

**İPEK DOĞAL ENERJİ KAYNAKLARI
ARAŞTIRMA VE ÜRETİM A.Ş.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
AS OF SEPTEMBER 30, 2024**

Table of contents	Pages
Condensed consolidated statement of financial position	1-2
Condensed consolidated statement of profit or loss and other comprehensive income	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated cash flow statement	5
Explanatory notes to the condensed consolidated financial statements	6-54

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Condensed consolidated statement of financial position as of September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

	Notes	Current period Not Reviewed September 30, 2024	Prior period Audited December 31, 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3.648.860	1.453.894
Financial investments	5	9.049.858	12.059.237
Trade receivables			
- Due from third parties		44.355	113.972
Other receivables			
- Due from third parties		22.235	208.704
Inventories	6	2.291.725	2.113.531
Biological assets		-	63.570
Prepaid expenses	7	97.198	408.343
Assets related to current period tax		241.490	-
Other current assets	9	11.846	2.922
TOTAL CURRENT ASSETS		15.407.567	16.424.173
NON-CURRENT ASSETS			
Financial investments	5	2.673.597	3.222.062
Other receivables			
- Due from related parties	19	1.484.492	1.056.491
- Due from third parties		4.172	5.696
Investment property	8	1.163.326	1.196.079
Right-of-use assets		2.824	14.236
Property, plant and equipment	10	9.575.901	9.148.483
Intangible assets			
- Goodwill	11	129.411	129.411
- Other intangible assets	11	51.200	17.352
Prepaid expenses	7	1.638.310	2.650.411
Deferred tax assets	17	2.080.436	2.091.356
Other non-current assets	9	773.670	845.766
TOTAL NON-CURRENT ASSETS		19.577.339	20.377.343
TOTAL ASSETS		34.984.906	36.801.516

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Condensed consolidated statement of profit or loss and other comprehensive income for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

	Notes	Current period Not Reviewed September 30, 2024	Prior period Audited December 31, 2023
LIABILITIES			
CURRENT LIABILITIES			
Short-term lease liabilities			
- Bank credits		-	520.801
- Lease liabilities		505	4.088
Trade payables			
- Due to third parties		301.780	445.275
Payables related to employee benefits		149.295	181.362
Other payables			
- Due to related parties	19	19.817	57.524
- Due to third parties		55.139	25.087
Deferred Revenues (Excluding liabilities arising from customer agreements)		138.747	9.924
Current income tax liabilities		88.294	280.177
Short-term provisions			
- Provisions for employee benefits	12	45.809	39.138
- Other short-term provisions	12	1.162.951	1.251.093
Other current liabilities		28.826	25.497
TOTAL CURRENT LIABILITIES		1.991.163	2.839.966
NON-CURRENT LIABILITIES			
Long-term lease liabilities			
- Lease liabilities		1.728	2.862
Other payables			
- Due to third parties		187.196	219.620
Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		34	539
Long-term provisions			
- Provisions for employee benefits	12	207.751	201.181
- Other long-term provisions	12	689.413	445.187
Deferred tax liabilities	17	9.592	30.751
TOTAL NON-CURRENT LIABILITIES		1.095.714	900.140
EQUITY			
Equity holders of the parent		8.557.033	9.234.464
Paid-in share capital	13	259.786	259.786
Adjustment to share capital	13	3.539.646	3.539.646
Share premium		87.752	87.752
Cross share capital adjustment		(122.974)	(67.554)
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		2.608	(14.526)
Restricted reserves	13	923.590	923.590
Reserves for withdrawn shares	13	945.918	662.703
Retained earnings		3.332.057	3.599.351
Net profit / loss for the period		(411.350)	243.716
Non-controlling interests		23.340.996	23.826.946
TOTAL LIABILITES AND EQUITY		34.984.906	36.801.516

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Condensed consolidated statement of profit or loss and other comprehensive income for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

		Not Reviewed January 1 – September 30, 2024	Not Reviewed January 1 – September 30, 2023	Not Reviewed July 1 – September 30, 2024	Not Reviewed July 1 – September 30, 2023
	Notes				
Revenue	14	7.918.881	9.841.781	2.018.043	3.438.855
Cost of sales (-)	14	(5.399.223)	(6.929.658)	(1.247.650)	(1.592.979)
GROSS PROFIT		2.519.658	2.912.123	770.393	1.845.876
Marketing, sales and distribution expenses (-)		(703.620)	(714.730)	(161.569)	(180.099)
General administrative expenses (-)		(138.929)	(154.013)	(44.660)	15.647
Research and development expenses (-)		(898.194)	(1.021.420)	(317.168)	(329.116)
Other operating income	16	125.320	146.931	26.843	43.885
Other operating expenses (-)	16	(616.390)	(1.397.695)	(75.577)	(82.580)
OPERATING PROFIT		287.845	(228.804)	198.262	1.313.613
Income from investing activities	15	5.320.376	7.293.404	2.831.974	1.229.690
Expense from investing activities (-)		(14.551)	-	1.298	-
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		200	173	(19)	(76)
OPERATING PROFIT BEFORE FINANCIAL INCOME		5.593.870	7.064.773	3.031.515	2.543.227
Financial expense (-)		(193.748)	(125.727)	(82.550)	(114.431)
Net monetary position losses (-)		(5.900.440)	(7.877.092)	(2.749.524)	(4.320.616)
PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS		(500.318)	(938.046)	199.441	(1.891.820)
- Current tax expense (-)	17	(179.317)	(1.104.999)	(136.243)	(208.656)
- Deferred tax income	17	(142.993)	(312.077)	(353.540)	(549.706)
NET LOSS FOR THE PERIOD		(822.628)	(2.355.122)	(290.342)	(2.650.182)
Attribution of (loss)/ profit for the period:					
Non-controlling interests		(411.278)	(1.573.724)	(81.505)	(1.909.960)
Equity holders of the parent		(411.350)	(781.398)	(208.837)	(740.222)
Other comprehensive expense					
Total other comprehensive income not to be classified to profit or loss in subsequent years					
- Losses on remeasurements of defined benefit plans	12	(112.581)	(88.943)	10.041	23.871
- Losses on remeasurements of defined benefit plans, tax effect		28.145	22.236	(2.510)	(327)
TOTAL COMPREHENSIVE EXPENSE		(907.064)	(2.421.829)	(282.811)	(2.626.638)
Attribution of comprehensive (expense)/ income for the period:					
Non-controlling interests		(512.848)	(1.657.939)	(85.353)	(1.912.467)
Equity of parent company		(394.216)	(763.890)	(197.458)	(714.171)
Earnings per 100 share from profit for period					
common stock (TL)	18	(0,158)	(0,301)	(0,080)	(0,285)
Earnings per 100 share from total income					
common stock (TL)	18	(0,152)	(0,294)	(0,076)	(0,275)

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Condensed consolidated statement of changes in equity for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

					Other comprehensive income/expense not to be reclassified to profit or loss			Retained earnings			
	Paid in capital	Adjustment to capital	Share premium	Capital Adjustments due to Cross-Ownership	Actuarial (loss) / gain fund for employment termination benefit	Restricted reserve	Retained earnings	Net profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
Balances as of January 1, 2023	259.786	3.539.646	87.752	-	(42.549)	799.305	6.262.655	(1.281.167)	9.625.428	26.658.511	36.283.939
Net loss for the period	-	-	-	-	-	-	-	(781.398)	(781.398)	(1.573.724)	(2.355.122)
Other comprehensive (loss)/ income	-	-	-	-	17.508	-	-	-	17.508	(84.215)	(66.707)
Total comprehensive (loss)/ income	-	-	-	-	17.508	-	-	(781.398)	(763.890)	(1.657.939)	(2.421.829)
Transfers	-	-	-	-	-	124.285	(1.405.452)	1.281.167	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	(1.176.364)	(1.176.364)
Increase (decrease) through treasury share Transactions	-	-	-	(67.554)	-	662.703	(1.257.853)	-	(662.704)	(2.182.637)	(2.845.341)
Balance as of September 30, 2023	259.786	3.539.646	87.752	(67.554)	(25.041)	1.586.293	3.599.350	(781.398)	8.198.834	21.641.571	29.840.405
Balance as of January 1, 2024	259.786	3.539.646	87.752	(67.554)	(14.526)	1.586.293	3.599.351	243.716	9.234.464	23.826.946	33.061.410
Net loss for the period	-	-	-	-	-	-	-	(411.350)	(411.350)	(411.278)	(822.628)
Other comprehensive income/ (loss)	-	-	-	-	17.134	-	-	-	17.134	(101.570)	(84.436)
Total comprehensive income/ (loss)	-	-	-	-	17.134	-	-	(411.350)	(394.216)	(512.848)	(907.064)
Transfers	-	-	-	-	-	-	243.716	(243.716)	-	-	-
Increase (decrease) through treasury share transactions (*)	-	-	-	(55.420)	-	283.215	(511.010)	-	(283.215)	(932.779)	(1.215.994)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	959.677	959.677
Balance as of September 30, 2024	259.786	3.539.646	87.752	(122.974)	2.608	1.869.508	3.332.057	(411.350)	8.557.033	23.340.996	31.898.029

(*) It is related to share repurchase and share purchase-sale transactions initiated with the decision of Koza Altın İşletmeleri A.Ş. Board of Directors. Within the scope of share repurchase transactions, 23,750,000 shares of Koza Altın İşletmeleri A.Ş., 6,077,881 shares of Koza Anadolu Metal Madencilik İşletmeleri A.Ş. and 5,100,939 shares of İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. were purchased in total for 1,215,994 thousand TL.

