ş.	-	51,75	48,25
ATP Koza Gıda Tarım Hayvancılık San. ve Tic. A.Ş.	-	51,75	48,25
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	-	37,48	62,52
Koza İpek Tedarik Ticaret A.Ş. (**)	28,00	52,88	47,12

(*) Although the effective ownership rate of the Group is less than 50%, it uses its dominance power to manage the financial and operating policies of the company in question.

(**) Although the effective ownership rate of the Group is less than 50%, it uses its dominant authority to manage the financial and operating policies of the said company. It is not included in the scope of consolidation as it does not have a significant impact. Total assets, turnover and net profit for the period of the subsidiary not included in the scope of consolidation; the ratio of consolidated total assets, turnover and net profit for the period is below 1%.

(c) The shares of non-controlling shareholders in the net assets and operating results of subsidiaries are shown as "non-controlling interests" in the consolidated financial statements.

(d) Koza Altın İşletmeleri A.Ş. ("Koza Altın"), one of the subsidiaries of the Group, established UK-based Koza Ltd., in which it has a 100% share, to make mining ventures abroad on June 30, 2014. It has been understood that the control of the Group over its subsidiary Koza Ltd, which it consolidated until September 11, 2015, was lost as a result of the general meeting held on September 11, 2015. The legal process initiated by the CMB regarding the loss of control pursuant to its decision dated February 4, 2016 continues as of the balance sheet date. In its consolidated financial statements, the Group has presented Koza Ltd. under "Financial Investments" in non-current assets at a cost of Thousands TL 218.325.

(e) Group's consolidated participations located in Turkey until December 31, 2015, Bugün Televizyon Radyo ve Perakende A.Ş., Yaşam Televizyon Yayın Hizmetleri A.Ş. ve Koza İpek Basın ve Basım Sanayi ve Ticaret A.Ş. and subsidiaries Koza Prodüksiyon ve Ticaret A.Ş., Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ve İpek Online Bilişim Hizmetleri Ltd. Şti. has not been included in the scope of consolidation since 2016 due to the official cancellation of the trade registry record with the Decree Law in 2016.

2.3. Accounting policies, changes in accounting estimates and errors

Accounting policy changes arising from the implementation of a new TAS / TFRS for the first time are applied retrospectively or prospectively in accordance with the transition provisions of the TAS / TFRS, if any. If there is no transition requirement, significant optional changes in accounting policies or detected accounting errors are applied retrospectively and the financial statements of the previous period are restated.

Changes in accounting estimates are applied in the current period when the change is made if they are related to only one period, and if they are related to future periods, they are applied both in the period of change and prospectively.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of September 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

- Amendments to TAS 8 - Definition of Accounting Estimates
- Amendments to TAS 1 - Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

- Amendments to IAS 21 - Lack of exchangeability

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.5 Summary of significant accounting policies

The consolidated financial statements for the period ending on September 30, 2023 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the financial statements for the year ending on December 31, 2022. Therefore, these consolidated financial statements should be evaluated together with the financial statements for the year ended December 31, 2022.

2.6 Significant accounting judgments estimates and assumptions

In the preparation of condensed consolidated financial statements, the Group management requires the use of estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the amounts of income and expenses reported during the accounting period. Accounting judgments, estimates and assumptions are continuously evaluated by considering past experience, other factors and reasonable expectations about future events under current conditions. Necessary corrections are made and presented in the profit or loss statement in the period when it realized. Although these estimates and assumptions are based on management's best knowledge of current events and transactions, actual results may differ from their assumptions.

- a) Mining assets consists of mine site development costs, mining rights, mining lands, deferred stripping costs and discounted costs associated with the improvement, rehabilitation and closure of mine sites. Mining assets are accounted in the consolidated financial statements with their net book value after deducting the accumulated depreciation and permanent impairment, if any, from their acquisition costs. Mining assets start to be amortized on a production basis according to producible ore reserve with the commencement of production. The depreciation expenses of the mining assets are associated with the production costs on the basis of the relevant mining sites.

Within the scope of long-term plan studies, which are regularly updated, the Group conducts studies to determine the remaining reserves of mining assets, revising the possible effects of employee benefit obligations, production-based depreciation calculations, and rehabilitation provisions within this scope.

The Group management reviews the estimates made in relation to the visible and probable mineral reserves in each balance sheet period. In certain periods, the Group management has independent professional valuation companies make valuation studies in accordance with the Australian Exploration Results, Mineral Resources and Gold Reserves 2012 Standards ("JORC") to determine the amount of visible, possible and probable mineral reserves and It is updated by or under the supervision of persons who have the competencies specified in. The reserves and resource amounts in question have been audited and approved by the independent professional valuation company "SRK Consulting" in line with the "JORC" standards as of 31 December 2022. Inspection of reserves and resources according to UMREK standards has been completed and approved.

Within the scope of these studies, the assumptions and methods used in determining the mineral reserves contain some uncertainties (such as gold prices, exchange rates, geographic and statistical variables), and the assumptions and methods developed in relation to the mineral reserve may change significantly depending on the availability of new information. The cost and depreciation of mining assets are adjusted prospectively based on these updates.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

Mining assets are amortized using the "production" method and the visible and possible gold reserve amount is used to calculate the depreciation rate. Other tangible assets, both movable and fixed, other than mining assets are depreciated using the straight-line method over their useful lives, limited with lifetime of the mines they are related to. The depreciation amounts calculated on the basis of the visible and possible gold reserves and using the production units method may vary between periods and for some mining assets, the depreciation may be affected by the deviation between the actual and estimated production amounts. These differences arise from the variables or assumptions stated below;

- Changes in the amount of visible and possible gold reserves as a result of the work done,
- The reserve's tenor ("grade") ratio, which can vary significantly from time to time,
- The actual gold price and the estimated gold price taken into account in reserve valuation and tenor determination studies,
- Other matters that may occur in the mine sites and cannot be predicted in advance and may affect the activities,
- Unpredictable changes in mining, processing and rehabilitation costs, discount rates, exchange rate changes,
- The effects of changes in mineral life on the useful life of tangible assets depreciated with the straight-line method and whose useful life are limited to the mine life.

The impairment tests performed by the Group management depend on the management's estimates about the future gold prices, current market conditions, exchange rates and pre-tax discount rate together with the relevant project risk. The recoverable value of the cash-generating units is determined as the higher one from the use value of the relevant cash-generating unit or its fair value after deducting sales costs. These calculations require the use of some assumptions and estimates. Changes in assumptions and estimates based on gold prices may affect the useful lives of mines, and conditions may arise that may require adjustment on the carrying values of both goodwill and related assets.

Assets are grouped as independent and smallest cash generating units. If an impairment indicator is determined, estimates and assumptions are established for the cash flows to be obtained from each cash-generating unit determined. Impairment tests of both tangible assets and goodwill contain a certain amount of uncertainty due to the estimates and assumptions used. This uncertainty arises from the amount of visible and possible workable gold reserves used, current and future predicted gold prices, discount rates, exchange rates and estimated production costs.

- b) Amount of provisions reflected in condensed consolidated financial statements regarding environmental rehabilitation, improvement of mine sites and closure of mine sites is based on the plans of the Group management and the requirements of the relevant legal regulations. Changes in the aforementioned plans and legal regulations, up-to-date market data and prices, discount rates used, changes in estimates based on mineral resources and reserves may affect provisions.

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023**

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

2. Basis of presentation of condensed consolidated financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

As of September 30, 2023, the Group reassessed the provision amounts due to changes in discount rates, costs, production areas subject to rehabilitation and reserve lifetimes. The Group evaluates the mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation due to the large number of factors that may affect the final liability to be paid. These factors include estimates of the scope and cost of rehabilitation activities, technological changes, changes in regulations, cost increases proportional to inflation rates and changes in net discount rates (September 30, 2023: 0,07 %, December 31, 2022: 0,07%). These uncertainties may cause future expenditures to differ from the amounts estimated today.

The provision amount at the reporting date represents the best estimate of the present value of future rehabilitation costs. Changes in estimated future costs are accounted in the balance sheet by increasing or decreasing the rehabilitation obligation or asset if the initial estimate was initially recognized as part of an asset measured in accordance with TAS 16 Property, plant and equipment. Any reduction in the rehabilitation obligation and hence any reduction in the rehabilitation asset cannot exceed the carried value of that asset. In case of excess, the amount exceeding the carried value is immediately taken to profit or loss.

- c) Deferred tax assets are recorded when it is determined that it is possible to generate taxable income in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over temporary differences. The Group management, as a result of its assessment, has been recognized as a deferred tax asset for financial losses that can be used within a predictable period and within the framework of tax laws. This evaluation is based on the assumptions used that the related subsidiary has taxable profit in the future periods.
- d) As the Group operates in the mining industry, it is exposed to many risks arising from laws and regulations. As of the balance sheet date, The results of current or future legal practices can be estimated within a certain ratio, based on the past experiences of the Group management and as a result of the legal consultancy received. Negative effects of a decision or application that may be taken against the Group may significantly affect the activities of the Group.

