

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Condensed consolidated financial statements
as of March 31, 2023**

Table of contents	Pages
Condensed consolidated statement of financial position	1-2
Condensed consolidated statement of profit or loss and other comprehensive income.....	3
Condensed consolidated statement of changes in equity.....	4
Condensed consolidated cash flow statement	5
Explanatory notes to the condensed consolidated financial statements	6-48

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Condensed consolidated statement of financial position****as of March 31, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

<i>Audited</i>			
Assets	Notes	Mach 31, 2023	December 31, 2022
Current assets		13.151.297	11.745.316
Cash and cash equivalents	4	1.413.254	524.270
Financial investments	5	9.542.394	9.760.480
Trade receivables			
- Due from third parties		51.237	44.189
Other receivables			
- Due from related parties	16	501.644	-
- Due from third parties		162.832	90.489
Inventories		1.107.980	1.163.163
Biological assets		20.509	18.768
Prepaid expenses		345.114	132.927
Assets related to current period tax		544	535
Other currents assets		5.789	10.457
Assets held for sale		-	38
Non-current assets		2.844.472	2.882.727
Financial investments	5	289.259	287.449
Other receivables			
- Due from third parties		3.629	3.516
Investment property	7	111.191	215.551
Right of use assets		15.393	19.252
Property, plant and equipment	8	1.735.547	1.702.190
Intangible assets			
- Goodwill	9	11.232	11.232
- Other intangible assets	9	6.334	4.654
Prepaid expenses		131.158	163.100
Deferred tax assets	14	338.078	278.964
Other non-current assets		202.651	196.819
Total assets		15.995.769	14.628.043

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Condensed consolidated statement of financial position****as of March 31, 2023****(All amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

<i>Audited</i>			
Liabilities	Notes	March 31, 2023	December 31, 2022
Current liabilities		1.954.615	1.155.690
Short term liabilities			
- Bank credits		241.509	-
- Lease liabilities		15.404	15.403
Trade payables			
- Due to third parties		238.047	172.122
Payables related to employee benefits		62.996	38.314
Other payables			
- Due to related parties	16	40.273	5.784
- Due to third parties		389.329	92.614
Deferred income		4.021	2.061
Current income tax liabilities	14	171.732	38.954
Short-term provisions			
- Provisions for employee benefits	10	49.795	75.045
- Other short-term provisions	10	731.810	701.855
Other short-term liabilities		9.699	13.538
Non-current liabilities		592.308	510.472
Long term liabilities			
- Lease liabilities		3.058	6.996
Other payables			
- Other payables to third parties		105.135	102.676
Deferred Revenues		396	194
Long-term provisions			
- Provisions for employee benefits	10	133.555	118.231
- Other long-terms provisions	10	350.164	282.375
Equity		13.448.846	12.961.881
Equity holders of the parent		2.893.658	2.962.438
Paid-in share capital	11	259.786	259.786
Share premium		239	239
Cross share capital adjustment		(379.897)	-
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		(28.051)	(26.983)
Restricted reserves	11	312.256	312.256
Retained earnings		2.398.758	1.580.655
Net profit for the period		330.567	836.485
Non-controlling interests		10.555.188	9.999.443
Total liabilities and equity		15.995.769	14.628.043

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Condensed consolidated statement of financial position
as of March 31, 2023**

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

	Notes	January 1 – March 31, 2023	January 1 – March 31, 2022
Revenue	12	1.704.213	1.465.148
Cost of sales (-)	12	(1.086.074)	(527.333)
Gross profit		618.139	937.815
Marketing, sales and distribution expenses (-)		(2.005)	(2.259)
General administrative expenses (-)		(197.842)	(69.370)
Research and development expenses (-)		(147.858)	(97.337)
Other operating income		12.430	73.104
Other operating expenses (-)		(347.751)	(51.038)
Operating profit		(64.887)	790.915
Income from investing activities	13	1.551.479	475.041
Expenses from investing activities (-)	13	-	(48.117)
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		27	(5.299)
Operating profit before financial income and expense		1.486.619	1.212.540
Financial expenses		(15.816)	(2.057)
Profit before tax from continued operations		1.470.803	1.210.483
Tax expense from continuing operations		(76.776)	(225.096)
- Current tax expense	14	(135.177)	(253.301)
- Deferred tax income	14	58.401	28.205
Net profit for the period		1.394.027	985.387
Not to be reclassified to profit or loss			
Gains / (losses) on remeasurements of defined benefit plans		(3.561)	(11.547)
Gains / (losses) on remeasurements of defined benefit plans, tax effect		713	2.309
Total comprehensive income		1.391.179	976.149
Attribution of Profit / (Loss) for the period:			
Non-controlling interests		1.063.460	773.601
Equity holders of the parent		330.567	211.786
Attribution of Comprehensive Income for the period:			
Non-controlling interests		1.061.680	768.187
Equity holders of the parent		329.499	207.962
Earnings per 100 share			
- common stock (TL)		1,272	0,815
Earnings per 100 shares from total comprehensive income			
- common stock (TL)		1,268	0,801

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Condensed consolidated statements of changes in equity

for the period ended March 31, 2023

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

			Other comprehensive income / expense not to be reclassified to profit or loss			Retained earnings				
	Paid-in share capital	Share premium	Capital Adjustments due to Cross- Ownership	Actuarial gain / (loss) fund for employee benefits	Restricted reserves	Retained earnings	Net profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
Balance as of January 1, 2022	259.786	239	-	(3.854)	49.204	1.173.656	660.509	2.139.540	8.536.253	10.675.793
Net profit for the period	-	-	-	-	-	-	211.786	211.786	773.601	985.387
Other comprehensive income/(loss)	-	-	-	(3.824)	-	-	-	(3.824)	(5.414)	(9.238)
Total comprehensive income/(loss)	-	-	-	(3.824)	-	-	211.786	207.962	768.187	976.149
Transfers	-	-	-	-	-	660.509	(660.509)	-	-	-
Balance as of March 31, 2022	259.786	239	-	(7.678)	49.204	1.834.165	211.786	2.347.502	9.304.440	11.651.942
Balance as of January 1, 2023	259.786	239	-	(26.983)	312.256	1.580.655	836.485	2.962.438	9.999.443	12.961.881
Net profit for the period	-	-	-	-	-	-	330.567	330.567	1.063.460	1.394.027
Other comprehensive income/(loss)	-	-	-	(1.068)	-	-	-	(1.068)	(1.780)	(2.848)
Total comprehensive income/(loss)	-	-	-	(1.068)	-	-	330.567	329.499	1.061.680	1.391.179
Transfers	-	-	-	-	-	818.103	(836.485)	(18.382)	18.382	-
Transactions with Non-Controlling Interests (*)	-	-	(379.897)	-	-	-	-	(379.897)	(524.317)	(904.214)
Balance as of March 31, 2023	259.786	239	(379.897)	(28.051)	312.256	2.398.758	330.567	2.893.658	10.555.188	13.448.846