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Condensed consolidated statement of cash flows for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

	Notes	Current period Not Reviewed January 1 – September 30, 2024	Prior period Not Reviewed January 1 – September 30, 2023
A. Cash flows from operating activities		2.950.146	179.149
Profit for the period from the continuing operations		(822.628)	(2.355.122)
Adjustments to reconcile profit for the period			
Adjustments to depreciation and amortization		1.077.783	753.924
Adjustments for Fair Value Loss (Gains) of Financial Assets	15	(2.821.114)	(5.448.840)
Adjustments for provisions			
- Adjustments for lawsuits and/ or penalty provisions	16	140.273	193.558
- Adjustments for sectoral provisions		1.224.988	872.619
- Adjustments for debt provisions	12	(14.320)	(148.880)
- Adjustments for provisions for employee benefits	12	27.729	29.535
Adjustments for tax expense	17	322.310	1.417.076
Adjustments for interest expenses		20.058	39.877
Adjustments for interest income	15	(1.563.314)	(608.177)
Adjustments for loss / (gains) arising from disposal of tangible assets	15	(16.643)	(75.147)
Adjustments for impairment (cancellation) of biological assets		14.551	-
Adjustments for losses (gains) on disposal of investment property	15	-	(1.140.505)
Partnership Adjustments for losses/(gains) arising from disposal of subsidiaries		897.374	-
Monetary loss		4.124.464	7.809.130
Total adjustments		3.434.139	3.694.170
Increase in trade receivables		69.617	(17.000)
Adjustments for increases in other receivables related to activities		187.579	76.806
Increase in other liabilities related to activities		(39.074)	(41.967)
Adjustments for increase in inventories	6	(178.303)	395.382
Adjustments for increase in prepaid expenses		2.257.581	(16.659)
Adjustments for (decrease)/increase in trade payables		(143.190)	46.169
Increase in other receivables from related parties related to activities		(428.001)	(219.382)
(Decrease) / increase in payables related to employee benefits	12	(31.943)	31.840
(Increase) / decrease in other assets related to activities		73.954	209.532
Increase in other liabilities related to activities		3.329	22.521
Adjustments for (decrease)/ increase in deferred income		128.318	(1.065)
Payments of employee retirement benefits		(103.077)	(66.865)
Decrease/ (increase) in biological assets		49.019	4.001
Payments related to other provisions		(888.159)	(801.125)
Taxes paid		(619.015)	(782.087)
Net cash from operating activities		338.635	(1.159.899)
B. Cash flows from investing activities		1.411.569	4.477.151
Cash inflows related to sales that will result in loss of control of subsidiaries		1.750.000	-
Cash inflows from the sale of property, plant and equipment	10,15	41.366	171.260
Cash outflows from purchase of tangible assets	10	(3.290.554)	(1.027.315)
Cash outflows from purchase of intangible assets	11	(1.667)	(11.718)
Cash inflows from the sale of investment properties	8	-	1.242.062
Cash advances and loans given (-)		(1.315.691)	(2.239.281)
Interest received		1.543.307	607.111
Cash related to financial investments, net		2.684.808	5.734.372
Cash outflows from the purchase of fixed assets classified for sale (-)		-	660
C. Net cash from financing activities		(1.611.102)	(3.444.669)
Cash outflows related to withdrawn transactions (-)		(1.215.994)	(2.845.343)
Dividends paid (-)		-	(1.176.364)
Cash outflows related to lease liabilities (-)		(11.772)	19.088
Cash inflows due to borrowing		(383.336)	557.950
D. Monetary loss on cash and cash equivalents		(575.653)	(676.551)
Net increase in cash and cash equivalents (A+B+C+D)		2.174.960	535.080
E. Cash and cash equivalents at the beginning of the year	4	1.452.017	1.170.595
F. Cash and cash equivalents at the end of the year (A+B+C+D+E)	4	3.626.977	1.705.675

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

1. Group's organization and nature of the operations

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

As of September 30, 2024, 62.12% of the Company's shares, including shares traded on Borsa Istanbul ("BIST"), are owned by Koza İpek Holding A.Ş. (December 31, 2023: 62.12% Koza İpek Holding A.Ş.) Shares corresponding to 37.72% of the company's capital (31 December 2023: 37.72%) traded on BIST.

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

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

In accordance with the "reservation of the rights of bona fide shareholders and third parties" stipulated in the decision of the 3rd Criminal Chamber of the Supreme Court of Appeals dated April 14, 2023, numbered 2022/18087 Principles, Decision no. 2023/2215, the Company and other Koza İpek Group companies are in a way that protects the rights of bona fide shareholders and third parties, the parent company-subsidary 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 28, 2023.

By preserving the parent partnership-subsidary structures, the transfer of the company's shares belonging to the Treasury to the Türkiye Wealth Fund was published in the Official Gazette dated August 20, 2024 and numbered 32638, by Presidential decision numbered 8857. Taking into account the strategic importance of the sectors in which the Company and all group companies operate for the country's economy, the partnership structure and group company integrity will be ensured, without disrupting the parent company-subsidary relations, and by protecting the rights of bona fide beneficiaries and stock market investors, it is decided to transfer of the company's shares belonging to the Treasury to the Türkiye Wealth Fund. With the decision of the Savings Deposit Insurance Fund (TMSF) Fund Board dated September 12, 2024 and numbered 2024/406 and the decision of the Board of Directors dated September 12, 2024, the transfer of the shares of the companies belonging to the Treasury to the Türkiye Wealth Fund was recorded in the share ledger. The transfer of the Company's shares belonging to the treasury to the Türkiye Wealth Fund was registered on October 18, 2024 and was published in the Trade Registry Gazette dated October 22, 2024 and numbered 11191.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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

The Group's consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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, March 1, 2023 and May 24, 2024 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, 2022 and 2023 as explained in detailed in Note 12, 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.

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, 2024, the number of employees is 2.236 people (December 31, 2023: 2.645).

The registered address of the Company is below:

Uğur Mumcu Mahallesi, Fatih Sultan Mehmet Bulvarı, İstanbul Yolu 10. Km, No: 310, 06370, Yenimahalle-Ankara, Türkiye.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements

2.1 Basis of presentation

Financial reporting standards

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

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

The condensed consolidated financial statements and notes are presented in accordance with the "2024 TAS Taxonomy" announced by the POA with the principle decision dated July 3, 2024. The condensed financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some corrections and classification changes in order to present the Company's status according to TAS and IFRS. Consolidated financial statements have been prepared on a historical cost basis, except for financial investments that are accounted for at their fair value.

Foreign currency

Functional and reporting currency

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

Adjustment of Financial Statements in High Inflation Periods

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The re-arrangements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TÜİK”). As of September 30, 2024, the indexes and correction coefficients for the current and comparative periods used in the correction of the financial statements are as follows:

Period end	Index	Index, %	Three-year cumulative inflation rates
September 30, 2024	2.526,16	1,00000	%343
December 31, 2023	1.859,38	1,35860	%268
September 30, 2023	1.691,04	1,49385	%254

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

Adjustment of Financial Statements in High Inflation Periods (continued)

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index-linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of September 30, 2024. Non-monetary items which are not expressed in terms of measuring unit as of September 30, 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before January 1, 2005, were restated by applying the change in the CPI from January 1, 2005 to September 30, 2024.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

Going concern

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

Declaration of conformity to TFRS

The Group has prepared its consolidated financial statements for the period ending on September 30, 2024, in accordance with the CMB's Communiqué Serial: II-14.1 and its announcements clarifying this communiqué. The consolidated financial statements and notes are presented in accordance with the formats recommended by CMB and including the required information.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of 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, 2024 and December 31, 2023, 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, 2024			
Title	Business segments	Nature of business	
Koza Anadolu Metal Madencilik İşletmeleri A.Ş.	Mining	Mining	
ATP İnşaat ve Ticaret A.Ş.	Construction and mining	Mining	
Koza Altın İşletmeleri A.Ş.	Mining	Mining	
Özdemir Antimuan Madenleri A.Ş.	Mining	Mining	
ATP Koza Turizm Seyahat Ticaret A.Ş.	Tourism and hotel management	Other	
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Food and farming	Other	
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Mining	Mining	
December 31, 2023			
Title	Business segments	Nature of business	
Koza Anadolu Metal Madencilik İşletmeleri A.Ş.	Mining	Mining	
ATP İnşaat ve Ticaret A.Ş.	Construction and mining	Mining	
Koza Altın İşletmeleri A.Ş.	Mining	Mining	
Özdemir Antimuan Madenleri A.Ş.	Mining	Mining	
ATP Koza Turizm Seyahat Ticaret A.Ş.	Tourism and hotel management	Other	
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Food and farming	Other	
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Mining	Mining	

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.2 Consolidation principles (continued)

As of September 30, 2024 and December 31, 2023 titles, capitals, effective ownership rates and minority rates of the subsidiaries of the Group are as follows:

September 30, 2024

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

December 31, 2023

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

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

(**) It is not included in the scope of consolidation due to its lack of significant impact. Ratio of total assets, revenue and net profit of the subsidiary not included in the scope of consolidation to consolidated total assets, revenue and net profit 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 2,325,334.

(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.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of 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, 2024 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, 2024 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, 2024 are as follows:

- 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 amendments did not have a significant impact on the 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 21 - Lack of exchangeability

Overall, the Group expects no significant impact on its consolidated balance sheet and equity.

iii) The amendments which are effective immediately upon issuance

- Amendments to TAS 12- International Tax Reform – Pillar Two Model Rules

The amendments did not have a significant impact on the financial position or performance of the Group.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.4 The new standards, amendments and interpretations (continued)

iv) 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 and IFRS 18 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 and new Standard are issued and become effective under TFRS.