At the stage of determining the amount of the provision for the lawsuits, the management consider the possibility of the ongoing lawsuits to be concluded against the Group and the legal advisors' evaluation of the consequences that may arise in case these lawsuits are concluded against the Group. The Group management makes the best estimate based on the information provided.

- e) The gold in circuit inventory amount, which is followed as a semi-finished product and has not yet turned into finished gold during the production process, is evaluated separately for each production facility by making technical production calculations and estimations. The gold in circuit process, which is common for both tank leaching and heap leach production plants, ends after finished gold is obtained. Since the production processes of tank leaching and heap leaching facilities are different from each other, the amount of gold stock in the circuit differs on the basis of facilities, and the estimated amount of gold that can be obtained from the gold in circuit stocks of each facility at the end of the production process and the life of mine is analyzed based on technical calculations.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****3. Segment reporting**

The Group's reporting according to the operating segments made as of September 30, 2023 is presented as follows:

	Mine	Transportation	Tourism	Consumer	Elimination adjustments	Total
Revenue						
Domestic sales	5.108.483	-	12.295	231.034	(3.777)	5.348.035
Exports	26.712	-	-	-	-	26.712
Total revenue	5.135.195	-	12.295	231.034	(3.777)	5.374.747
Operating results						
Depreciation expense	(196.088)	(14.000)	(2.853)	(142)	-	(213.083)
Interest income/expense from investment activities, (net)	521.574	326	1.711	1.521	(242.159)	282.973
Other interest income / expenses, (net)	(72.282)	(91.442)	-	(7.454)	97.081	(74.097)
Current tax expense (-)	(735.928)	-	(489)	(3.282)	-	(739.699)
Deferred tax income / (expense)	92.992	9.531	4.659	756	80.135	188.073
Operating profit / loss	749.921	(35.610)	(1.577)	22.799	1.985	737.518
Profit / loss before tax from continuing operations	5.900.311	(238.099)	606	16.866	(892.926)	4.786.758
Assets as of September 30, 2023	21.918.517	447.193	148.595	171.694	(4.911.106)	17.774.893
Liabilities as of September 30, 2023	2.886.876	1.113.595	14.548	97.661	(1.364.127)	2.748.553

In the table above, the amounts related to the segments are presented at the combined level, and all elimination balances within the Group are presented in the "Elimination adjustments" column.

The Group's reporting according to the operating segments as of September 30, 2022 is presented as follows:

	Mine	Transportation	Tourism	Consumer	Elimination adjustments	Total
Revenue						
Domestic sales	4.657.065	-	4.837	42.827	5.275	4.710.004
Exports	95.630	-	-	-	-	95.630
Total revenue	4.752.695	-	4.837	42.827	5.275	4.805.634
Operating results						
Depreciation expense	(218.179)	(13.540)	(2.949)	(793)	-	(235.461)
Interest income/expense from investment activities, (net)	1.403.912	209	701	162	(96.417)	1.308.567
Other interest income / expenses, (net)	(53.886)	(32.837)	-	(6.938)	93.661	-
Current tax expense (-)	(763.416)	-	-	-	-	(763.416)
Deferred tax income / (expense)	27.112	3.467	(1.168)	242	8.300	37.953
Operating profit / loss	2.072.112	(63.959)	(4.781)	(6.061)	20.527	2.017.838
Profit / loss before tax from continuing operations	5.103.547	(258.750)	(1.594)	23.601	(1.240.584)	3.626.220
Assets as of December 31, 2022	16.508.472	432.025	136.853	88.938	(2.538.245)	14.628.043
Liabilities as of December 31, 2022	1.811.338	869.859	7.582	25.700	(1.048.317)	1.666.162

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023**
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

4. Cash and cash equivalents

	September 30, 2023	December 31 2022
Cash	384	259
Banks		
- Demand deposits	28.315	3.034
- Time deposits	1.114.390	519.791
Other cash and cash equivalents	31	1.186
Total	1.143.120	524.270
Less: Interest accruals	(1.014)	(1.698)
Cash and cash equivalents presented in the cash flow statement	1.142.106	522.572

The details of the Group's time deposits as of September 30, 2023 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	%24,00 - %40,00	1-30 Gün	1.114.390	1.114.390
Total				1.114.390

The details of the Groups time deposits as of December 31, 2022 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	%15,00 - %26,50	1-30 Days	517.360	517.360
USD	0,70%	1-30 Days	130	2.431
Total				519.791

The Group's blocked deposits of Thousands TL 196.810 have been presented under financial investments account (December 31, 2022: Thousands TL 69.026).

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

5. Financial investments

a. Short term financial investments

The short term financial investments of the Group as of September 30, 2023 and December 31, 2022 are as follows;

	September 30, 2023	December 31, 2022
Currency protected time deposits (**)	1.772.694	1.187.002
Financial assets accounted at fair value under profit or loss (***)	7.242.625	8.573.478
Toplam	9.015.319	9.760.480

b. Long term financial investments

The long term financial investments of the Group as of September 30, 2023 and December 31, 2022 are as follows;

	September 30, 2023	December 31, 2022
Shares in subsidiaries (*)	218.423	218.423
Blocked deposits	196.810	69.026
Total	415.233	287.449

(*) With the decisions taken at the General Assembly meeting held on September 11, 2015 and the amendment of the articles of association on the same date of Koza Ltd. which is the subsidiary of the Company with 100% share, two A Group shares each worth 1 GBP (“GBP”) and the control has transferred to A Group shareholders. Pursuant to the amendment to the articles of association made as of September 11, 2015, savings regarding all operational and managerial activities of Koza Ltd., decision and approval of the articles of association, approval of liquidation transactions and share transfer transactions, etc. rights are given to directors. As a result of the mentioned changes, the Company has lost the control over Koza Ltd. and Koza Ltd. was excluded from the scope of consolidation. It has been accounted in the financial statements at cost since the date the control has ended. As of the report date, fair value measurement could not be calculated due to uncertainties arising from the ongoing legal processes about Koza Ltd.

A legal process has been initiated by the CMB with the decision dated February 4, 2016 regarding the General Assembly and the resolutions taken, in cases where the final judicial decisions regarding this decision differ from the initially recorded amounts, these differences will be accounted in the period determined.

(**) Currency protected time deposits are accounted as financial assets at fair value under profit or loss.

The Company has converted foreign exchange deposit accounts amounting to USD 61,742,516 into “Currency protected time deposits accounts”. The maturity of currency protected time deposits is between 90-182 days.

(***) The Group has 3,693,090,520 investment fund participation certificates worth 4,995,603 thousand TL in total and 129,213,455 Mint Gold Certificates worth 2,247,022 thousand TL in total, and the fund accounts are accounted as financial assets whose fair value is recognized in profit or loss.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

6. Inventories

The inventories of the Group as of September 30, 2023 and December 31, 2022 are as follows;

	September 30, 2023	December 31, 2022
Gold and silver in the production process and gold and silver bars	413.703	291.212
Spare parts (*)	371.096	285.485
Chemicals and operating materials	253.252	221.956
Ready to be processed mined ore clusters	252.661	286.998
Other inventories (**)	130.148	77.512
Total	1.420.860	1.163.163

(*) Spare parts are used for the ongoing operations of the gold mines that continue their operations.

(**) Other inventories consist of food and concentrated antimony stocks.

7. Prepaid expenses

The prepaid expenses of the Company as of September 30, 2023 and December 31, 2022 are as follows;

i- Short term prepaid expenses

	September 30, 2023	December 31, 2022
Advances given	89.910	117.235
Future months expenses	47.255	15.692
Total	137.165	132.927

ii- Long term prepaid expenses

	September 30, 2023	December 31, 2022
Advances given (*)	1.688.381	151.314
Other (**)	18.970	11.786
Total	1.707.351	163.100

(*) Under the Mollakara Gold Mine Project in Diyadin district of Ağrı Province, the company has made an investment decision for the production of gold and silver. In this context, Fernas Construction Inc. has been determined as the contractor company to establish the facility through a tender, and an advance payment of 1,499,000 TL has been made to them.

(**) The company's expenses consist of rental fees and insurance costs for the coming years.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****8. Investment properties**

Investment properties of the Group as of September 30, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals (*)	September 30, 2023
Cost				
Flats	108.478	-	(108.478)	-
Dormitory buildings	25.625	-	(10.630)	14.995
Hotel	179.298	-	-	179.298
Total	313.401	-	(119.108)	194.293
Accumulated depreciation				
Flats	13.131	592	(13.723)	-
Dormitory buildings	4.885	36	(2.599)	2.322
Hotel	79.834	2.874	-	82.708
Total	97.850	3.502	(16.322)	85.030
Net book value	215.551			109.263

(*) A total of 48 real estates, 43 of which are domestic and 5 of which are abroad, within the body of the Group have been sold to Koza-İpek Holding A.Ş. in accordance with the Board of Directors decision dated March 20, 2023.

