

# **Koza Anadolu Metal Madencilik İşletmeleri A.Ş.**

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

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**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statement of financial position****as of September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

| <b>Assets</b>                        | <b>Notes</b> | <b>Not Reviewed</b>       | <b><i>Audited</i></b>    |
|--------------------------------------|--------------|---------------------------|--------------------------|
|                                      |              | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
| <b>Current assets</b>                |              | <b>12.167.785</b>         | <b>11.742.980</b>        |
| Cash and cash equivalents            | 4            | <b>1.140.698</b>          | 524.114                  |
| Financial investments                | 5            | <b>9.269.922</b>          | 9.760.480                |
| Trade receivables                    |              |                           |                          |
| - Due from third parties             |              | <b>76.913</b>             | 43.120                   |
| Other receivables                    |              |                           |                          |
| - Due from related parties           |              | <b>6.676</b>              | -                        |
| - Due from third parties             |              | <b>85.599</b>             | 90.410                   |
| Inventories                          | 6            | <b>1.419.491</b>          | 1.162.226                |
| Biological asset                     |              | <b>25.642</b>             | 18.768                   |
| Prepaid expenses                     | 7            | <b>137.023</b>            | 132.922                  |
| Assets related to current period tax |              | -                         | 529                      |
| Other current assets                 |              | <b>5.821</b>              | 10.373                   |
| Assets held for sale                 |              | -                         | 38                       |
| <b>Non-current assets</b>            |              | <b>5.824.096</b>          | <b>2.878.980</b>         |
| Financial investments                | 5            | <b>414.980</b>            | 287.073                  |
| Other receivables                    |              |                           |                          |
| - Due from related parties           | 19           | <b>663.154</b>            | -                        |
| - Due from third parties             |              | <b>3.873</b>              | 3.553                    |
| Investment property                  | 8            | <b>109.263</b>            | 215.553                  |
| Right-of-use assets                  |              | <b>17.275</b>             | 31.580                   |
| Property, plant and equipment        | 9            | <b>2.176.763</b>          | 1.686.739                |
| Intangible assets                    |              |                           |                          |
| - Goodwill                           | 10           | <b>11.232</b>             | 11.232                   |
| - Other Intangible assets            | 10           | <b>7.160</b>              | 4.628                    |
| Prepaid expenses                     | 7            | <b>1.707.292</b>          | 163.004                  |
| Deferred tax assets                  | 17           | <b>455.119</b>            | 278.897                  |
| Other non-current assets             |              | <b>257.985</b>            | 196.721                  |
| <b>Total assets</b>                  |              | <b>17.991.881</b>         | <b>14.621.960</b>        |

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

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi**

**Condensed consolidated statement of financial position**

**as of September 30, 2023**

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

| Liabilities                                                                   | Notes | Not Reviewed          | Audited              |
|-------------------------------------------------------------------------------|-------|-----------------------|----------------------|
|                                                                               |       | September 30,<br>2023 | December 31,<br>2022 |
| <b>Current liabilities</b>                                                    |       | <b>2.018.730</b>      | <b>1.156.135</b>     |
| Short-term lease liabilities                                                  |       |                       |                      |
| - Bank credits                                                                | 11    | <b>373.498</b>        |                      |
| - Lease liabilities                                                           |       | <b>12.366</b>         | 20.108               |
| Trade payables                                                                |       |                       |                      |
| - Due to third parties                                                        |       | <b>288.840</b>        | 172.123              |
| Payables related to employee benefits                                         |       | <b>78.535</b>         | 38.314               |
| Other payables                                                                |       |                       |                      |
| - Due to related parties                                                      |       | <b>103.443</b>        | 3.291                |
| - Due to third parties                                                        |       | <b>19.722</b>         | 92.279               |
| Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)    |       | <b>2.107</b>          | 2.165                |
| Current income tax liabilities                                                | 17    | <b>274.438</b>        | 38.954               |
| Short-term provisions                                                         |       |                       |                      |
| - Provisions for employment benefits                                          | 12    | <b>110.331</b>        | 74.978               |
| - Other short-term provisions                                                 | 12    | <b>723.028</b>        | 700.374              |
| Other current Liabilities                                                     |       | <b>32.422</b>         | 13.549               |
| <b>Non-current liabilities</b>                                                |       | <b>735.193</b>        | <b>518.555</b>       |
| Long-term lease liabilities                                                   |       |                       |                      |
| - Lease liabilities                                                           |       | <b>8.170</b>          | 15.306               |
| Other payables                                                                |       |                       |                      |
| - Other payables to third parties                                             |       | <b>150.332</b>        | 102.676              |
| Long-term provisions                                                          |       |                       |                      |
| - Provisions for employment benefits                                          | 12    | <b>178.251</b>        | 118.198              |
| - Other long-term provisions                                                  | 12    | <b>398.440</b>        | 282.375              |
| <b>Equity</b>                                                                 |       | <b>15.237.958</b>     | <b>12.947.270</b>    |
| <b>Equity of parent company</b>                                               |       | <b>7.727.531</b>      | <b>6.396.938</b>     |
| Paid-in share capital                                                         | 13    | <b>388.080</b>        | 388.080              |
| Share premium                                                                 |       | <b>283</b>            | 283                  |
| Cross share capital adjustment                                                |       | <b>(576.767)</b>      | -                    |
| Other comprehensive income / expense not to be reclassified to profit or loss |       |                       |                      |
| - Actuarial gain / (loss) fund for employee benefits                          |       | <b>(63.178)</b>       | (37.506)             |
| Restricted reserves                                                           | 13    | <b>669.579</b>        | 356.980              |
| Retained earnings                                                             |       | <b>5.394.112</b>      | 4.104.792            |
| Net profit for the period                                                     |       | <b>1.915.422</b>      | 1.584.309            |
| <b>Non-controlling interests</b>                                              |       | <b>7.510.427</b>      | <b>6.550.332</b>     |
| <b>Total liabilities and equity</b>                                           |       | <b>17.991.881</b>     | <b>14.621.960</b>    |

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

# Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

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

|                                                                                                            | Notes | Not Reviewed<br>January 1 –<br>September 30,<br>2023 | Not Reviewed<br>January 1 –<br>September 30,<br>2022 | Not Reviewed<br>July 1 –<br>September 30,<br>2023 | Not Reviewed<br>July 1 –<br>September 30,<br>2022 |
|------------------------------------------------------------------------------------------------------------|-------|------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Revenue                                                                                                    | 14    | 5.369.574                                            | 4.798.629                                            | 2.154.892                                         | 2.014.371                                         |
| Cost of sales (-)                                                                                          | 14    | (3.056.304)                                          | (1.902.622)                                          | (990.191)                                         | (819.418)                                         |
| <b>Gross profit</b>                                                                                        |       | <b>2.313.270</b>                                     | <b>2.896.007</b>                                     | <b>1.164.701</b>                                  | <b>1.194.953</b>                                  |
| Marketing, sales and distribution expenses (-)                                                             |       | (101.763)                                            | (51.227)                                             | (11.211)                                          | (12.412)                                          |
| General administrative expenses (-)                                                                        |       | (474.937)                                            | (289.023)                                            | (175.842)                                         | (111.999)                                         |
| Research and development expenses (-)                                                                      |       | (371.133)                                            | (197.392)                                            | (117.396)                                         | (59.254)                                          |
| Other operating income                                                                                     | 16    | 85.159                                               | 181.930                                              | 27.695                                            | 18.352                                            |
| Other operating expenses (-)                                                                               | 16    | (707.616)                                            | (520.407)                                            | (35.889)                                          | (136.390)                                         |
| <b>Operating profit</b>                                                                                    |       | <b>742.980</b>                                       | <b>2.019.888</b>                                     | <b>852.058</b>                                    | <b>893.250</b>                                    |
| Income from investing activities                                                                           | 15    | 4.222.858                                            | 1.778.199                                            | 1.020.367                                         | 679.852                                           |
| Expenses from investing activities (-)                                                                     | 15    | -                                                    | (183.894)                                            | 7.873                                             | (38.092)                                          |
| Impairment gains (losses) and reversals of<br>impairment losses determined in accordance<br>with TFRS 9    |       | 96                                                   | 4.808                                                | (34)                                              | 1.469                                             |
| <b>Operating profit before financial income<br/>and expense</b>                                            |       | <b>4.965.934</b>                                     | <b>3.619.001</b>                                     | <b>1.880.264</b>                                  | <b>1.536.479</b>                                  |
| Financial income                                                                                           |       | -                                                    | 5.180                                                | -                                                 | 7.824                                             |
| Financial in expenses (-)                                                                                  |       | (74.447)                                             | -                                                    | (65.600)                                          | -                                                 |
| <b>Profit before tax from continued<br/>operations</b>                                                     |       | <b>4.891.487</b>                                     | <b>3.624.181</b>                                     | <b>1.814.664</b>                                  | <b>1.544.303</b>                                  |
| <b>Tax expense from continuing operations</b>                                                              |       | <b>(578.214)</b>                                     | <b>(725.531)</b>                                     | <b>(263.719)</b>                                  | <b>(279.962)</b>                                  |
| - Current tax expense (-)                                                                                  | 17    | (739.550)                                            | (763.417)                                            | (282.761)                                         | (288.703)                                         |
| - Deferred tax income                                                                                      | 17    | 161.336                                              | 37.886                                               | 19.042                                            | 8.741                                             |
| <b>Net profit for the period</b>                                                                           |       | <b>4.313.273</b>                                     | <b>2.898.650</b>                                     | <b>1.550.945</b>                                  | <b>1.264.341</b>                                  |
| <b>Other comprehensive income / (expense)</b>                                                              |       |                                                      |                                                      |                                                   |                                                   |
| <b>Total other comprehensive income not to<br/>be classified to profit or loss in<br/>subsequent years</b> |       | <b>(44.653)</b>                                      | <b>(30.028)</b>                                      | <b>657</b>                                        | <b>(11.579)</b>                                   |
| - Gains / (losses) on remeasurements of<br>defined benefit plans                                           |       | (59.539)                                             | (37.535)                                             | 821                                               | (14.474)                                          |
| - Gains / (losses) on remeasurements of<br>defined benefit plans, tax effect                               |       | 14.886                                               | 7.507                                                | (164)                                             | 2.895                                             |
| <b>Total comprehensive income</b>                                                                          |       | <b>4.268.620</b>                                     | <b>2.868.622</b>                                     | <b>1.551.602</b>                                  | <b>1.252.762</b>                                  |
| <b>Attributable to:</b>                                                                                    |       |                                                      |                                                      |                                                   |                                                   |
| Non-controlling interests                                                                                  |       | 2.397.851                                            | 1.729.250                                            | 850.076                                           | 743.938                                           |
| Equity of parent company                                                                                   |       | 1.915.422                                            | 1.169.400                                            | 700.869                                           | 520.403                                           |
| <b>Comprehensive income</b>                                                                                |       |                                                      |                                                      |                                                   |                                                   |
| Non-controlling interests                                                                                  |       | 2.378.870                                            | 1.716.365                                            | 849.214                                           | 740.419                                           |
| Equity of parent company                                                                                   |       | 1.889.750                                            | 1.152.257                                            | 702.388                                           | 512.343                                           |
| <b>Earnings per 100 share</b>                                                                              |       |                                                      |                                                      |                                                   |                                                   |
| - common stock (TL)                                                                                        | 18    | 4,9356                                               | 3,0133                                               | 1,8060                                            | 1,3410                                            |
| <b>Earnings per 100 shares from total<br/>comprehensive income</b>                                         |       |                                                      |                                                      |                                                   |                                                   |
| - common stock (TL)                                                                                        | 18    | 4,8695                                               | 2,9691                                               | 1,8099                                            | 1,3202                                            |