- Amendments to IAS 21- Lack of exchangeability
- IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

Interim financial statements for the period ending on September 30, 2024 have been prepared in accordance with the TAS 34 standard for the preparation of interim summary condensed financial statements of TAS / TFRS.

Consolidated financial statements for the period ending on September 30, 2024 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ending on December 31, 2023. Therefore, these consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended December 31, 2023.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions

In the preparation of 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, production-based depreciation calculations, and rehabilitation provisions within this scope.

The Group management reviews the estimates made in relation to the visible and probable mineral reserves in each balance sheet period. In certain periods, the Group management has independent professional valuation companies make valuation studies in accordance with the Australian Exploration Results, Mineral Resources and Gold Reserves 2012 Standards ("JORC") to determine the amount of visible, possible and probable mineral reserves and it is updated by or under the supervision of persons who have the competencies specified in. The reserves and resource amounts in question have been audited and approved by the independent professional valuation company "SRK Consulting" in line with the "JORC" standards as of December 31, 2023. Inspection of reserves and resources according to UMREK standards has been completed and approved.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

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.

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

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

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

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

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

2. Basis of presentation of financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

- c) Amount of provisions reflected in 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, 2024, 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, 2024: 4.85%, December 31, 2023: 4.07%). These uncertainties may cause future expenditures to differ from the amounts estimated today.

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

- d) 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.
- e) 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. As of September 30, 2024, there is no legal risk expected to significantly affect the activities of the Group.
- f) 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.
- g) The gold in circuit inventory amount, which is followed as a semi-finished product and has not yet turned into finished gold during the production process, is evaluated separately for each production facility by making technical production calculations and estimations. The gold in circuit process, which is common for both tank leaching and heap leach production plants, ends after finished gold is obtained. Since the production processes of tank leaching and heap leaching facilities are different from each other, the amount of gold stock in the circuit differs on the basis of facilities, and the estimated amount of gold that can be obtained from the gold in circuit stocks of each facility at the end of the production process and the life of mine is analyzed based on technical calculations.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

3. Segment reporting

The Group's reporting according to the operating segments as of September 30, 2024 is presented as follows:

	Mine	Other	Elimination adjustments	Total
Revenue				
Domestic sales	7.601.822	157.286	-	7.759.108
Exports	159.773	-	-	159.773
Total revenue	7.761.595	157.286	-	7.918.881
Operating results				
Depreciation expense (-)	(1.044.610)	(33.173)	-	(1.077.783)
Interest income from investment activities	1.242.464	43.625	277.225	1.563.314
Financial expense (-)	119.869	(43.886)	(269.731)	(193.748)
Current tax expense (-)	(179.317)	-	-	(179.317)
Deferred tax income / (expense)	(25.081)	(209.920)	92.008	(142.993)
Monetary gain / (loss)	(5.906.096)	22.012	(16.356)	(5.900.440)
Operating profit / loss	656.414	(107.350)	(261.219)	287.845
Profit / loss before tax from continuing operations	(640.289)	(100.166)	240.137	(500.318)
Assets as of September 30, 2024	56.566.854	4.000.078	-25.582.026	34.984.906
Liabilities as of September 30, 2024	3.618.971	348.958	-881.052	3.086.877

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, 2023 is presented as follows:

	Mine	Other	Elimination adjustments	Total
Revenue				
Domestic sales	9.353.497	445.905	(5.638)	9.793.764
Exports	48.017	-	-	48.017
Total revenue	9.401.514	445.905	(5.638)	9.841.781
Operating results				
Depreciation expense (-)	(649.063)	(104.861)	-	(753.924)
Interest income from investment activities	904.949	6.764	(303.536)	608.177
Financial expense (-)	(68.163)	(369.811)	312.247	(125.727)
Current tax expense (-)	(1.099.365)	(5.634)	-	(1.104.999)
Deferred tax income / (expense)	(256.245)	(175.542)	119.710	(312.077)
Monetary gain / (loss)	(8.841.809)	618.598	346.119	(7.877.092)
Operating profit / loss	(37.840)	(91.642)	(99.322)	(228.804)
Profit / loss before tax from continuing operations	97.138	164.853	(1.200.037)	(938.046)
Assets as of September 30, 2023	53.817.847	3.832.975	(23.863.022)	33.787.800
Liabilities as of September 30, 2023	3.783.860	193.878	(543.913)	3.433.825

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

4. Cash and cash equivalents

	September 30, 2024	December 31, 2023
Cash	172	350
Banks		
- Demand deposits	21.806	578.522
- Time deposits	3.626.882	875.022
Total	3.648.860	1.453.894
Less: Interest accruals	(21.883)	(1.877)
Cash and cash equivalents presented in the cash flow statement	3.626.977	1.452.017

The details of the Group's time deposits as of September 30, 2024 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	%47,50 - %50,00	1-30 Days	3.626.882	3.626.882
Total				3.626.882

The details of the Group's time deposits as of December 31, 2023 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	%40,00 - %45,00	30-35 Days	875.022	875.022
Total				875.022

The Group's blocked deposits of 89,687 Thousands TL have been presented under financial investments account (December 31, 2023: 119,298 Thousands TL).

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

5. Financial investments

i- Short term financial investments

The short term financial investments of the Group as of September 30, 2024 and December 31, 2023 are as follows;

	September 30, 2024	December 31, 2023
Financial assets accounted at fair value under profit or loss (***)	6.472.532	10.143.792
Currency protected time deposits (**)	2.577.326	1.915.445
Total	9.049.858	12.059.237

ii- Long term financial investments

The long term financial investments of the Group as of September 30, 2024 and December 31, 2023 are as follows;

	September 30, 2024	December 31, 2023
Shares in subsidiaries (*)	2.329.505	2.329.505
Blocked deposits	344.092	892.557
Total	2.673.597	3.222.062

(*) 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 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 Group has converted foreign exchange deposit accounts amounting to 63,824 thousand USD into "Currency protected time deposits accounts". The maturity of currency protected time deposits is between 175 and 365 days. The Group's blocked deposits in the 'Currency protected time deposits accounts' of 254,405 Thousands TL have been presented under financial investments account (December 31, 2023: 773,259 Thousands TL).

(***) The Group has 9,389,826,124 investment fund participation certificates worth 6,472,532 thousand TL in total, worth private sector bonds and the fair value of the fund accounts is are accounted for as financial assets recognized in profit or loss.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

6. Inventories

The inventories of the Group as of September 30, 2024 and December 31, 2023 are as follows;

	September 30, 2024	December 31, 2023
Ready to be processed and mined ore clusters	941.233	506.052
Gold and silver in the production process and gold and silver bars	611.013	1.081.338
Chemicals and operating materials	311.981	257.191
Other inventories (*)	427.498	268.950
Total	2.291.725	2.113.531

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

7. Prepaid expenses

The prepaid expenses of the Group as of September 30, 2024 and December 31, 2023 are as follows;

i- Short-term prepaid expenses

	September 30, 2024	December 31, 2023
Advances given	76.341	327.576
Prepaid expenses (*)	20.857	80.767
Total	97.198	408.343

ii- Long-term prepaid expenses

	September 30, 2024	December 31, 2023
Advances given (**)	1.607.643	2.645.647
Other (*)	30.667	4.764
Total	1.638.310	2.650.411

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

(**) Under the Mollakara Gold Mine Project in Diyadin district of Ağrı Province, the group 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 1,315,691 TL has been made to them.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

8. Investment properties

Investment properties of the Group as of September 30, 2024 and 2023 are as follows;

	January 1, 2024	Addition	Disposals	September 30, 2024
Cost				
Dormitory	39.295	-	-	39.295
Hotel	2.194.472	-	-	2.194.472
Total	2.233.767			2.233.767
Accumulated depreciation				
Dormitory	7.924	590	-	8.514
Hotel	1.029.764	32.163	-	1.061.927
Total	1.037.688	32.753	-	1.070.441
Net book value	1.196.079			1.163.326

	January 1, 2023	Addition	Disposals	September 30, 2023
Cost				
Flats	1.188.735	-	(1.060.767)	127.968
Dormitory	39.295	-	-	39.295
Hotel	2.194.477	-	(31)	2.194.446
Total	3.422.507		(1.060.798)	2.361.709
Accumulated depreciation				
Flats	169.736	5.337	(156.684)	18.389
Dormitory	7.139	589	-	7.728
Hotel	986.438	32.567	(13)	1.018.992
Total	1.163.313	38.493	(156.697)	1.045.109
Net book value	2.259.194			1.316.600

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 17,255 Thousand TL between 1 January – 30 September 2024 (1 January – 30 September 2023: 19,949 Thousand TL).

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

9. Other current and non-current assets

i- Other current assets

The other current assets of the Group as of September 30, 2024 and December 31, 2023 are as follows;

	September 30, 2024	December 31, 2023
Job advances given	10.531	1.230
Advances given to personnel	1.315	1.692
Total	11.846	2.922

ii- Other non-current assets

	September 30, 2024	December 31, 2023
Other tangible assets (*)	665.574	774.444
VAT receivables	108.096	71.322
Total	773.670	845.766

(*) It consists of spare parts, materials and operating materials that are generally consumed over a period of more than one year.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

10. Property, plant and equipment

The property, plant and equipment of the Group as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Mining assets	2.099.982	2.114.129
Other tangible assets	7.475.919	7.034.354
Total	9.575.901	9.148.483

a) Mining assets

As of September 30, 2024 and December 31, 2023, mining assets consists of mining rights, mine site development costs, deferred stripping costs, mining sites, and closing and rehabilitation of mines, and the net book values of these mining assets are as follows.