	January 1, 2022	Additions	Disposals	September 30, 2022
Cost				
Flats	108.478	-	-	108.478
Dormitory buildings	25.625	-	-	25.625
Hotel	180.158	15	(875)	179.298
Total	314.261	15	(875)	313.401
Accumulated depreciation				
Flats	10.985	1.554	-	12.539
Dormitory buildings	4.593	274	-	4.867
Hotel	76.801	2.947	(875)	78.873
Total	92.379	4.775	(875)	96.279
Net book value	221.882			217.122

In 2023, from investment properties owned by Koza Altın, Group has earned 966 thousand TL rental income from investment properties. (1 January – 30 September 2022: 1.461 Thousand TL). In addition, within the scope of the lease contract of Angel's Hotel and Royal Garden Hotel, which are owned by Koza Turizm, the Group has obtained a rental income of 12.295 Thousand TL between 1 January - 30 September 2023 (1 January - 30 September 2022: 3.225 Thousand TL). As of 30 September 2023, all of the investment properties consist of the dormitory building in Gümüşhane. There is no rental agreement. As of 30 September 2023, there are annotations placed on the said real estates of the Company by the General Directorate of National Real Estate.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****9. Property, plant and equipment**

The property, plant and equipment of the Group as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Mining assets	602.946	461.245
Other tangible assets	1.588.762	1.240.945
Total	2.191.708	1.702.190

a) Mining assets

As of September 30, 2023 and December 31, 2022, mining assets consists of mining rights, mine site development costs, deferred stripping costs, mining lands and closing and rehabilitation of mines, and the net book values of these mining assets are as follows.

	September 30, 2023	December 31, 2022
Mining sites	43.409	43.859
Mining site development cost	323.531	278.456
Deferred stripping costs	41.681	29.628
Rehabilitation mining facility	112.025	48.029
Mining rights	82.300	61.273
Total	602.946	461.245

The movements of mining assets during the period as of September 30, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals	September 30, 2023
Cost				
Mining sites	89.824	97	-	89.921
Mining site development cost	679.527	61.956	-	741.483
Deferred stripping costs	333.882	24.623	-	358.505
Rehabilitation mining facility	376.166	97.679	-	473.845
Mining rights	74.643	21.031	(4.066)	91.608
Total	1.554.042	205.386	(4.066)	1.755.362

Accumulated depreciation

Mining sites	45.965	547	-	46.512
Mining site development cost	401.071	16.881	-	417.952
Deferred stripping costs	304.254	12.570	-	316.824
Rehabilitation mining facility	328.137	33.683	-	361.820
Mining rights	13.370	4	(4.066)	9.308
Total	1.092.797	63.685	(4.066)	1.152.416
Net book value	461.245			602.946

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023**

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

9. Property, plant and equipment (continued)**a) Mining assets (continued)**

	January 1, 2022	Additions	Disposals	September 30, 2022
Cost				
Mining sites	73.696	23.566	(15.569)	81.693
Mining site development cost	584.884	73.631	-	658.515
Deferred stripping costs	278.899	42.443	-	321.342
Rehabilitation mining facility	331.055	48.541	-	379.596
Mining rights	74.005	-	-	74.005
Total	1.342.539	188.181	(15.569)	1.515.151
Accumulated depreciation				
Mining sites	42.807	2.736	-	45.543
Mining site development cost	364.415	28.562	-	392.977
Deferred stripping costs	264.586	28.149	-	292.735
Rehabilitation mining facility	264.290	57.019	-	321.309
Mining rights	13.361	7	-	13.368
Total	949.459	116.473	-	1.065.932
Net book value	393.080			449.219

There isn't any mortgage on mining assets as of September 30, 2023. (December 31, 2022: None).

The cost of the mine sites, mining rights and mine site development cost of the Group, which have been fully depreciated as of September 30, 2023, but in use, are amounting to Thousands TL 234.938 (September 30, 2022: Thousands TL 115.807).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****9. Property, plant and equipment (continued)****b) Other tangible assets**

Movements of other tangible assets during the period as of September 30, 2023 and December 31, 2022 are as follows;

	January 1, 2023	Additions	Disposals	Transfers	September 30, 2023
Cost					
Land, buildings and land improvements	447.912	21.776	(15.813)	839	454.714
Machinery and equipment	1.031.560	110.672	(37.259)	9.690	1.114.663
Vehicles	663.479	131.703	(2.838)	-	792.344
Furniture and fixtures	111.861	13.681	(12.356)	712	113.898
Construction in progress	65.286	208.447	-	(11.241)	262.492
Total	2.320.098	486.279	(68.266)	-	2.738.111
Accumulated depreciation					
Buildings and land improvements	211.500	14.954	(10.728)	-	215.726
Machinery and equipment	662.288	59.258	(35.821)	-	685.725
vehicles	137.560	46.218	(2.540)	-	181.238
Furniture and fixtures	67.805	10.376	(11.521)	-	66.660
Total	1.079.153	130.806	(60.610)	-	1.149.349
Net book value	1.240.945				1.588.762

There isn't any mortgage on other property, plant and equipment as of September 30, 2023. (December 31, 2022: None). As of September 30, 2023, the insurance amount on the property, plant and equipment and inventories of the Group is amounting to Thousands TL 1.621 (September 30, 2022: Thousands TL 439).

The cost of other tangible assets of the Group, which have been fully depreciated as of September 30, 2023, but are in use, is amounting to thousand TL 341.273. (September 30, 2022: thousand TL 367.951).

There are no financing expenses capitalized on property, plant and equipment.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****9. Property, plant and equipment (continued)****b) Other tangible assets (continued)**

	January 1, 2022	Additions	Disposals	Transfers	September 30, 2022
Cost					
Land, buildings and land improvements	401.691	25.051	(20.271)	6.227	412.698
Machinery and equipment	853.220	79.380	(8.146)	33.614	958.068
Vehicles	584.935	63.119	(2.206)	-	645.848
Furniture and fixtures	94.542	12.747	(1.123)	584	106.750
Construction in progress	45.777	19.183	-	(40.425)	24.535
Total	1.980.165	199.480	(31.746)	-	2.147.899
Accumulated depreciation					
Buildings and land improvements	194.436	14.418	(7.225)	-	201.629
Machinery and equipment	604.819	38.502	(5.293)	-	638.028
vehicles	89.015	35.257	(2.115)	-	122.157
Furniture and fixtures	55.382	9.076	(911)	-	63.547
Total	943.652	97.253	(15.544)	-	1.025.361
Net book value	1.036.513				1.122.538

10. Intangible assets**a) Goodwill**

The details of the Group's intangible assets as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Goodwill related to Newmont Altın purchase	11.232	11.232
Total	11.232	11.232

Purchase of Newmont Altın:

The Group purchased 99.84% of Newmont Altın's shares in order to gain competitive advantage and create synergy by benefiting from the mining fields owned by Newmont Altın on June 28, 2010, in accordance with the "Share Purchase Agreement" with Newmont Overseas and Canmont. As of the same date, control of Newmont Altın was transferred to Koza Altın.

Koza Altın has paid Thousand USD 538 and Thousand USD 2.462, which constitute part of the total purchase price of 8.500 Thousand US dollars, for 99.84% Newmont Altın shares, on June 28, 2010 and July 2, 2010, respectively. The remaining 5.500 thousand USD of the purchase price, Thousand US dollars 3.000 will be paid after the start of the Diyadin project, which is planned for at least one year after the balance sheet date, and the remaining Thousands US dollars 2.500 will be paid one year after the second payment.