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

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi**

**Condensed consolidated statements of cash flows**

**for the periods ended September 30, 2023**

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

|                                                                |                    |                  | Other<br>comprehensive<br>income/expense<br>not to be<br>reclassified to<br>profit or loss |                                                                          |                        | Retained earnings    |                                 |                                |                                  |                   |
|----------------------------------------------------------------|--------------------|------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------|----------------------|---------------------------------|--------------------------------|----------------------------------|-------------------|
|                                                                | Paid in<br>capital | Share<br>premium | Capital<br>Adjustments due<br>to Cross-<br>Ownership                                       | Actuarial (loss) /<br>gain fund for<br>employment<br>termination benefit | Restricted<br>reserves | Retained<br>earnings | Net profit<br>for the<br>period | Equity of<br>parent<br>company | Non-<br>controlling<br>interests | Total equity      |
| Balances as of January 1, 2022                                 | 388.080            | 283              | -                                                                                          | (8.245)                                                                  | 93.928                 | 3.096.800            | 1.259.267                       | 4.830.113                      | 5.833.406                        | 10.663.519        |
| Net profit for the period                                      | -                  | -                | -                                                                                          | -                                                                        | -                      | -                    | 1.169.400                       | 1.169.400                      | 1.729.250                        | 2.898.650         |
| Other comprehensive income/(loss)                              | -                  | -                | -                                                                                          | (17.143)                                                                 | -                      | -                    | -                               | (17.143)                       | (12.885)                         | (30.028)          |
| <b>Total comprehensive income/(loss)</b>                       | <b>-</b>           | <b>-</b>         | <b>-</b>                                                                                   | <b>(17.143)</b>                                                          | <b>-</b>               | <b>-</b>             | <b>1.169.400</b>                | <b>1.152.257</b>               | <b>1.716.365</b>                 | <b>2.868.622</b>  |
| Transfers                                                      | -                  | -                | -                                                                                          | -                                                                        | 263.052                | 1.007.992            | (1.259.267)                     | 11.777                         | (11.777)                         | -                 |
| Dividend payment                                               | -                  | -                | -                                                                                          | -                                                                        | -                      | -                    | -                               | -                              | (1.471.768)                      | (1.471.768)       |
| Balance as of September 30, 2022                               | 388.080            | 283              | -                                                                                          | (25.388)                                                                 | 356.980                | 4.104.792            | 1.169.400                       | 5.994.147                      | 6.066.226                        | 12.060.373        |
| <b>Balance as of January 1, 2023</b>                           | <b>388.080</b>     | <b>283</b>       | <b>-</b>                                                                                   | <b>(37.506)</b>                                                          | <b>356.980</b>         | <b>4.104.792</b>     | <b>1.584.309</b>                | <b>6.396.938</b>               | <b>6.550.332</b>                 | <b>12.947.270</b> |
| Net profit for the period                                      | -                  | -                | -                                                                                          | -                                                                        | -                      | -                    | 1.915.422                       | 1.915.422                      | 2.397.851                        | 4.313.273         |
| Other comprehensive income/(loss)                              | -                  | -                | -                                                                                          | (25.672)                                                                 | -                      | -                    | -                               | (25.672)                       | (18.981)                         | (44.653)          |
| <b>Total comprehensive income/(loss)</b>                       | <b>-</b>           | <b>-</b>         | <b>-</b>                                                                                   | <b>(25.672)</b>                                                          | <b>-</b>               | <b>-</b>             | <b>1.915.422</b>                | <b>1.889.750</b>               | <b>2.378.870</b>                 | <b>4.268.620</b>  |
| Transfers                                                      | -                  | -                | -                                                                                          | -                                                                        | 312.599                | 1.289.320            | (1.584.309)                     | 17.610                         | (17.610)                         | -                 |
| Dividend payment                                               | -                  | -                | -                                                                                          | -                                                                        | -                      | -                    | -                               | -                              | (684.029)                        | (684.029)         |
| Increase (Decrease) through treasury<br>share transactions (*) | -                  | -                | (576.767)                                                                                  | -                                                                        | -                      | -                    | -                               | (576.767)                      | (717.136)                        | (1.293.903)       |
| <b>Balances as of September 30, 2023</b>                       | <b>388.080</b>     | <b>283</b>       | <b>(576.767)</b>                                                                           | <b>(63.178)</b>                                                          | <b>669.579</b>         | <b>5.394.112</b>     | <b>1.915.422</b>                | <b>7.727.531</b>               | <b>7.510.427</b>                 | <b>15.237.958</b> |

(\*) 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 bought back during the period. Within the scope of share purchase and sale transactions, 7,778,677 Koza Anadolu Metal shares were purchased and 57,778,677 shares in total were purchased for 1,293,854 thousand TL.

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

# Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

## Condensed consolidated statements of cash flows

for the periods ended September 30, 2023

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

|                                                                              |      | Not Reviewed<br>January 1 –<br>September 30,<br>2023 | Not Reviewed<br>January 1 –<br>September<br>30, 2022 |
|------------------------------------------------------------------------------|------|------------------------------------------------------|------------------------------------------------------|
|                                                                              | Note |                                                      |                                                      |
| <b>A. Cash flows from operating activities</b>                               |      | <b>209.172</b>                                       | <b>1.246.611</b>                                     |
| <b>Profit for the period from continuing operations</b>                      |      | <b>4.313.273</b>                                     | <b>2.898.650</b>                                     |
| <b>Adjustments to reconcile profit for the period</b>                        |      |                                                      |                                                      |
| Adjustments to depreciation and amortization                                 |      | 216.236                                              | 237.628                                              |
| Adjustments for fair value loss (gains) of financial assets                  |      | (3.079.247)                                          | (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                                               | 37.191                                               |
| - Adjustment for lawsuits and/ or penalty provisions                         | 12   | 84.892                                               | 29.557                                               |
| - Adjustments for rehabilitation and state rights provision                  | 12   | 483.748                                              | 495.598                                              |
| - Adjustments for other provisions (cancellations)                           | 12   | (61.548)                                             | 131.687                                              |
| Adjustments for tax expense                                                  | 17   | 578.214                                              | 725.531                                              |
| Adjustments for interest expenses                                            |      | 50.204                                               | 13.186                                               |
| Adjustments for interest income                                              | 15   | (274.876)                                            | (1.308.466)                                          |
| Adjustments for impairment of inventory                                      | 6    | -                                                    | (48.913)                                             |
| Adjustments for losses (gains) on disposal of tangible and intangible assets |      | (42.540)                                             | (14.067)                                             |
| Adjustments for losses (gains) on disposal of investment property            |      | (778.932)                                            | -                                                    |
| <b>Total adjustments</b>                                                     |      | <b>(2.762.274)</b>                                   | <b>(27.431)</b>                                      |
| Increase in trade receivables                                                |      | (44.438)                                             | (3.845)                                              |
| Decrease in other receivables                                                |      | (277.526)                                            | 104.525                                              |
| Increase in inventories                                                      | 6    | (257.265)                                            | (285.822)                                            |
| Decrease / (increase) in biological assets                                   |      | (6.874)                                              | (3.577)                                              |
| Increase in prepaid expenses                                                 |      | (49.389)                                             | (83.503)                                             |
| Decrease in trade payables                                                   |      | 116.717                                              | (19.119)                                             |
| Decrease in payables within the scope of employee benefits                   |      | 40.221                                               | 20.342                                               |
| Increase in other assets related to operations                               |      | (56.183)                                             | (514)                                                |
| Increase in other payables                                                   |      | 42.693                                               | (37.362)                                             |
| (Decrease) / increase in deferred income                                     |      | 702                                                  | (276)                                                |
| Decrease in other liabilities related to the activities                      |      | 25.102                                               | 3.873                                                |
| Payments of employee retirement benefits                                     | 12   | (37.314)                                             | (15.013)                                             |
| Taxes paid                                                                   |      | (372.222)                                            | (906.016)                                            |
| Payment related to other provisions                                          |      | (466.051)                                            | (398.301)                                            |
| <b>Net cash from operating activities</b>                                    |      | <b>(1.341.827)</b>                                   | <b>(1.624.608)</b>                                   |
| <b>B. Cash flows from investing activities</b>                               |      | <b>2.025.085</b>                                     | <b>(7.981.873)</b>                                   |
| Cash inflows from the sales of property, plant and equipment                 |      | 45.442                                               | 32.505                                               |
| Cash outflows from the purchase of Property, plant and equipment (-)         | 9    | (593.992)                                            | (387.622)                                            |
| Cash outflows from the purchase of Intangible assets (-)                     | 10   | (6.031)                                              | (1.391)                                              |
| Given cash advance and payables (-)                                          |      | (1.499.000)                                          | -                                                    |
| Cash inflows from the sale of fixed assets classified for sale               |      | 38                                                   | -                                                    |
| Cash inflows from the sales of investment properties                         |      | 359.089                                              | -                                                    |
| Interest received                                                            |      | 273.888                                              | 1.342.758                                            |
| Cash inflows/outflows from financial investments                             |      | 3.445.651                                            | (8.968.123)                                          |
| <b>C. Net cash from financing activities</b>                                 |      | <b>(1.616.978)</b>                                   | <b>(1.426.068)</b>                                   |
| Cash outflows arising from changes in mutual participation shares (-)        |      | (1.293.903)                                          | -                                                    |
| Dividend payment (-)                                                         |      | (651.473)                                            | (1.403.281)                                          |
| Cash inflows due to borrowing                                                | 11   | 349.157                                              | -                                                    |
| Cash outflows related to lease agreements (-)                                |      | (20.759)                                             | (22.787)                                             |
| <b>Net increase in cash and cash equivalents</b>                             |      | <b>617.279</b>                                       | <b>(8.161.330)</b>                                   |
| <b>Cash and cash equivalents at the beginning of the year</b>                | 4    | <b>522.417</b>                                       | <b>9.137.555</b>                                     |
| <b>Cash and cash equivalents at the end of the year</b>                      | 4    | <b>1.139.696</b>                                     | <b>976.225</b>                                       |

