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

Koza Anadolu Metal Madencilik İşletmeleri A.Ş.

Interim condensed consolidated financial statements as of September 30, 2021 together with limited review report

Building a better
working world

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

Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

Condensed consolidated statement of financial position
as of September 30, 2021
(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		Reviewed	*Audited*
Assets	**Notes**	**September 30, 2021**	December 31, 2020
Current assets		**8.511.559**	7.006.421
Cash and cash equivalents	4	**7.896.583**	6.188.161
Trade receivables			
- Due from third parties		**29.322**	20.949
Other receivables			
- Due from third parties		**43.401**	32.595
Inventories	6	**498.040**	423.014
Biological asset		**5.532**	11.761
Prepaid expenses		**31.628**	316.196
Other current assets		**7.053**	3.027
Non-current assets classified for sale		-	10.718
Non-current assets		**2.336.686**	1.630.860
Financial investments	5	**279.867**	312.293
Other receivables			
- Due from related parties	16	**162.240**	129.697
- Due from third parties		**3.135**	1.837
Investment property	7	**223.818**	227.209
Right-of-use assets		**44.832**	13.444
Property, plant and equipment	8	**1.282.726**	701.796
Intangible assets			
- Goodwill	9	**11.232**	11.232
- Other Intangible assets	9	**3.101**	1.182
Prepaid expenses		**5.783**	4.952
Deferred tax assets	14	**200.867**	144.200
Other non-current assets		**119.085**	83.018
Total assets		**10.848.245**	8.637.281

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

Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

Condensed consolidated statement of financial position as of September 30, 2021

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

Liabilities	Notes	Reviewed September 30, 2021	Audited December 31, 2020
Current liabilities		**928.561**	673.354
Short-term lease liabilities			
- Lease liabilities		**19.557**	5.854
Trade payables			
- Due to third parties		**149.510**	109.758
Payables related to employee benefits		**29.602**	26.326
Other payables			
- Due to related parties	16	**1.468**	2.138
- Due to third parties		**17.877**	17.829
Deferred income		**795**	537
Current income tax liabilities	14	**180.063**	119.503
Short-term provisions			
- Provisions for employment benefits	10	**35.911**	11.080
- Other short-term provisions	10	**488.418**	377.988
Other current Liabilities		**5.360**	2.341
Non-current liabilities		**215.942**	209.495
Long-term lease liabilities			
- Lease liabilities		**28.978**	9.640
Other payables		**49.736**	40.309
Long-term provisions			
- Provisions for employment benefits	10	**45.877**	39.804
- Other long-term provisions	10	**91.351**	119.492
Deferred tax liabilities		**-**	250
Equity		**9.703.742**	7.754.432
Equity of parent company		**4.489.675**	3.571.042
Paid-in share capital	11	**388.080**	388.080
Share premium		**283**	283
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		**(7.590)**	(8.049)
Restricted reserves	11	**93.928**	93.928
Retained earnings		**3.096.800**	2.397.289
Net profit for the period		**918.174**	699.511
Non-controlling interests		**5.214.067**	4.183.390
Total liabilities and equity		**10.848.245**	8.637.281

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

Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

Condensed consolidated statements of profit or loss and other comprehensive income for the period ended September 30, 2021

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

	Notes	***Reviewed*** **January 1 – September 30, 2021**	*Reviewed* January 1 – September 30, 2020	**July 1 – September 30, 2021**	*Reviewed* July 1 – September 30, 2020
Revenue	12	**2.965.397**	2.366.480	924.742	911.272
Cost of sales (-)	12	**(1.084.163)**	(804.706)	(401.795)	(287.316)
Gross profit		**1.881.234**	**1.561.774**	**522.947**	623.956
Marketing, sales and distribution expenses (-)		**(6.206)**	(6.914)	(2.302)	(3.028)
General administrative expenses (-)		**(230.332)**	(166.611)	58.377	(64.965)
Research and development expenses (-)		**(207.553)**	(78.414)	(79.943)	(27.627)
Other operating income		**122.774**	85.390	5.440	139.933
Other operating expenses (-)		**(182.900)**	(70.785)	(169.794)	(116.804)
Operating profit		**1.377.017**	**1.324.440**	**334.725**	551.465
Income from investing activities	13	**1.189.349**	476.312	330.355	151.641
Expenses from investing activities (-)		**-**	(3.747)	-	-
Operating profit before financial income and expense		**2.566.366**	**1.797.005**	**665.080**	703.106
Financial income		**-**	-	-	-
Financial expense (-)		**(5.382)**	(41)	(5.382)	(41)
Profit before tax from continued operations		**2.560.984**	**1.796.964**	**659.698**	703.065
Tax expense from continuing operations		**(613.076)**	**(422.431)**	(179.147)	(162.029)
- Current tax expense		**(670.412)**	(416.810)	(194.412)	(163.381)
- Deferred tax income / (expense)		**57.336**	(5.621)	15.265	1.352
Net profit for the period		**1.947.908**	**1.374.533**	**480.551**	541.036
Other comprehensive income / (expense)					
Total other comprehensive income not to be classified to profit or loss in subsequent years		**1.402**	**182**	4.707	572
- Gains / (losses) on remeasurements of defined benefit plans		**1.821**	227	6.113	714
- Gains / (losses) on remeasurements of defined benefit plans, tax effect		**(419)**	(45)	(1.406)	(142)
Total other comprehensive income / (expense) to be reclassified to profit or loss in subsequent years		**-**	**(5.538)**	**-**	-
- Gains / (losses) on financial assets at fair value through other comprehensive income		**-**	(7.100)	-	-
- Gains / (losses) on financial assets measured at fair value through other comprehensive income, tax effect		**-**	1.562	-	-
Total comprehensive income		**1.949.310**	**1.369.177**	**485.258**	541.608
Attributable to:					
Non-controlling interests		**1.029.734**	799.504	**284.204**	322.092
Equity of parent company		**918.174**	575.029	**196.347**	218.944
Comprehensive income					
Non-controlling interests		**1.030.677**	799.172	**286.820**	321.463
Equity of parent company		**918.633**	570.005	**198.438**	220.145
Earnings per 100 share	15	**2,366**	**1,48**	**0,51**	0,56

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

Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

Condensed consolidated statements of changes in equity
for the period ended September 30, 2021
(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

			Other comprehensive income/expense not to be reclassified to profit or loss	Other comprehensive income/expense to be reclassified to profit or loss		Retained earnings				
	Paid in capital	Share premium	Actuarial (loss) / gain fund for employment termination benefit	Gains / (losses) on financial assets at fair value through other comprehensive income	Restricted reserves	Retained earnings	Net profit for the period	Equity of parent company	Non-controlling interests	Total equity
Balances as of January 1, 2020	**388.080**	**283**	**(7.809)**	**5.538**	**93.928**	**1.601.251**	**796.038**	**2.877.309**	**3.186.907**	**6.064.216**
Net profit for the period	-	-	-	-	-	-	575.029	575.029	799.504	1.374.533
Other comprehensive income/(loss)	-	-	514	(5.538)	-	-	-	(5.024)	(332)	(5.356)
Total comprehensive income/(loss)	-	-	514	(5.538)	-	-	575.029	570.005	799.172	1.369.177
Transfers	-	-	-	-	-	796.038	(796.038)	-	-	-
Balance as of September 30, 2020	**388.080**	**283**	**(7.295)**	**-**	**93.928**	**2.397.289**	**575.029**	**3.447.314**	**3.986.079**	**7.433.393**
Balance as of January 1, 2021	**388.080**	**283**	**(8.049)**	**-**	**93.928**	**2.397.289**	**699.511**	**3.571.042**	**4.183.390**	**7.754.432**
Net profit for the period	-	-	-	-	-	-	918.174	918.174	1.029.734	1.947.908
Other comprehensive income/(loss)	-	-	459	-	-	-	-	459	943	1.402
Total comprehensive income/(loss)	**-**	**-**	**459**	**-**	**-**	**-**	**918.174**	**918.633**	**1.030.677**	**1.949.310**
Transfers	-	-	-	-	-	699.511	(699.511)	**-**	-	**-**
Balances as of September 30, 2021	**388.080**	**283**	**(7.590)**	**-**	**93.928**	**3.096.800**	**918.174**	**4.489.675**	**5.214.067**	**9.703.742**