(*) Shares purchased from the Group within the scope of share purchase and sale transactions initiated by the decision of the Board of Directors. During the period, total of 38,250,000 shares were bought for Thousand TL 904,213.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Condensed consolidated statements of cash flows

for the period ended March 31, 2023

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

	Notes	January 1 – March 31, 2023	January 1 – March 31, 2022
A. Cash flows from operating activities		(38.264)	367.663
Profit for the period from continuing operations		1.394.027	985.387
Adjustments to reconcile profit for the period		-	
Adjustments for depreciation and amortisation		67.026	72.574
Adjustments for tax (income) / expense	14	76.776	225.096
Adjustments for Fair Value Loss (Gains) of Financial Assets		(699.677)	-
Adjustments for impairment / (cancellation) of receivables		519	1.697
- Adjustments for recognition impairment of inventory	6	-	(48.913)
Adjustments for provisions			
- Adjustments for provisions for employee benefits (cancellation)	10	(19.807)	(1.726)
- Adjustment for debt provisions	10	(61.255)	(11.396)
- Adjustments for rehabilitation and state rights provision		169.401	152.601
Adjustments for interest income		(759.999)	(462.194)
Adjustments for interest expenses		7.222	4.320
Adjustments for losses (gains) from disposal of fixed assets		(15.448)	6
Adjustments for losses (gains) on disposal of investment property			
Adjustments for losses (gains) on sale of non-current assets classified as held for sale		(776.032)	-
Total adjustments		(2.011.274)	(67.935)
Increase in trade receivables		(7.567)	(9.201)
Increase in other receivables related to activities		231.539	(22.431)
Increase in inventories	6	55.183	(52.101)
Decrease/ (increase) in biological assets		(1.742)	(642)
Increase in prepaid expenses		(180.224)	(52.366)
Decrease in trade payables		65.925	(49.307)
(Decrease) / increase in payables related to employee benefits		24.682	18.032
Increase in other liabilities related to activities		333.663	8.034
(Increase) / decrease in other receivables from related parties related to activities		878.822	(13.572)
Increase in deferred income		2.171	5.070
(Increase) / decrease in other assets related to activities		(1.262)	2.709
Increases/(decreases) in other liabilities related to operations		(3.838)	951
Payments of employee retirement benefits	10	-	(1.860)
Payments related to other provisions		(10.401)	(6.061)
Taxes paid		(807.968)	(377.044)
Net cash from operating activities		578.983	(549.789)
B. Cash flows from investing activities		1.587.568	1.587.606
Cash inflows from the sales of tangible assets		20.281	15.569
Cash outflows from the purchase of tangible assets	8	(98.877)	(93.700)
Cash outflows from the purchase of intangible assets	9	(2.589)	(375)
Interest received		757.653	294.763
Changes in financial investments		915.953	(4.488.360)
Cash outflows related to lease agreements (-)		(4.853)	(6.337)
Cash inflows from the sale of fixed assets classified for sale		38	-
C. Net cash from financing activities		(662.704)	-
Increase due to share withdraw transactions		(904.213)	-
Cash inflows related to borrowing		241.509	-
Net increase in cash and cash equivalents (A+B+C)		886.638	(3.910.777)
Cash and cash equivalents at the beginning of the year	4	522.572	9.138.738
Cash and cash equivalents at the end of the year	4	1.409.210	5.227.961

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements for the interim period ended March 31, 2023

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

1. Group's organization and nature of operations

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

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

As of 31 March 2023, 62.12% of the Company's shares, including the stocks traded in Borsa İstanbul ("BİST"), belong to Koza İpek Holding A.Ş. İpek Holding A.Ş.), the Company Management was transferred to the Trustee Board, pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, and the Decree Law No. 674 on Making Some Arrangements Under the State of Emergency, published on September 1, 2016. ("KHK"), all powers of the Company were transferred to the Savings Deposit Insurance Fund ("SDIF") on 22 September 2016. As of March 31, 2023, shares corresponding to 37.72% of the Company's capital (31 December 2022: 37.72%) are traded on the BİST.

As of this date, all the powers of the management have been transferred to the trustees appointed to the Group Management 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 the Group on the basis of the article 19/1 of the aforementioned Decree and transfer the Group to the SDIF.

The Group's consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 have been approved by the Board of Directors with the board decisions dated April 24, 2018, April 30, 2018, February 28, 2019, February 27, 2020, March 1 2021, March 1 2022 and March 1 2023 respectively and published by excluding the possible cumulative effects of the works and transactions belonging to the previous financial periods, whose judgment process continues, in accordance with the provisions of Article 401/4 of the Turkish Commercial Code No. 6102 ("TCC"). Audited consolidated financial statements for the year ended December 31, 2015 were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 as explained in detailed in Note 10, could not be carried out due to various examinations and works by the Prosecutor's Office, the Police Financial Crimes Branch and the CMB, and these consolidated financial statements of the Group could not be submitted to the approval of the General Assembly. Koza Altın İşletmeleri A.Ş., a subsidiary of the Group, has established UK-based Koza Ltd., which owns 100%, in order to establish abroad mining ventures on March 31, 2014. The control of Koza Ltd, which the Company was consolidated until September 11, 2015, was lost as a result of the General Assembly held on September 11, 2015. The legal process initiated by the CMB regarding loss of control pursuant to decision dated February 4, 2016 continues as of the date of the consolidated financial statements. Under consolidated financial statements, the Group has presented Koza Ltd. under the "Financial Investments" account with a cost value amounting to Thousands TL 218.325.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

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

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

As of March 31, 2023, the number of employee is 2.736 (December 31, 2022: 2.821 people).

2. Basis of presentation of condensed consolidated financial statements

2.1 Basis of presentation

Financial reporting standards

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

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

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

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

2.1 Basis of presentation (continued)

Foreign currency transactions and balances

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

Adjustment of Financial Statements in High Inflation Periods

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 March 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of March 31, 2023.

Going concern

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

Declaration of conformity to TFRS

The Group has prepared its consolidated financial statements for the period ending on March 31, 2023, in accordance with the CMB's Communiqué Serial: II-14.1 and its announcements clarifying this communiqué. The consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB and including the required information.