	September 30, 2024	December 31, 2023
Mining sites	180.578	134.827
Mine site development cost	1.456.498	1.370.548
Deferred stripping costs	-	134.540
Rehabilitation of mining facility	-	102.046
Mining rights	462.906	372.168
Total	2.099.982	2.114.129

The movements of mining assets are as follows;

	January 1, 2024	Addition	Disposal	Inflation effect (*)	September 30, 2024
Cost					
Mining sites	692.552	62.636	(1.707)	-	753.481
Mine site development costs	6.546.757	177.796	-	-	6.724.553
Deferred stripping costs	2.416.979	-	-	-	2.416.979
Rehabilitation of mining facility	596.196	185.307	-	(157.366)	624.137
Mining rights	560.045	91.001	-	-	651.046
Total	10.812.529	516.740	(1.707)	(157.366)	11.170.196
Accumulated depreciation					
Mining sites	557.725	15.178	-	-	572.903
Mine site development costs	5.176.209	91.846	-	-	5.268.055
Deferred stripping costs	2.282.439	134.540	-	-	2.416.979
Rehabilitation of mining facility	494.150	260.418	-	(130.431)	624.137
Mining rights	187.877	263	-	-	188.140
Total	8.698.400	502.245	-	(130.431)	9.070.214
Net book value	2.114.129				2.099.982

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

10. Property, plant and equipment (continued)

a) Mining assets (continued)

	January 1, 2023	Addition	Disposals	Inflation effect (*)	September 30, 2023
Cost					
Mining sites	692.352	201	-	-	692.553
Mine site development costs	6.422.761	103.615	-	-	6.526.376
Deferred stripping costs	2.311.812	49.007	-	-	2.360.819
Rehabilitation of mining facility	842.087	145.919	-	(280.153)	707.853
Mining rights	603.091	39.397	(83.685)	-	558.803
Total	10.872.103	338.139	(83.685)	(280.153)	10.846.404
Accumulated depreciation					
Mining sites	527.161	5.269	-	-	532.430
Mine site development costs	5.057.019	89.168	-	-	5.146.187
Deferred stripping costs	2.218.417	24.322	-	-	2.242.739
Rehabilitation of mining facility	734.573	50.316	-	(244.384)	540.505
Mining rights	271.348	190	(83.685)	-	187.853
Total	8.808.518	169.265	(83.685)	(244.384)	8.649.714
Net book value	2.063.585				2.196.690

(*) The reclamation, rehabilitation and closure costs of the mine sites resulting from open pit mining site development activities and open pit production, according to their current conditions, are not indexed and are evaluated in US Dollar values.

All depreciation expenses are included in the cost of goods produced.

There isn't any mortgage on mining assets as of September 30, 2024 (December 31, 2023: None).

The costs of the mine sites, mining rights and mine site development costs of the Group, which have been fully depreciated as of September 30, 2024, but are in use, are amounting to thousand TL 3,902,966. (December 31, 2023: TL 3,264,679).

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

10. Property, plant and equipment (continued)

b) Other tangible assets

Movements of other tangible assets during the period as of September 30, 2024 and 2023 are as follows;

	January 1, 2024	Addition	Disposals	Transfers(*)	Subsidiary disposal effect (Note23)	September 30, 2024
Cost						
Land, buildings and land improvements	4.552.273	73.500	(2.760)	55.446	(32.002)	4.646.457
Machinery and equipment	9.417.948	281.603	(50.151)	4.945	(3.947)	9.650.398
Motor vehicles	3.965.805	152.997	(4.331)	(164.976)	(2.249.679)	1.699.816
Furnitures and fixtures	744.694	9.993	(322)	4.096	(4.700)	753.761
Construction in progress	589.143	2.441.028	(3.896)	(132.242)	-	2.894.033
Total	19.269.863	2.959.121	(61.460)	(232.731)	(2.290.328)	19.644.465
Accumulated depreciation						
Buildings and land improvements	2.512.838	122.164	(466)	-	(31.996)	2.602.540
Machinery and equipment	7.781.642	135.766	(34.261)	-	(3.942)	7.879.205
Motor vehicles	1.347.881	212.199	(3.412)	(164.976)	(330.156)	1.061.536
Furnitures and fixtures	593.148	37.098	(305)	-	(4.676)	625.265
Total	12.235.509	507.227	(38.444)	(164.976)	(370.770)	12.168.546
Net book value	7.034.354					7.475.919

There isn't any mortgage on other tangible assets as of September 30, 2024 (December 31, 2023: None).

There are annotations on the Group's Gümüşhane dormitory building (net value of 109,579 Thousand TL as of September 30, 2024) by the General Directorate of National Real Estate.

As of September 30, 2024, the insurance paid on the tangible assets of the Group is thousand TL 21,430 (December 31, 2023: thousand TL 4,442).

The cost of other tangible assets of the Group, which have been fully depreciated as of September 30, 2024, but are in use, is amounting to thousand TL 8,827,402 (December 31, 2023: TL 5,603,393).

Except for the ongoing fixed expenses related to the Mastra field, the operations of which have been discontinued, all depreciation expenses are included in the cost of goods produced. There is no capitalized financing expense in tangible fixed assets.

(*) As of September 30, 2024, the capitalized license software expenses (67,756 thousand TL) have been transferred to other intangible assets, and the vehicles (cost of 164,976 thousand TL) of which net book value of zero, have been transferred to assets held for sale.

(**) The Group has made an investment decision for the Mollakara Project, which is aimed at gold and silver production, within the scope of the Mollakara Gold Mine Project in Diyadin District of Ağrı Province. The additions to the ongoing investments made during the year are related to the project in question.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

10. Property, plant and equipment (continued)

b) Other tangible assets (continued)

	January 1, 2023	Addition	Disposals	Transfers	September 30, 2023
Cost					
Land, buildings and land improvements	4.490.181	40.107	(183.429)	1.468	4.348.327
Machinery and equipment	9.817.742	202.430	(715.855)	19.240	9.323.557
Motor vehicles	3.516.342	216.782	(32.954)	-	3.700.170
Furnitures and fixtures	855.675	23.883	(154.130)	1.591	727.019
Construction in progress	161.023	351.893	-	(22.299)	490.617
Total	18.840.963	835.095	(1.086.368)	-	18.589.690
Accumulated depreciation					
Buildings and land improvements	2.551.219	84.035	(117.053)	-	2.518.201
Machinery and equipment	8.171.102	213.591	(691.272)	-	7.693.421
Motor vehicles	1.090.671	187.974	(31.508)	-	1.247.137
Furnitures and fixtures	682.056	44.171	(150.424)	-	575.803
Total	12.495.048	529.771	(990.257)	-	12.034.562
Net book value	6.345.915				6.555.128

11. Intangible assets

a) Goodwill

As of September 30, 2024 and December 31, 2023 the details of the Group's intangible assets are as follows:

	September 30, 2024	December 31, 2023
Goodwill related to Newmont Altın purchase	129.411	129.411
Total	129.411	129.411

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

11. Intangible assets (continued)

a) Goodwill (continued)

Acquisition of Newmont Gold Mining Limited Company (Newmont Gold):

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 538 thousand USD and 2,462 thousand USD, which constitute part of the total purchase price of 8,500 thousand US dollars, for 99.84% Newmont Altın shares, on June 28, 2010 and July 2, 2010, respectively. The remaining 5,500 thousand USD of the purchase price, 3,000 thousand USD 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 2,500 thousand USD will be paid one year after the second payment.

As of September 30, 2024, 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, 2024.

b) Other intangible assets

The details of the Group’s other intangible assets as of September 30, 2024 and 2023 are as follows:

	January 1, 2024	Additions	Disposals	Transfers	Subsidiary disposal effect (Note23)	September 30, 2024
Costs						
Rights	166.602	1.667	(88)	67.756	(181)	235.756
Total	166.602	1.667	(88)	67.756	(181)	235.756
Accumulated depreciation						
Rights	149.250	35.558	(88)	-	(164)	184.556
Total	149.250	35.558	(88)	-	(164)	184.556
Net book value	17.352					51.200

	January 1, 2023	Additions	Disposals	Transfers	Subsidiary disposal effect	September 30, 2023
Costs						
Rights	182.717	11.718	(41.174)	-	-	153.261
Total	182.717	11.718	(41.174)	-	-	153.261
Accumulated depreciation						
Rights	171.552	10.530	(41.174)	-	-	140.908
Total	171.552	10.530	(41.174)	-	-	140.908
Net book value	11.165					12.353

All depreciation expenses are included in the cost of goods produced.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities

As of September 30, 2024 and December 31, 2023, the details of the Group’s provisions, contingent assets and liabilities are as follows:

a) Short-term provisions

	September 30, 2024	December 31, 2023
State right expense provision	679.980	745.832
Provisions for lawsuit	368.559	312.689
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	106.525	170.365
Other provisions	7.887	22.207
Total	1.162.951	1.251.093

b) Long-term provisions

	September 30, 2024	December 31, 2023
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	689.413	445.187
Total	689.413	445.187

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

	2024	2023
January 1	615.552	820.253
Paid during the period	(308.054)	(56.227)
Discount effect	34.123	9.678
Effect of changes in estimates and assumptions	659.196	203.500
Monetary gain	(204.879)	(261.009)
September 30 (*)	795.938	716.195

(*) 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.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

c) Provisions for employee benefits

i- Short-term provisions for employee benefits

	September 30, 2024	December 31, 2023
Provision for unused vacation	45.809	39.138
Total	45.809	39.138