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

Koza Anadolu Metal Madencilik İşletmeleri Anonim Şirketi

Condensed consolidated statements of cash flows
for the periods ended September 30, 2021
(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Note	January 1 – September 30, 2021	Reviewed January 1 – September 30, 2020
A. Cash flows from operating activities		**1.488.697**	**1.036.643**
Profit for the period from continuing operations		**1.947.908**	1.374.533
Adjustments to reconcile profit for the period			
Adjustments to depreciation and amortization		**146.252**	180.689
Adjustments for derecognition of property, plant and equipment		**-**	1.767
Adjustments for recognition/ (derecognition) impairment of trade receivables		**4.527**	495
Adjustments for provisions			
- Adjustments for provisions for employee benefits	10	**31.733**	6.156
- Adjustment for lawsuits and/ or penalty provisions	10	**-**	10.851
- Adjustments for sectoral requirement provisions	10	**237.657**	228.909
- Adjustments for other provisions (cancellations)	10	**70.286**	23.532
Adjustments for tax expense	14	**613.076**	422.431
Adjustments for interest expenses		**8.600**	5.715
Adjustments for interest income		**(828.016)**	(364.871)
Adjustments for impairment of inventory		**(7.852)**	-
Adjustments for losses arising from the sale of fixed assets classified for sale		**(81.290)**	-
Other adjustments related to loss reconciliations		**-**	93
Adjustments for losses (gains) on disposal of tangible and intangible assets		**68**	-
Total adjustments		**195.041**	**515.767**
Increase in trade receivables		**(12.900)**	(5.759)
Decrease in other receivables		**(164.149)**	(128.065)
Increase in inventories	6	**(67.173)**	(108.297)
Decrease / (increase) in biological assets		**6.229**	2.391
Increase in prepaid expenses		**283.737**	(198.164)
Decrease in trade payables		**39.752**	20.715
Decrease in payables within the scope of employee benefits		**3.276**	(1.232)
Increase in other assets related to operations		**(61.542)**	(33.037)
Increase in other payables		**8.806**	9.686
(Decrease) / increase in deferred income		**258**	(564)
Decrease in other liabilities related to the activities		**28.318**	2.734
Payments of employee retirement benfits		**(2.861)**	(1.463)
Payments related to other provisions		**(225.654)**	(141.531)
Taxes paid		**(490.349)**	(271.071)
Net cash from operating activities		**(654.252)**	**(853.657)**
B. Cash flows from investing activities		**174.633**	**143.661**
Cash inflows from the sales of property, plant and equipment		**-**	237
Cash outflows from the purchase of Property, plant and equipment	8	**(710.376)**	(224.032)
Cash outflows from the purchase of Intangible assets	9	**(3.079)**	(123)
Cash inflows from the sale of fixed assets classified for sale		**92.007**	-
Cash outflows from the purchase of investment properties	7	**(2.502)**	(20.677)
Interest received		**782.925**	364.432
Changes in financial investments		**32.426**	33.057
Cash outflows related to lease agreements (-)		**(16.768)**	(9.233)
C. Net cash from financing activities		**-**	-
Net increase in cash and cash equivalents		**1.663.330**	**1.180.304**
Cash and cash equivalents at the beginning of the year	4	**6.163.561**	4.599.319
Cash and cash equivalents at the end of the year	4	**7.826.891**	5.779.623

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

1. Group's organization and nature of operations

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

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

As of September 30, 2021, the number of employees is 2.977 (December 31, 2020: 2.618 people).

The Company is registered with the Capital Markets Board (CMB) and 44.95% of its shares are publicly traded on the Borsa Istanbul ("BIST") since February 5, 2003. The shareholders of the Group and share rates as of September 30, 2021 and December 31, 2020 are explained in Note 10.

Within the scope of the investigations initiated throughout the country, a trustee has been appointed to the Koza Anadolu Metal Madencilik İşletmeleri A.Ş. management pursuant to the decision of the Ankara 5th Criminal Judgeship of Peace dated October 26, 2015.

As of this date, all the authories of the management have been transferred to the trustees appointed to the management of the Group and it has been decided to establish new management by these trustees.

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

The Group's consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019 and 2020 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 and March 1, 2021 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 and 2020, as explained in detailed in Note 10, could not be carried out due to various examinations and works by the Prosecutor's Office, the Police Financial Crimes Branch and the CMB, and these consolidatd financial statements of the Group could not be submitted to the approval of the General Assembly.

Koza Altın İşletmeleri A.Ş., a subsidiary of the Group, established UK-based Koza Ltd., which owns 100%, in order to establish abroad mining ventures on March 31, 2014. The control of Koza Ltd, which the Company was consolidated until September 11, 2015, was lost as a result of the General Assembly held on September 11, 2015. The legal process initiated by the CMB regarding loss of control pursuant to decision dated February 4, 2016 continues as of the date of the consolidated financial statements. Under condensed consolidated financial statements, the Group has presented Koza Ltd. under the "Financial Investments" account with a cost value amounting to Thousand TL 218.325 (December 31, 2020: Thousand TL 218.325).

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

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

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

2. Basis of presentation of consolidated condensed financial statements

2.1 Basis of presentation

Financial reporting standards

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

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

The consolidated condensed consolidated financial statements and notes are presented in accordance with the "2019 TAS Taxonomy" announced by the POA with the principle decision dated June 7, 2019.

The condensed consolidated financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some corrections and classification changes in order to present the Group's status according to TAS and TFRS. These adjustments generally consist of deferred taxes, provisions, depreciation of Property, plant and equipment and intangible asset amortization on economic life and pro-rata basis, and the valuation of buildings, investment properties and some financial assets.

Foreign currency

Functional and reporting currency

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

Foreign currency transactions and balances

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

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

2.1 Basis of presentation (continued)

Going concern

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

Declaration of conformity to TFRS

The Group has prepared its condensed consolidated financial statements for the period ending on September 30, 2021, in accordance with the CMB's Communiqué Serial: II-14.1 and its announcements clarifying this communiqué. The condensed consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB and including the required information.

Comperative informations and adjustments of prior period financial statements

In order to enable the determination of financial position and performance trends, the Group's current period summary consolidated financial statements are prepared comparatively with the prior period. Current period condensed comparative information is reclassified when seen necessary to comply with the presentation of the consolidated financial statements.

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.