Notes to the condensed consolidated interim financial statements**for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****10. Intangible assets (continued)****a) Goodwill (continued)**

As of September 30, 2023, it is highly probable that a sufficient amount of visible and probable reserves will be found in the mentioned mine sites in the coming years according to the estimates of the gold price made by the management, geological and geochemical studies and expert reports,. As a result of these evaluations, no impairment is expected in the goodwill arising from the acquisition of Newmont Altın as of September 30, 2023.

b) Other intangible assets

	January 1, 2023	Additions	Disposals	September 30, 2023
Cost				
Rights	20.458	6.018	(2.714)	23.762
Total	20.458	6.018	(2.714)	23.762
Accumulated amortization				
Rights	15.804	3.503	(2.714)	16.593
Total	15.804	3.503	(2.714)	16.593
Net book value	4.654			7.169

	January 1, 2022	Additions	Disposals	September 30, 2022
Cost				
Rights	17.180	1.420	-	18.600
Total	17.180	1.420	-	18.600
Accumulated amortization				
Rights	13.134	1.878	-	15.012
Total	13.134	1.878	-	15.012
Net book value	4.046		-	3.588

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023**
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

11. Bank Credits

September 30, 2023				
	Currency	Nominal Interest Rate	Maturity Date	Net Book Value
Bank Credits	TL	11,50%	January, 2024	387.283

As of September 30, 2023 and September 30, 2022, the details of the Company's bank credits are as follows:

Bank Credits	September 30, 2023	September 30, 2022
January 1	-	-
Credit Usage	349.157	-
Interest Accrual	24.341	-
Interest Payment (-)	-	-
September 30	373.498	-

12. Provisions, contingent assets and liabilities

As of September 30, 2023 and December 31, 2022, the details of the Group's provisions, contingent assets and liabilities are as follows:

a) Short-term provisions

	September 30, 2023	December 31, 2022
State right expense provision	450.505	448.147
Provisions for lawsuit	181.224	93.225
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	80.989	84.037
Other provisions	14.898	76.446
Total	727.616	701.855

b) Long-term provisions

	September 30, 2023	December 31, 2022
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	398.440	282.375
Total	398.440	282.375

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

12. Provisions, contingent assets and liabilities (continued)

The movement table of environmental rehabilitation, improvement of mining sites and provision for mine closure is as follows;

	2023	2022
January 1	366.412	327.817
Discount effect	6.479	8.818
Effect of changes in estimates and assumptions (*)	136.224	109.657
Paid during the period	(29.686)	(86.758)
September 30	479.429	359.534

(*) The amount of provisions reflected to the financial statements for environmental rehabilitation, reclamation and closure of mine sites is based on the plans of the Company management and the requirements of the relevant legal regulations, changes in the plan and legal regulations, current market data and prices, discount rates used, mineral resources and regulations. Changes in estimates based on reserves may affect provisions. As with reserve and resource amounts, rehabilitation provision amounts are evaluated by SRK Consulting and provision figures are determined in US Dollars.

c) Provisions for employee benefits

i- Short-term provisions for employee benefits

	September 30, 2023	December 31, 2022
Provision for unused vacation	62.222	33.607
Provision for personnel bonus	48.176	41.438
Total	110.398	75.045

The movement of provision for unused vacation is as follows;

	2023	2022
January 1	33.607	16.034
Additions / (cancellations), net	28.615	9.412
September 30	62.222	25.446

ii- Long-term provisions for employee benefits

	September 30, 2023	December 31, 2022
Provision for employee termination benefits	178.284	118.231
Total	178.284	118.231

Under the Turkish Labour Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Also, employees who are entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated March 6, 1981 and No: 4447 dated August 25, 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transition provisions related to the pre-retirement service term were excluded from the law since the related law was changed as of May 23, 2002.

Notes to the condensed consolidated interim financial statements**for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****12. Provisions, contingent assets and liabilities (continued)****c) Provisions for employee benefits (continued)****ii- Long-term provisions for employee benefits (continued)**

The provision for severance pay is not subject to any funding and there is no funding requirement.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the real rate net of expected effects of inflation. The severance pay ceiling is revised in every six months, and the ceiling amount of TL 23.489,83 (July 1, 2022: TL 15.371,40) as of July 1, 2023 was taken into consideration in the calculation of the provision for severance pay. TFRS requires actuarial valuation methods to be developed to estimate the provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	September 30, 2023	December 31, 2022
Net discount rate	%2,35	%2,00
Probability of qualifying for seniority	%94,71	%94,41

The movements of the provision for severance pay within the accounting periods of September 30, 2023 and September 30, 2022 are as follows:

	2023	2022
January 1	118.231	48.952
Interest cost	19.630	7.750
Service cost	15.577	5.698
Past year service cost	2.621	-
Actuarial loss / (gain)	59.539	37.535
Severance paid	(37.314)	(15.013)
September 30	178.284	84.922

Severance pay liability is not legally subject to any funding. Provision for severance pay is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") stipulates the development of Group's liabilities within the scope of defined benefit plans by using actuarial valuation methods.

The sensitivity analysis of the important assumptions used in the calculation of the severance pay provision as of September 30, 2023 is as follows:

	Discount rate		Rate of retirement	
	%0,50 increase	%0,50 decrease	%0,50 increase	%0,50 decrease
2023	(22.485)	27.713	6.939	(6.347)
	Discount rate		Rate of retirement	
	%0,50 increase	%0,50 decrease	%0,50 increase	%0,50 decrease
2022	(8.713)	10.598	(2.266)	2.084

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases

i- Lawsuits related to the Ovacık mine

For the cancellation of the EIA positive decision issued for the Ovacık 3rd waste storage facility, the İzmir 3rd Administrative Court's case numbered 2017/1432 E. Was filed against the Ministry of Environment and Urbanization, and the Company intervened to the case. The court delivered a judgement of dismissal on March 12, 2020, in favor of the Company, which is open to appeal to the Council of State. It was appealed by the plaintiffs with a request for a stay of execution. The Council of State rejected the appeal requests of the plaintiffs in favor of company with the decision dated September 24, 2020 and decided to send the file to the local court for procedural reasons that do not affect the merits. The trial has ended and will not affect the company's operations.

For the cancellation of the EIA affirmative decision issued for the Ovacık gold mine in accordance with the provisions of the 2009/7 circular, İzmir 6th Administrative Court's case numbered 2017/1317 E. was filed against the Ministry of Environment and Urbanization and the Company intervened to the case. İzmir 6th Administrative Court rejected the case in favor of the Company in the case file numbered 2017/1317 E., and file numbered 2020/350 E in the same court the Council of State dismissed the appeal requests of the plaintiffs and ordered to change of venue by delivering the file to the local court for procedural rules of law, not for the substantive ones. The trial has ended and will not affect the company's operations. Therefore, the Company continues activities of production within the scope of the relevant EIA affirmative report.

The results of other lawsuits regarding the Ovacık gold mine are not such as to affect the Company's activities.

ii- Lawsuits related to Kaymaz mine

The Company has filed lawsuits in Eskisehir 1st Administrative Court numbered 2014/1084 E. and Eskişehir 1st Administrative Court numbered 2014/760 E. Requesting cancellation and stay of execution against the operations related to the cessation of operations in the agricultural lands of the Kaymaz gold mine located in the field bearing a registration number of 43539 and 82567. Among these lawsuits, with respect to the lawsuit numbered 2014/760 E. İn Eskisehir 1st Administrative Court filed regarding the field with license number of İR 43539 and the lawsuit numbered 2014/1084 E. regarding the field with license number of İR 82567; the court ordered to the cancellation of proceedings subject to the case, with open appeal. Both cases were concluded in favor of the Company. Upon the appeal of the plaintiffs in both files, the Council of State ordered to suspend the execution of the court decisions. In the examination of the appeal, a decision was made in favor of the company in terms of both files, and the trial continues at the stage of correction of the decision.

The Company intervened in the case along with the defendant Ministry of Environment and Urbanization which was filed for the cancellation and stay of execution of the EIA affirmative decision given regarding the 2nd Waste Storage Facility project planned to be made in the field site with the operation license number of 82567 and the trial is ongoing in Eskişehir 1st Administrative Court in the cases filed with the number 2020/302 E. and 2020/350 E.

The plaintiffs appealed the files and the Council of State upheld both decisions of the Eskişehir 1st Administrative Court in favor of company in the files of the Eskişehir 1st Administrative Court, numbered 2020/302 E. and 2020/350 E. About the Kaymaz Gold and Silver Mine Third Capacity Increase and Additional Mine Waste Storage Facility (Art.-3) project, planned to be built by Koza Gold Enterprises within the boundaries of the field with operating license numbers S: 82567 and S: 43539, located in Eskişehir province, Sivrihisar district, Kaymaz District. Requesting the cancellation of the "Environmental Impact Assessment Positive" decision made by the Ministry of Environment, Urbanization and Climate Change, Eskişehir Metropolitan Municipality; A lawsuit was filed against the Ministry of Environment, Urbanization and Climate Change with file number 2023/858 E. of the Eskişehir 1st Administrative Court, and the relevant lawsuit was also notified to Koza Altın İşletmeleri A.Ş. We have requested intervention in the case and it has been decided to notify the intervention petitions to the parties, but there is no decision made by the court regarding intervention yet.

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023**

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

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

iii- Lawsuits related to other mines (continued)

These lawsuits are related to the expansion of the activities in some licensed fields and / or the permits and licenses of the new areas to be operated.