The movement of provision for unused vacation is as follows;

	2024	2023
January 1	39.138	75.232
Additions / (cancellations), net	17.001	42.748
Monetary gain	(10.330)	(25.029)
September 30	45.809	92.951

ii- Long-term provisions for employee benefits

	September 30, 2024	December 31, 2023
Provision for employee termination benefits	207.751	201.181
Total	207.751	201.181

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

c) 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 41,828.42 (2023: TL 23,489.83) was taken into consideration in the calculation of the provision for severance pay. TFRS requires actuarial valuation methods to be developed to estimate the provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	September 30, 2024	December 31, 2023
Net discount rate	%3,00	%2,00
Probability of qualifying for seniority	%95,35	%94,41

The movements of the provision for severance pay within the accounting periods of September 30, 2024 and 2023 are as follows:

	2024	2023
January 1	201.181	264.673
Interest cost	11.168	34.430
Service cost	21.058	32.610
Severance paid	(103.077)	(66.865)
Actuarial loss / (gain)	112.581	88.943
Monetary gain	(34.859)	(87.462)
Subsidiary exit impact	(301)	-
September 30	207.751	266.329

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

The sensitivity analysis of the important assumptions used in the calculation of the provision for employee termination benefits as of September 30, 2024 and 2023 is as follows:

	Discount rate		Rate of retirement	
	0,50% increase	0,50% decrease	0,50% increase	0,50% decrease
September 30, 2024	(27.800)	34.423	8.249	(7.557)
	Discount rate		Rate of retirement	
	0,50% increase	0,50% decrease	0,50% increase	0,50% decrease
September 30, 2023	(25.914)	31.863	7.512	(6.842)

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases

i- Lawsuits related to Kaymaz mine

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 Altın İşletmeleri A.Ş. 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 case was also notified to Koza Altın İşletmeleri A.Ş. requested intervention in the case and it was decided to accept the request to intervene in the case alongside the defendant. An expert report dated February 15, 2024 was submitted to the file. The company objected to the relevant expert report and requested an additional report. A number of documents have been requested from the Ministry of Environment, Urbanization and Climate Change. The court stated that the request for stay of execution will be evaluated after the documents are sent. The court ruled to stay the execution with its decision dated April 30, 2024. A petition for declaration dated May 17, 2024 was submitted to the file with the request to waive the stay of execution decision ex-officio and to dismiss the case.

In the relevant petition; attention was drawn to the fact that the client company made the EIA application on April 11, 2022, the EIA Regulation, which was used as a basis in the decision to stay the execution, entered into force on July 29, 2022, and it was stated that the EIA Regulation dated July 29, 2022 should not be implemented. A hearing was held in the file on June 12, 2024, and all our statements and objections, including our declaration petition, were expressed once again at the hearing. At the final stage; It was evaluated that the "Environmental Impact Assessment Positive" decision given by the Eskişehir 1st Administrative Court dated June 13, 2024, numbered 2023/858 E., 2024/651 K. was not in compliance with the law, and it was ruled that the transaction in question be annulled, with the right to appeal to the Council of State. The relevant decision was appealed by the Ministry of Environment, Urbanization and Climate Change and the company for a stay of execution. The file is seen in the file number 2024/2766 E. of the Council of State 4th Chamber. Our request to suspend its continuation was rejected with the decision dated August 14, 2024. However, a final decision has not been made and the trial of the file continues.

ii- 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 at the İzmir 6th Administrative Court for the cancellation of the positive EIA report given for the Çukuralan Operation 3rd Capacity Increase Project, and the Company intervened in the lawsuit. The court decided to cancel the transaction in question, and as a result of the appeal review, the Council of State found the decision of the local court to be incorrect and overturned the decision in favor of the Company. While the trial is continuing at the İzmir 6th Administrative Court on the basis of case number 2019/574, the court decided to cancel the said transaction with its decision dated February 23, 2021. The decision has been appealed. A lawsuit numbered 2019/1120 E. was filed at the İzmir 6th Administrative Court for the stay of execution and cancellation of the positive Environmental Impact Assessment (EIA) Decision given by the Ministry of Environment and Urbanization regarding the Çukuralan Gold Mine Operation 3rd capacity increase 2009/7 project. The company has intervened in the relevant case alongside the defendant Ministry. The previous main file number and court of the relevant case is İzmir 3rd Administrative Court 2019/171 E. and due to the connection with the relevant case Çukuralan 3rd Capacity Increase file, the main file record was closed by the decision of İzmir Regional Administrative Court 4th Administrative Litigation Department and due to the connection, İzmir 3rd Administrative Court decided to send it to İzmir 6th Administrative Court. While the relevant case continues with İzmir 6th Administrative Court number 2019/1120 E., according to the decision given by the court, the positive EIA decision in question was annulled and an appeal was filed.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

ii- Lawsuits related to other mines (continued)

Lawsuits related to Çukuralan mine:

At this point, according to the Council of State decision, for the file 2019/574 E., it was concluded that due to the fact that a second positive EIA decision was given regarding the project in question, it was not possible to apply two different positive EIA decisions regarding the same project together, that the defendant Ministry should accept that the EIA positive decision in question was implicitly withdrawn, and that the subject of the ongoing case was no longer a subject, therefore, it was definitely decided that the decision numbered 2019/574 E. of the İzmir 6th Administrative Court should be overturned and that there was no need to give a decision; and for the file 2019/1120 E., it was definitely decided that there was no legal error in the part of the decision of the İzmir 6th Administrative Court regarding the cancellation of the transaction in question, and that the appeal requests of the defendant Ministry and the intervening company as well as the defendant Ministry should be rejected.

In addition, the company intervened in the lawsuit filed by some plaintiffs against the Governorship of Izmir for the annulment of the Environmental Impact Assessment Not Required decision given for the Çukuralan Gold Mine Crushing and Screening Facility Project planned to be built by the company in the Izmir 6th Administrative Court file numbered 2020/1479 E., and it was decided to partially accept and partially reject the appeal requests of the intervening company.

The company intervened in the relevant case alongside the defendant ministry in both files, and in both files, the court ruled to reject the case on the grounds that the EIA positive decision was in accordance with the law. The decision given in the file numbered 2021/1407 E. of the Izmir 4th Administrative Court and the file numbered 2021/1013 E. of the Izmir 4th Administrative Court was appealed by the plaintiffs, and as a result of the appeal trial, the plaintiffs' appeal request was accepted, and since a more detailed examination was required procedurally, the first instance court decision was overturned by a majority vote against the company, and the file was sent to the first instance court for a more detailed examination. The file numbered 2021/1407 E. of the Izmir 4th Administrative Court has received the number 2023/1278 E. of the Izmir 4th Administrative Court, and the file numbered 2021/1013 E. of the Izmir 4th Administrative Court has received the number 2023/1294 E. of the Izmir 4th Administrative Court.

In both files, the court decided to cancel the transaction in question. The defendant administration and the company appealed the decision given in file numbered 2023/1294 E. of the İzmir 4th Administrative Court. The file is being viewed through the Council of State 4th Chamber Presidency file numbered 2024/1085 E. The defendant administration and the company requested a stay of execution during the appeal period, and the request for a stay of execution was rejected by the Council of State 4th Chamber Presidency with its decision dated March 28, 2024. The appeal hearing is ongoing. The decision given in file numbered 2023/1278 E. of the İzmir 4th Administrative Court was notified to the parties and the company applied for an appeal. The file is being viewed through the Council of State 4th Chamber Presidency file numbered 2024/1769 E. The defendant administration and the company requested a stay of execution during the appeal period, and the request for a stay of execution was rejected by the 4th Chamber of the Council of State with its decision dated May 16, 2024. The company objected to the decision in question, and our request for a stay of execution was definitely rejected on July 4, 2024. The trial continues at the appeal stage.

Lawsuits related to Çanakkale project:

In the lawsuit filed for the annulment and suspension of the EIA positive decision regarding the S: 201001197 Gold and Silver Mine Project, which is planned to be made in the vicinity of Serçiler and Terziler villages in the central district of Çanakkale, the company intervenes with the Ministry of Environment and Urbanization within the case number 2020/763 E. At the current stage, Çanakkale 1st Administrative Court decided to cancel the act subject to the lawsuit, an appeal was filed against the decision. It has been decided to definitely reject the appeal requests of the intervening company.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

iii- Lawsuits regarding the Company’s subsidiary abroad

Legal proceedings have been initiated against the amendment of the articles of association, establishment of privileged shares and change of board of directors of Koza Ltd., headquartered in London, in which the Company has 100% shares, and the legal proceedings are ongoing in the London courts. In the decision taken on January 23, 2019 in the file numbered 2017/349 E. of the Ankara 10th Commercial Court of First Instance, it was decided that 60,000,000 British Pounds Sterling be collected from the defendants and paid to Koza Altın İşletmeleri A.Ş. together with the interest accrued as of September 1, 2015 in accordance with Article 4/a of Law No. 3095, with the right to appeal within two weeks from the notification of the decision. Against this decision, the defendants appealed, and the Ankara Regional Court of Justice 21st Civil Chamber ruled with its decision numbered 2019/699 E. and 2019/1189 K. that the defendants' appeal application should be deemed not to have been made due to procedural reasons. The defendants appealed against this decision. The Supreme Court of Appeals ruled to quash the file due to procedural reasons. The Ankara 10th Commercial Court of First Instance ruled with its additional decision that the defendants' appeal application should be deemed not to have been made. The defendants appealed the decision. The Ankara Regional Court of Justice 21st Civil Chamber ruled to reject the appeal application made by the defendants in the file numbered 2022/727 E. on the merits. The defendants appealed against the relevant decision. Koza Altın İşletmeleri A.Ş. submitted a response petition to the appeal petition submitted by the defendants. The appeal process is ongoing.

iv- 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.

v- Other legal processes

Based on the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, the management of the Company was transferred to the Board of Trustees, and subsequently to the Savings Deposit Insurance Fund (“SDİF”) on September 22, 2016. The indictment prepared by the Ankara Chief Public Prosecutor’s Office regarding the events that led to the appointment of a trustee was accepted by the Ankara 24th High Criminal Court and their trial began with the file numbered 2017/44 E. and the case was concluded by the first instance court. In the decision of the first instance court; it was decided to confiscate the company shares belonging to the previous board members who were on trial. It was decided that the above-mentioned measure of appointing a trustee would continue until the decision was finalized. The appeal review of the Ankara 24th High Criminal Court regarding the file numbered 2017/44 E. has been completed and the decision of the appeal court has been announced on the Public Disclosure Platform. Following the decision of the Court of Cassation, the transfer and registration procedures of all Koza Group companies to the Ministry of Treasury and Finance have been carried out. Upon the objection made in the file in question, the Office of the Chief Public Prosecutor of the Court of Cassation has conducted an examination and as a result of the examination, no objection was filed as there was no material or legal reason requiring an objection.