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

2.2 Consolidation principles (continued)

Subsidiaries

As of September 30, 2021 and December 31, 2020, 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, 2021

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

December 31, 2020

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

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

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

2.2 Consolidation principles (continued)

As of September 30, 2021 and December 31, 2020 titles, capitals, effective ownership rates and minority rates of the subsidiaries of the Group are as follows:

September 30, 2021

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

December 31, 2020

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

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

(**) 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 218.325.

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

2.2 Consolidation principles (continued)

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

2.3. Accounting policies, changes in accounting estimates and errors

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

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

2.4 The new standards, amendments and interpretations

i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16
- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Separately identifiable risk components
- Additional disclosures

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.

- TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- Amendments to TFRS 16 – Covid-19 Rent Related Concessions
- Annual Improvements – 2018–2020 Cycle

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

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

2.5 Summary of significant accounting policies

Consolidated financial statements for the period ending on September 30, 2021 have been prepared in accordance with TAS 34 standard for the preparation of consolidated financial statements of TAS / TFRS.

The consolidated financial statements for the period ending on September 30, 2021 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the financial statements for the year ending on December 31, 2020. Therefore, these condolidated financial statements should be evaluated together with the financial statements for the year ended December 31, 2020.

2.6 Significant accounting judgments estimates and assumptions

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

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

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

The Group management reviews the estimates made in relation to the visible and probable mineral reserves in each balance sheet period. In certain periods, the Group management has independent professional valuation companies make valuation studies in accordance with the Australian Exploration Results, Mineral Resources and Gold Reserves 2012 Standards ("JORC") to determine the amount of visible, possible and probable mineral reserves and It is updated by or under the supervision of persons who have the competencies specified in. As of December 31, 2020, the aforementioned reserve and resource amounts were updated by the independent professional valuation Group "SRK Consulting" in line with the "JORC" standards.

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.

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

2.6 Significant accounting judgments estimates and assumptions (continued)

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 Property, plant and equipment, both movable and fixed, other than mining assets are depreciated using the straight-line method over their useful lives, limited with lifetime of the mines they are related to. The depreciation amounts calculated on the basis of the visible and possible gold reserves and using the production units method may vary between periods, the depreciation may be affected by the deviation between the actual and estimated production amounts. These differences arise from the variables or assumptions stated below;

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

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

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

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

2.6 Significant accounting judgments estimates and assumptions (continued)

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

As of September 30 2021, 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, 2021: 0.08%, December 31, 2020: 0.08%). 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, 2021, 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.

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

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

2.7 Comparative information and correction of previous period financial statements

	Mining	Transportation	Tourism	Food	Elimination adjustments	Total
Current assets	8.976.391	3.320	6.346	49.660	(524.158)	8.511.559
Non-current assets	3.661.885	431.114	136.048	23.734	(1.916.095)	2.336.686
Total assets	**12.638.276**	**434.434**	**142.394**	**73.394**	**(2.440.253)**	**10.848.245**
Short-term liabilities	1.650.477	411.945	9.308	59.251	(1.202.420)	928.561
Long-termliabilities	214.428	222	48	1.347	(103)	215.942
Equity	10.773.371	22.267	133.038	12.796	(1.237.730)	9.703.742
Total liabilities	**12.638.276**	**434.434**	**142.394**	**73.394**	**(2.440.253)**	**10.848.245**
Continuing operations						
Sales	2.922.334	-	4.245	44.577	(5.759)	2.965.397
Cost of sales (-)	(1.004.322)	(31.758)	(2.004)	(46.079)	-	(1.084.163)
Gross profit / loss	**1.918.012**	**(31.758)**	**2.241**	**(1.502)**	**(5.759)**	**1.881.234**
Research and development expenses (-)	(207.553)	-	-	-	-	(207.553)
Marketing expenses (-)	(3.612)	-	-	(2.594)	-	(6.206)
General administrative expenses (-)	(233.241)	(1.034)	(3.196)	(3.122)	10.261	(230.332)
Other operating income	58.575	62.236	(227)	1.519	671	122.774
Other operating expenses (-)	(174.317)	(4.162)	(2.444)	(1.977)	-	(182.900)
Operating profit / loss	**1.357.864**	**25.282**	**(3.626)**	**(7.676)**	**5.173**	**1.377.017**
Income / expense from investing activities, net	1.180.241	81.446	305	264	(72.907)	1.189.349
Financial income	-	-	-	-	-	-
Financial expense (-)	(57.207)	(10.379)	(102)	(5.421)	67.727	(5.382)
Profit / loss before tax from continuing operations	**2.480.898**	**96.349**	**(3.423)**	**(12.833)**	**(7)**	**2.560.984**
Tax income / expense of continuing operations	**(613.171)**	**(5.713)**	**3.845**	**1.963**	**-**	**(613.076)**
Current period tax expense	(670.412)	-	-	-	-	(670.412)
Deferred tax income / expense	57.241	(5.713)	3.845	1.963	-	57.336
Profit / loss for the period	**1.867.727**	**90.636**	**422**	**(10.870)**	**(7)**	**1.947.908**

The financial statements of the Group are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when necessary and significant differences are explained.

3. Segment reporting

The Group's reporting according to the operating segments made as of September 30, 2021 is presented as follows:

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

3. Segment reporting (continued)

The reporting of the Group as of September 30, and December 31, 2020 according to the operating segments is presented as follows:

December 31, 2020	Mining	Transportation	Tourism	Food	Elimination adjustments	Total
Current assets	7.205.312	281.378	7.197	44.688	(532.154)	7.006.421
Non-current assets	3.281.846	28.083	137.339	18.356	(1.834.764)	1.630.860
Total assets	10.487.158	309.461	144.536	63.044	(2.366.918)	8.637.281
Current liabilities	1.375.775	376.823	11.868	38.234	(1.129.346)	673.354
Non-current liabilities	207.270	1.007	48	1.016	154	209.495
Equity	8.904.112	(68.369)	132.619	23.794	(1.237.724)	7.754.432
Total liabilities	10.487.157	309.461	144.535	63.044	(2.366.916)	8.637.281

January 1 – September 30, 2020	Mining	Transportation	Tourism	Food	Elimination adjustments	Total
Continuing operations						
Sales	2.325.357	2.009	-	39.114	-	2.366.480
Cost of sales (-)	(753.654)	(13.259)	-	(37.793)	-	(804.706)
Gross profit / loss	**1.571.703**	**(11.250)**	**-**	**1.321**	**-**	**1.561.774**
Research and development expenses (-)	(78.414)	-	-	-	-	(78.414)
Marketing expenses (-)	(3.981)	-	-	(2.933)	-	(6.914)
General administrative expenses (-)	(161.729)	(241)	(2.911)	(2.176)	446	(166.611)
Other operating income	163.024	41.878	1.075	1.686	(122.273)	85.390
Other operating expenses (-)	(100.158)	(78.694)	(5.515)	(873)	114.455	(70.785)
Operating profit / loss	**1.390.445**	**(48.307)**	**(7.351)**	**(2.975)**	**(7.372)**	**1.324.440**
Income / expense from investing activities, net	486.084	206	3.789	489	(18.003)	472.565
Financial income	6.447	-	-	-	(6.447)	-
Financial expense (-)	(25.431)	(3.930)	(110)	(2.390)	31.820	(41)
Profit / loss before tax from continuing operations	**1.857.545**	**(52.031)**	**(3.672)**	**(4.876)**	**(2)**	**1.796.964**
Tax income / expense of continuing operations	(423.289)	820	(598)	636	-	(422.431)
Current period tax expense	(416.810)	-	-	-	-	(416.810)
Deferred tax income / expense	(6.479)	820	(598)	636	-	(5.621)
Profit / loss for the period	**1.434.256**	**(51.211)**	**(4.270)**	**(4.240)**	**(2)**	**1.374.533**