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

## Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

### Explanatory notes to the condensed consolidated financial statements for the periods ended September 30, 2023

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

#### 1. Group's organization and nature of operations

Koza Anadolu Metal Madencilik İşletmeleri A.Ş. (The "Company") was established with the articles of association published in the Trade Registry Gazette dated December 3, 1985 and numbered 1400, and its main activities are to cover all kinds of mines such as iron, copper, chrome, steel, boron, zinc, gold, silver, antimony, extraction, operation and electrical energy, bio energy production. The company and all of its subsidiaries, whose details are explained in note number 2.3, 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 September 30, 2023, the number of employees is 2.796 (December 31, 2022: 2.821 people).

As of June 30, 2023, 52.25% of the Company's shares, including the stocks traded on Borsa İstanbul ("BIST"), belongs to İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (December 31, 2022 52%, 25 of which belong to İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.), the Company Management was transferred to the Trustee Committee, pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, and then the State of Emergency No. 674 was published on September 1, 2016. With the Decree-Law on Making Certain Arrangements within the scope of the Law ("KHK"), all the powers of the Company were transferred to the Savings Deposit Insurance Fund ("TMSF") on 22 September 2016. As of September 30, 2023, the shares corresponding to 44.94% of the Company's capital (31 December 2022: 44.94%) are traded on the BIST. Within the scope of the investigations initiated throughout the country, a trustee has been appointed to the Koza Anadolu Metal Madencilik İşletmeleri A.Ş. management pursuant to the decision of the Ankara 5th Criminal Judgeship of Peace dated October 26, 2015. As of this date, all the authorities of the management have been transferred to the trustees appointed to the management of the Group and it has been decided to establish new management 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 Koza Anadolu Metal Madencilik İşletmeleri A.Ş. on the basis of the article 19/1 of the aforementioned Decree and transfer Koza Anadolu Metal Madencilik İşletmeleri A.Ş. 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.



**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

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

Koza Altın İşletmeleri A.Ş., a subsidiary of the Group, 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 Group 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).

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 2.795 (December 31, 2022: 2.821 people).

**2. Basis of presentation of consolidated condensed 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/TFRS") 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 Group's status according to TAS and TFRS.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

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

**2.1 Basis of presentation (continued)**

**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.

*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, TAS 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 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's 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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

**2. Basis of presentation of consolidated condensed 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.

**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**

| <b>Title</b>                                           | <b>Business segments</b>     | <b>Nature of business</b> |
|--------------------------------------------------------|------------------------------|---------------------------|
| 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 livestock           | Food                      |
| Konaklı Metal Madencilik Sanayi Ticaret A.Ş.           | Mining                       | Mining                    |

**December 31, 2022**

| <b>Title</b>                                           | <b>Business segments</b>     | <b>Nature of business</b> |
|--------------------------------------------------------|------------------------------|---------------------------|
| 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 livestock           | Food                      |
| Konaklı Metal Madencilik Sanayi Ticaret A.Ş.           | Mining                       | Mining                    |

## Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

### Explanatory notes to the condensed consolidated financial statements

for the periods ended September 30, 2023

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

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

### 2.2 Consolidation principles (continued)

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(%) |
|---------------------------------------------------|----------------------------|-------------------------------|-------------------|
| ATP İnşaat ve Ticaret A.Ş.                        | 99,04                      | 99,04                         | 0,96              |
| Koza Altın İşletmeleri A.Ş. (*)                   | -                          | 44,58                         | 55,42             |
| Özdemir Antimuan Madenleri A.Ş.                   | -                          | 99,04                         | 0,96              |
| ATP Havacılık Ticaret A.Ş.                        | -                          | 98,05                         | 1,95              |
| ATP Koza Turizm Seyahat Ticaret A.Ş.              | -                          | 99,04                         | 0,96              |
| ATP Koza Gıda Tarım Hayvancılık San. ve Tic. A.Ş. | -                          | 99,04                         | 0,96              |
| Konaklı Metal Madencilik Sanayi Ticaret A.Ş.      | 71,19                      | 71,74                         | 28,26             |
| Koza İpek Tedarik Ticaret A.Ş. (**)               | 28,00                      | 47,61                         | 52,39             |

#### December 31, 2022

| Title                                             | Direct ownership share (%) | Effective ownership share (%) | Minority share (%) |
|---------------------------------------------------|----------------------------|-------------------------------|--------------------|
| ATP İnşaat ve Ticaret A.Ş.                        | 99,04                      | 99,04                         | 0,96               |
| Koza Altın İşletmeleri A.Ş. (*)                   | -                          | 44,58                         | 55,42              |
| Özdemir Antimuan Madenleri A.Ş.                   | -                          | 99,04                         | 0,96               |
| ATP Havacılık Ticaret A.Ş.                        | -                          | 98,05                         | 1,95               |
| ATP Koza Turizm Seyahat Ticaret A.Ş.              | -                          | 99,04                         | 0,96               |
| ATP Koza Gıda Tarım Hayvancılık San. ve Tic. A.Ş. | -                          | 99,04                         | 0,96               |
| Konaklı Metal Madencilik Sanayi Ticaret A.Ş.      | 71,19                      | 71,74                         | 28,26              |
| Koza İpek Tedarik Ticaret A.Ş. (**)               | 28,00                      | 47,61                         | 52,39              |

(\*) 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 March 31, 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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

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

**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.

**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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

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

**2.4 The new standards, amendments and interpretations (continued)**

**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.

**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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

(All amounts are 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)**

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.

Mining assets are amortized using the "production" method and the visible and possible gold reserve amount is used to calculate the depreciation rate. Other Property, plant and equipment, 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, 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 Property, plant and equipment 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 Property, plant and equipment 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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

(All amounts are 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)**

- 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.

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 Tangible Assets. 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.



## Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

### Explanatory notes to the condensed consolidated financial statements

for the periods ended September 30, 2023

(All amounts are 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             |
|------------------------------------------------------------|-------------------|------------------|----------------|----------------|-------------------------|-------------------|
| <b>Revenue</b>                                             |                   |                  |                |                |                         |                   |
| Domestic sales                                             | 5.103.309         | -                | 12.295         | 231.034        | (3.776)                 | 5.342.862         |
| Exports                                                    | 26.712            | -                | -              | -              | -                       | 26.712            |
| <b>Total revenue</b>                                       | <b>5.130.021</b>  | <b>-</b>         | <b>12.295</b>  | <b>231.034</b> | <b>(3.776)</b>          | <b>5.369.574</b>  |
| <b>Operating results</b>                                   |                   |                  |                |                |                         |                   |
| Depreciation expense                                       | (199.247)         | (14.000)         | (2.853)        | (143)          | -                       | (216.243)         |
| Interest income/expense from investment activities, (net)  | 513.478           | 326              | 1.711          | 1.522          | (242.160)               | 274.877           |
| Other interest income / expenses, (net)                    | (72.201)          | (91.442)         | -              | (7.454)        | 96.650                  | (74.447)          |
| Current tax expense (-)                                    | (735.779)         | -                | (489)          | (3.282)        | -                       | (739.550)         |
| Deferred tax income / (expense)                            | 92.992            | 9.531            | 4.659          | 756            | 53.398                  | 161.336           |
| <b>Operating profit / loss</b>                             | <b>756.700</b>    | <b>(35.610)</b>  | <b>(1.577)</b> | <b>22.799</b>  | <b>668</b>              | <b>742.980</b>    |
| <b>Profit / loss before tax from continuing operations</b> | <b>5.899.263</b>  | <b>(238.099)</b> | <b>606</b>     | <b>16.866</b>  | <b>(787.149)</b>        | <b>4.891.487</b>  |
| <b>Assets as of September 30, 2023</b>                     | <b>21.693.227</b> | <b>447.193</b>   | <b>148.595</b> | <b>171.694</b> | <b>(4.468.828)</b>      | <b>17.991.881</b> |
| <b>Liabilities as of September 30, 2023</b>                | <b>2.881.442</b>  | <b>1.113.595</b> | <b>14.548</b>  | <b>97.661</b>  | <b>(1.353.323)</b>      | <b>2.753.923</b>  |