With the Presidential Decree No. 8857 published in the Official Gazette dated August 20, 2024 and numbered 32638, it was decided that all of the shares belonging to the Treasury in the capitals of the Koza Group companies mentioned in the confiscation decision would be transferred to the Turkey Wealth Fund as a whole, while preserving the parent company-subsiidiary relations.

In the Ankara 24th High Criminal Court case numbered 2017/44 E., it was also decided that the files of the previous board members, whose trials could not be held because they did not come to court, be separated and recorded on a new basis, the trials continue on this file, and the measure of appointing a trustee, as explained above, be continued until the end of the trial. The separated file received the Ankara 24th High Criminal Court number 2020/20 E. and the trial continues on the relevant file.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

v- Other legal processes (continued)

In the case where the defendants Cafer Tekin İpek and Özlem Özdemir are tried, which is a case file numbered 2021/157 E. of the Ankara 24th High Criminal Court, it was decided that the defendants would be punished with the appeal being open, and as a result of the appeal trial, the file was partially returned (overturned) by the appeal and it was decided that the file be sent to the first instance court, where the verdict was overturned, to be reexamined and ruled on behalf of the defendant Cafer Tekin İpek.

The trial process continued with the defendant Cafer Tekin İpek with the file number 2022/193 E. of the Ankara 24th High Criminal Court. The relevant file was decided on January 10, 2024, and the case was rejected based on the prosecutor's opinion; because the same defendant was sentenced for the same crimes in the file number 2022/133 E. of the Ankara 24th High Criminal Court. The company and the Revenue Administration Presidency appealed against this decision. With the decision numbered 2024/464 E., 2024/464 K. of the Ankara Regional Court of Justice, 4th Criminal Chamber, dated May 28, 2024, it was decided to reject our appeal on the merits. An objection was filed against this decision on June 14, 2024, and the Ankara Regional Court of Justice 4th Criminal Chamber decided that there was no need to correct the decision and that the file be sent to the Ankara Regional Court of Justice 5th Criminal Chamber for evaluation. The Ankara Regional Court of Justice 5th Criminal Chamber's decision dated July 3, 2024 definitively ruled to reject the objection.

The file numbered 2022/133 E. heard at the Ankara 24th High Criminal Court is the file that was separated from the main file numbered 2017/44 E. heard at the Ankara 24th High Criminal Court in terms of the crime of contravention of the Tax Procedure Law against the defendants Ali Serdar Hasırcıoğlu, Orhan Selçuk Hasırcıoğlu, Şaban Aksöyek and Cafer Tekin İpek.

In the relevant file, a decision was made regarding the punishment of all defendants, including the defendant Cafer Tekin İpek, and the relevant decision was annulled by the decision numbered 2024/26 D.İş of the Ankara 25th High Criminal Court dated February 5, 2024, as a result of the objections made by the defendants and the participating Revenue Administration Presidency. Following the aforementioned annulment decision, the file was sent back to the Ankara 24th High Criminal Court and received the number 2024/115 E. and the trial continues on the relevant file. In the relevant file, a reversal in the interest of law was sought regarding the decision numbered 2024/26 D.İş of the Ankara 25th High Criminal Court dated February 5, 2024, and at the hearing dated May 14, 2024, it was decided to await the result of the relevant reversal in the interest of law and to postpone the next hearing to September 10, 2024. The trial continues.

vi- Case regarding ATP İnşaat ve Ticaret A.Ş.:

The subject of the file numbered 2017/976 E. of the Istanbul 10th Commercial Court of First Instance consists of the claim that the Share Sale and Transfer Agreement dated 12 May 2008 was made by eliminating the will of Ahmet Burak Mızrak and that with the said agreement, he was forced to transfer his shares in Yaşam Television Broadcasting Services Inc., Rektur Advertisement Paz. ve Tic. Ltd. Şti. and Gökcan Production Trade Inc., which are the licensee and operators of Kanaltürk, to ATP İnşaat ve Ticaret A.Ş. for a price less than one third of their value and the claim for pecuniary damages. In the relevant case, the pecuniary damage suffered by the plaintiff Ahmet Burak Mızrak is as follows; It is requested that the unspecified receivable amount of USD 100,000.00 be collected from the defendants Hamdi Akın İpek and ATP İnşaat ve Ticaret A.Ş. together with the USD interest of 6% and increasing rate paid to the USD deposit account opened by the state banks as of May 12, 2008 and paid to Ahmet Burak Mızrak. In addition, Ahmet Mızrak filed an additional lawsuit with the file numbered 2022/441 E. of the Istanbul 4th Commercial Court of First Instance and the file numbered 2017/976 E. of the Istanbul 10th Commercial Court of First Instance, repeating the same allegations and based on the same allegations, the material damage suffered by the plaintiff; It is requested that the unspecified receivable of USD 200,000.00 be collected from the defendants Hamdi Akın İpek and ATP İnşaat ve Ticaret A.Ş. and paid to Ahmet Burak Mızrak, together with the annual 6% and increasing USD interest paid to the 1-year term deposit account opened by state banks as of 12.05.2008. The file numbered 2022/441 E. of the Istanbul 4th Commercial Court of First Instance has been merged into the file numbered 2017/976 E. of the Istanbul 10th Commercial Court of First Instance. In the hearing held on July 05, 2023, it was decided to dismiss the plaintiff's case and the consolidated case due to the limitation period, with the right to appeal. The file has been appealed by the plaintiff. The file has not yet been finalized and the trial continues at the appeal stage.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

vii- Employee lawsuits and cases of contract receivables

As of September 30, 2024, the provision amount accounted for ongoing employee and other lawsuits against the Company is amounting to TL 368,559 Thousand (December 31, 2023: TL 312,689 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, 2023 are as follows:

	September 30, 2024	December 31, 2023
A. CPM's given on behalf of own legal entity	229.904	263.460
- <i>Guarantee</i>	229.904	263.460
- <i>Mortgage</i>	-	-
B. CPM's given in favor of partnerships which are fully consolidated	-	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given in favor of the parent company	-	-
ii. Total amount of CPM's given in favor of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	229.904	263.460

ii- Letter of guarantees received

The details of the Group's letter of guarantees received as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Guarantee letters	2.477.397	3.494.180
Guarantee cheques	2.345.549	2.755.038
Security bonds	123.842	155.776
Total	4.946.788	6.404.994

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

12. Provisions, contingent assets and liabilities (continued)

e) Commitments and contingent liabilities (continued)

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 group 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 group benefits from investment incentives in İzmir Çukuralan, Kayseri-Himmetdede, Eskişehir-Kaymaz, Ağrı-Mollakara enterprises and Ankara Central Solar Power Plant (Electricity Generation, Transmission and Distribution). Within the scope of the investment incentive certificates in question, the Group's contribution to investment rate is 40% in İzmir Çukuralan, Kayseri-Himmetdede, Eskişehir-Kaymaz enterprises and 80% as corporate tax reduction rate, 50% as contribution to investment rate in Ağrı-Mollakara and 50% as corporate tax reduction rate. 90%, Ankara Central Solar Power Plant (Electricity Generation, Transmission and Distribution) investment incentive Contribution to Investment rate is 30% and corporate tax reduction rate is 70%. Within the scope of the incentive used in the İzmir Çukuralan region, March 27, 2018, within the scope of the incentive used for the Himmetdede region, on December 21, 2017, within the scope of the incentive used in the Ağrı-Mollakara region, on October 6, 2022, within the scope of the incentive used in the Kaymaz region, on May 8, 2023, within the scope of the incentive used in the Ankara Central Solar Power Plant. Within the scope of the incentive, investment started on March 17, 2023.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

13. Equity

a) Share capital

As of September 30, 2024, the Company's paid-in capital is amounting to thousands TL 259,786 (December 31, 2023: thousands TL 259,786) and consists of 25,978,556,100 shares (December 31, 2023: 25,978,556,100 shares) with a nominal share value of 1 Kuruş, fully paid. The registered capital ceiling of the Company is thousands TL 400,000 (December 31, 2023: thousands TL 400,000).