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

4. Cash and cash equivalents

	September 30, 2021	December 31, 2020
Cash	**230**	243
Banks		
- Demand deposits	**12.283**	5.887
- Time deposits	**7.883.901**	6.181.864
Other cash and cash equivalents	**169**	167
Total	**7.896.583**	6.188.161
Less: Interest accruals	**(69.692)**	(24.600)
Cash and cash equivalents presented in the cash flow statement	**7.826.891**	6.163.561

The details of the Group's time deposits as of September 30, 2021 are as follows;

Currency	**Interest rate**	**Maturity**	**Currency amount**	**TL Equivalent**
TL	**%17,7 - %19**	**1-35 Gün**	**6.320.588**	**6.320.588**
USD	**%0,9 - %1,4**	**1-35 Gün**	**176.779**	**1.563.313**
Total				**7.883.901**

The details of the Group's time deposits as of December 31, 2020 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	%15-%18	1-35 Day	5.627.774	5.627.774
USD	%3-%4	1-35 Day	75.484	554.090
Total				6.181.864

As of September 30, 2021, the Group's blocked deposits of TL 61.444 have been presented under financial investments account (December 31, 2020: TL 93.870).

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

5. Financial investments

Financial investments of the Group as of September 30, 2021 and December 31, 2020 are as follows;

	September 30, 2021	December 31, 2020
Shares in subsidiaries (*)	**218.423**	218.423
Bloked deposits	**61.444**	93.870
Total	**279.867**	312.293

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

6. Inventories

The inventories of the Group as of September 30, 2021 and December 31, 2020 are as follows;

	September 30, 2021	December 31, 2020
Gold and silver in the production process and gold and silver bars	**150.599**	166.094
Ready to be processed and mined ore clusters	**141.265**	100.520
Chemicals and operating materials	**85.779**	74.587
Spare parts (*)	**123.947**	101.465
Other inventories (**)	**25.195**	16.946
Provision for inventory impairment (-)	**(28.745)**	(36.598)
Total	**498.040**	423.014

(*) Spare parts are used for the ongoing operations of the gold mines that continue their operations
(**) Other inventories consist of food and concentrated antimony stocks.

	2021	2020
January 1	**36.598**	-
Additions	**48.494**	-
Disposals / cancellations	**(56.347)**	-
September 30	**28.745**	**-**

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

7. Investment properties

Investment properties of the Group as of September 30, 2021 and 2020 are as follows;

	January 1, 2021	**Additions**	**Disposals**	**September 30, 2021**
Cost				
Flats	108.478	-	-	108.478
Dormitory buildings	25.625	-	-	25.625
Hotel	177.655	2.502	-	180.157
Total	**311.758**	**2.502**	**-**	**314.260**
Accumulated depreciation				
Flats	9.492	1.444	-	10.936
Dormitory buildings	3.648	383	-	4.031
Hotel	71.409	4.066	-	75.475
Total	**84.549**	**5.893**	**-**	**90.442**
Net book value	**227.209**			**223.818**

	January 1, 2020	Additions	Disposals	September 30, 2020
Cost				
Flats	86.415	18.500	-	104.915
Dormitory buildings	29.187	-	-	29.187
Hotel	175.534	2.177	(56)	177.655
Total	291.136	20.677	(56)	**311.757**
Accumulated depreciation				
Flats	7.111	1.401	-	8.512
Dormitory buildings	3.568	384	-	3.952
Hotel	66.709	3.555	(56)	70.208
Total	77.388	5.340	(56)	**82.672**
Net book value	213.748			**229.085**

Investment properties amounting of Thousand TL 89.978 in the flats are located in United Kingdom, and members of the İpek Family live in these apartments. Due to the current legal processes, the lease agreement has not been signed. When the legal processes are end, the necessary evaluations will be made by the Group management in accordance with the market practices.

Investment properties amounting of Thousand TL 29.187 of the in the dormitory buildings consist of the dormitory building in Gümüşhane and Bergama. The group also has a dormitory building in Turhal, but there isn't any rental agreement.

7. Investment properties (continued)

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 Thousand TL 4.109 between January 1 – September 30, 2021 (January 1 – September 30, 2020: Thousand TL 3.668). As of September 30, 2021, there are annotations placed by the General Directorate of National Real Estate on the Group's real estates in Turkey.

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

8. Property, plant and equipment

The property, plant and equipment of the Group as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
Mining assets	**312.041**	226.221
Other Property, plant and equipment	**970.685**	475.575
Total	**1.282.726**	701.796

a) Mining assets

As of September 30, 2021 and December 31, 2020, mining assets consists of mining rights, mine site development costs, deferred stripping costs, mining lands and closing and rehabilitation of mines, and the net book values of these mining assets are as follows.

	September 30, 2021	December 31, 2020
Lands	31.402	32.330
Mine site development cost	193.902	123.039
Deferred stripping costs	12.075	11.318
Rehabilitation of mining facility	21.756	22.118
Mining rights	52.906	37.416
Total	**312.041**	226.221

The movements of mining assets are as follows;

	January 1, 2021	**Additions**	**September 30, 2021**
Cost			
Lands	70.546	2.674	73.220
Mine site development cost	451.048	94.549	545.597
Deferred stripping costs	263.994	7.443	271.437
Rehabilitation of mining facility	231.133	11.496	242.629
Mining rights	50.765	15.500	66.265
Total	**1.067.486**	**131.662**	**1.199.148**
Accumulated depreciation			
Lands	38.216	3.602	41.818
Mine site development cost	328.009	23.686	351.695
Deferred stripping costs	252.676	6.686	259.362
Rehabilitation of mining facility	209.015	11.858	220.873
Mining rights	13.349	10	13.359
Total	**841.265**	**45.842**	**887.107**
Net book value	**226.221**		**312.041**

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

8. Property, plant and equipment (continued)

a) Mining assets (continued)

	January 1, 2020	Additions	Disposals	September 30, 2020
Cost				
Lands	60.607	5.151	-	65.758
Mine site development cost	415.548	19.737	-	435.285
Deferred stripping costs	246.609	15.619	-	262.228
Rehabilitation of mining facility	184.922	57.921	-	242.843
Mining rights	40.895	9.206	(105)	49.996
Total	948.581	107.634	(105)	**1.056.110**
Accumulated depreciation				
Lands	32.647	3.941	-	36.588
Mine site development cost	310.853	9.965	-	320.818
Deferred stripping costs	229.963	18.154	-	248.117
Rehabilitation of mining facility	140.131	64.848	-	204.979
Mining rights	12.932	351	-	13.283
Total	726.526	97.259	-	**823.785**
Net book value	222.055			**232.325**

Depreciation expenses are accounted under the cost of goods sold.

There isn’t any mortgage on mining assets as of September 30, 2021 (December 31, 2020: None).