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             |
|------------------------------------------------------------|-------------------|------------------|----------------|----------------|-------------------------|-------------------|
| <b>Revenue</b>                                             |                   |                  |                |                |                         |                   |
| Domestic sales                                             | 4.650.060         | -                | 4.837          | 42.827         | 5.275                   | 4.702.999         |
| Exports                                                    | 95.630            | -                | -              | -              | -                       | 95.630            |
| <b>Total revenue</b>                                       | <b>4.745.690</b>  | <b>-</b>         | <b>4.837</b>   | <b>42.827</b>  | <b>5.275</b>            | <b>4.798.629</b>  |
| <b>Operating results</b>                                   |                   |                  |                |                |                         |                   |
| Depreciation expense                                       | (220.347)         | (13.540)         | (2.949)        | (792)          | -                       | (237.628)         |
| Interest income/expense from investment activities, (net)  | 1.403.811         | 209              | 701            | 162            | (96.417)                | 1.308.466         |
| Other interest income / expenses, (net)                    | (53.406)          | (32.837)         | -              | (6.938)        | 98.361                  | 5.180             |
| Current tax expense (-)                                    | (763.417)         | -                | -              | -              | -                       | (763.417)         |
| Deferred tax income / (expense)                            | 27.112            | 3.467            | (1.168)        | 242            | 8.233                   | 37.886            |
| <b>Operating profit / loss</b>                             | <b>2.073.872</b>  | <b>(63.959)</b>  | <b>(4.781)</b> | <b>(6.061)</b> | <b>20.817</b>           | <b>2.019.888</b>  |
| <b>Profit / loss before tax from continuing operations</b> | <b>5.101.218</b>  | <b>(258.750)</b> | <b>(1.594)</b> | <b>23.601</b>  | <b>(1.240.294)</b>      | <b>3.624.181</b>  |
| <b>Assets as of December 31, 2022</b>                      | <b>16.285.004</b> | <b>432.025</b>   | <b>136.853</b> | <b>88.938</b>  | <b>(2.320.860)</b>      | <b>14.621.960</b> |
| <b>Liabilities as of December 31, 2022</b>                 | <b>1.806.827</b>  | <b>869.859</b>   | <b>7.582</b>   | <b>25.700</b>  | <b>(1.035.278)</b>      | <b>1.674.690</b>  |

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

**4. Cash and cash equivalents**

|                                                                       | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-----------------------------------------------------------------------|-------------------------------|------------------------------|
| Cash                                                                  | <b>352</b>                    | 237                          |
| Banks                                                                 |                               |                              |
| - Demand deposits                                                     | <b>28.168</b>                 | 2.981                        |
| - Time deposits                                                       | <b>1.112.148</b>              | 519.711                      |
| Other cash and cash equivalents                                       | <b>30</b>                     | 1.185                        |
| <b>Total</b>                                                          | <b>1.140.698</b>              | 524.114                      |
| Less: Interest accruals                                               | <b>(1.002)</b>                | (1.697)                      |
| <b>Cash and cash equivalents presented in the cash flow statement</b> | <b>1.139.696</b>              | 522.417                      |

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

| <b>Currency</b> | <b>Interest rate</b>   | <b>Maturity</b> | <b>Currency amount</b> | <b>TL Equivalent</b> |
|-----------------|------------------------|-----------------|------------------------|----------------------|
| TL              | <b>%24,00 - %40,00</b> | <b>1-30 Gün</b> | <b>1.112.148</b>       | <b>1.112.148</b>     |
| <b>Total</b>    |                        |                 |                        | <b>1.112.148</b>     |

The details of the Group's time deposits as of December 31, 2022 are as follows;

| <b>Currency</b> | <b>Interest rate</b>   | <b>Maturity</b>  | <b>Currency amount</b> | <b>TL Equivalent</b> |
|-----------------|------------------------|------------------|------------------------|----------------------|
| TL              | <b>%15,00 - %26,50</b> | <b>1-30 Days</b> | <b>517.280</b>         | <b>517.280</b>       |
| USD             | <b>0,70%</b>           | <b>1-30 Days</b> | <b>130</b>             | <b>2.431</b>         |
| <b>Total</b>    |                        |                  |                        | <b>519.711</b>       |

As of September 30, 2023, the Group's blocked deposits of TL 196.557 have been presented under financial investments account (December 31, 2022: TL 68.650).

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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;

|                                                                     | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---------------------------------------------------------------------|-------------------------------|------------------------------|
| Currency protected time deposits (**)                               | <b>1.772.694</b>              | 1.187.002                    |
| Financial assets accounted at fair value under profit or loss (***) | <b>7.497.228</b>              | 8.573.478                    |
| <b>Toplam</b>                                                       | <b>9.269.922</b>              | 9.760.480                    |

**b. Long term financial investments**

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

|                            | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|----------------------------|---------------------------|--------------------------|
| Shares in subsidiaries (*) | <b>218.423</b>            | 218.423                  |
| Bloked deposits            | <b>196.557</b>            | 68.650                   |
| <b>Total</b>               | <b>414.980</b>            | 287.073                  |

(\*) 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 Group has lost the control over Koza Ltd. and Koza Ltd. was excluded from the scope of consolidation. It has been accounted in the consolidated 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, 5.529.108 shares of 254.782 thousand in total and the fund accounts are accounted as financial assets whose fair value is recognized in profit or loss.

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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;

|                                                                    | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--------------------------------------------------------------------|-------------------------------|------------------------------|
| Gold and silver in the production process and gold and silver bars | <b>413.703</b>                | 291.212                      |
| Spare parts (*)                                                    | <b>371.096</b>                | 285.485                      |
| Chemicals and operating materials                                  | <b>253.252</b>                | 221.956                      |
| Ready to be processed and mined ore clusters                       | <b>252.661</b>                | 286.998                      |
| Other inventories (**)                                             | <b>128.779</b>                | 76.575                       |
| <b>Total</b>                                                       | <b>1.419.491</b>              | 1.162.226                    |

(\*) 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**

|                        | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|------------------------|-------------------------------|------------------------------|
| Advances given         | <b>89.908</b>                 | 117.230                      |
| Future months expenses | <b>47.115</b>                 | 15.692                       |
| <b>Total</b>           | <b>137.023</b>                | 132.922                      |

**ii- Long term prepaid expenses**

|                    | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--------------------|-------------------------------|------------------------------|
| Advances given (*) | <b>1.688.381</b>              | 151.314                      |
| Other (**)         | <b>18.911</b>                 | 11.690                       |
| <b>Total</b>       | <b>1.707.292</b>              | 163.004                      |

(\*) 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.

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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 |
|---------------------------------|-----------------|--------------|------------------|--------------------|
| <b>Cost</b>                     |                 |              |                  |                    |
| Flats                           | 108.478         | -            | (108.478)        | -                  |
| Dormitory buildings             | 25.625          | -            | (10.630)         | 14.995             |
| Hotel                           | 179.298         | -            | -                | 179.298            |
| <b>Total</b>                    | <b>313.401</b>  | <b>-</b>     | <b>(119.108)</b> | <b>194.293</b>     |
| <b>Accumulated depreciation</b> |                 |              |                  |                    |
| Flats                           | 13.131          | 592          | (13.723)         | -                  |
| Dormitory buildings             | 4.885           | 36           | (2.599)          | 2.322              |
| Hotel                           | 79.832          | 2.876        | -                | 82.708             |
| <b>Total</b>                    | <b>97.848</b>   | <b>3.504</b> | <b>(16.322)</b>  | <b>85.030</b>      |
| <b>Net book value</b>           | <b>215.553</b>  |              |                  | <b>109.263</b>     |

(\*) 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 |
|---------------------------------|-----------------|--------------|--------------|--------------------|
| <b>Cost</b>                     |                 |              |              |                    |
| Flats                           | 108.478         | -            | -            | 108.478            |
| Dormitory buildings             | 25.625          | -            | -            | 25.625             |
| Hotel                           | 180.158         | 15           | (875)        | 179.298            |
| <b>Total</b>                    | <b>314.261</b>  | <b>15</b>    | <b>(875)</b> | <b>313.401</b>     |
| <b>Accumulated depreciation</b> |                 |              |              |                    |
| Flats                           | 10.985          | 1.554        | -            | 12.539             |
| Dormitory buildings             | 4.593           | 274          | -            | 4.867              |
| Hotel                           | 76.801          | 2.947        | (875)        | 78.873             |
| <b>Total</b>                    | <b>92.379</b>   | <b>4.775</b> | <b>(875)</b> | <b>96.279</b>      |
| <b>Net book value</b>           | <b>221.882</b>  |              |              | <b>217.122</b>     |

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.

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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:

|                                     | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------------|---------------------------|--------------------------|
| Mining assets                       | <b>602.946</b>            | 461.245                  |
| Other Property, plant and equipment | <b>1.573.817</b>          | 1.225.494                |
| <b>Total</b>                        | <b>2.176.763</b>          | 1.686.739                |

**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.

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

The movements of mining assets are as follows;

|                                   | <b>January 1, 2023</b> | <b>Additions</b> | <b>Disposals</b> | <b>September 30, 2023</b> |
|-----------------------------------|------------------------|------------------|------------------|---------------------------|
| <b>Cost</b>                       |                        |                  |                  |                           |
| 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 of mining facility | 376.166                | 97.679           | -                | 473.845                   |
| Mining rights                     | 74.643                 | 21.031           | (4.066)          | 91.608                    |
| <b>Total</b>                      | <b>1.554.042</b>       | <b>205.386</b>   | <b>(4.066)</b>   | <b>1.755.362</b>          |

**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 of mining facility | 328.137          | 33.683        | -              | 361.820          |
| Mining rights                     | 13.370           | 4             | (4.066)        | 9.308            |
| <b>Total</b>                      | <b>1.092.797</b> | <b>63.685</b> | <b>(4.066)</b> | <b>1.152.416</b> |
| <b>Net book value</b>             | <b>461.245</b>   |               |                | <b>602.946</b>   |

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****9. Property, plant and equipment (continued)****a) Mining assets (continued)**

|                                   | January 1,<br>2022 | Additions      | Disposals       | September 30,<br>2022 |
|-----------------------------------|--------------------|----------------|-----------------|-----------------------|
| <b>Cost</b>                       |                    |                |                 |                       |
| 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 of mining facility | 331.055            | 48.541         | -               | 379.596               |
| Mining rights                     | 74.005             | -              | -               | 74.005                |
| <b>Total</b>                      | <b>1.342.539</b>   | <b>188.181</b> | <b>(15.569)</b> | <b>1.515.151</b>      |
| <b>Accumulated depreciation</b>   |                    |                |                 |                       |
| 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 of mining facility | 264.290            | 57.019         | -               | 321.309               |
| Mining rights                     | 13.361             | 7              | -               | 13.368                |
| <b>Total</b>                      | <b>949.459</b>     | <b>116.473</b> | <b>-</b>        | <b>1.065.932</b>      |
| <b>Net book value</b>             | <b>393.080</b>     |                |                 | <b>449.219</b>        |

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

The cost of the lands, 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 TL 234.938 (September 30, 2022: TL 115.852).