In accordance with the Capital Markets Board's document regarding the Registration of the shares to be issued by the Joint Stock Companies for the Capital Increase dated February 2, 2012 and numbered 5/10, the Group was registered at the Ankara Trade Registry Office on February 2, 2012 and registered a registered capital ceiling of Thousands TL 400,000 has increased its issued capital from Thousands TL 129,893 to Thousands TL 259,786.

In accordance with the "reservation of the rights of bona fide shareholders and third parties" stipulated in the decision of the 3rd Criminal Chamber of the Supreme Court of Appeals dated April 14, 2023, numbered 2022/18087 Principles, Decision no. 2023/2215, the Company and other Koza İpek Group companies are in a way that protects the rights of bona fide shareholders and third parties, the parent company-subsidiary structure in group companies continues as it is, and the rights of investors in companies traded on BIST are protected, and the registration and announcement of the shares of real persons other than these on behalf of the Treasury are carried out by the Trade Registry Office. It was held in July 28, 2023.

The breakdown of partners with capital is as follows:

Equity	September 30, 2024		December 31, 2023	
	Share Rate	Share Amount	Share Rate	Share Amount
Koza İpek Holding A.Ş.	62,10%	161.317	62,12%	161.383
Publicly traded	37,75%	98.069	37,72%	98.003
Other	0,15%	400	0,16%	400
Paid-in capital		259.786		259.786
Capital adjustment differences		3.539.646		3.539.646
Total		3.799.432		3.799.432

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

13. Equity

a) Share capital (continued)

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

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

(*) Concession type:

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

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

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

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

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

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

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

Regarding the share buy-back and share purchase and sale transactions initiated by the decision of the Koza Altın İşletmeleri A.Ş. Board of Directors, 23,750,000 Koza Altın İşletmeleri A.Ş. shares, 6,077,881 Koza Anadolu Metal Madencilik İşletmeleri A.Ş. shares, 5,100,939 İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. shares were bought back for a total of 1,215,994 Thousand TL during the period.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

13. Equity

b) Restricted reserves

The Group's restricted reserves as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Restricted reserves	923.590	923.590
Reserves for withdrawn shares	945.918	662.703
Total	1.869.508	1.586.293

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

According to the Turkish Commercial Code, the Company allocates reserves for its own shares acquired in an amount that meets the acquisition value. These reserves can be dissolved in an amount that meets their acquisition value if the aforementioned shares are transferred or destroyed. In accordance with the legislation related to the revaluation fund, other funds in the liabilities can be dissolved if they are converted into capital and the reassessed assets are amortized or transferred.

It was published in the Official Gazette dated December 30, 2023 and numbered 32415 (Second Extraordinary) pursuant to the Tax Procedure Law. According to the relevant Communiqué, the balance sheet dated December 31, 2023, prepared in accordance with the Tax Procedure Law, has been corrected by using the Producer Prices General Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting application. The attached financial statements have been subjected to inflation adjustment using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and ultimately the amounts for the current and previous reporting period are expressed in terms of purchasing power as of September 30, 2024. Due to the use of distinct indices in the Tax Procedural Law and TAS 29 inflation accounting differences have emerged between The amounts included in the balance sheet prepared in accordance with the Tax Procedure Law regarding the items "Inflation Adjustment on Capital" and " Restricted reserves appropriated from profits" the amounts included in the financial statements prepared in accordance with TAS / TFRS. These differences are summarized below:

30 September 2024			
	Adjustment to capital	Share premium	Restricted reserve
To TAS/TFRS Financial Reports	3.539.646	87.752	923.590
TO Tax Procedure Law	5.115.491	1.495	941.214
Differences	(1.575.845)	86.257	(17.624)

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

14. Revenue and cost of sales

The details of the Group's revenue and cost of sales as of January 1 – September 30, 2024 and 2023 are as follows:

	January 1 – September 30, 2024	January 1 – September 30, 2023	July 1 – September 30, 2024	July 1 – September 30, 2023
Domestic sales	7.759.846	9.791.965	1.877.662	3.417.214
Exports	159.773	48.017	140.445	19.504
Other sales	-	4.094	-	4.094
Total sales	7.919.619	9.844.076	2.018.107	3.440.812
Sales returns	(96)	(611)	(64)	(349)
Sales discounts and other reductions	(642)	(1.684)	-	(1.608)
Net sales	7.918.881	9.841.781	2.018.043	3.438.855
Cost of sales	(5.399.223)	(6.929.658)	(1.247.650)	(1.592.979)
Gross profit	2.519.658	2.912.123	770.393	1.845.876

The distribution of the Group's revenues by product type as of January 1 – September 30, 2024 and 2023 are as follows:

	January 1 – September 30, 2024	January 1 – September 30, 2023	July 1 – September 30, 2024	July 1 – September 30, 2023
Sales of gold bars	7.560.837	9.276.876	1.845.631	3.210.081
Sales of silver bars	29.853	64.000	12.452	29.107
Other (*)	328.929	503.200	160.024	201.624
Total	7.919.619	9.844.076	2.018.107	3.440.812

(*) 136,521 thousand TL of other revenues comes from ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş., 160,573 thousand TL from Özdemir Antimuan Madenleri A.Ş., and the remaining portion comes from other subsidiaries.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

15. Income from investing activities

The details of the Group's income from investing activities as of January 1 – September 30, 2024 and 2023 are as follows:

	January 1 – September 30, 2024	January 1 – September 30, 2023	July 1 – September 30, 2024	July 1 – September 30, 2023
Investment fund and stock fair value increases	1.958.976	4.941.017	861.579	1.045.518
Interest income	1.563.314	608.177	684.773	349.693
Financial asset sales profit	897.374	-	897.374	-
Currency-protected deposit fair value increases	862.138	507.823	365.741	122.189
Income from fixed asset sales	16.643	75.148	15.156	(7.290)
Income from investment property sales	-	1.140.506	-	(286.436)
Other	21.931	20.733	7.351	6.016
Total	5.320.376	7.293.404	2.831.974	1.229.690

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, 2024 and 2023 are as follows:

	January 1 – September 30, 2024	January 1 – September 30, 2023	July 1 – September 30, 2024	July 1 – September 30, 2023
Scrap sales income	14.608	17.057	3.794	4.497
Other	110.712	129.874	23.049	39.388
Total	125.320	146.931	26.843	43.885

b- Other operating expenses

The details of the Group's other operating incomes as of January 1 – September 30, 2024 and 2023 are as follows:

	January 1 – September 30, 2024	January 1 – September 30, 2023	July 1 – September 30, 2024	July 1 – September 30, 2023
Lawsuit provision	140.273	159.602	(12.426)	(4.871)
Foreign exchange expense related to trading activities	18.410	111.467	10.123	(13.089)
Rent expense	8.890	5.447	2.919	2.337
Other (*)	448.817	1.121.179	74.961	98.203
Total	616.390	1.397.695	75.577	82.580

(*) As of September 30, 2024 TL 75,568 thousand of the balance consists of VAT receivables that are expensed, TL 130,758 thousand of the balance consists of ongoing fixed expenses of the Mastra facility that have been discontinued, and TL 50,304 thousand of the balance consists of donations and aid.

As of September 30, 2023, TL 688,942 thousand of the balance consists of earthquake donations, and TL 230,048 thousand of the balance consists of the cost incurred for school donations.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

17. Income tax

Current income tax

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

As of September 30, 2024, the effective tax rate applied is 25% (December 30, 2023: 25%).

In Turkey, tax returns are filed on a quarterly basis. Corporate income tax rate applied in 2024 is 25%. Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Income Withholding Tax

In addition to corporate tax, income tax withholding must be calculated separately on dividends, excluding those distributed to full-fledged corporations and foreign companies' branches in Turkey, which receive dividends in case of distribution and declare these dividends by including them in corporate income. Income tax withholding was applied as 10% in all companies between April 24, 2003 and July 22, 2006. As of December 22, 2021, this rate is applied as 10% with the President's decision numbered 4936. Dividends that are not distributed and added to the capital are not subject to income tax withholding.

Corporate tax liabilities recognized in the balance sheet as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Current tax expense	179.317	1.114.496
Prepaid taxes (-)	(332.513)	(834.319)
Current income tax liability	(153.196)	280.177

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

17. Income tax (continued)

Tax expense details recognized in the income statement as of September 30, 2024 and 2023 are as follows:

	September 30, 2024	September 30, 2023
Current tax expense	(179.317)	(1.104.999)
Deferred tax expense / (income)	(142.993)	(312.077)
Total tax expense	(322.310)	(1.417.076)

Deferred taxes

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

	September 30, 2024		December 31, 2023	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Mining assets	3.683.946	920.986	4.821.701	1.206.001
Tangible and intangible assets	2.510.006	627.501	1.775.124	443.781
Financial investments	1.127.765	281.941	687.250	171.812
State right provision	679.980	169.995	745.832	186.457
Lawsuit provision	361.526	90.381	306.563	76.642
Employee termination benefit	207.751	51.938	201.181	50.295
Provision for unused vacation	45.809	11.452	39.138	9.785
Provisions for doubtful receivables	9.049	2.262	68.205	17.052
IFRS 9 provision	348	89	-	-
Leasing transactions	(2.814)	(704)	(9.571)	(2.393)
Inventories	(82.448)	(20.612)	(35.666)	(8.917)
Other	17.373	4.345	3.389	848
Total deferred tax assets		2.139.574		2.182.962
Total deferred tax liabilities		-		(30.751)
Total deferred tax assets, net		(68.730)		(90.758)
Deferred tax assets, net		2.070.844		2.060.605

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

17. Income tax (continued)

Movement of deferred tax is as follows:

	2024	2023
January 1	2.060.605	(677.418)
Deferred tax recognized in profit or loss	(142.993)	(312.077)
Deferred tax recognized in equity	28.145	22.236
Total	1.945.757	(967.259)
Subsidiary exit impact	125.087	-
September 30	2.070.844	(967.259)

18. Earnings per share

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

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

The earnings per share of the Group as of September 30, 2024 and 2023 are as follows:

	January 1– September 30 2024	January 1 – September 30 2023	July 1– September 30 2024	July 1 – September 30 2023
Net profit / loss attributable to the owners of the Group	(411.350)	(781.398)	(208.837)	(740.222)
Weighted average number of share certificates (*)	25.972.444.665	25.975.218.568	25.967.926.053	25.973.026.992
Earnings per 100 share	(0,158)	(0,301)	(0,080)	(0,285)
Total comprehensive income attributable to the owners of the Group	(394.216)	(763.890)	(197.458)	(714.171)
Earnings per 100 shares from total comprehensive income	(0,152)	(0,294)	(0,076)	(0,275)

(*) If the number of ordinary or potential ordinary shares outstanding increases as a result of capitalization, bonus issue or share split, or decreases as a result of a share merger, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the calculations per share in the financial statements of the current period and prior periods presented are based on the number of new shares outstanding. It is disclosed to the public that the calculations per share reflect the changes in the number of shares. In addition, for all periods presented, basic and diluted earnings per share figures are adjusted for the effects of retrospectively corrected errors and changes in accounting policies.