The cost of the lands, mining rights and mine site development cost of the Group, which have been fully depreciated as of September 30, 2021, but in use, are amounting to TL 105.635 (September 30, 2020: TL 67.194).

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

8. Property, plant and equipment (continued)

b) Other tangible assets

Movements of other tangible assets during the period as of September 30, 2021 and 2020 are as follows;

	January 1, 2021	Additions	Disposals	Transfers	September 30, 2021
Cost					
Land, buildings and land improvements	348.556	7.331	-	9.802	365.689
Machinery and equipment	767.712	55.339	-	230	823.281
Motor vehicles	103.610	475.120	(312)	-	578.418
Furniture and fixtures	73.739	10.395	(22)	-	84.112
Construction in progress	16.026	30.529	-	(10.032)	36.523
Total	1.309.643	**578.714**	**(334)**	**-**	**1.888.023**
Accumulated depreciation					
Buildings and land improvements	171.146	13.663	-	-	184.809
Machinery and equipment	561.271	29.505	-	-	590.776
Motor vehicles	56.463	34.057	(267)	-	90.253
Furniture and fixtures	45.188	6.327	(8)	-	51.507
Total	834.068	**83.552**	**(275)**		**917.345**
Net book value	475.575				**970.678**

Depreciation expenses amounting to TL 78.601 (2020: TL 41.453) have been accounted under cost of the goods sold, and amounting to TL 4.951 (2020: TL 3.751) under general administrative expenses.

There isn't any mortgage on other property, plant and equipment as of September 30, 2021 (December 31, 2020: None).

As of September 30, 2021, the insurance amount on the property, plant and equipment and inventories of the Group is amounting to TL 332.520 (September 30, 2020: TL 173.808).

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

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

8. Property, plant and equipment (continued)

b) Other tangible assets (continued)

	January 1, 2020	Additions	Disposals	September 30, 2020
Cost				
Land, buildings and land improvements	302.705	3.324	(59)	305.970
Machinery and equipment	679.128	42.446	(87)	721.487
Motor vehicles	137.661	30.596	(239)	168.018
Furniture and fixtures	60.767	5.141	(99)	65.809
Construction in progress (*)	12.900	34.891	(1.662)	46.129
Total	1.193.161	116.398	(2.146)	**1.307.413**
Accumulated depreciation				
Buildings and land improvements	141.818	20.446	(3)	162.261
Machinery and equipment	512.006	30.610	(8)	542.608
Motor vehicles	91.424	14.661	(96)	105.989
Furniture and fixtures	38.478	4.774	(47)	43.205
Total	783.726	70.491	(154)	**854.063**
Net book value	409.435			**453.350**

(*) As of September 30, 2020, disposals from construction in progress account consists of the investments made by Group related to the canceled Söğüt project.

9. Intangible assets

a) Goodwill

The details of the Group's Intangible assets as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
Goodwill related to Newmont Altın purchase	**11.232**	11.232
Total	**11.232**	11.232

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

9. Intangible assets (continued)

a) Goodwill (continued)

Purchase of Newmont Altın:

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

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

As of September 30, 2021, 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, 2021.

b) Other Intangible assets

The details of the Group's other Intangible assets as of September 30, 2021 and 2020 are as follows:

	January 1, 2021	Additions	September 30, 2021
Cost			
Rights	12.572	**3.079**	**15.651**
Total	**12.572**	**3.079**	**15.651**
Accumulated amortization			
Rights	11.390	**1.160**	**12.550**
Total	**11.390**	**1.160**	**12.550**
Net book value	**1.182**		**3.101**

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

9. Intangible assets (continued)

b) Other Intangible assets (continued)

	January 1, 2020	Additions	September 30, 2020
Cost			
Rights	11.727	123	11.850
Total	11.727	123	11.850
Accumulated amortization			
Rights	10.196	836	11.032
Total	10.196	836	11.032
Net book value	1.531		818

10. Provisions, contingent assets and liabilities

As of September 30, 2021 and December 31, 2020, the details of the Group's provisions, contingent assets and liabilities are as follows:

a) Short-term provisions

	September 30, 2021	December 31, 2020
State right expense provision (*)	**229.584**	255.413
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	**140.184**	74.211
Provisions for lawsuit	**47.304**	47.304
Other provisions (**)	**71.346**	1.060
Total	**488.418**	377.988

(*) Based on the President's decision dated 03.09.2020 published in the Official Gazette (Decision number: 2932); IV. It has been decided to apply the Government Rights rates determined for gold and silver from Group Mines with an increment of 25%.

(**) A major part of the provision amount allocated for school constructions within the scope of the social responsibility project between the Ministry of National Education and Koza Altın.

b) Long-term provisions

	September 30, 2021	December 31, 2020
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	**91.351**	119.492
Total	**91.351**	119.492

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

10. Provisions, contingent assets and liabilities (continued)

b) Long-term provisions (continued)

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

	2021	2020
January 1	**193.703**	170.941
Paid during the period	**(2.980)**	(27.796)
Discount effect	**202**	15.085
Currency effect (*)	**39.672**	53.750
Effect of changes in estimates and assumptions	**1.267**	6.917
Additions / (cancellations), net	**(329)**	(4.996)
September 30	**231.535**	213.901

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

c) Provisions for employee benefits

i- Short-term provisions for employee benefits

	September 30, 2021	December 31, 2020
Provision for unused vacation	**15.801**	11.080
Provision for personnel bonus	**20.110**	-
Total	**35.911**	11.080

The movement of provision for unused vacation is as follows;

	2021	2020
January 1	**11.080**	10.574
Additions / (cancellations), net	**4.721**	(383)
September 30	**15.801**	**10.191**

ii- Long-term provisions for employee benefits

	September 30, 2021	December 31, 2020
Provision for employee termination benefits	**45.877**	39.804
Total	**45.877**	39.804

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.**10. Provisions, contingent assets and liabilities (continued)**

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

c) Provisions for employee benefits (continued)

ii- Long-term provisions for employee benefits (continued)

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 8.284,51 (April 1, 2020: TL 7.117,17) as of April 1, 2021 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, 2021	December 31, 2020
Net discount rate	**%3,67**	%3,67
Turnover rate related the probability of retirement (rate of employees to remain to retirement)	**%94,53**	%96,62

The movements of the provision for severance pay within the accounting periods of September 30, 2021 and September 30, 2020 are as follows:

	2021	2020
January 1	**39.804**	29.350
Interest cost	**3.853**	2.640
Service cost	**6.902**	6.539
Actuarial loss / (gain)	**(1.821)**	(227)
Severance paid	**(2.861)**	(1.463)
September 30	**45.877**	36.839

Liability of employment termination benefits is not subject to any funding as there isn't an obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability.

The sensitivity analysis of the important assumptions used in the calculation of the provision for employee termination benefits as of September 30, 2021 is as follows:

	Discount rate		**Rate of retirement**	
2021	(4.792)	5.589	1.300	(1.194)

10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases

i- Lawsuits related to the Ovacık mine

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

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

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

ii- Lawsuits related to Kaymaz mine

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

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

iii- Lawsuits related to other mines

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

10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

iii- Lawsuits related to other mines (continued)

Lawsuits related to Çukuralan mine:

A lawsuit numbered 2017/1656 E. was filed against the Ministry of Environment and Urbanization in İzmir 6th Administrative Court for the cancellation of the EIA affirmative report issued for the 3rd capacity increase Project of Çukuralan mining facility, and the Company intervened in the case. The court decided to cancel the transaction subject to the case, and the Council of State reversed the decision in favor of the company by not being hit by the decision of the local court after the appeal review. While the trial continued in Izmir 6th Administrative Court on the basis number of 2019/574, the court decided to cancel the said transaction with the decision dated 23.02.2021. The decision has been appealed and the trial is pending before the Council of State.