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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 2022 are as follows;

|                                       | January 1, 2023  | Additions      | Disposals       | Transfers | September 30, 2023 |
|---------------------------------------|------------------|----------------|-----------------|-----------|--------------------|
| <b>Cost</b>                           |                  |                |                 |           |                    |
| Land, buildings and land improvements | 428.991          | 21.775         | (15.813)        | 839       | 435.792            |
| Machinery and equipment               | 1.027.858        | 110.673        | (37.259)        | 9.690     | 1.110.962          |
| Vehicles                              | 663.479          | 131.703        | (2.838)         | -         | 792.344            |
| Furniture and fixtures                | 110.771          | 13.682         | (12.357)        | 712       | 112.808            |
| Construction in progress              | 65.279           | 208.502        | -               | (11.241)  | 262.540            |
| <b>Total</b>                          | <b>2.296.378</b> | <b>486.335</b> | <b>(68.267)</b> | <b>-</b>  | <b>2.714.446</b>   |
| <b>Accumulated depreciation</b>       |                  |                |                 |           |                    |
| Buildings and land improvements       | 206.743          | 14.721         | (10.728)        | -         | 210.736            |
| Machinery and equipment               | 659.812          | 59.061         | (35.821)        | -         | 683.052            |
| Vehicles                              | 137.559          | 46.218         | (2.540)         | -         | 181.237            |
| Furniture and fixtures                | 66.770           | 10.355         | (11.521)        | -         | 65.604             |
| <b>Total</b>                          | <b>1.070.884</b> | <b>130.355</b> | <b>(60.610)</b> | <b>-</b>  | <b>1.140.629</b>   |
| <b>Net book value</b>                 | <b>1.225.494</b> |                |                 |           | <b>1.573.817</b>   |

As of September 30, 2023, the insurance amount on the property, plant and equipment and inventories of the Group is amounting to TL 1.621 (September 30, 2022: 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.



**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****9. Property, plant and equipment (continued)****b) Other tangible assets (continued)**

|                                       | January 1,<br>2022 | Additions      | Disposals       | Transfers | September 30,<br>2022 |
|---------------------------------------|--------------------|----------------|-----------------|-----------|-----------------------|
| Cost                                  |                    |                |                 |           |                       |
| Land, buildings and land improvements | 382.804            | 25.016         | (20.264)        | 6.220     | 393.776               |
| Machinery and equipment               | 848.863            | 79.380         | (7.492)         | 33.615    | 954.366               |
| Vehicles                              | 584.936            | 63.119         | (2.207)         | -         | 645.848               |
| Furniture and fixtures                | 93.428             | 12.747         | (1.100)         | 586       | 105.661               |
| Construction in progress              | 45.825             | 19.179         | -               | (40.421)  | 24.583                |
| <b>Total</b>                          | <b>1.955.856</b>   | <b>199.441</b> | <b>(31.063)</b> | <b>-</b>  | <b>2.124.234</b>      |
| Accumulated depreciation              |                    |                |                 |           |                       |
| Buildings and land improvements       | 189.954            | 14.209         | (7.246)         | -         | 196.917               |
| Machinery and equipment               | 602.186            | 38.288         | (4.856)         | -         | 635.618               |
| Vehicles                              | 89.015             | 35.258         | (2.117)         | -         | 122.156               |
| Furniture and fixtures                | 54.343             | 9.068          | (903)           | -         | 62.508                |
| <b>Total</b>                          | <b>935.498</b>     | <b>96.823</b>  | <b>(15.122)</b> | <b>-</b>  | <b>1.017.199</b>      |
| <b>Net book value</b>                 | <b>1.020.358</b>   |                |                 |           | <b>1.107.035</b>      |

**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:

|                                            | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--------------------------------------------|-------------------------------|------------------------------|
| Goodwill related to Newmont Altın purchase | <b>11.232</b>                 | 11.232                       |
| <b>Total</b>                               | <b>11.232</b>                 | <b>11.232</b>                |

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****10. Intangible assets (continued)****a) Goodwill (continued)*****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, 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.

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**

The details of the Group's other Intangible assets as of September 30, 2023 and 2022 are as follows:

|                                 | <b>January 1, 2023</b> | <b>Additions</b> | <b>Disposals</b> | <b>September 30, 2023</b> |
|---------------------------------|------------------------|------------------|------------------|---------------------------|
| <b>Cost</b>                     |                        |                  |                  |                           |
| Rights                          | <b>20.429</b>          | <b>6.031</b>     | <b>(2.714)</b>   | <b>23.746</b>             |
| <b>Total</b>                    | <b>20.429</b>          | <b>6.031</b>     | <b>(2.714)</b>   | <b>23.746</b>             |
| <b>Accumulated amortization</b> |                        |                  |                  |                           |
| Rights                          | <b>15.801</b>          | <b>3.499</b>     | <b>(2.714)</b>   | <b>16.586</b>             |
| <b>Total</b>                    | <b>15.801</b>          | <b>3.499</b>     | <b>(2.714)</b>   | <b>16.586</b>             |
| <b>Net book value</b>           | <b>4.628</b>           |                  |                  | <b>7.160</b>              |

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****10. Intangible assets (continued)****b) Other Intangible assets (continued)**

|                                 | January 1, 2022 | Additions    | Disposals | September 30, 2022 |
|---------------------------------|-----------------|--------------|-----------|--------------------|
| <b>Cost</b>                     |                 |              |           |                    |
| Rights                          | 17.180          | 1.391        | -         | 18.571             |
| <b>Total</b>                    | <b>17.180</b>   | <b>1.391</b> | <b>-</b>  | <b>18.571</b>      |
| <b>Accumulated amortization</b> |                 |              |           |                    |
| Rights                          | 13.134          | 1.877        | -         | 15.011             |
| <b>Total</b>                    | <b>13.134</b>   | <b>1.877</b> | <b>-</b>  | <b>15.011</b>      |
| <b>Net book value</b>           | <b>4.046</b>    |              | <b>-</b>  | <b>3.560</b>       |

**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:

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

**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                                                                  | 176.636            | 91.744            |
| Environmental rehabilitation, rehabilitation of mining sites and mine closure provision | 80.989             | 84.037            |
| Other provisions                                                                        | 14.898             | 76.446            |
| <b>Total</b>                                                                            | <b>723.028</b>     | <b>700.374</b>    |

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****12. Provisions, contingent assets and liabilities (continued)****b) Long-term provisions**

|                                                                                         | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|-----------------------------------------------------------------------------------------|---------------------------|--------------------------|
| Environmental rehabilitation, rehabilitation of mining sites and mine closure provision | <b>398.440</b>            | 282.375                  |
| <b>Total</b>                                                                            | <b>398.440</b>            | 282.375                  |

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

|                                                | <b>2023</b>     | <b>2022</b> |
|------------------------------------------------|-----------------|-------------|
| <b>January 1</b>                               | <b>366.412</b>  | 327.817     |
| Discount effect                                | <b>6.479</b>    | 8.818       |
| Effect of changes in estimates and assumptions | <b>136.224</b>  | 109.656     |
| Paid during the period                         | <b>(29.686)</b> | (86.757)    |
| <b>September 30</b>                            | <b>479.429</b>  | 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**

|                               | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------|---------------------------|--------------------------|
| Provision for unused vacation | <b>62.155</b>             | 33.540                   |
| Provision for personnel bonus | <b>48.176</b>             | 41.438                   |
| <b>Total</b>                  | <b>110.331</b>            | 74.978                   |

The movement of provision for unused vacation is as follows;

|                                  | <b>2023</b>   | <b>2022</b> |
|----------------------------------|---------------|-------------|
| January 1                        | <b>33.540</b> | 15.801      |
| Additions / (cancellations), net | <b>28.615</b> | 9.579       |
| <b>September 30</b>              | <b>62.155</b> | 25.380      |

**ii- Long-term provisions for employee benefits**

|                                             | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------|---------------------------|--------------------------|
| Provision for employee termination benefits | <b>178.251</b>            | 118.198                  |
| <b>Total</b>                                | <b>178.251</b>            | 118.198                  |

**Condensed consolidated statements of cash flows**

**for the periods ended September 30, 2023**

(All amounts are 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)**

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.

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:

|                                         | <b>September 30, 2022</b> | <b>December 31, 2022</b> |
|-----------------------------------------|---------------------------|--------------------------|
| Net discount rate                       | <b>%2,35</b>              | %2,00                    |
| Probability of qualifying for seniority | <b>%94,71</b>             | %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:

|                         | <b>2023</b>     | <b>2022</b> |
|-------------------------|-----------------|-------------|
| <b>January 1</b>        | <b>118.198</b>  | 48.919      |
| Interest cost           | <b>19.630</b>   | 7.750       |
| Service cost            | <b>15.577</b>   | 5.698       |
| Past year service cost  | <b>2.621</b>    | -           |
| Actuarial loss / (gain) | <b>59.539</b>   | 37.535      |
| Severance paid          | <b>(37.314)</b> | (15.013)    |
| <b>September 30</b>     | <b>178.251</b>  | 84.889      |

Liability of employment termination benefits is not subject to any funding as there isn't an obligation. Provision 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" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability.