The average number of shares in the current period was determined by calculating on a daily basis according to the repurchased shares.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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 2024 was applied as %59,91 per year (December 31, 2023: 52,07%).

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, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Koza İpek Holding A.Ş. (1) (*)	1.481.883	1.054.094
Other (3)	2.609	2.397
Total	1.484.492	1.056.491

(*) The majority of the related amount is related to the sale of investment properties to Koza-İpek Holding A.Ş.

Other payables of the Group to related parties as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Koza İpek Sigorta	14.629	1.143
Koza İpek Holding A.Ş. (1)	5.188	53.439
Other (3)	-	2.942
Total	19.817	57.524

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

19. Related party disclosures (continued)

b) Transactions with related parties

The purchases of the Group from related parties between January 1 – September 30, 2024 and 2023 are as follows;

	January 1 – 30 September 2024		January 1 – 30 September 2023	
	Interest	Other	Interest	Other
Koza İpek Holding A.Ş. (1)	-	17.641	26.417	12.507
Total	-	17.641	26.417	12.507

Sales of the Group to related parties between January 1 – September 30, 2024 and 2023 are as follows;

	January 1 – 30 September 2024		January 1 – 30 September 2023	
	Interest	Other	Interest	Other
Koza İpek Holding A.Ş. (1) (*)	594.614	1.956.293	102.203	1.619.756
Other (3)	-	1.733	-	972
Total	594.614	1.958.026	102.203	1.620.728

(*) The majority of the related amount is related to the sale of investment properties to Koza-İpek Holding A.Ş.

c) **Compensations provided to key management;** The Group's key management consist of the general manager and assistant general managers. Compensations provided to senior management include benefits such as wages and bonuses. Total amount of wages and similar benefits paid to key management between January 1 – September 30, 2024 is amounting to TL 43,896 thousand. The entire amount consists of the wages. (January 1 – September 30, 2023: TL 31,411 thousand)

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

20. Nature and level of risks arising from financial instruments

The Group’s main financial instruments consist of cash, short-term deposits, currency protected deposits and funds. The main purpose of financial instruments is to finance the activities of the Group. 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 financial statements.

The Group has cash and cash equivalents in various financial institutions.

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

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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

a) Credit risk (continued)

The analysis of the Company's credit risk as of September 30, 2024 and December 31, 2023 are as follows:

	Trade receivables		Other receivables		Cash and cash equivalents
	September 30, 2024	Related party	Third party	Related party	Third party
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) *	-	44.355	1.484.492	26.407	3.648.688
Portion of the maximum risk that is guaranteed with a collateral, etc	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	44.355	1.484.492	26.407	3.648.688
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)	-	71.135	-	-	-
Impairment (-)	-	(71.135)	-	-	-
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	-	-	-	-	-

	Trade receivables		Other receivables		Cash and cash equivalents
	December 31, 2023	Related party	Third party	Related party	Third party
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) *	-	113.972	1.056.491	214.400	1.453.544
Portion of the maximum risk that is guaranteed with a collateral, etc	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	113.972	1.056.491	214.400	1.453.544
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)	-	149.764	-	-	-
Impairment (-)	-	(149.764)	-	-	-
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.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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

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 by the Group are measured on the basis of sensitivity analysis. In the current year, there isn't any change in the market risk that the Group is exposed to, or the method of handling the encountered risks or the method used to measure these risks, compared to the previous year.

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

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

September 30, 2024	Foreign exchange position table TL equivalent (functional currency)			
	Usd	Euro	Gbp	
Cash and cash equivalents	18.560	322	196	2
Other receivables	3.673	24	9	55
Current assets	22.233	346	205	57
Total assets	22.233	346	205	57
Trade payables	96.562	1.151	1.392	91
Other payables	187.358	5.491	-	-
Current liabilities	283.920	6.642	1.392	91
Total liabilities	283.920	6.642	1.392	91
Net foreign currency position	(261.687)	(6.296)	(1.187)	(34)

As of September 30, 2024, the Group has foreign currency protected deposits amounting to thousand TL 1,506,025.

December 31, 2023	Foreign exchange position table TL equivalent (Functional currency)		Foreign exchange position table TL equivalent (functional currency) (Historical values)		
	Usd	Euro	Gbp		
Cash and cash equivalents	13.362	9.842	166	251	8
Trade receivables	147	118	5	-	-
Other receivables	4.469	3.286	45	12	73
Current assets	17.958	13.246	216	263	81
Total assets	17.958	13.246	216	263	81
Trade payables	327.440	241.011	2.994	4.451	2.519
Other payables	219.609	161.645	7.460	-	-
Current liabilities	547.049	402.656	10.454	4.451	2.519
Total liabilities	547.049	402.656	10.454	4.451	2.519
Net foreign currency position	(529.091)	(389.410)	(10.238)	(4.188)	(2.438)

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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, 2024	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(21.483)	21.483	(21.483)	21.483
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(21.483)	21.483	(21.483)	21.483
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(4.531)	4.531	(4.531)	4.531
5- Portion protected from EUR risk (-)	-	-	-	-
6-EUR net effect (4+5)	(4.531)	4.531	(4.531)	4.531
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(155)	155	(155)	155
8- Portion protected from GBP risk (-)	-	-	-	-
9-GBP Net effect (7+8)	(155)	155	(155)	155
Total (3+6+9)	(26.169)	26.169	(26.169)	26.169

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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

b) Market risk (continued)

December 31, 2023	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(30.140)	30.140	(30.140)	30.140
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(30.140)	30.140	(30.140)	30.140
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(13.639)	13.639	(13.639)	13.639
5- Portion protected from EUR risk (-)	-	-	-	-
6-EUR net effect (4+5)	(13.639)	13.639	(13.639)	13.639
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(9.126)	9.126	(9.126)	9.126
8- Portion protected from GBP risk (-)	-	-	-	-
9-GBP Net effect (7+8)	(9.126)	9.126	(9.126)	9.126
Total (3+6+9)	(52.905)	52.905	(52.905)	52.905

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 and silver 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 change in gold prices to drop significantly 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.

c) Capital risk management:

While managing the capital, the Group's objectives are to maintain the most appropriate capital structure in order to benefit its shareholders and reduce the cost of capital and to ensure the continuity of the Group's activities.

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 uses the net financial debt / equity ratio to monitor the capital structure. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (including loans and other payables to related parties as shown in the balance sheet).

The Group management should follow the net debt / equity ratio regularly and update it when necessary. The Group does not have an Early Detection of Risk Committee.

İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira ("TL") as of September 30, 2024, unless otherwise stated.)

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 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:

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets:	6.472.532	2.577.326	-	9.049.858
Measured at fair value through profit or loss	6.472.532	2.577.326	-	9.049.858
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:	10.143.792	1.915.445	-	12.059.237
Measured at fair value through profit or loss	10.143.792	1.915.445	-	12.059.237

22. Subsequent events after balance sheet date

- i- Considering the company's long-term strategies and the synergy to be created in the mining and energy sectors, it was decided to reach an agreement with a consultancy firm for the merger of the Company with Koza Altın İşletmeleri A.Ş. and Koza Anadolu Metal Madencilik İşletmeleri A.Ş. within the framework of Capital Markets Law No. 6362, CMB Communiqué on Common Principles and Exit Rights Regarding Significant Transactions, Serial:II, N 23.1, CMB Series: II, No. Merger and Division Communiqué No. 23.2, Turkish Commercial Code No. 6102, Corporate Tax Law No. 5520 and other relevant legislative provisions and to give the Board Member (CEO) Mahmut Çelik the authority to carry out the necessary transactions and sign contracts with the company.

Notes to the condensed consolidated financial statements for the period ended September 30, 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of Turkish Lira (“TL”) as of September 30, 2024, unless otherwise stated.)

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

The Group's consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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, March 1, 2023 and May 24, 2024 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, 2022 and 2023 as explained in detailed in Note 12, 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.

ATP İnşaat ve Ticaret A.Ş., the subsidiary of the group; Board of directors dated 11 June 2024 and numbered 2024/10

ATP Aviation A.Ş., a 99% subsidiary with the decision board. Ensuring that the payments are divided into 1,750,000 thousand TL to Koza İpek Holding A.Ş. on July 5, 2024.