Regarding the 3rd capacity increase 2009/7 project of Çukuralan Gold Mine, Izmir 6th Administrative Court has been sued for the suspension of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision issued by the Ministry of Environment and Urbanization with the 2019/1120 E. file. has been opened. Our company intervenes in the relevant case together with the defendant Ministry. The previous base number and court of the relevant file is Izmir 3rd Administrative Court 2019/171 E. Due to the connection with the Çukuralan 3. Capacity Increase file, the main record of the file was closed by the decision of the İzmir Regional Administrative Court 4th Administrative Law Department and it was decided by the İzmir 3rd Administrative Court to send it to the İzmir 6th Administrative Court due to the relevant connection. While the relevant case continued with the number 2019/1120 of the Izmir 6th Administrative Court, the EIA affirmative decision, which was subject to the court decision, was annulled and an appeal was filled, and the trial is ongoing before the Council of State.

Our company has been involved in the in the lawsuit filed by some plaintiffs against the Izmir Governor's Office for the annulment of the decision of the Environmental Impact Assessment Required for Çukuralan Gold Mine Crushing and Screening Plant Project which is planned to be made by our company. Trial continues at the 6th Administrative Court of Izmir, in the file 2020/1479 E.

For the cancellation of the affirmative Environmental Impact Assessment decision given by the Ministry of Environment and Urbanization regarding the project Çukuralan Gold Mine Operation 3rd capacity increase planned by our company, some of the plaintiffs have applied to court
against the Ministry of Environment and Urbanization with file numbered 2021/1407 E. and 2021/1013 E. of Izmir 4th Administrative Court. Our company has been involved in the relevant case alongside the defendant ministry and the proceedings continues.

All of the production activities subject to the decisions of the court of Çukuralan Gold Mine Operation 3rd Capacity Increase Project, continues in accordance with the relevant legislation within the scope of the new EIA Positive decision.

Lawsuit 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 Group intervenes with the Ministry of Environment and Urbanization. The trial is ongoing.

iv- Lawsuits regarding the Group's subsidiary abroad

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

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

10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

v- Liability lawsuits filed against former managers

As a result of the evaluations made by the CMB after the decision to appoint a trustee, the Group 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 Group are announced on the public disclosure platform in legal periods.

vi- Other legal processes

Pursuant to the decision of the 5th Criminal Court of Peace in Ankara, the management of the Group was transferred to the Board of Trustees and then to the Savings Deposit Insurance Fund ("SDIF") on September 22, 2016. The indictment issued 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 was initiated with the file number 2017/44 E. and the case was resolved by the court of first instance. It has been decided by the court of first instance to confiscate the Group shares that belonged to the previous board members who were judged. Until the decision is finalized, it has been decided that the above-described measure of appointing a trustee will be continued. The decision is not finalized yet. In the case file of the Ankara 24th High Criminal Court numbered 2017/44 E., it has been further ordered by the court that the actions be severed with respect to the former members of the board of directors who could not have been tried due to their nonappearance in court and that the judgement to be continued through this new file and the aforementioned measure of the appointment of trustees to be sustained until the end of the trial. The new file severed is registered in the number of 2020/20 E under the Ankara 24th High Criminal Court's jurisdiction.

vii- Employee lawsuits and cases of contract receivables

As of September 30, 2021, the provision amount accounted for ongoing employee and other lawsuits against the Group is amounting to TL 47.304 Thousand (December 31, 2020: TL 47.304 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, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
A. CPM's given on behalf of own legal personality	**58.887**	66.087
- Guarantee	***58.887***	*66.087*
- Pledges	**-**	-
B. CPM's given given in favor of partnerships which are fully consolidated	**-**	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	**-**	-
D. Total amount of other CPM's given	**-**	-
i. Total amount of CPM's given in favor of the parent company	**-**	-
ii. Total amount of CPM's given in favor of the group companies which are not in scope of B and C	**-**	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	**-**	-
Total	**58.887**	66.087

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

10. Provisions, contingent assets and liabilities (continued)

e) Commitments and contingent liabilities (continued)

ii- Letter of guarantees received

The details of the Group's letter of guarantees received as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
Guarantee cheques	**615.894**	514.000
Guarantee letters	**97.994**	92.284
Security bonds	**39.744**	37.711
Total	**753.632**	643.995

iii- Government grants

The 80% percentage of the income tax calculated on the social security employer's share and wages calculated for the Group's employees in the mine processing facility in Mastra-Gümüşhane, is covered by the Treasury within the scope of the Law No. 5084 on "Incentives for Investments and Employment and Making Amendments to Certain Laws". The Group also benefits from 5% insurance premium on employer's share incentive at all workplaces within the scope of "Social Insurance and General Health Insurance Law" numbered 5510.

The Group benefits from the investment incentive in the Çukuralan - İzmir. The Group benefits from the 80% and 40% corporate tax reduction rate and investment contribution rate, respectively, within the scope of incentive.

An incentive certificate was obtained for Himmetdede on May 8, 2018. The aforementined document has a duration of 3 years as of December 21, 2017.

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

11. Equity

a) Share capital

As of September 30, 2021, the Group's paid-in capital is amounting to TL 388.080 (December 31, 2020: TL 388.080) and consists of 38.808.000.000 shares (December 31, 2020: 38.808.000.000 shares) with a nominal share value of 1 Kuruş, fully paid. The registered capital ceiling of the Group is TL 600.000. (December 31, 2020: TL 600.000)

In accordance with the Capital Markets Board's document regarding the Registration of the shares to be issued by the Joint Stock Companies for the Capital Increase dated February 2 2012 and numbered 5/10, the Group was registered at the Ankara Trade Registry Office on February 2 2012 and registered a registered capital ceiling of Thousand TL 600.000 has increased its issued capital from Thousand TL 194.040 to Thousand TL 388.080.

The breakdown of shareholders capital is as follows:

	September 30, 2021		December 31, 2020	
Capital	**Share rate**	**Share amount**	Share rate	Share amount
Koza İpek Holding A.Ş.	**52,25**	**202.772**	52,25	202.772
Publicly traded	**44,95**	**174.446**	44,95	174.446
Other	**2,80**	**10.862**	2,80	10.862
Paid-in capital	**100**	**388.080**	100	388.080

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

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

(*) Concession type:
1. Dividend privilege
2. Voting privilege
3. Privilege in the election of the board of directors
4. Privilege in the selection of the supervisory board
5. Limitations on priviliges about buy new shares, transfer etc.

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

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

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

11. Equity (continued)

a) Share capital (continued)

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

According to the "Communiqué on Procedures and Principles Regarding the Implementation of Provisional Article 13 of the Turkish Commercial Code No. 6102" published in the Resmi Gazete dated May 17, 2020 and numbered 31130:

- Capital companies will be able to decide to distribute only up to 25 percent of the net profit for the year 2020 in cash until September 30, 2021. Retained earnings and free reserves cannot be included. This limitation will not be applied for capital increase to be made from internal resources in accordance with Article 462 of the Turkish Commercial Code.