The sensitivity analysis of the important assumptions used in the calculation of the provision for employee termination benefits as of September 30, 2023 is as follows:

|             | <b>Discount rate</b>  |                       | <b>Rate of retirement</b> |                       |
|-------------|-----------------------|-----------------------|---------------------------|-----------------------|
|             | <b>0,50% increase</b> | <b>0,50% decrease</b> | <b>0,50% increase</b>     | <b>0,50% decrease</b> |
| <b>2023</b> | <b>(22.485)</b>       | <b>27.713</b>         | <b>6.939</b>              | <b>(6.347)</b>        |
|             | 0,50% increase        | 0,50% decrease        | 0,50% increase            | 0,50% decrease        |
| 2022        | (8.713)               | 10.598                | (2.266)                   | 2.084                 |

**Condensed consolidated statements of cash flows**

**for the periods ended September 30, 2023**

**(All amounts are 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 Eskişehir 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 Eskişehir 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.

**Condensed consolidated statements of cash flows**

**for the periods ended September 30, 2023**

**(All amounts are 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**

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.

## **Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi**

### **Condensed consolidated statements of cash flows**

**for the periods ended September 30, 2023**

**(All amounts are 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)**

##### **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.



**Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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 Group is amounting to TL 176.634 Thousand (December 31, 2022: TL 91.744 Thousand).

**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:

|                                                                                                   | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---------------------------------------------------------------------------------------------------|-------------------------------|------------------------------|
| A. CPM's given on behalf of own legal personality                                                 | <b>187.290</b>                | 68.509                       |
| - <i>Guarantee</i>                                                                                | <b>187.290</b>                | 68.509                       |
| - <i>Pledges</i>                                                                                  | -                             | -                            |
| B. CPM's given 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           | -                             | -                            |
| <b>Total</b>                                                                                      | <b>187.290</b>                | 68.509                       |

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****12. Provisions, contingent assets and liabilities (continued)****e) Commitments and contingent liabilities (continued)****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:

|                   | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|-------------------|---------------------------|--------------------------|
| Guarantee letters | <b>2.433.939</b>          | 491.508                  |
| Guarantee cheques | <b>1.887.844</b>          | 1.312.010                |
| Security bonds    | <b>109.255</b>            | 18.245                   |
| <b>Total</b>      | <b>4.431.038</b>          | 1.821.763                |

**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 Himetdede - 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 Himetdede region.

## Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

### Condensed consolidated statements of cash flows

for the periods ended September 30, 2023

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

#### 13. Equity

##### a) Share capital

As of September 30, 2023, the Group's paid-in capital is amounting to TL 388.080 (December 31, 2022: TL 388.080) and consists of 38.808.000.000 shares (December 31, 2022: 38.808.000.000 shares) with a nominal share value of 1 Kuruş, fully paid. The registered capital ceiling of the Group is TL 600.000. (December 31, 2022: TL 600.000)

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 Group was registered at the Ankara Trade Registry Office on February 2 2012 and registered a registered capital ceiling of Thousand TL 600.000 has increased its issued capital from Thousand TL 194.040 to Thousand TL 388.080.

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 capital is as follows:

| Capital                                               | September 30, 2023 |                | December 31, 2022 |                |
|-------------------------------------------------------|--------------------|----------------|-------------------|----------------|
|                                                       | Share rate         | Share amount   | Share rate        | Share amount   |
| İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. | 52,25              | 202.772        | 52,25             | 202.772        |
| Publicly traded                                       | 44,95              | 174.446        | 44,95             | 174.446        |
| Other                                                 | 2,80               | 10.862         | 2,80              | 10.862         |
| <b>Paid-in capital</b>                                | <b>100</b>         | <b>388.080</b> | <b>100</b>        | <b>388.080</b> |

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

| Group | Registered / Bearer | Par value | Concession type (*) |
|-------|---------------------|-----------|---------------------|
| A     | Registered          | 48.510    | 3-4                 |
| B     | Bearer              | 145.530   | 3                   |
| C     | Bearer              | 194.040   | -                   |

(\*) 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.

The registered (A) and (B) group shares do not have any other privileges. According to the decision of Ankara 5th Criminal Court of Peace dated October 26, 2015, trustees have been appointed to the Group, and a regulation has been made regarding the transfer of the powers of the trustees working in the companies that have been decided to be appointed to the SDIF by the judge or the court with the Decree No.674 on Making Some Regulations under the State of Emergency, published in the Resmi Gazete dated August 15, 2016. With the decision of Ankara 4th Criminal Judgeship dated September 6, 2016 and numbered 2016/4628 D, it was decided to terminate the duties of the trustees on the day the procedures for their trusteeship powers were completed. The board of directors was established by the SDIF with the decision of the SDIF Board dated September 22, 2016 and numbered 2016/206. For this reason, the privileges of the (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.

## Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

### Condensed consolidated statements of cash flows

for the periods ended September 30, 2023

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#### 13. Equity (continued)

##### a) Share capital (continued)

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 communique, 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 and 57,778,677 shares in total were purchased for 1,293,854 thousand TL.

##### b) Restricted reserves

The Group's restricted reserves are as follows:

|                | September 30, 2023 | December 31, 2022 |
|----------------|--------------------|-------------------|
| Legal reserves | 669.579            | 356.980           |
| <b>Total</b>   | <b>669.579</b>     | <b>356.980</b>    |

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 Group'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.

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Condensed consolidated statements of cash flows****for the periods ended September 30, 2023****(All amounts are 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:

|                                     | <b>January 1 –<br/>September 30,<br/>2023</b> | <b>January 1 –<br/>September 30,<br/>2022</b> | <b>July 1 –<br/>September 30,<br/>2023</b> | <b>July 1 –<br/>September 30,<br/>2022</b> |
|-------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|--------------------------------------------|
| Domestic sales                      | <b>5.343.326</b>                              | 4.703.179                                     | <b>2.143.735</b>                           | 1.989.557                                  |
| Exports                             | <b>26.712</b>                                 | 95.630                                        | <b>11.467</b>                              | 24.601                                     |
| Other sales                         | -                                             | 328                                           | -                                          | 327                                        |
| <b>Total sales</b>                  | <b>5.370.038</b>                              | 4.799.137                                     | <b>2.155.202</b>                           | 2.014.485                                  |
| Sales returns                       | <b>(332)</b>                                  | (418)                                         | <b>(206)</b>                               | (126)                                      |
| Sales discounts and other discounts | <b>(132)</b>                                  | (90)                                          | <b>(104)</b>                               | 12                                         |
| <b>Net sales</b>                    | <b>5.369.574</b>                              | 4.798.629                                     | <b>2.154.892</b>                           | 2.014.371                                  |
| <b>Cost of sales</b>                | <b>(3.056.304)</b>                            | (1.902.622)                                   | <b>(990.191)</b>                           | (819.418)                                  |
| <b>Gross profit</b>                 | <b>2.313.270</b>                              | 2.896.007                                     | <b>1.164.701</b>                           | 1.194.953                                  |

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

|                         | <b>January 1 –<br/>September 30,<br/>2023</b> | <b>January 1 –<br/>September 30,<br/>2022</b> | <b>July 1 –<br/>September 30,<br/>2023</b> | <b>July 1 –<br/>September 30,<br/>2022</b> |
|-------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|--------------------------------------------|
| Sales of gold bullion   | <b>5.066.165</b>                              | 4.627.036                                     | <b>2.013.997</b>                           | 1.960.764                                  |
| Sales of silver bullion | <b>34.952</b>                                 | 21.469                                        | <b>18.013</b>                              | 7.535                                      |
| Other (*)               | <b>268.921</b>                                | 150.632                                       | <b>123.192</b>                             | 46.186                                     |
| <b>Total</b>            | <b>5.370.038</b>                              | 4.799.137                                     | <b>2.155.202</b>                           | 2.014.485                                  |

(\*) 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.

**15. Income from investing activities****a- Income from investing activities**

|                                                 | <b>January 1 –<br/>September 30,<br/>2023</b> | <b>January 1 –<br/>September 30,<br/>2022</b> | <b>July 1 –<br/>September 30,<br/>2023</b> | <b>July 1 –<br/>September 30,<br/>2022</b> |
|-------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|--------------------------------------------|
| Investment fund and stock fair value increases  | <b>2.472.657</b>                              | 876.548                                       | <b>782.424</b>                             | 425.726                                    |
| Income from investment property sales           | <b>778.932</b>                                | -                                             | -                                          | -                                          |
| Currency-protected deposit fair value increases | <b>609.341</b>                                | 338.735                                       | <b>50.372</b>                              | 102.823                                    |
| Interest income                                 | <b>274.876</b>                                | 561.139                                       | <b>135.746</b>                             | 150.329                                    |
| Income from fixed asset sales                   | <b>46.606</b>                                 | 1.777                                         | <b>11.379</b>                              | 974                                        |
| Foreign exchange income                         | <b>40.446</b>                                 | -                                             | <b>40.446</b>                              | -                                          |
| <b>Total</b>                                    | <b>4.222.858</b>                              | 1.778.199                                     | <b>1.020.367</b>                           | 679.852                                    |

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

**15. Income from investing activities (continued)****b- Expense from investing activities**

|                          | January 1 –<br>September 30,<br>2023 | January 1 –<br>September 30,<br>2022 | July 1 –<br>September 30,<br>2023 | July 1 –<br>September 30,<br>2022 |
|--------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| Foreign exchange expense | -                                    | 183.894                              | (7.873)                           | 38.092                            |
| <b>Total</b>             | <b>-</b>                             | <b>183.894</b>                       | <b>(7.873)</b>                    | <b>38.092</b>                     |

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

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

|                                                       | January 1 –<br>September 30,<br>2023 | January 1 –<br>September 30,<br>2022 | July 1 –<br>September 30,<br>2023 | July 1 –<br>September 30,<br>2022 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| Foreign exchange income related to trading activities | -                                    | 125.473                              | -                                 | 9.895                             |
| Other                                                 | <b>85.159</b>                        | 56.457                               | <b>27.695</b>                     | 8.457                             |
| <b>Total</b>                                          | <b>85.159</b>                        | <b>181.930</b>                       | <b>27.695</b>                     | <b>18.352</b>                     |

**b- Other operating expenses**

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

|                                                        | January 1 –<br>September 30,<br>2023 | January 1 –<br>September 30,<br>2022 | July 1 –<br>September 30,<br>2023 | July 1 –<br>September 30,<br>2022 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| Lawsuit provision                                      | <b>84.892</b>                        | 29.555                               | -                                 | -                                 |
| Foreign exchange expense related to trading activities | <b>61.026</b>                        | -                                    | <b>(5.635)</b>                    | -                                 |
| Other (*)                                              | <b>561.698</b>                       | 490.852                              | <b>41.524</b>                     | 136.390                           |
| <b>Total</b>                                           | <b>707.616</b>                       | <b>520.407</b>                       | <b>35.889</b>                     | <b>136.390</b>                    |

(\*) 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.