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

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

2.2 Consolidation principles

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

During the consolidation process, the registered participation values of the shares owned by the Company and its subsidiaries were netted mutually with the relevant equities. Intra-group transactions and balances between the Company and the subsidiaries have been netted during the consolidation process. The registered values of the shares owned by the Company and the dividends arising from them have been netted from the relevant equity and profit or loss statement accounts.

The subsidiaries have been included in the scope of consolidation as of the date the control over its activities was transferred to the Group.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

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

2.2 Consolidation principles (continued)

Subsidiaries

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

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

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

2.2 Consolidation principles (continued)

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

March 31, 2023

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

December 31, 2022

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

- (*) Although the effective ownership rate of the Group is less than 50%, it uses its dominance power to manage the financial and operating policies of the company in question.
- (**) 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.
- (e) Group's consolidated participations located in Turkey until December 31, 2015, Bugün Televizyon Radyo ve Perakende A.Ş., Yaşam Televizyon Yayın Hizmetleri A.Ş. ve Koza İpek Basın ve Basım Sanayi ve Ticaret A.Ş. and subsidiaries Koza Prodüksiyon ve Ticaret A.Ş., Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ve İpek Online Bilişim Hizmetleri Ltd. Şti. has not been included in the scope of consolidation since 2016 due to the official cancellation of the trade registry record with the Decree Law in 2016.

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

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

2.3. Accounting policies, changes in accounting estimates and errors

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

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

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

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

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

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

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

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

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

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

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

2.5 Summary of significant accounting policies

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

2.6 Significant accounting judgments estimates and assumptions

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

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

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

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

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

2. Basis of presentation of financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

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

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

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

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

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

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

2. Basis of presentation of financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

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

As of March 31, 2023, the Group reassessed the provision amounts due to changes in discount rates, costs, production areas subject to rehabilitation and reserve lifetimes. The Group evaluates the mine rehabilitation provision annually.

Significant estimates and assumptions are made in determining the provision for mine rehabilitation due to the large number of factors that may affect the final liability to be paid. These factors include estimates of the scope and cost of rehabilitation activities, technological changes, changes in regulations, cost increases proportional to inflation rates and changes in net discount rates (March 31, 2022: 4.634%, December 31, 2022: 4,067%). 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 March 31, 2023, there is no legal risk expected to significantly affect the activities of the Group.
- f) At the stage of determining the amount of the provision for the lawsuits, the management consider the possibility of the ongoing lawsuits to be concluded against the Group and the legal advisors' evaluation of the consequences that may arise in case these lawsuits are concluded against the Group. The Group management makes the best estimate based on the information provided.
- g) The gold in circuit inventory amount, which is followed as a semi-finished product and has not yet turned into finished gold during the production process, is evaluated separately for each production facility by making technical production calculations and estimations. The gold in circuit process, which is common for both tank leaching and heap leach production plants, ends after finished gold is obtained. Since the production processes of tank leaching and heap leaching facilities are different from each other, the amount of gold stock in the circuit differs on the basis of facilities, and the estimated amount of gold that can be obtained from the gold in circuit stocks of each facility at the end of the production process and the life of mine is analyzed based on technical calculations.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****3. Segment reporting**

The Group's reporting according to the operating segments made as of March 31, 2023 is presented as follows:

	Mine	Transportation	Tourism	Consumer	Elimination adjustments	Total
Revenue						
Domestic sales	1.633.615	-	1.612	72.688	(3.702)	1.704.213
Exports	-	-	-	-	-	-
Total revenue	1.633.615	-	1.612	72.688	(3.702)	1.704.213
Operating results						
Depreciation expense	(61.328)	(4.728)	(961)	(9)	-	(67.026)
Interest income / (expense) from investment activities	103.899	(25.629)	540	214	(18.702)	60.322
Other interest expense	(13.718)	(20.382)	1	(515)	18.798	(15.816)
Current tax expense (-)	(135.177)	-	-	-	-	(135.177)
Deferred tax income / (expense)	60.540	1.159	(91)	7	(3.214)	58.401
Operating profit / (loss)	(60.148)	(9.875)	(670)	5.563	243	(64.887)
Profit / (loss) before tax from continuing operations	1.505.145	(55.886)	(129)	5.262	16.411	1.470.803
Assets as of March 31, 2023	19.499.929	431.301	136.415	123.024	(4.194.900)	15.995.769
Liabilities as of March 31, 2023	2.685.943	923.862	7.363	54.513	(1.124.758)	2.546.923

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

The Group's reporting according to the operating segments as of March 31, 2022 is presented as follows:

	Mine	Transportation	Tourism	Consumer	Elimination adjustments	Total
Revenue						
Domestic sales	1.411.084	-	1.612	20.459	(5)	1.433.150
Exports	31.998	-	-	-	-	31.998
Total revenue	1.443.082	-	1.612	20.459	(5)	1.465.148
Operating results						
Depreciation expense	(66.769)	(4.513)	(1.002)	(291)	-	(72.575)
Interest income / (expense) from investment activities	335.828	69	205	28	(28.379)	307.751
Other interest expense	(21.935)	(3.191)	-	(1.754)	24.823	(2.057)
Current tax expense (-)	(253.301)	-	-	-	-	(253.301)
Deferred tax income / (expense)	29.400	684	(1.899)	20	-	28.205
Operating profit / (loss)	783.510	1.664	851	(1.004)	5.895	790.916
Profit / (loss) before tax from continuing operations	1.286.571	(78.679)	3.569	(2.730)	1.752	1.210.483
Assets as of December 31, 2022	16.508.472	432.025	136.853	88.938	(2.538.245)	14.628.043
Liabilities as of December 31, 2022	1.811.338	869.859	7.582	25.700	(1.048.317)	1.666.162

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****4. Cash and cash equivalents**

	March 31, 2023	December 31, 2022
Cash	339	259
Banks		
- Demand deposits	20.981	3.034
- Time deposits	1.391.398	519.791
Other cash and cash equivalents	536	1.186
Total	1.413.254	524.270
Less: Interest accruals	(4.044)	(1.698)
Cash and cash equivalents presented in the cash flow statement	1.409.210	522.572

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

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	%14,00 - %29,00	1-30 Days	1.390.001	1.390.001
USD	%0,70	1-30 Days	73	1.397
Total				1.391.398

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

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

The Group's blocked deposits of Thousands TL 70.837 have been presented under financial investments account (December 31, 2022: Thousands TL 69.026).