Lawsuits related to Çukuralan mine:

A lawsuit numbered 2017/1656 E. was filed against the Ministry of Environment and Urbanization in İzmir 6th Administrative Court for the cancellation of the EIA affirmative report issued for the 3rd capacity increase Project of Çukuralan mining facility, and the Company intervened in the case. The court decided to cancel the transaction subject to the case, and the Council of State reversed the decision in favor of the company by not being hit by the decision of the local court after the appeal review. While the trial continued in İzmir 6th Administrative Court on the basis number of 2019/574, the court decided to cancel the said transaction with the decision dated 23 February 2021. The decision has been appealed. Regarding the 3rd capacity increase 2019/7 project of Çukuralan Gold Mine, İzmir 6th Administrative Court has been sued for the suspension of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision issued by the Ministry of Environment and Urbanization with the 2019/1120 E. file. has been opened. Company intervenes in the relevant case together with the defendant Ministry. The previous base number and court of the relevant file is İzmir 3rd Administrative Court 2019/171 E. Due to the connection with the Çukuralan 3. Capacity Increase file, the main record of the file was closed by the decision of the İzmir Regional Administrative Court 4th Administrative Law Department and it was decided by the İzmir 3rd Administrative Court to send it to the İzmir 6th Administrative Court due to the relevant connection. While the relevant case continued with the number 2019/1120 of the İzmir 6th Administrative Court, the EIA affirmative decision, which was subject to the court decision, was annulled and an appeal was filed and the trial is ongoing before the Council of State. At this point, it is stated that, according to the decision of the Council of State, for the 2019/574 E. file, it is not possible to apply two different EIA Positive decisions related to the same project together, due to a second EIA Positive decision regarding the project in question, and that the EIA Positive decision, which is the subject of the case, was implicitly withdrawn by the respondent Ministry. Since it was concluded that it should be accepted and that the subject of the pending case is no more, it is certain that the decision of the 6th Administrative Court of İzmir, numbered 2019/574 E.

In terms of the 2019/1120 E. file, it has been decided that there is no legal inaccuracy in the decision of the İzmir 6th Administrative Court regarding the cancellation of the action in question, and that the appeal requests of our intervening company as well as the respondent Ministry and the respondent Ministry are rejected. In addition, the company was involved in the lawsuit filed by some plaintiffs against the İzmir Governor's Office for the cancellation of the decision of the İzmir 6th Administrative Court for the cancellation of the Environmental Impact Assessment Not Required for the Çukuralan Gold Mine Crushing and Screening Plant Project planned to be made by the company in the file 2020/1479 E. The company's appeals were partially accepted and partially rejected.

Regarding the 3rd capacity increase project of the Çukuralan Gold Mine Plant planned to be carried out by the company, some plaintiffs have filed a lawsuit against the Ministry of Environment and Urbanization by some of the plaintiffs for the stay of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision given by the Ministry of Environment and Urbanization. Administrative Court filed a lawsuit with file numbered 2021/1407 E. and 2021/1013 E. In both files, the company was involved in the relevant lawsuit alongside the defendant ministry, and in both files, the court decided to reject the lawsuit on the grounds that the EIA Positive decision was in compliance with the law. The decision rendered in the file numbered 2021/1407 E. of the İzmir 4th Administrative Court and numbered 2021/1013 E. of the İzmir 4th Administrative Court, as a result of the appeal proceedings appealed by the plaintiffs, the appeal of the plaintiffs was accepted and a more detailed examination was procedural. The decision of the court of first instance was overturned by unanimous vote, with the mention that it should be done, and the file was sent to the court of first instance for a more detailed examination. However, since there is no final decision yet, in the current situation, all of the production activities subject to the court decisions of the Çukuralan Gold Mine Plant 3rd Capacity Increase Project, within the scope of the new EIA Positive decision, mining (production) activities continue in accordance with the relevant legislation.

**Notes to the condensed consolidated interim financial statements
for the interim period ended September 30, 2023**

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

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

Lawsuit related to Çanakkale Project:

In the lawsuit filed for the cancellation of the EIA positive decision and the stay of execution of the S:20101197 Gold Silver Mine Project, which is planned to be built around the Serçiler and Terziler villages of the Merkez district of Çanakkale, the company is involved in the 2020/763 E. file alongside the Ministry of Environment and Urbanization. At the present stage, Çanakkale 1st Administrative Court decided to cancel the action subject to the lawsuit, an appeal was filed against the decision and the appeal process continues.

iv- Lawsuits regarding the Group's subsidiary abroad

Legal actions has been initiated against the amendment in the main contract and establishment of privileged share as well as the board change with respect to London-based Koza Ltd., in which the Company owns 100% shares, and the legal process is ongoing before London courts. On the date of January 23, 2019, it has been decided by the 10th Commercial Court of First Instance of Ankara (case file number 2017/349 E) with an open appeal within two weeks from the notification date that 60.000.000 British Pounds shall be taken from the defendants to Koza Altın İşletmeleri A.Ş. as of September 1, 2015, together with the interest to be accrued according to the article 4 / a of the law numbered 3095. Following an appeal filed by the defendants against this court decision, the 21st Civil Chamber of Ankara Regional Court of Justice, which is the court of appeal, ordered to deem the defendants' request of appeal has not been filed for procedural reasons, with the decision numbered 2019/699 E. and 2019/1189 K. An appeal was filed by the defendants against this decision. The Court of Cassation decided to quash the file for procedural reasons. Ankara 10th Commercial Court of First Instance, with its additional decision, decided that the appeal application of the defendants was not made. The defendants appealed the decision. The appeal process continues.

v- Liability lawsuits filed against former managers

As a result of the evaluations made by the CMB after the decision to appoint a trustee, the Company was instructed to file a liability lawsuit against previous board members for various reasons, and various liability lawsuits were filed against former managers on behalf of Ankara Commercial Courts, and the lawsuits are still pending. Lawsuits that may affect the activities of the Company are announced on the public disclosure platform in legal periods.

**Notes to the condensed consolidated interim financial statements
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

vi- Other legal processes

Pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, the management of the Company was transferred to the Trustee Board, and then to the Savings Deposit Insurance Fund ("TMSF") on September 22, 2016. The indictment prepared by the Ankara Chief Public Prosecutor's Office regarding the events leading to the appointment of a trustee was accepted by the Ankara 24th High Criminal Court, and their trial began with the file no. 2017/44 E. and the case was decided by the court of first instance. In the first instance court decision; It was decided to confiscate the company shares that belonged to the previous members of the board of directors. Until the decision becomes final, it has been decided to continue the same measure as the appointment of a trustee described above. Within the scope of the file numbered 2017/44 E. of the Ankara 24th High Criminal Court, the appeal review was completed and the decision of the appeal court was announced on the Public Disclosure Platform.

In the case of Ankara 24th High Criminal Court numbered 2017/44 E., for the previous members of the board of directors who could not be prosecuted because they did not come to the court, their files were separated and recorded on a new basis, the proceedings continued over this file, and the measure of appointing a trustee until the end of the trial is exactly the same. decided to continue. The file that has been separated has received the number of Ankara 24th High Criminal Court 2020/20 E. and the trial continues over the relevant file.

In the case where the defendants Cafer Tekin İpek and Özlem Özdemir are tried, which is a separate case file numbered 2021/157 E. of the Ankara 24th High Criminal Court; It was decided to punish the defendants with the possibility of appeal, and as a result of the appeal trial, the file was partially reversed (reversed) and it was decided to send the file to the court of first instance for re-examination and decision. The trial process continues with the file number 2022/193 E. of the Ankara 24th High Criminal Court.

vii- Employee lawsuits and cases of contract receivables

As of September 30, 2023, the provision amount accounted for ongoing employee and other lawsuits against the Company is amounting to Thousands TL 181.221 (December 31, 2022: Thousands TL 93.225).

Notes to the condensed consolidated interim financial statements**for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****12. Provisions, contingent assets and liabilities (continued)****e) Commitments and contingent liabilities****i- Letter of guarantees given**

The details of the letter of guarantees given by the Group as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
A. CPM's given on behalf of own legal personality	187.426	68.681
- <i>Guarantee</i>	187.426	68.681
- <i>Pledges</i>	-	-
B. CPM's given in favor of partnerships which are fully consolidated	-	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given in favor of the parent company	-	-
ii. Total amount of CPM's given in favor of the group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	187.426	68.681

ii- Letter of guarantees received

The details of the Group's letter of guarantees received as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Guarantee cheques	1.887.844	1.312.010
Guarantee letters	2.434.031	491.507
Security bonds	109.255	18.337
Total	4.431.130	1.821.854

iii- Government grants

6% of the income tax calculated on the Employer's Insurance Premium Share for the employees of the Group's mining processing facility in Mastra-Gümüşhane is covered by the Treasury within the scope of the "Regional Insurance Premium Incentive" numbered 56486. The company also benefits from the 5% employer's insurance premium incentive within the scope of the "Social Insurance and General Health Insurance Law" No. 5510 in all workplaces.