**Condensed consolidated statements of cash flows**

**for the periods ended September 30, 2023**

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

**17. Income taxes**

**Current income tax**

The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred). is calculated.

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

The 20% tax rate specified in the first paragraph of Article 32 of the Corporate Tax Law No. 5520, with the Law No. 7061 on "Amendment to Some Tax Laws and Some Other Laws" adopted on 28 November 2018, % for the corporate earnings of the 2018, 2019 and 2020 taxation periods. The provision that applies as 22 has been added with the provisional article. In addition, with the same "Bag Law", the 75% of the tax exempted portion of the income from the sale of the immovables that are in the assets of the "Institutions for at least two full years," stated in the first paragraph of the 5520 numbered Corporate Tax Law, has changed to 50%.

In Turkey, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate to be calculated on corporate earnings during the taxation phase of 2021 corporate earnings as of temporary tax periods is 25% (2022: 23%). Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

**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. In the deferred tax calculation for the period of January 1 - September 30, 2023; Deferred tax assets or liabilities, which are included in the measurement heading of TAS-12 "Income Taxes" standard, are based on tax rates (and tax laws) that are in force as of the end of the reporting period (and tax laws), which are expected to be applied in the periods when assets are converted into income or liabilities are paid. calculated using the In accordance with the provision, 23% for short-term assets and liabilities and 20% for long-term assets and liabilities have been taken into account in the calculation of deferred tax in Turkey for 2022. There is no definitive and definitive agreement procedure regarding tax assessment in Turkey. Companies prepare their tax returns between 1-25 April of the year following the closing period of the relevant year. These declarations and the accounting records based on them can be reviewed and changed within 5 years by the Tax Office. 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.

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for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****17. Income taxes (continued)**

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:

|                                     | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|-------------------------------|------------------------------|
| Current tax expense                 | <b>608.281</b>                | 869.328                      |
| Prepaid taxes (-)                   | <b>(333.843)</b>              | (830.374)                    |
| <b>Current income tax liability</b> | <b>274.438</b>                | 38.954                       |

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

|                                 | <b>September 30,<br/>2023</b> | <b>September 30,<br/>2022</b> |
|---------------------------------|-------------------------------|-------------------------------|
| Current income tax expense      | <b>(739.550)</b>              | (763.417)                     |
| Deferred tax expense / (income) | <b>161.336</b>                | 37.886                        |
| <b>Total tax expense</b>        | <b>(578.214)</b>              | (725.531)                     |



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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 TAS / 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 TAS / 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.

|                                             | <b>September 30, 2023</b>               |                     | <b>December 31, 2022</b>                |                     |
|---------------------------------------------|-----------------------------------------|---------------------|-----------------------------------------|---------------------|
|                                             | <b>Cumulative temporary differences</b> | <b>Deferred tax</b> | <b>Cumulative temporary differences</b> | <b>Deferred tax</b> |
| Tangible and Intangible assets              | <b>1.124.012</b>                        | <b>281.003</b>      | 771.569                                 | 155.862             |
| State right provision                       | <b>450.505</b>                          | <b>112.626</b>      | 448.147                                 | 89.629              |
| Provision for employee termination benefits | <b>178.251</b>                          | <b>44.563</b>       | 118.198                                 | 23.640              |
| Lawsuit provision                           | <b>172.124</b>                          | <b>43.031</b>       | 86.790                                  | 17.358              |
| Provision for unused vacation               | <b>62.155</b>                           | <b>15.539</b>       | 33.540                                  | 6.708               |
| Provisions for personnel bonus              | <b>48.176</b>                           | <b>12.044</b>       | 41.438                                  | 8.288               |
| Provisions for doubtful receivables         | <b>46.236</b>                           | <b>11.559</b>       | 34.449                                  | 6.890               |
| Leasing transactions                        | <b>3.908</b>                            | <b>977</b>          | 3.836                                   | 766                 |
| TFRS 9 provision                            | <b>640</b>                              | <b>160</b>          | 105                                     | 21                  |
| Financial borrowing                         | <b>492</b>                              | <b>123</b>          | -                                       | -                   |
| Financial investments                       | <b>(106.944)</b>                        | <b>(26.736)</b>     | -                                       | -                   |
| Deferred tax assets                         |                                         | <b>494.889</b>      |                                         | 309.162             |
| Deferred tax liabilities                    |                                         | -                   |                                         | -                   |
| Provision for deferred tax                  |                                         | <b>(39.770)</b>     |                                         | (30.265)            |
| <b>Deferred tax assets, net</b>             |                                         | <b>455.119</b>      |                                         | 278.897             |

Movement of deferred tax is as follows:

|                                            | <b>2023</b>    | <b>2022</b> |
|--------------------------------------------|----------------|-------------|
| <b>January 1</b>                           | <b>278.897</b> | 219.536     |
| Recognized in the profit or loss statement | <b>161.336</b> | 37.886      |
| Recognized in other comprehensive income   | <b>14.886</b>  | 7.507       |
| <b>September 30</b>                        | <b>455.119</b> | 264.929     |

**Explanatory notes to the condensed consolidated financial statements**

**for the periods ended September 30, 2023**

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

**17. Income taxes (continued)**

The reconciliation of the tax is as follows:

|                                                             | 2023             | 2022      |
|-------------------------------------------------------------|------------------|-----------|
| <b>Profit before tax</b>                                    | <b>4.891.487</b> | 3.624.181 |
| Effective tax rate                                          | 25%              | 23%       |
| Tax calculated using effective tax rate                     | <b>1.222.872</b> | 833.562   |
| Financial losses on not subject to tax                      | <b>206.041</b>   | 119.668   |
| Effect of earthquake                                        | <b>131.269</b>   | -         |
| Effect of tax deductible losses                             | <b>(3.627)</b>   | 6.328     |
| Investment incentive discount on which no tax is calculated | <b>(12.917)</b>  | -         |
| Effect of non-deductible expenses                           | <b>(42.804)</b>  | (273.948) |
| Different tax rate effect                                   | <b>(100.976)</b> | (49.248)  |
| Exemptions and discounts (*)                                | <b>(807.955)</b> | 37.701    |
| Temporary differences not subject to deferred tax           | -                | 49.430    |
| Other                                                       | <b>(13.689)</b>  | 2.038     |
| <b>Corporate tax provision</b>                              | <b>578.214</b>   | 725.531   |

(\*) 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 " 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 –<br>September 30,<br>2023 | January 1 –<br>September 30,<br>2022 | July 1 –<br>September 30,<br>2023 | July 1 –<br>September 30,<br>2022 |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| Net profit fattributable to the owners of the Group                | <b>1.915.422</b>                     | 1.169.400                            | <b>700.869</b>                    | 520.403                           |
| Weighted average number of shares certificates                     | <b>38.808.000.000</b>                | 38.808.000.000                       | <b>38.808.000.000</b>             | 38.808.000.000                    |
| <b>Earnings per 100 share</b>                                      | <b>4,937</b>                         | 3,013                                | <b>1,807</b>                      | 1,341                             |
| Total comprehensive income attributable to the owners of the Group | <b>1.889.750</b>                     | 1.152.257                            | <b>702.388</b>                    | 512.343                           |
| <b>Earnings per 100 shares from total comprehensive income</b>     | <b>4,871</b>                         | 2,969                                | <b>1,811</b>                      | 1,32                              |

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****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:

|                               | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------|---------------------------|--------------------------|
| Koza İpek Holding A.Ş.(3) (*) | <b>667.864</b>            | -                        |
| Other (3)                     | <b>1.966</b>              | -                        |
| <b>Total</b>                  | <b>669.830</b>            | -                        |

- (\*) 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.

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

|                                                          | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|----------------------------------------------------------|-------------------------------|------------------------------|
| Koza İpek Holding A.Ş.(2)                                | <b>97.085</b>                 | 2.389                        |
| Koza İpek Sigorta Aracılık Hizmetleri A.Ş. (2)           | <b>4.139</b>                  | -                            |
| İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.(1) | -                             | 420                          |
| Other (3)                                                | <b>2.219</b>                  | 482                          |
| <b>Total</b>                                             | <b>103.443</b>                | 3.291                        |

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Explanatory notes to the condensed consolidated financial statements****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****19. Related party disclosures (continued)****b) Transactions with related parties**

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

|                                                           | January 1 –<br>September 30, 2023 |          |              | January 1 –<br>September 30, 2022 |          |              |
|-----------------------------------------------------------|-----------------------------------|----------|--------------|-----------------------------------|----------|--------------|
|                                                           | Interest                          | Service  | Other        | Interest                          | Service  | Other        |
| Koza İpek Holding A.Ş. (2)                                | 11.689                            | -        | 4.780        | -                                 | -        | 2.856        |
| İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (1) | -                                 | -        | -            | -                                 | -        | 6.282        |
| <b>Total</b>                                              | <b>11.689</b>                     | <b>-</b> | <b>4.780</b> | <b>-</b>                          | <b>-</b> | <b>9.138</b> |