- Dividend advance power will not be authorized by the general assembly until September 30, 2021 in capital companies. If the board of directors was authorized by the General Assembly to distribute dividend advance payments, advance payments will be postponed until September 30, 2021.

- If a dividend distribution decision has been taken before April 17, 2020, when the temporary article 13 of the Turkish Commercial Code came into force and the shareholders have not yet been paid or partial payments have been made, all payments regarding the unpaid portion will be postponed until September 30, 2021 if the distribution decision is taken from the free reserves, although the payments exceeding 25% of the net profit of the 2020 period have been lost in the accounting period. No interest will be accrued on deferred payments.

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

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

b) Restricted reserves

The Group's restricted reserves are as follows:

	September 30, 2021	December 31, 2020
Restricted reserves	**93.928**	93.928
Total	**93.928**	93.928

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

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

12. Revenue and cost of sales

The details of the Group's revenue and cost of sales as of January 1 - September 30, 2021 and 2020 are as follows:

	January 1 – September 30, 2021	January 1 – September 30, 2020	**July 1 – September 30, 2021**	July 1 – September 30, 2020
Domestic sales	**2.900.321**	2.348.802	**903.474**	906.695
Exports	**60.673**	16.708	**19.201**	3.984
Other sales	**4.900**	1.689	**2.294**	810
Total sales	**2.965.894**	**2.367.199**	**924.969**	911.489
Sales returns	**(380)**	(679)	**(202)**	(217)
Sales discounts and other discounts	**(117)**	(40)	**(25)**	-
Net sales	**2.965.397**	**2.366.480**	**924.742**	911.272
Cost of sales	**(1.084.163)**	**(804.706)**	**(401.795)**	(287.316)
Gross profit	**1.881.234**	**1.561.774**	**522.947**	623.956

The distribution of the Group's revenues by product type as of January 1 - September 30, 2021 and 2020 is as follows:

	January 1 – September 30, 2021	January 1 – September 30, 2020	**July 1 – September 30, 2021**	July 1 – September 30, 2020
Sales of gold bullion	**2.841.912**	2.299.664	**878.663**	888.659
Sales of silver bullion	**13.553**	10.973	**6.319**	4.944
Other	**110.429**	56.562	**39.987**	17.886
Total	**2.965.894**	**2.367.199**	**924.969**	911.489

13. Income from investing activities

	January 1 – September 30, 2021	January 1 – September 30, 2020	**July 1 – September 30, 2021**	July 1 – September 30, 2020
Interest income	**828.016**	364.871	**300.393**	136.209
Foreign exchange income	**278.937**	107.405	**29.613**	14.091
Profit on sale of fixed assets classified for sale	**81.464**	-	**2**	-
Other	**932**	4.036	**347**	1.341
Total	**1.189.349**	**476.312**	**330.355**	151.641

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

14. Income taxes

Current income tax

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

The effective tax rate applied in 2021 is 25% (2020: 22%).

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

In Turkey, tax returns are filed on a quarterly basis. Corporate income tax rate applied in 2021 is 20% (2020: 22%). 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.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax

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

Withholding tax at the rate of 19,8% is still applied to investment allowances related with investment incentive certificates obtained before April 24, 2003. No tax withholding is imposed on investment expenditures without incentive certificate after this date.

Corporate tax liabilities recognized in the balance sheet as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
Current tax expense	**670.412**	553.852
Prepaid taxes (-)	**(490.349)**	(434.349)
Current income tax liability	**180.063**	119.503

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

14. Income taxes (continued)

Tax expense details recognized in the income statement as of September 30, 2021 and 2020 are as follows:

	September 30, 2021	September 30, 2020
Current income tax expense	**(670.412)**	(416.810)
Deferred tax expense / (income)	**57.336**	(5.621)
Total tax expense	**(613.076)**	(422.431)

Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary differences arising from differences between its tax base legal financial statements and its condensed consolidated financial statements prepared in accordance with TMS / TFRS. The aforementioned differences are generally due to the fact that some income and expense items are included in different periods in the financial statements subject to tax and the condensed consolidated financial statements prepared in accordance with TMS / TFRS, and these differences are stated below. In the calculation of deferred tax assets and liabilities, the tax rates expected to be applied in the periods when assets are converted into income or debts are paid are taken into account. (December 31, 2020: 22%).

	September 30, 2021		December 31, 2020	
	Cumulative temporary differences	**Deferred tax**	Cumulative temporary differences	Deferred tax
Tangible and Intangible assets	**550.018**	**130.804**	445.424	89.085
Provision for employee termination benefits	**45.910**	**10.170**	39.804	7.961
State right provision	**229.584**	**57.396**	255.413	51.083
Provisions for doubtful receivables	**19.041**	**4.760**	14.092	2.818
Provision for unused vacation	**15.867**	**3.967**	11.080	2.216
Lawsuit provision	**42.813**	**10.703**	39.011	7.802
Leasing transactions	**53.125**	**12.219**	-	-
Donations and aids	**3.649**	**952**	-	-
Other			2.264	453
Deferred tax assets		**230.971**		161.668
Deferred tax liabilities		**-**		(250)
Provision for deferred tax		**(30.104)**		(17.468)
Deferred tax assets, net		**200.867**		143.950

Movement of deferred tax is as follows:

	2021	2020
January 1	**143.950**	**149.964**
Deferred tax expense recognized in equity	**57.336**	(5.621)
Deferred tax expense recognized in income statement	**(419)**	1.517
September 30	**200.867**	**145.860**

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

14. Income taxes (continued)

The reconciliation of the tax is as follows:

	2021	2020
Profit before tax		
	2.560.984	1.796.964
Effective tax rate	**%25**	%22
Tax calculated using effective tax rate	**640.246**	395.332
Effect of investment incentive allowance	**-**	(6.600)
Different tax rate effect	**(15.519)**	13.840
Temporary differences not subject to deferred tax	**(16.269)**	8.981
Effect of non-deductible expenses	**35.271**	3.962
Effect of tax deductible losses	**(7.947)**	-
Financial losses on not subject to tax	**7.780**	7.026
Exemptions and discounts	**(28.409)**	-
Other	**(2.077)**	(110)
Corporate tax provision	**613.076**	**422.431**

15. Earnings per share

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

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

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

15. Earnings per share(continued)

The earnings per share of the Group as of September 30, 2021 and 2020 are as follows:

	January 1 – September 30, 2021	January 1 – September 30, 2020	**July 1 – September 30, 2021**	July 1 – September 30, 2020
Net profit fattributable to the owners of the Group	**918.174**	575.029	**196.347**	218.944
Weighted average number of shares certificates	38.808.000.000	38.808.000.000	38.808.000.000	38.808.000.000
Earnings per 100 share	**2,366**	**1,48**	**0,51**	0,56
Total comprehensive income attributable to the owners of the Group	**918.633**	580.005	**198.438**	220.145
Earnings per 100 shares from total comprehensive income	**2,367**	**1,47**	**0,51**	0,57

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

16. Related party disclosures

Trade receivables from related parties generally arise from sales transactions. Receivables are unsecured, interest is paid in every 3 months.