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

5. Financial investments

a. Short term financial investments

Financial investments of the Group as of March 31, 2023 and December 31, 2022 are as follows;

	March 31, 2023	December 31, 2022
Currency protected time deposits (**)	1.228.379	1.187.002
Financial assets accounted at fair value under profit or loss (***)	8.314.015	8.573.478
Total	9.542.394	9.760.480

b. Long term financial investments

	December 31, 2023	December 31, 2022
Shares in subsidiaries (*)	218.423	218.423
Blocked deposits	70.836	69.026
Total	289.259	287.449

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

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

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

The Company has converted foreign exchange deposit accounts amounting to 63.824 Thousands USD into "Currency protected time deposits accounts". The maturity of currency protected time deposits is 182 days.

- (***) The Group has 5,839,150,152 mutual fund participation certificates with a total of 6,643,285 thousand TL, and 129,213,455 Mint Gold Certificates with a total of 1,670,730 thousand TL, and fund accounts are accounted as financial assets whose fair value is accounted for in profit or loss.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****6. Inventories**

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

	March 31, 2023	December 31, 2022
Gold and silver in the production process and gold and silver bars	256.040	291.212
Spare parts (*)	311.997	285.485
Ready to be processed mined ore clusters	219.686	286.998
Chemicals and operating materials	225.912	221.956
Other inventories (**)	94.345	77.512
Provision for inventory impairment (-)	-	-
Total	1.107.980	1.163.163

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

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

The movements of the provision for inventory impairment is as follows:

	2023	2022
January 1	-	48.913
Additions	-	27.595
Provisions no longer required	-	(76.508)
Total	-	-

7. Investment properties

Investment properties of the Group as of March 31, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals (*)	March 31, 2023
Cost				
Flats	108.478	-	(108.478)	-
Dormitory buildings	25.625	-	(10.630)	14.995
Hotel	179.298	-	(7)	179.291
Total	313.401	-	(119.115)	194.286
Accumulated depreciation				
Flats	13.131	592	(13.723)	-
Dormitory buildings	4.885	18	(2.598)	2.305
Hotel	79.834	962	(6)	80.790
Total	97.850	1.572	(16.327)	83.095
Net book value	215.551			111.191

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****7. Investment properties (continued)**

	January 1, 2022	Additions	Disposals	March 31, 2022
Cost				
Flats	108.478	-	-	108.478
Dormitory buildings	25.625	-	-	25.625
Hotel	180.158	-	(875)	179.283
Total	314.261	-	(875)	313.386
Accumulated depreciation				
Flats	10.985	481	-	11.466
Dormitory buildings	4.593	128	-	4.721
Hotel	76.801	1.002	(875)	76.928
Total	92.379	1.611	(875)	93.115
Net book value	221.882			220.271

Depreciation expenses are accounted under general administrative expenses.

Total rental income from investment properties is in 977 thousand TL in 2023. (2022: 302 thousand TL).

All of the investment properties in the buildings consist of the dormitory building in Gümüşhane. There is no rental agreement. As of March 31, 2023, there are annotations placed on the said real estates of the Company by the General Directorate of National Real Estate.

8. Property, plant and equipment

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

	March 31, 2023	December 31, 2022
Mining assets	490.930	461.245
Other tangible assets	1.244.617	1.240.945
Total	1.735.547	1.702.190

a) Mining assets

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

	March 31, 2023	December 31, 2022
Mining sites	43.661	43.859
Mine site development cost	286.904	278.456
Deferred stripping costs	26.067	29.628
Rehabilitation mining facility	73.025	48.029
Mining rights	61.273	61.273
Total	490.930	461.245

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****8. Property, plant and equipment (continued)****a) Mining assets (continued)**

The movements of mining assets during the period as of March 31, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals	March 31, 2023
Cost				
Mining sites	89.824	97	-	89.921
Mine site development cost	679.527	14.128	-	693.655
Deferred stripping costs	333.882	168	-	334.050
Rehabilitation mining facility	376.166	35.396	-	411.562
Mining rights	74.643	-	-	74.643
Total	1.554.042	49.789	-	1.603.831
Accumulated depreciation				
Mining sites	45.965	295	-	46.260
Mine site development cost	401.071	5.680	-	406.751
Deferred stripping costs	304.254	3.729	-	307.983
Rehabilitation mining facility	328.137	10.400	-	338.537
Mining rights	13.370	-	-	13.370
Total	1.092.797	20.104	-	1.112.901
Net book value	461.245			490.930

- (*) According to the President's Decision dated October 16, 2021, it was decided to expropriate the lands needed for gold and silver production within the borders of wolframite, gold and silver operating licenses numbered 82050 in Bilecik Province.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****8. Property, plant and equipment (continued)****a) Mining assets (continued)**

	January 1, 2022	Additions	Disposals	March 31, 2022
Cost				
Mining sites	73.696	-	(15.569)	58.127
Mine site development cost	584.884	30.205	-	615.089
Deferred stripping costs	278.899	15.941	-	294.840
Rehabilitation of mining facility	331.055	17.950	-	349.005
Mining rights	74.005	-	-	74.005
Total	1.342.539	64.096	(15.569)	1.391.066
Accumulated depreciation				
Mining sites	42.807	1.127	-	43.934
Mine site development cost	364.415	12.989	-	377.404
Deferred stripping costs	264.586	6.182	-	270.768
Rehabilitation of mining facility	264.290	17.241	-	281.531
Mining rights	13.361	2	-	13.363
Total	949.459	37.541	-	987.000
Net book value	393.080			404.066

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

The cost of the lands, mining rights and mine site development cost of the Group, which have been fully depreciated as of March 31, 2023, but in use, are amounting to Thousands TL 115.852 (March 31, 2022: Thousands TL 115.800).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts 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 March 31, 2023 and December 31, 2022 are as follows;

	January 1, 2023	Additions	Disposals	Transfers	March 31, 2023
Cost					
Land, buildings and land improvements	447.913	7.236	(11.847)	-	443.302
Machinery and equipment	1.031.559	16.455	-	84	1.048.098
Motor vehicles	663.479	2.099	-	-	665.578
Furniture and fixtures	111.860	3.741	(1.471)	667	114.797
Construction in progress	65.286	19.557	-	(751)	84.092
Total	2.320.097	49.088	(13.318)	-	2.355.867
Accumulated depreciation					
Buildings and land improvements	211.499	5.006	(7.412)	-	209.093
Machinery and equipment	662.289	18.798	-	-	681.087
Motor vehicles	137.560	13.512	-	-	151.072
Furniture and fixtures	67.805	3.266	(1.073)	-	69.998
Total	1.079.153	40.582	(8.485)	-	1.111.250
Net book value	1.240.944				1.244.617

There isn't any mortgage on other property, plant and equipment as of March 31, 2023 (December 31, 2022: None).