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

|                                                            | January 1 –<br>September 30, 2023 |          |                | January 1 –<br>September 30, 2022 |          |            |
|------------------------------------------------------------|-----------------------------------|----------|----------------|-----------------------------------|----------|------------|
|                                                            | Interest                          | Service  | Other          | Interest                          | Service  | Other      |
| Koza İpek Holding A.Ş. (2) (*)                             | 55.763                            | -        | 883.868        | 16.408                            | -        | 260        |
| İpek Doğal Enerji Kaynakları Araştırma ve Üretim A. Ş. (1) | -                                 | -        | -              | -                                 | -        | 65         |
| Other (3)                                                  | -                                 | -        | 453            | -                                 | -        | 72         |
| <b>Total</b>                                               | <b>55.763</b>                     | <b>-</b> | <b>884.321</b> | <b>16.408</b>                     | <b>-</b> | <b>397</b> |

(\*) 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.

|                            | January 1 –<br>September 30, 2023 | January 1 –<br>September 30, 2022 |
|----------------------------|-----------------------------------|-----------------------------------|
|                            | Dividend Payment                  | Dividend Payment                  |
| Koza İpek Holding A.Ş. (2) | 320.163                           | 668.886                           |
| <b>Total</b>               | <b>320.163</b>                    | <b>668.886</b>                    |

**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).

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

**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 Group is exposed to market risk, which consists of currency, cash flow and interest rate risks, capital risk, credit risk and liquidity risk, due to operations. 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 manages this risk by continuously evaluating the reliability of the 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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

**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         |
| <b>September 30, 2023</b>                                                                                                 |                   |             |                   |             |                           |
| <b>Maximum credit risk exposure as of the reporting date</b>                                                              |                   |             |                   |             |                           |
| <b>(A + B + C + D + E)*</b>                                                                                               | -                 | 76.913      | 669.830           | 89.472      | 1.140.316                 |
| <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                                                | -                 | 76.913      | 669.830           | 89.472      | 1.140.316                 |
| 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)                                                                                                | -                 | 46.238      | -                 | -           | -                         |
| Impairment (-)                                                                                                            | -                 | (46.238)    | -                 | -           | -                         |
| The part of net value under guarantee with collateral, etc                                                                | -                 | -           | -                 | -           | -                         |
| 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.

**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

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

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

**a) Credit risk (continued)**

|                                                                                                                           | Trade receivables |             | Other receivables |             | Cash and cash equivalents |
|---------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|-------------------|-------------|---------------------------|
|                                                                                                                           | Related party     | Third party | Related party     | Third party | Deposits in banks         |
| <b>December 31, 2022</b>                                                                                                  |                   |             |                   |             |                           |
| <b>Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*</b>                                         | -                 | 43.120      | -                 | 93.963      | 522.692                   |
| <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                                                | -                 | 43.120      | -                 | 93.963      | 522.692                   |
| 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

**b) Market risk**

Due to 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 is'nt 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.

**Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi****Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

(All amounts are 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)**

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:

| <b>September 30, 2023</b>            | <b>TL Equivalent</b> | <b>ABD Doları</b> | <b>Euro</b>    | <b>Gbp</b>   |
|--------------------------------------|----------------------|-------------------|----------------|--------------|
| Cash and cash equivalents            | 8.657                | 292               | 3              | 3            |
| Trade receivables                    | 3.428                | 46                | 10             | 54           |
| <b>Current assets</b>                | <b>12.085</b>        | <b>338</b>        | <b>13</b>      | <b>57</b>    |
| <b>Total assets</b>                  | <b>12.085</b>        | <b>338</b>        | <b>13</b>      | <b>57</b>    |
| Trade payables                       | 121.492              | 1.351             | 2.949          | 46           |
| <b>Current liabilities</b>           | <b>121.492</b>       | <b>1.351</b>      | <b>2.949</b>   | <b>46</b>    |
| Other payables                       | -                    | -                 | -              | -            |
| <b>Non-Current liabilities</b>       | <b>-</b>             | <b>-</b>          | <b>-</b>       | <b>-</b>     |
| <b>Total liabilities</b>             | <b>121.492</b>       | <b>1.351</b>      | <b>2.949</b>   | <b>46</b>    |
| <b>Net foreign currency position</b> | <b>(109.407)</b>     | <b>(1.014)</b>    | <b>(2.935)</b> | <b>11</b>    |
| <b>December 31, 2022</b>             | <b>TL Equivalent</b> | <b>US Dollar</b>  | <b>Euro</b>    | <b>Gbp</b>   |
| Cash and cash equivalents            | 2.781                | 133               | 8              | 6            |
| Prepaid expenses                     | 2.314                | 46                | 12             | 54           |
| <b>Current assets</b>                | <b>5.095</b>         | <b>179</b>        | <b>20</b>      | <b>60</b>    |
| <b>Total assets</b>                  | <b>5.095</b>         | <b>179</b>        | <b>20</b>      | <b>60</b>    |
| Trade payables                       | 81.431               | 262               | 3.398          | 391          |
| <b>Current liabilities</b>           | <b>81.431</b>        | <b>262</b>        | <b>3.398</b>   | <b>391</b>   |
| Other payables                       | 102.672              | 5.491             | -              | -            |
| <b>Non-Current liabilities</b>       | <b>102.672</b>       | <b>5.491</b>      | <b>-</b>       | <b>-</b>     |
| <b>Total liabilities</b>             | <b>184.103</b>       | <b>5.753</b>      | <b>3.398</b>   | <b>391</b>   |
| <b>Net foreign currency position</b> | <b>(179.008)</b>     | <b>(5.574)</b>    | <b>(3.378)</b> | <b>(331)</b> |



**Explanatory notes to the condensed consolidated financial statements  
for the periods ended September 30, 2023**

(All amounts are 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 open monetary items in foreign currency at the end of the period 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.

| September 30, 2023                                                  | Profit / Loss                       |                                     | Equity                              |                                     |
|---------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                                                     | Appreciation of<br>foreign currency | Depreciation of<br>foreign currency | Appreciation of<br>foreign currency | Depreciation of<br>foreign currency |
| <b>In case of 10% appreciation / depreciation of USD against TL</b> |                                     |                                     |                                     |                                     |
| 1- USD net asset/liability                                          | (2.943)                             | 2.943                               | (2.943)                             | 2.943                               |
| 2- Portion protected from USD risk (-)                              | -                                   | -                                   | -                                   | -                                   |
| 3- USD net effect (1+2)                                             | (2.943)                             | 2.943                               | (2.943)                             | 2.943                               |
| <b>In case of 10% appreciation / depreciation of EUR against TL</b> |                                     |                                     |                                     |                                     |
| 4- EUR net asset/liability                                          | (8.036)                             | 8.036                               | (8.036)                             | 8.036                               |
| 5- Portion protected from EUR risk (-)                              | -                                   | -                                   | -                                   | -                                   |
| 6- EUR net effect (4+5)                                             | (8.036)                             | 8.036                               | (8.036)                             | 8.036                               |
| <b>In case of 10% appreciation / depreciation of GBP against TL</b> |                                     |                                     |                                     |                                     |
| 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)                                |
| <b>TOTAL (3+6+9)</b>                                                | <b>(10.941)</b>                     | <b>10.941</b>                       | <b>(10.941)</b>                     | <b>10.941</b>                       |
| December 31, 2022                                                   | Profit / Loss                       |                                     | Equity                              |                                     |
|                                                                     | Appreciation of<br>foreign currency | Depreciation of<br>foreign currency | Appreciation of<br>foreign currency | Depreciation of<br>foreign currency |
| <b>In case of 10% appreciation / depreciation of USD against TL</b> |                                     |                                     |                                     |                                     |
| 1- USD net asset/liability                                          | (10.424)                            | 10.424                              | (10.424)                            | 10.424                              |
| 2- Portion protected from USD risk (-)                              | -                                   | -                                   | -                                   | -                                   |
| 3- USD net effect (1+2)                                             | (10.424)                            | 10.424                              | (10.424)                            | 10.424                              |
| <b>In case of 10% appreciation / depreciation of EUR against TL</b> |                                     |                                     |                                     |                                     |
| 4- EUR net asset/liability                                          | (6.734)                             | 6.734                               | (6.734)                             | 6.734                               |
| 5- Portion protected from EUR risk (-)                              | -                                   | -                                   | -                                   | -                                   |
| 6- EUR net effect (4+5)                                             | (6.734)                             | 6.734                               | (6.734)                             | 6.734                               |
| <b>In case of 10% appreciation / depreciation of GBP against TL</b> |                                     |                                     |                                     |                                     |
| 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                                 |
| <b>TOTAL (3+6+9)</b>                                                | <b>(17.903)</b>                     | <b>17.903</b>                       | <b>(17.903)</b>                     | <b>17.903</b>                       |

**Explanatory notes to the condensed consolidated financial statements  
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(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**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 does not expect any significant change in gold prices in the near future. Accordingly, the Group has not used any derivative instruments to hedge the risk of falling gold prices and has not made a similar agreement.

The Group management follows the net debt / total capital ratio regularly and updates it when necessary. The Group does not have an Early Detection of Risk 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).

The Group management follows the net debt / total capital ratio regularly and updates it when necessary. The Group does not have an Early Detection of Risk Committee.

**Explanatory notes to the condensed consolidated financial statements****for the periods ended September 30, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****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.

*Level classifications of financial assets measured at their fair values:*

| <b>September 30, 2023</b>                                 | <b>Level 1</b>   | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
|-----------------------------------------------------------|------------------|------------------|----------------|------------------|
| <b>Assets:</b>                                            | <b>7.497.228</b> | <b>1.772.694</b> | <b>218.753</b> | <b>9.488.675</b> |
| Measured at fair value through other comprehensive income | <b>7.497.228</b> | <b>1.772.694</b> | <b>218.753</b> | <b>9.488.675</b> |
| <b>December 31, 2022</b>                                  | <b>Level 1</b>   | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
| <b>Assets:</b>                                            | <b>8.573.478</b> | <b>1.187.002</b> | <b>218.753</b> | <b>9.979.233</b> |
| Measured at fair value through other comprehensive income | <b>8.573.478</b> | <b>1.187.002</b> | <b>218.753</b> | <b>9.979.233</b> |

**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 and 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 and 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.