Trade payables to related parties generally arise from purchase transactions and their maturity is approximately two months. Payables are not subject to interest.

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 2021 was applied as 18,68% per year (September 30, 2020: 10.11%).

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, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
Koza İpek Holding A.Ş.(3)	**161.303**	129.229
Other (3)	**937**	468
Total	**162.240**	129.697

Other payables of the Group to related parties as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.(1)	**284**	316
Koza İpek Sigorta Aracılık Hizmetleri A.Ş. (2)	**1.184**	193
Other (3)	**-**	1.629
Total	**1.468**	2.138

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

16. Related party disclosures (continued)

b) Transactions with related parties

The purchases of the Group from related parties between January 1 - September 30, 2021 and 2020 are as follows;

	January 1 – September 30, 2021			January 1 – September 30, 2020		
	Interest	**Service**	**Other**	Interest	Service	Other
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (1)	**-**	**3.711**	**378**	-	3.421	194
Koza İpek Sigorta Aracılık Hizmetleri A.Ş. (2)	**-**	**-**	**-**	-	-	3.169
Other (3)	**-**	**-**	**2.085**	-	-	717
Total	-	**3.711**	**2.463**	**-**	**3.421**	**4.080**

Sales of the Group to its related parties between January 1 - September 30, 2021 and 2020 are as follows;

	January 1 – September 30, 2021			January 1 – September 30, 2020		
	Interest	**Service**	**Other**	Interest	Service	Other
Koza İpek Holding A.Ş. (1)	**19.964**	**-**	**40**	8.317	-	65
Other (3)	**-**	**-**	**25**	-	-	29
Total	**19.964**	**-**	**65**	**8.317**	-	94

c) **Compensations provided to key management;** The group's key management consist of the general manager and assistant general managers. Compensation provided to senior management include short-term benefits such as wages and bonuses. Total amount of wages and similar benefits paid to key management between January 1 - September 30, 2021 is amounting to Thousand TL 8.761 (January 1 - September 30, 2020: Thousand TL 7.323).

17. Nature and level of risks arising from financial instruments

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

The Group is exposed to market risk, which consists of currency, cash flow and interest rate risks, capital risk, credit risk and liquidity risk, due to operations. Risk management policy is to focus on unexpected changes in the financial markets.

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

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

- Ensuring the continuity of the cash flow obtained from the activities and main assets of the Group, taking into account the exchange rate and interest risks,

- Keeping a sufficient amount of credit resources available to be used effectively and efficiently under the most appropriate conditions in terms of type and maturity,

- Keeping the risks arising from the counterparty at a minimum level and following them effectively.

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

a) Credit risk:

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

The Group has cash and cash equivalents in various financial institutions. The Group manages this risk by continuously evaluating the reliability of the financial institutions.

In order to measure the expected credit loss, the Group first grouped its trade receivables and contract assets by considering their maturity and credit risk characteristics. The expected credit loss rate for each class of trade receivables and contract assets is calculated by using past credit loss experiences, current conditions and prospective macroeconomic indicators and the expected credit loss allowance is calculated by multiplying the determined rate with the totals of trade receivables and contract assets.

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 effectively manages the receivable risk, taking into account the past experiences.

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

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

a) Credit risk (continued)

The analysis of the Group's credit risk as of September 30, 2021 and December 31, 2020 is as follows:

	Trade receivables		Other receivables		Cash and cash equivalents
September 30, 2021	**Related party**	**Third party**	**Related party**	**Third party**	**Deposits in banks**
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*	-	29.322	162.240	46.536	7.896.184
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	-	29.322	162.240	46.536	7.896.184
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)	-	85.733	-		
Impairment (-)	-	(85.733)			
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.

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

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

a) Credit risk (continued)

	Trade receivables		Other receivables		Cash and cash equivalents
December 31, 2020	Related party	Third party	Related party	Third party	Deposits in banks
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*	-	20.949	129.697	34.432	6.187.751
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	-	20.949	129.697	34.432	6.187.751
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)	-	81.525	-	-	-
Impairment (-)	-	(81.525)	-	-	-
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

b) Market risk

Due to operations, the Group is exposed to financial risks related to changes in exchange rates and interest rates. Market risks encountered at the Group level are measured on the basis of sensitivity analysis. In the current year, there is'nt any change in the market risk that the Group is exposed to, or the method of handling the encountered risks or the method used to measure these risks, compared to the previous year.

Currency risk

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

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

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

b) Market risk (continued)

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

September 30, 2021	**TL Equivalent**	**ABD Doları**	**Euro**	**Gbp**
Cash and cash equivalents	**1.564.177**	**176.647**	**3**	**168**
Trade receivables	**1.148**	**125**	**3**	**1**
Prepaid expenses	**58.715**	**401**	**4.654**	**601**
Current assets	**1.624.040**	**177.173**	**4.660**	**770**
Total assets	**1.624.040**	**177.173**	**4.660**	**770**
Trade payables	**103.314**	**2.070**	**7.213**	**890**
Other payables	**355.808**	**43.162**	**148**	**(2.298)**
Current liabilities	**459.122**	**45.232**	**7.361**	**(1.408)**
Total liabilities	**459.122**	**45.232**	**7.361**	**(1.408)**
Net foreign currency position	**1.164.918**	**131.941**	**(2.701)**	**2.178**

December 31, 2020	TL Equivalent	ABD Doları	Euro	Gbp
Cash and cash equivalents	554.311	75.415	31	45
Trade receivables	37	-	3	1
Other receivables	-	-	-	-
Prepaid expenses	24.496	534	1.995	262
Current assets	578.844	75.949	2.029	308
Total assets	578.844	75.949	2.029	308
Trade payables	34.602	263	3.245	346
Other payables	40.307	5.491	-	-
Current liabilities	74.909	5.754	3.245	346
Total liabilities	74.909	5.754	3.245	346
Net foreign currency position	503.935	70.195	(1.216)	(38)

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

17. 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.

	Profit / Loss		**Equity**	
September 30, 2021	**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	116.679	(116.679)	116.679	(116.679)
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	**116.679**	**(116.679)**	**116.679**	**(116.679)**
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(2.786)	2.786	(2.786)	2.786
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	**(2.786)**	**2.786**	**(2.786)**	**2.786**
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	2.598	(2.598)	2.598	(2.598)
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	**2.598**	**(2.598)**	**2.598**	**(2.598)**
TOTAL (3+6+9)	**116.491**	**(116.491)**	**116.491**	**(116.491)**

	Profit / Loss		Equity	
December 31, 2020	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	51.527	(51.527)	51.527	(51.527)
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	51.527	(51.527)	51.527	(51.527)
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(1.095)	1.095	(1.095)	1.095
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(1.095)	1.095	(1.095)	1.095
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(38)	38	(38)	38
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	(38)	38	(38)	38
TOTAL (3+6+9)	50.394	(50.394)	50.394	(50.394)

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

Price risk

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

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

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

c) Capital risk management:

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

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

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

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

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

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

Fair value of the financial instruments

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

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

Level classifications of financial assets measured at their fair values:

September 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:	**-**	**-**	**218.423**	**218.423**
Measured at fair value through other comprehensive income	**-**	**-**	**218.423**	**218.423**

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets:	-	-	218.423	218.423
Measured at fair value through other comprehensive income	-	-	218.423	218.423

19. Subsequent events after balance sheet date

None.

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

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