As of March 31, 2023, the insurance amount on the property, plant and equipment and inventories of the Group is amounting to Thousands TL 68.296. (March 31, 2022: Thousands TL 37.597).

The cost of the lands, mining rights and mine site development cost of the Group, which have been fully depreciated as of March 31, 2023, but in use, are amounting to Thousands TL 382.586 (March 31, 2022: Thousands TL 368.152).

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****8. Property, plant and equipment (continued)****b) Other tangible assets (continued)**

	January 1, 2022	Additions	Disposals	Transfers	March 31, 2022
Cost					
Land, buildings and land improvements	401.691	3.019	(8)	6.227	410.929
Machinery and equipment	853.220	14.834	(654)	3.988	871.388
Motor vehicles	584.935	266	(746)	-	584.455
Furniture and fixtures	94.542	3.721	(44)	274	98.493
Construction in progress	45.777	7.764	-	(10.489)	43.052
Total	1.980.165	29.604	(1.452)	-	2.008.317
Accumulated depreciation					
Buildings and land improvements	194.436	4.523	(4)	-	198.955
Machinery and equipment	604.819	9.903	(434)	-	614.288
Motor vehicles	89.015	10.603	(746)	-	98.872
Furniture and fixtures	55.382	2.826	(24)	-	58.184
Total	943.652	27.855	(1.208)	-	970.299
Net book value	1.036.513				1.038.018

9. Intangible assets**a) Goodwill**

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

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

Purchase of Newmont Altın:

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

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

Notes to the condensed consolidated interim financial statements**for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)****9. Intangible assets (continued)**

As of March 31, 2023, it is highly probable that a sufficient amount of visible and probable reserves will be found in the mentioned mine sites in the coming years according to the estimates of the gold price made by the management, geological and geochemical studies and expert reports. As a result of these evaluations, no impairment is expected in the goodwill arising from the acquisition of Newmont Altın as of March 31, 2023.

b) Other intangible assets

	January 1, 2023	Additions	March 31, 2023
Cost			
Rights	20.458	2.589	23.047
Total	20.458	2.589	23.047
Accumulated amortization			
Rights	15.804	909	16.713
Total	15.804	909	16.713
Net book value	4.654		6.334

	January 1, 2022	Additions	March 31, 2022
Cost			
Rights	17.180	375	17.555
Total	17.180	375	17.555
Accumulated amortization			
Rights	13.134	570	13.704
Total	13.134	570	13.704
Net book value	4.046		3.851

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

10. Provisions, contingent assets and liabilities

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

a) Short-term provisions

	March 31, 2023	December 31, 2022
State right expense provision	579.555	448.147
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	43.841	84.037
Provisions for lawsuit	93.224	93.225
Other provisions	15.190	76.446
Total	731.810	701.855

b) Long-term provisions

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

	March 31, 2023	December 31, 2022
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	350.164	282.375
Total	350.164	282.375

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

	2023	2022
January 1	366.412	327.817
Paid during the period	(10.401)	(6.061)
Discount effect	5.466	(628)
Effect of changes in estimates and assumptions	32.527	34.420
March 31 (*)	394.004	355.548

(*) 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.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

10. Provisions, contingent assets and liabilities (continued)

c) Provisions for employee benefits

i- Short-term provisions for employee benefits

	March 31, 2023	December 31, 2022
Provision for unused vacation	33.607	33.607
Provision for personnel bonus	16.188	41.438
Total	49.795	75.045

The movement of provision for unused vacation is as follows;

	2023	2022
January 1	33.607	16.034
Additions	-	8.747
March 31	33.607	24.781

ii- Long-term provisions for employee benefits

	March 31, 2023	December 31, 2022
Provision for employee termination benefits	133.555	118.231
Total	133.555	118.231

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

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the real rate net of expected effects of inflation. The severance pay ceiling is revised in every six months, and the ceiling amount of TL 19.982,83 (January 1, 2022: TL 10.848,59) as of April 1, 2022 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:

	March 31, 2023	December 31, 2022
Net discount rate	%2,00	%2,00
Probability of qualifying for seniority	%94,41	%94,41

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

10. Provisions, contingent assets and liabilities (continued)

c) Provisions for employee benefits (continued)

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

The movements of the provision for severance pay within the accounting periods of March 31, 2023 and March 31, 2022 are as follows:

	2023	2022
January 1	118.231	48.952
Severance paid	-	(1.860)
Interest cost	6.320	2.583
Service cost	5.443	2.079
Actuarial loss / (gain)	3.561	11.547
March 31	133.555	63.301

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 Company arising from the retirement of the employees. TAS 19 “Employee Benefits” requires actuarial valuation methods to be developed to estimate the Company'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 March 31, 2023 is as follows:

	Discount rate		Rate of retirement	
2023	(9.666)	7.131	335	(3.650)
2022	(13.901)	17.096	3.890	(3.633)

d) Important ongoing cases

i- Lawsuits related to the Ovacık mine

For the cancellation of the EIA positive decision issued for the Ovacık 3rd waste storage facility, the İzmir 3rd Administrative Court's case numbered 2017/1432 E. Was filed against the Ministry of Environment and Urbanization, and the Company intervened to the case. The court delivered a judgement of dismissal on March 12, 2020, in favor of the Company, which is open to appeal to the Council of State. It was appealed by the plaintiffs with a request for a stay of execution. As a result, with the decision dated 24.09.2020, the Council of State rejected the appeals of the plaintiffs on the merits in favor of our company, and decided to delivering the file to the local court for a procedural reason that did not affect the merits. The trial has ended and will not affect the company's operations.

For the cancellation of the EIA affirmative decision issued for the Ovacık gold mine in accordance with the provisions of the 2009/7 circular, İzmir 6th Administrative Court's case numbered 2017/1317 E. was filed against the Ministry of Environment and Urbanization and the Company intervened to the case. İzmir 6th Administrative Court rejected the case in favor of the Company in the case file numbered 2017/1317 E. The Council of State dismissed the appeal requests of the plaintiffs and decided to delivering the file to the local court for a procedural reason that did not affect the merits. In this respect, the trial continues and does not affects the activities of the Company. Therefore, the Company continues activities of production within the scope of the relevant EIA affirmative report.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

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

ii- Lawsuits related to Kaymaz mine

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

The Company intervened in the case along with the defendant Ministry of Environment and Urbanization which was filed for the cancellation and stay of execution of the EIA affirmative decision given regarding the 2nd Waste Storage Facility project planned to be made in the field site with the operation license number of 82567 and the dismissal of the case in favor of the company was given by the Eskişehir 1st Administrative Court, with the possibility of appeal. The plaintiffs appealed the files and the Council of State upheld both decisions of the Eskişehir 1st Administrative Court in favor of the company in the files numbered 2020/302 E. and 2020/350 E. of the Eskişehir 1st Administrative Court.