The company benefits from investment incentives in Çukuralan - İzmir and Himmetdede - Kayseri enterprises. Within the scope of the said investment incentive certificates, the company benefits from 40% as investment contribution rate and 80% as corporate tax reduction rate. Pursuant to Article 2 of the Presidential Decision No. 1950 published in the Official Gazette dated 30 December 2019 and numbered 30994; Within the scope of investment incentive certificates issued for the manufacturing industry (US-97 Code: 15-37) based on the Council of Ministers Decision dated 15/6/2012 and numbered 2012/3305, the dates 1/1/2020- 31/12/2022 Within the scope of regional, large-scale and strategic incentive practices for investment expenditures made between Turkey and Turkey, the investment contribution rates to be applied in the support of tax reductions, by adding 15 points to the investment contribution rate valid in each region, the corporate tax or income tax reduction is one hundred percent in all regions and the investment contribution amount is increased. The incentive certificate will be applied without any action on the incentive certificate, with a 100% rate to be applied to the earnings of the investor from other activities during the investment period. Investment started on 27 March 2018 within the scope of the incentive used in the Çukuralan region, and on 21 December 2017 within the scope of the incentive used for the Himmetdede region.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

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

13. Equity

a) Share capital

As of September 30, 2023, the Company's paid-in capital is amounting to Thousand TL 259.786 (December 31, 2022: Thousand TL 259.786) and 25.978.556.100 shares with a nominal share value of 1 Kuruş (December 31, 2022: 25.978.556.100). The registered capital ceiling of the Company is Thousand TL 400.000 (December 31, 2022: Thousand TL 400.000).

In accordance with the Capital Markets Board's document regarding the Registration of the shares to be issued by the Joint Stock Companies for the Capital Increase dated February 2, 2012 and numbered 5/10, the Company was registered at the Ankara Trade Registry Office on February 2, 2012 and has increased its issued capital from Thousand TL 129.893 to Thousand TL 259.786.

In accordance with the "reservation of the rights of bona fide shareholders and third parties" stipulated in the decision of the 3rd Criminal Chamber of the Supreme Court of Appeals dated April 14, 2023, numbered 2022/18087 Principles, Decision no. 2023/2215, the Company and other Koza İpek Group companies are in a way that protects the rights of bona fide shareholders and third parties, the parent company-subsidiary structure in group companies continues as it is, and the rights of investors in companies traded on BIST are protected, and the registration and announcement of the shares of real persons other than these on behalf of the Treasury are carried out by the Trade Registry Office. It was held in July 2023.

The breakdown of shareholders holding capital is as follows:

Capital	September 30, 2023		December 31, 2022	
	Share percentage (%)	Share amount	Share percentage (%)	Share amount
Koza İpek Holding A.Ş.	62,12	161.383	62,12	161.383
Publicly traded	37,72	98.003	37,72	98.003
Other	0,16	400	0,16	400
Paid-in capital	100	259.786	100	259.786

The privileges given to shares representing the capital are as follows:

Group	Registered / Bearer	Par value	Concession Type (*)
A	Registered	22.052	3-4
B	Bearer	51.455	3
C	Bearer	186.279	-

(*)Concession Type:

1. Dividend privilege
2. Voting privilege
3. Privilege in the election of the board of directors
4. Privilege in the selection of the supervisory board
5. Limitations on privileges about buy new shares, transfer etc.
6. Other privileges

There are no privileges for (A) and (B) type shares with registered and bearer type shares other than the privileges stated above, and a trustee was appointed to the Group pursuant to the decision of Ankara Criminal Court of Peace on October 26, 2015. Subsequently, the Group was transferred to the SDIF on September 22, 2016. For this reason, the privileges of (A) and (B) share groups cannot be used.

Share premiums represent the cash inflows generated by selling the shares at market prices. These premiums are accounted under equity and cannot be distributed. However, it can be used for future capital increases.

**Notes to the condensed consolidated interim financial statements
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13. Equity (continued)

a) Share capital (continued)

According to the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is 10% of the distributed profit in excess of 5% of the paid-in share capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset the losses, it is not possible to use them in any other way.

Public companies make their dividend distributions according to the CMB's "Dividend Communiqué" numbered II19.1, which entered into force as of February 1, 2014.

Companies distribute their profits within the framework of profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies. In addition, dividends can be paid in installments of equal or different amounts and dividend advances can be distributed over the profit in the financial statements.

Unless the reserves that should be set aside according to the TCC and the dividend determined for the shareholders in the articles of association or in the profit distribution policy are reserved; it cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to dividend owners, members of the board of directors, company employees and persons other than shareholders, and no dividends can be distributed to these persons unless the dividend determined for shareholders is paid in cash.

50,000,000 Koza Gold shares were repurchased as part of the share repurchase process initiated with the decision of the Koza Altın İşletmeleri A.Ş. Board of Directors. Within the scope of share purchase and sale transactions, 7,778,677 Koza Anadolu Metal shares were purchased, 5,529,108 İpek Doğal Enerji shares were purchased and 63,307,785 shares in total were purchased for 1,441,556 thousand TL.

b) Restricted reserves

Group's restricted reserves are as follows:

	September 30, 2023	December 31, 2022
Legal reserves	624.855	312.256
Total	624.855	312.256

According to the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is 10% of the distributed profit in excess of 5% of the paid-in share capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset the losses, it is not possible to use them in any other way.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****14. Revenue and cost of sales**

The details of the Group's revenue and cost of sales as of January 1 – September 30, 2023 and 2022 are as follows:

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Sales	5.348.499	4.710.185	2.142.052	1.991.955
Exports	26.713	95.630	11.467	24.601
Other sales	-	327	3.734	327
Total sales	5.375.212	4.806.142	2.157.253	2.016.883
Sales returns	(332)	(418)	(206)	(126)
Sales discounts and other discounts	(133)	(90)	(104)	13
Net sales	5.374.747	4.805.634	2.156.943	2.016.770
Cost of sales	(3.059.575)	(1.907.939)	(990.806)	(821.761)
Gross profit	2.315.172	2.897.695	1.166.137	1.195.009

The distribution of the Group's revenues by product type as of January 1 – September 30, 2023 and 2022 is as follows:

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Sales of gold bullion	5.066.165	4.627.036	2.013.997	1.960.764
Sales of silver bullion	34.952	21.469	18.013	7.535
Other (*)	274.095	157.637	125.243	48.584
Total	5.375.212	4.806.142	2.157.253	2.016.883

(*) 123,834 thousand TL of other revenues comes from ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş., 17,085 TL from Özdemir Antimuan Madenleri A.Ş., and the remaining portion comes from other subsidiaries.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended September 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****15. Income / (expenses) from investing activities****a) Income from investment activities**

The details of the Group's income and expenses from investment activities as of January 1 - September 30, 2023 and 2022 are as follows:

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Investment fund and stock fair value increases	2.365.707	862.506	690.973	441.948
Income from investment property sales	778.932	-	-	-
Currency-protected deposit fair value increases	609.341	338.735	50.372	102.823
Interest income	282.973	561.240	138.552	150.357
Income from fixed asset sales	46.606	20.374	11.378	(13.735)
Foreign exchange income	39.681	-	39.681	-
Total	4.123.240	1.782.855	930.956	681.393

b- Expense from investing activities

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Foreign exchange expense	-	179.281	(8.546)	33.428
Total	-	179.281	(8.546)	33.428

16. Other operating incomes and expenses**a- Other operating incomes**

The details of the Group's other operating income as of January 1 - September 30, 2023 and 2022 are as follows:

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Foreign exchange income related to trading activities	-	125.360	-	9.877
Other	77.713	50.787	25.654	13.583
Total	77.713	176.147	25.654	23.460

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16. Other operating incomes and expenses (continued)

b- Other operating expenses

The details of the Group's other operating expense as of January 1 - September 30, 2023 and 2022 are as follows:

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Lawsuit provision	87.999	30.136	-	-
Foreign exchange income related to trading activities	61.169	-	(5.613)	-
Financial leasing transactions	2.129	4.550	522	1.294
Other (*)	560.180	485.921	41.787	134.957
Total	711.477	520.607	36.696	136.251

(*) As of 30 September 2023, TL 346,214 thousand of the balance consists of earthquake donations, TL 126,293 thousand is the cost incurred for school donations.

17. Income taxes

Current income tax

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, dividend income from domestic companies, other exempt income and investment incentives utilized.

The effective tax rate applied in 2023 is 25% (2022: %23).

20% tax rate that is specified in the first paragraph of Article 32 of the Corporate Tax Law No. 5520 and the Law No. 7061 "Amending Some Tax Laws and Some Other Laws" adopted on November 28, 2018 will be applied as 22% for corporate earnings for the 2018, 2019 and 2020 taxation periods has been added with a provisional article. Also with the same regulation and stated in 5520 numbered Law No, 5, 75% of exemption from corporate tax rate the profits arising from the sale of real estates (immovables) which is in assets for at least two full years has been changed to 50%.