iii- Lawsuits related to other mines

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

Lawsuits related to Çukuralan mine:

A lawsuit numbered 2017/1656 E. was filed against the Ministry of Environment and Urbanization in İzmir 6th Administrative Court for the cancellation of the EIA affirmative report issued for the 3rd capacity increase Project of Çukuralan mining facility, and the Company intervened in the case. The court decided to cancel the act, which is the subject of the lawsuit, and as a result of the appeal examination by the Council of State, the decision of the local court was not correct and reversed the decision in favor of the company. While the trial was continuing at the İzmir 6th Administrative Court on the basis of the 2019/574 basis, the court decided to cancel act with the decision dated 23 February 2021. The decision has been appealed. A lawsuit has been filed in İzmir 6th Administrative Court with file 2019/1120 E. for the stay of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision given by the Ministry of Environment and Urbanization regarding the 3rd capacity increase 2009/7 project of Çukuralan Gold Mine Enterprise. Our company has been involved in the relevant case alongside the defendant Ministry. The previous case number and court of the relevant file is İzmir 3rd Administrative Court 2019/171 E. and due to its connection with the Çukuralan 3rd Capacity Increase file, the file's main record was closed by the decision of the 4th Administrative Case Division of the İzmir Regional Administrative Court and İzmir 3rd Administrative Court decided to send the file to İzmir 6th Administrative Court. While the related case was continuing with İzmir 6th Administrative Court no. 2019/1120 E., according to the decision of the court, the EIA positive decision, which was the subject of the case, was annulled and an appeal was made. At this point, according to the decision of the Council of State, it has been decided that it is not possible to apply two different EIA Positive decisions related to the same project together, since a second EIA Positive decision was made for the 2019/574 E. file

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

iii- Lawsuits related to other mines (continued)

regarding the project in question. It was decided by the Defendant Ministry that the EIA Positive decision, which is the subject of the case, should be accepted as implicitly withdrawn. Since it was concluded that the subject of the pending case was no longer relevant, the İzmir 6th Administrative Court decided that there was definitely no room for reversing the decision numbered 2019/574 E. In terms of the 2019/1120 E. file, it has been decided that there is no legal inaccuracy in the decision of the İzmir 6th Administrative Court regarding the cancellation of the action, which is the subject of the lawsuit, and that the appeal requests of our intervening company as well as the respondent Ministry and the respondent Ministry are rejected.

In addition, the Company was involved in the lawsuit filed by some plaintiffs against the Izmir Governor's Office with the request for the cancellation of the EIA Not Required decision given for the Çukuralan Gold Mine Crushing and Screening Plant Project, which is planned to be made by the company in the 2020/1479 E. file of the 6th Administrative Court of Izmir. It has been decided that the company appeal requests are partially accepted and partially rejected.

Regarding the 3rd capacity increase project of the Çukuralan Gold Mine Plant planned to be carried out by the company, some plaintiffs have filed a lawsuit against the Ministry of Environment and Urbanization by some of the plaintiffs for the stay of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision given by the Ministry of Environment and Urbanization. Administrative Court filed a lawsuit with file numbered 2021/1407 E. and 2021/1013 E. In both files, the company was involved in the relevant lawsuit alongside the defendant ministry, and in both files, the court decided to reject the lawsuit on the grounds that the EIA Positive decision was in compliance with the law. The decision given in the file numbered 2021/1407 E. of the İzmir 4th Administrative Court and the file numbered 2021/1013 of the İzmir 4th Administrative Court has been appealed by the plaintiffs and the trial continues at the appeal stage.

Currently, all of the production activities subject to court decisions regarding the Çukuralan Gold Mine Operation 3rd Capacity Increase Project, mining (production) activities continue 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 company intervenes with the Ministry of Environment and Urbanization. It has been definitively decided to reject the intervening company's appeals.

iv- Lawsuits regarding the Group's subsidiary abroad

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

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

(Amounts 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 Company was instructed to file a liability lawsuit against previous board members for various reasons, and various liability lawsuits were filed against former managers on behalf of Ankara Commercial Courts, and the lawsuits are still pending. Lawsuits that may affect the activities of the Company are announced on the public disclosure platform in legal periods.

vi- Other legal processes

Pursuant to the decision of the 5th Criminal Court of Peace in Ankara, the management of the Company 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 Company 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. In the case where the accused Cafer Tekin İpek and Özlem Özdemir are tried in the case file numbered 2021/157 E. of the Ankara 24th High Criminal Court; It was decided that the defendants should be punished, with the legal remedy of appeal being open.

vii- Employee lawsuits and cases of contract receivables

As of March 31, 2023, the provision amount accounted for ongoing employee and other lawsuits against the Company is amounting to TL 93.224 Thousand (December 31, 2022: TL 93.225 Thousand).

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

10. Provisions, contingent assets and liabilities (continued)

e) Commitments and contingent liabilities

i- Letter of guarantees given

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

	March 31, 2023	December 31, 2022
A. CPM's given on behalf of own legal personality	67.661	68.681
- <i>Guarantee</i>	67.661	68.681
- <i>Pledges</i>	-	-
B. CPM's given given in favor of partnerships which are fully consolidated	-	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given in favor of the parent company	-	-
ii. Total amount of CPM's given in favor of the group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	67.661	68.681

ii- Letter of guarantees received

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

	March 31, 2023	December 31, 2022
Guarantee cheques	1.314.642	1.312.010
Guarantee letters	18.478	18.337
Security bonds	440.022	491.507
Total	1.773.142	1.821.854

iii- Government grants

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

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

11. Equity

a) Share capital

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

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

The breakdown of shareholders holding capital is as follows:

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

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

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

(*)Concession Type:

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

There are no privileges for (A) and (B) type shares with registered and bearer type shares other than the privileges stated above, and a trustee was appointed to the Group pursuant to the decision of Ankara Criminal Court of Peace on October 26, 2015. Subsequently, the Group was transferred to the SDIF on September 22, 2016. For this reason, the privileges of (A) and (B) share groups cannot be used. Share premiums represent the cash inflows generated by selling the shares at market prices. These premiums are accounted under equity and cannot be distributed. However, it can be used for future capital increases.

According to the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is 10% of the distributed profit in excess of 5% of the paid-in share capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset the losses, it is not possible to use them in any other way. Public companies make their dividend distributions according to the CMB's "Dividend Communiqué" numbered II19.1, which entered into force as of February 1, 2014.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

11. Equity (continued)

a) Share capital (continued)

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.

Within the scope of the share purchase and sale transactions initiated with the decision of the Board of Directors, 38.250.000 shares were bought back for thousand TL 904.213.

b) Restricted reserves

Group's restricted reserves are as follows:

	March 31, 2023	December 31, 2022
Restricted reserves	312.256	312.256
Total	312.256	312.256

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

Notes to the condensed consolidated interim financial statements**for the interim period ended March 31, 2023****(Amounts 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 – March 31, 2023 and 2022 are as follows:

	January 1 – March 31, 2023	January 1 – March 31, 2022
Domestic sales	1.704.338	1.432.141
Exports	-	31.998
Other sales	-	1.165
Total sales	1.704.338	1.465.304
Sales returns	(125)	(124)
Sales discounts and other discounts	-	(32)
Net sales	1.704.213	1.465.148
Cost of sales	(1.086.074)	(527.333)
Gross profit	618.139	937.815

The distribution of the Group's revenues by product type as of January 1 – March 31, 2023 and 2022 is as follows:

	January 1 – March 31, 2023	January 1 – March 31, 2022
Sales of gold bullion	1.624.130	1.404.260
Sales of silver bullion	6.486	4.483
Other	73.722	56.561
Total	1.704.338	1.465.304

13. Income from investing activities**a) Income from investing activities**

	January 1 – March 31, 2023	January 1 – March 31, 2022
Interest income from securities	776.032	-
Investment fund and stock valuation income	656.807	-
Interest income	60.322	462.194
Income from currency protected time deposit	42.870	-
Income from sales of tangible asset	15.448	-
Other	-	12.847
Total	1.551.479	475.041
	January 1 – March 31, 2023	January 1 – March 31, 2022
Foreign exchange expense	-	48.117
Total	-	48.117

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

(Amounts 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 2023 is 20% (2022: 23%).

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

In Turkey, tax returns are filed on a quarterly basis. Corporate income tax rate applied in 2023 is 20%. Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Income Withholding Tax

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

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

	March 31, 2023	December 31, 2022
Current tax expense	1.004.560	869.327
Prepaid taxes and funds	(832.828)	(830.373)
Current income tax liability	171.732	38.954

Tax expense details recognized in the income statement as of March 31, 2023 and 2022 are as follows:

	March 31, 2023	March 31, 2022
Current tax expense	(135.177)	(253.301)
Deferred tax expense / (income)	58.401	28.205
Total tax expense	(76.776)	(225.096)

Notes to the condensed consolidated interim financial statements**for the interim period ended March 31, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)****14. Income taxes (continued)****Deferred taxes**

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

	March 31, 2023		December 31, 2022	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Tangible and intangible fixed assets	911.358	195.166	786.951	159.006
State right provision	579.555	115.911	448.147	89.629
Provision for employee termination benefits	133.555	26.711	118.231	23.646
Lawsuit provision	88.713	17.743	88.271	17.654
Provisions for doubtful receivables	34.610	6.922	34.493	6.899
Provision for unused vacation	33.607	6.721	33.607	6.721
Provision for personnel bonuses	16.188	3.237	41.438	8.288
Lease activities	4.082	816	3.836	767
TFRS 9 provision	35	7	105	21
Bank credits	(82)	(16)	-	-
Deferred tax assets		373.218		312.631
Deferred tax liabilities		-		-
Provision for deferred tax		(35.140)		(33.667)
Deferred tax assets, net		338.078		278.964

Movement of deferred tax is as follows:

	2023	2022
January 1	278.964	219.536
Deferred tax expense recognized in profit or loss	58.401	28.205
Deferred tax expense recognized in equity	713	2.309
March 31	338.078	250.050

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

14. Income taxes (continued)

The reconciliation of the tax is as follows:

	2023	2022
Profit before tax	1.470.803	1.201.593
Effective tax rate	20%	23%
Tax calculated using effective tax rate	294.161	276.366
Effect of investment incentive allowance	(2.370)	-
Different tax rate effect	(1.495)	1.395
Financial losses on not subject to tax	(7.852)	4.040
Disallowable expenses	94.327	17.194
Effect of non-deductible expenses	(2.087)	(4.856)
Effect of tax deductible losses	(296.323)	(69.043)
Other	(1.585)	-
Corporate tax provision	76.776	225.096

15. Earnings per share

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

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

The earnings per share of the Group as of March 31, 2023 and 2022 are as follows:

	January 1 – March 31, 2023	January 1 – March 31, 2022
Net profit attributable to the owners of the Group	330.567	211.786
Weighted average number of share certificates	25.978.556	25.978.556
Earnings per 100 share	1,272	0,815
Total comprehensive income attributable to the owners of the Group	329.499	207.962
Earnings per 100 shares from total comprehensive income	1,268	0,801

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

16. Related party disclosures

The other trade payables and other receivables of the Company consist of the payables and receivables given and received in order to meet the financing needs of the Company and its related parties during the year. Other payables and other receivables do not have a certain maturity, and the Company 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 Company management and the developments in the markets. In this context, the current interest for March 2023 was applied as 21,03% per year (December 31, 2022: 15,29%).

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 March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
Koza İpek Holding A.Ş. (1) (*)	500.086	-
Other (3)	1.558	-
Total	501.644	-

- (*) Most of the related amount is related to the sale of some of the real estates within the Group to Koza-İpek Holding A.Ş.

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

	March 31, 2023	December 31, 2022
Koza İpek Holding A.Ş. (1)	34.427	4.875
Koza İpek Sigorta Aracılık Hizmetleri A.Ş. (2)	4.187	-
Other (3)	1.659	909
Total	40.273	5.784

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.**Notes to the condensed consolidated interim financial statements****for the interim period ended March 31, 2023****(Amounts 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 – March 31, 2023 and 2022 are as follows;

	January 1 – March 31, 2023			January 1 – March 31, 2022		
	Interest	Service	Other	Interest	Service	Other
Koza İpek Holding A.Ş. (1)	78	-	1.887	277	-	1.223
	78	-	1.887	277	-	1.223

Sales of the Group to related parties between January 1 – March 31, 2023 and 2022 are as follows;

	January 1 – March 31, 2023			January 1 – March 31, 2022		
	Interest	Service	Other	Interest	Service	Other
Koza İpek Holding A.Ş. (1)	-	-	866.103	7.612	-	133
Other (3)	-	-	214	-	-	50
			866.317	7.612	-	183

- c) Compensations provided to key management;** The Group’s key management consist of the general manager and assistant general managers. Compensations provided to senior management include benefits such as wages and bonuses. Total amount of wages and similar benefits paid to key management between January 1 – March 31, 2023 is amounting to TL 8.511 thousand. The entire amount consists of the wages. (January 1 – March 31, 2022: TL 3.695 thousand).