In Turkey, temporary taxes are calculated and accrued on a quarterly basis. Corporate income tax rate applied in 2023 is 25%. Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

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17. Income taxes (continued)

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between April 24, 2003 and July 22, 2006 is 10% and commencing from July 22, 2006, this rate changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Commencing from December 21, 2021, this rate has been changed to 10% upon the Presidential Decree numbered 31697/4936.. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Tax Advantages Obtained Under the Investment Incentive System:

Tax Advantages Obtained Under the Investment Incentive System: The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to 2.604 thousand TL (31 December 2022: 325,710 thousand TL) that the Group will benefit from in the foreseeable future as of 30 September 2023 is reflected in the consolidated financial statements as a deferred tax asset. As a result of the recognition of the said tax advantage as of 30 September 2023, deferred tax income amounting to 422 thousand TL has been realized in the consolidated profit or loss statement for the period from 1 January to 30 September 2023.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on longterm plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations. It is foreseen that the deferred tax assets in question will be recovered within 5 years from the balance sheet date.

In the sensitivity analysis carried out as of 30 September 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets regarding investment incentives, which is foreseen as 5 years, has not changed.

Corporate tax liabilities recognized in the balance sheet as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Corporate tax provision	608.430	869.327
Prepaid taxes and funds (-)	(333.895)	(830.373)
Current income tax liability	274.535	38.954

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17. Income taxes (continued)

Tax expense details recognized in the income statement as of September 30, 2023 and 2022 are as follows:

	September 30, 2023	September 30, 2022
Current tax expense	(739.699)	(763.416)
Deferred tax expense / (income)	188.073	37.953
Total tax expense	(551.626)	(725.463)

Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary differences arising from differences between its tax base legal financial statements and its condensed consolidated financial statements prepared in accordance with TMS / TFRS. The aforementioned differences are generally due to the fact that some income and expense items are included in different periods in the financial statements subject to tax and the condensed consolidated financial statements prepared in accordance with TMS / TFRS, and these differences are stated below. In the calculation of deferred tax assets and liabilities, the tax rates expected to be applied in the periods when assets are converted into income or debts are paid are taken into account.

	September 30, 2023		December 31, 2022	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Tangible and intangible fixed assets	1.138.300	284.575	786.951	159.006
State right provision	450.505	112.626	448.147	89.629
Provision for employee termination benefits	178.284	44.571	118.231	23.646
Lawsuit provision	176.712	44.178	88.271	17.654
Provision for unused vacation	62.222	15.555	33.607	6.721
Provisions for personnel bonus	48.176	12.044	41.438	8.288
Provisions for doubtful receivables	46.280	11.570	34.493	6.899
Lease activities	3.908	977	3.836	767
Provisions for TFRS 9	640	160	105	21
Financial borrowing	496	124	-	-
Deferred tax assets		526.380		312.631
Deferred tax liabilities				-
Provision for deferred tax		(44.458)		(33.667)
Deferred tax assets, net		481.922		278.964

Movement of deferred tax is as follows:

	2023	2022
January 1	278.964	219.536
Recognized in the profit or loss statement	188.073	37.953
Recognized in other comprehensive income	14.885	7.507
September 30	481.922	264.996

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The reconciliation of the tax is as follows:

	2023	2022
Profit before tax	4.786.758	3.626.220
Effective tax rate	%25	23%
Tax calculated using effective tax rate	1.196.689	834.030
Effect of non-deductible expenses	206.053	119.677
Effect of earthquake	131.269	-
Effect of tax deductible losses	(4.337)	5.723
Investment incentive discount on which no tax is calculated	(12.917)	-
Financial losses on not subject to tax	(42.804)	(273.948)
Different tax rate effect	(100.898)	(49.248)
Exemptions and discounts (*)	(807.955)	37.701
Temporary differences not subject to deferred tax	-	49.490
Other	(13.474)	2.038
Corporate tax provision	551.626	725.463

(*) 409.473 thousand TL of the exceptions and discounts are related to the income from the funds, 137.276 thousand TL is related to donations and aids, 16.616 TL is foreign currency protected deposits, and the rest is other exemptions. and the rest is from other exemptions.

18. Earnings per share

Earnings per share is calculated by dividing the current year net profit of the parent company by the weighted average number of shares traded throughout the year.

Companies in Turkey have right to increase its capital through the distribution of bonus shares to be met from the re-valuation fund or accumulated profits. During the calculation of earnings per share, these increases are accepted as shares distributed as dividends. Dividend distributions added to the capital are also evaluated in the same way. Therefore, while calculating the average number of shares, it is assumed that such shares are in circulation throughout the year. For this reason, the weighted average of the number of shares used in calculating the earnings per share is determined by considering the retroactive effects.

The earnings per share of the Group as of September 30, 2023 and 2022 are as follows:

	January 1 – September 30, 2023	January 1 – September 30, 2022	July 1 – September 30, 2023	July 1 – September 30, 2022
Net profit attributable to the owners of the Group	729.342	618.638	93.753	277.753
Weighted average number of share certificates	25.978.556	25.978.556	25.978.556	25.978.556
Earnings per 100 share	2,807	2,381	0,361	1,069
Total comprehensive income attributable to the owners of the Group	715.929	605.467	94.547	272.068
Earnings per 100 shares from total comprehensive income	2,756	2,331	0,364	1,098

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19. Related party disclosures

The other trade payables and other receivables of the Group consist of the payables and receivables given and received in order to meet the financing needs of the Group and its related parties during the year. Other payables and other receivables do not have a certain maturity, and the Group accrues interest on the related payables and receivables at the end of the period, using the current interest rate determined monthly, taking into account the evaluations made by the Group management and the developments in the markets. In this context, the current interest for September 2023 was applied as %41,86 per year (September 30, 2022: %22,50).

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note:

- (1) Main shareholders
- (2) Subsidiaries of other company of the main shareholders
- (3) Other

The details of the transactions between the Group and other related parties are explained as below.

a) Related party balances

Other receivables of the Group from related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Koza İpek Holding A.Ş. (1) (*)	667.865	-
Other (3)	1.625	-
Total	669.490	-

- (*) The majority of the related amount is related to the sale of investment properties within the Group with a cost of 102.788 thousand TL to Koza-İpek Holding A.Ş. For the sales price, a maturity difference invoice will be issued with the CBRT monthly average commercial loan interest rate for 18 months.

Short term other payables of the Group to related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Koza İpek Holding A.Ş. (1)	97.085	4.875
Other (3)	6.046	909
Total	103.131	5.784

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The purchases of the Group from related parties between January 1 – September 30, 2023 and 2022 are as follows;

	January 1 – September 30, 2023			January 1 – September 30, 2022		
	Interest	Service	Other	Interest	Service	Other
Koza İpek Holding A.Ş. (1)	11.771	-	5.573	480	-	3.069
	11.771	-	5.573	480	-	3.069

Sales of the Group to related parties between January 1 – September 30, 2023 and 2022 are as follows;

	January 1 – September 30, 2023			January 1 – September 30, 2022		
	Interest	Service	Other	Interest	Service	Other
Koza İpek Holding A.Ş. (1) (*)	55.814	-	884.560	16.408	-	371
Other (3)	-	-	531	-	-	118
	55.814	-	885.091	16.408	-	489

(*) A large part of the amount is related to the sale of 48 real estates, 43 of which are domestic and 5 of which are abroad, within the decision of the Company to Koza-İpek Holding A.Ş.

Other transactions of the Company from related parties between January 1 – September 30, 2023 and 2022 are as follows;

	January 1 – September 30, 2023	January 1 – September 30, 2022
	Dividend Payment	Dividend Payment
Koza İpek Holding A.Ş. (1)	320.163	668.887
Total	320.163	668.887

c) Compensations provided to key management; The group's key management consist of the general manager and assistant general managers. Compensation provided to senior management include short-term benefits such as wages and bonuses. Total amount of wages and similar benefits paid to key management between January 1 – September 30, 2023 is amounting to Thousand TL 28.479 (January 1 – September 30, 2022: Thousand TL 12.810).

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20. Nature and level of risks arising from financial instruments

The main financial instruments of the Group consist of cash and short-term deposits. The main purpose of financial instruments is to provide financing for the Group's activities. Apart from these, the Group has financial instruments such as trade receivables and payables that arise as a result of its activities.

The main risk posed by the Group's financial instruments is foreign currency risk. Risk management policy is to focus on unexpected changes in the financial markets.

The management policy of financial risks should be made by the Group's senior management and commercial and financial affairs department in line with the policies and strategies approved by the Board of Directors. The Board of Directors should prepare general principles and policies for the management of currency, interest and capital risks, and closely monitor financial and operational risks (especially arising from fluctuations in gold prices). The Group does not have an Early Risk Detection Committee.

The purpose that the Group should set to manage financial risks can be summarized as follows:

- Ensuring the continuity of the cash flow obtained from the activities and main assets of the Group, taking into account the exchange rate and interest risks,
- Keeping a sufficient amount of credit resources available to be used effectively and efficiently under the most appropriate conditions in terms of type and maturity,
- Keeping the risks arising from the counterparty at a minimum level and following them effectively.

The main risks arising from the financial instruments of the Group are interest rate risk, foreign currency risk, credit risk and liquidity risk. The policies of the management regarding to manage these risks are summarized below.

a) Credit risk:

The risk of financial loss of the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligation is defined as credit risk. Financial instruments of the Group that may cause a significant concentration of credit risk mainly consist of cash and cash equivalents and trade receivables. The maximum credit risk that the Group may be exposed to is up to the amounts reflected in the consolidated financial statements.

The Group has cash and cash equivalents in various financial institutions. The Group sales consist gold dore bars with a right of first refusal to domestic banks on consignment to be sold to the Central Bank of the Republic of Turkey and silver to a domestic refinery on consignment. Due to the fact that the sales are made on demand and the customer is corporate, the Group considers that there is no significant risk of receivables.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

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20. Nature and level of risks arising from financial instruments (continued)

a) Credit risk (continued)

The analysis of the Group's credit risk as of September 30, 2023 and December 31, 2022 is as follows:

	Trade receivables		Other receivables		Cash and cash equivalents
	Related party	Third party	Related party	Third party	Deposits in banks
September 30, 2023					
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*	-	77.599	669.490	89.562	1.142.705
<i>Portion of the maximum risk that is guaranteed with a collateral, etc</i>	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	77.599	669.490	89.562	1.142.705
B. The book value of financial assets whose conditions have been renegotiated or that would be deemed overdue or impaired	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	-	-	-	-
Impairment (-)	-	116.203	-	-	-
The part of net value under guarantee with collateral, etc	-	(116.203)	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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

	Trade receivables		Other receivables		Cash and cash equivalents
	Related party	Third party	Related party	Third party	Deposits in banks
December 31, 2022					
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*	-	44.189	-	94.005	522.825
<i>Portion of the maximum risk that is guaranteed with a collateral, etc</i>	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	44.189	-	94.005	522.825
B. The book value of financial assets whose conditions have been renegotiated or that would be deemed overdue or impaired	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	-	-	-	-
Impairment (-)	-	105.877	-	-	-
The part of net value under guarantee with collateral, etc	-	(105.877)	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, have not been taken into account

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20. Nature and level of risks arising from financial instruments (continued)

b) Market risk

Due to its operations, the Group is exposed to financial risks related to changes in exchange rates and interest rates. Market risks encountered at the Group level are measured on the basis of sensitivity analysis. In the current year, there isn't any change in the market risk that the Group is exposed to, or the method of handling the encountered risks or the method used to measure these risks, compared to the previous year.

Currency risk

Transactions in foreign currency cause exchange risk. The Group controls this risk through a natural precaution that occurs by netting foreign currency assets and liabilities.

The distribution of the monetary and non-monetary assets and monetary and non-monetary liabilities of the Group in foreign currency as of the date of financial position is as follows:

September 30, 2023	TL Equivalent	Usd	Euro	Gbp
Cash and cash equivalents	8.220	293	3	3
Trade receivables	3.382	46	11	54
Current assets	11.602	339	14	57
Total assets	11.602	339	14	57
Trade payables	125.123	1.387	2.949	46
Current liabilities	125.123	1.387	2.949	46
Other payables	-	-	-	-
Non-Current liabilities	-	-	-	-
Total liabilities	125.123	1.387	2.949	46
Net foreign currency asset / (liability) position	(113.521)	(1.048)	(2.935)	11
December 31, 2022	TL Equivalent	US Dollar	Euro	Gbp
Cash and cash equivalents	2.781	133	8	6
Prepaid expenses	2.314	46	12	54
Current assets	5.095	179	20	60
Total assets	5.095	179	20	60
Trade payables	82.179	302	3.398	391
Current liabilities	82.179	302	3.398	391
Other payables	102.676	5.491	-	-
Non-Current liabilities	102.676	5.491	-	-
Total liabilities	184.855	5.793	3.398	391
Net foreign currency position	(179.760)	(5.614)	(3.378)	(331)

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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

20. Nature and level of risks arising from financial instruments (continued)

b) Market risk (continued)

Sensitivity analysis:

The Group is exposed to currency risk mainly in US Dollars and Euro.

The table below shows the sensitivity of the Group to 10% increase and decrease in US Dollar and Euro exchange rates. The sensitivity analysis includes only monetary items in open foreign currency at the end of the year and shows the effects of the 10% exchange rate change at the end of the year. Positive value indicates an increase in profit / loss and other equity items.

	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
September 30, 2023				
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(3.043)	3.043	(3.043)	3.043
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(3.043)	3.043	(3.043)	3.043
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(8.035)	8.035	(8.035)	8.035
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(8.035)	8.035	(8.035)	8.035
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	38	(38)	38	(38)
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	38	(38)	38	(38)
Total (3+6+9)	(11.040)	11.040	(11.040)	11.040
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
December 31, 2022				
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(11.191)	11.191	(11.191)	11.191
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(11.191)	11.191	(11.191)	11.191
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(6.316)	6.316	(6.316)	6.316
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(6.316)	6.316	(6.316)	6.316
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(745)	745	(745)	745
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	(745)	745	(745)	745
TOTAL (3+6+9)	(18.252)	18.252	(18.252)	18.252

**Notes to the condensed consolidated interim financial statements
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20. Nature and level of risks arising from financial instruments (continued)

Price risk

The most important operational risk of the Group is the gold price risk.

The operational profitability of the Group and the cash flows it provides from its operations are affected by the changes in gold prices in the markets. If the gold prices decrease comparing under the cash-based operational production costs of the Group and continue in this way for a certain period, the operational profitability of the Group may decrease.

The Group reviews the market prices regularly in terms of active financial and operational risk management. The Group does not have an Early Risk Detection Committee..

c) Capital risk management:

While managing the capital, the goals of the Group are to ensure the continuation of the Group's activities with the most appropriate capital structure in order to provide return and benefit to its partners and to reduce the cost of capital.

In order to return capital to shareholders, the Group could maintain or reorganize its capital structure, issue new shares, and sell assets to reduce borrowing.

The Group monitors capital by using the ratio of net debt / total equity, parallel to other companies in the industry. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (including loans and other debts to related parties as shown in the balance sheet).

21. Financial instruments (fair value disclosures and disclosures within the framework of hedge accounting)

Fair value of the financial instruments

The Group classifies the fair value measurements of the financial instruments measured at their fair values in the consolidated financial statements according to the source of the inputs of each financial instrument class, using a three-level hierarchy as follows.

- First level: Quotation prices (unadjusted prices) in active markets for identical assets and liabilities that the entity can reach at the measurement date.
- Second level: These are directly or indirectly observable inputs for the asset or liability and other than quoted prices within Level 1.
- Third level: These are unobservable inputs to the asset or liability.

Notes to the condensed consolidated interim financial statements

for the interim period ended September 30, 2023

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21. Financial instruments (fair value disclosures and disclosures within the framework of hedge accounting) (continued)

Level classifications of financial assets measured at their fair values:

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets:	7.242.625	1.772.694	218.753	9.234.072
Measured at fair value through profit or loss	7.242.625	1.772.694	218.753	9.234.072
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:	8.573.478	1.187.002	218.753	9.979.233
Measured at fair value through profit or loss	8.573.478	1.187.002	218.753	9.979.233

22. Subsequent events after balance sheet date

None.

23. Other matters that significantly affect the consolidated financial statements or are required to be disclosed for the consolidated financial statements to be clear, interpretable and understandable

The Group's independently audited consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 ve 2022 the possible cumulative reflections of the business and transactions of the previous financial periods, the judgment process of which are ongoing, on the statements of the Turkish Commercial Code No.6102 ("TCC"). ") Excluding the provisions of article 401/4, it has been approved and published by the Board of Directors with the resolutions dated April 24, 2018, April 30, 2018, 28 February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively. Independently audited consolidated financial statements for the year ended December 31, 2015, on the other hand, were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 ve 2022 as explained in detail in footnote number 10, in accordance with the decision of the Ankara 5th Criminal Court of Peace, dated October 26, 2015, the management of the Group, the Board of Trustees, followed by the Board of Trustees on September 22, 2016. was transferred to the Savings Deposits Insurance Fund ("SDIF"). As of the date of the report, due to the fact that various examinations and studies are ongoing by the Prosecutor's Office, the Police Department of Financial Crimes and the CMB, the consolidated financial statements of the relevant periods were not submitted to the approval of the General Assembly.