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

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 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 Company considers that there is no significant risk of receivables.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

(Amounts 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 March 31, 2023 and December 31, 2022 is as follows:

March 31, 2023	Trade receivables		Other receivables		Cash and cash equivalents
	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)*	-	51.237	501.644	166.461	1.412.379
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	-	51.237	501.644	166.461	1.412.379
B. The book value of financial assets whose conditions have been renegotiated or that would be deemed overdue or impaired	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	-	-	-	-
Impairment (-)	-	106.077	-	-	-
The part of net value under guarantee with collateral, etc	-	(106.077)	-	-	-
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.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

(Amounts 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)

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

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

b) Market risk

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

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

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

(Amounts 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:

March 31, 2023	TL Equivalent	Usd	Euro	Gbp
Cash and cash equivalents	1.522	77	1	1
Prepaid expenses	2.353	46	9	54
Current assets	3.875	123	10	55
Total assets	3.875	123	10	55
Trade payables	211.967	8.984	1.792	114
Other payables	105.135	5.491	-	-
Current liabilities	317.102	14.475	1.792	114
Total liabilities	317.102	14.475	1.792	114
Net foreign currency asset / (liability) position	(313.227)	(14.352)	(1.782)	(59)

December 31, 2022	TL Equivalent	Usd	Euro	Gbp
Cash and cash equivalents	2.781	133	8	6
Other receivables				
Prepaid expenses	2.314	46	12	54
Current assets	5.095	179	20	60
Total assets	5.095	179	20	60
Trade payables	82.179	302	3.398	391
Other payables	102.672	5.491	-	-
Current liabilities	184.851	5.793	3.398	391
Total liabilities	184.851	5.793	3.398	391
Net foreign currency asset / (liability) position	(179.756)	(5.614)	(3.378)	(331)

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

(Amounts 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 Company 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.

March 31, 2023	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(29.855)	29.855	(29.855)	29.855
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(29.855)	29.855	(29.855)	29.855
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(3.412)	3.412	(3.412)	3.412
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(3.412)	3.412	(3.412)	3.412
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(138)	138	(138)	138
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	(138)	138	(138)	138
Total (3+6+9)	(33.405)	33.405	(33.405)	33.405
December 31, 2022	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(11.191)	11.191	(11.191)	11.191
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(11.191)	11.191	(11.191)	11.191
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(6.316)	6.316	(6.316)	6.316
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(6.316)	6.316	(6.316)	6.316
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(745)	745	(745)	745
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	(745)	745	(745)	745
Total (3+6+9)	(18.252)	18.252	(18.252)	18.252

**Notes to the condensed consolidated interim financial statements
for the interim period ended March 31, 2023**

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

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.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

(Amounts 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:

March 31, 2023	Level 1	Level 2	Level 3	Total
Assets:	8.314.015	1.228.379	218.753	9.761.147
Measured at fair value through other comprehensive income	8.314.015	1.228.379	218.753	9.761.147
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:	8.573.478	1.187.002	218.753	9.979.233
Measured at fair value through other comprehensive income	8.573.478	1.187.002	218.753	9.979.233

19. Subsequent events after balance sheet date

As a result of the proceedings of the Ankara 24th High Criminal Court on the file numbered 2017/44 and 2020/5 dated January 9, 2020, the defendants in all companies where a trustee was appointed in relation to this case file and the duty of trustee was transferred to the Savings Deposit Insurance Fund (TMSF), Cafer The decision regarding the confiscation of Tekin İpek, Melek İpek, Ebru İpek, Şaban Yörüklü and Ali Serdar Hasırcıoğlu's shares in proportion to their shares has been submitted in advance in accordance with Article 54 of the TCK.

With the decision of the 3rd Penal Chamber of the Supreme Court of Appeals dated 2022/18087, Decision 2023/2215 and April 14, 2023, the relevant provision of the above-mentioned decision was corrected and approved, and it was stated that "the one who financed the FETÖ/PDY armed terrorist organization, was allocated to the organization's purposes and activities and allocated to the organization." of Koza İpek Holding Anonim Şirketi, İpek Natural Energy Resources Research and Production Joint Stock Company, Koza Anadolu Metal Anonim Şirketi, ATP İnşaat ve Ticaret Anonim Şirketi, ATP Aerospace and Trade Joint Stock Company, ATP Koza Tourism Travel and Trade Joint Stock Company, Koza İpek Basın ve Basım Sanayi Ticaret Anonim Şirketi, Yaşam Television Broadcasting Services Joint Stock Company, Rek-Tur Reklam Pazarlama ve Ticaret Limited Şirketi, Koza Production ve Ticaret Anonim Şirketi , İpek Online Bilişim Hizmetleri Limited Şirketi, Today Television and Radio Production Joint Stock Company, Koza Altın İşletmeleri Anonim Şirketi, Özdemir Antimony Madenleri Anonim Şirketi, Koza İpek Tedarik Consulting and Car Rental Trade Joint Stock Company, HR Without prejudice to the rights of bona fide shareholders and third parties, the İK Akademi A.Ş. will be confiscated pursuant to the first paragraph of Article 54 of the Law No. 5237.

Notes to the condensed consolidated interim financial statements

for the interim period ended March 31, 2023

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

19. Subsequent events after balance sheet date (continued)

With this final decision given by the 3rd Penal Chamber of the Supreme Court of Appeals as the final decision authority; The companies were confiscated, provided that the shares and rights of the bona fide shareholders/investors holding shares in the companies, except for the defendants against whom a penalty decision was made, are protected. Accordingly, the shares of publicly traded companies will continue to be traded on Borsa İstanbul.

In the subsequent period, Koza Altın İşletmeleri A.Ş. purchased its own 782.800 shares for 16.487.046 TL, 968.539 shares of İpek Doğal Enerji Kaynakları A.Ş. for 29.709.189 TL and 1.070.000 shares of Koza Anadolu Madencilik İşletmeleri A.Ş. for 46.348.378 TL.

The regulation dismantling the retirement age requirement for employees who started their working life before 8 September 1999 was published in the Official Gazette on 3 March 2023. Accordingly, the employees who have completed the number of premium days and social insurance period are entitled to retirement. Regarding to this regulation, the Group made a severance payment amounting to TL 4,318,700,16.

20. Fees for services received from independent auditor/independent audit firm

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles of which are based on the KGK letter dated August 19, 2021 are as follows:

	January 1– March 31, 2023	January 1– December 31, 2022
Independent audit fee for the reporting period	2.950	980
	2.950	980

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