

# **Koza Altın İşletmeleri Anonim Şirketi**

**Interim financial statements  
as of March 31, 2023**

<b>Table of contents</b>	<b>Pages</b>
Condensed statement of financial position .....	1-2
Condensed statement of profit or loss and other comprehensive income .....	3
Condensed statement of changes in equity .....	4
Condensed cash flow statement.....	5
Explanatory notes to the condensed financial statements .....	6-45

**Koza Altın İşletmeleri Anonim Şirketi****Condensed statement of financial position****as of March 31, 2023****(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

			<i>Audited</i>
<b>Assets</b>	<b>Notes</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Current assets</b>		<b>12.260.932</b>	<b>11.215.154</b>
Cash and cash equivalents	3	<b>1.003.410</b>	142.064
Financial investments	4	<b>9.747.024</b>	9.760.480
Trade receivables			
- Due from third parties		<b>402</b>	182
Other receivables			
- Due from third parties		<b>162.641</b>	89.338
Inventories	5	<b>1.013.635</b>	1.085.651
Prepaid expenses		<b>328.290</b>	127.235
Other current assets		<b>5.530</b>	10.166
<b>Assets Held for Sale</b>		<b>-</b>	<b>38</b>
<b>Non-current assets</b>		<b>2.690.065</b>	<b>2.215.590</b>
Financial investments	4	<b>277.639</b>	271.253
Other receivables			
- Due from related parties	15	<b>524.286</b>	23.665
- Due from third parties		<b>2.544</b>	2.508
Right-of-use assets		<b>26.543</b>	31.578
Investment property	6	<b>9.792</b>	113.172
Property, plant and equipment	7	<b>1.283.159</b>	1.244.933
Intangible assets			
- Goodwill	8	<b>11.232</b>	11.232
- Other intangible assets	8	<b>6.223</b>	4.532
Prepaid expenses		<b>129.710</b>	160.201
Deferred tax assets	13	<b>296.160</b>	235.833
Other non-current assets		<b>122.777</b>	116.683
<b>Total assets</b>		<b>14.950.997</b>	<b>13.430.744</b>

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

**Koza Altın İşletmeleri Anonim Şirketi****Condensed statement of financial position****as of March 31, 2023****(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

			<i>Audited</i>
<b>Liabilities</b>	<b>Notes</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Current liabilities</b>		<b>1.809.369</b>	1.067.479
Short-term lease liabilities			
- Bank credits		<b>241.509</b>	-
- Lease liabilities		<b>19.273</b>	20.108
Trade payables			
- Due to third parties		<b>205.811</b>	153.723
Payables related to employee benefits		<b>55.066</b>	35.249
Other payables			
- Due to related parties	15	<b>2.185</b>	168
- Due to third parties		<b>371.348</b>	74.525
Deferred income		<b>2.152</b>	1.087
Current income tax liabilities	13	<b>165.230</b>	37.126
Short-term provisions			
- Provisions for employee benefits	9	<b>47.909</b>	73.158
- Other short-term provisions	9	<b>689.724</b>	659.768
Other current liabilities		<b>9.162</b>	12.567
<b>Non-current liabilities</b>		<b>587.808</b>	506.974
Long-term lease liabilities			
- Lease liabilities		<b>11.352</b>	15.306
Other payables			
- Due to third parties		<b>105.135</b>	102.676
Long-term provisions			
- Provisions for employee benefits	9	<b>121.157</b>	106.617
- Other long-term provisions	9	<b>350.164</b>	282.375
<b>Equity</b>		<b>12.553.820</b>	11.856.291
Paid-in share capital	10	<b>3.202.500</b>	152.500
Adjustment to share capital	10	<b>3.579</b>	3.579
Withdrawn shares (-)		<b>(683.513)</b>	-
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		<b>(52.023)</b>	(49.035)
Restricted reserves	10	<b>400.443</b>	400.443
Retained earnings		<b>8.298.804</b>	7.338.568
Net profit for the period		<b>1.384.030</b>	4.010.236
<b>Total liabilities and equity</b>		<b>14.950.997</b>	13.430.744

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

**Koza Altın İşletmeleri Anonim Şirketi****Condensed statements of profit or loss and other comprehensive income  
for the period ended March 31, 2023  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

			<i>Reviewed</i>
	<b>Notes</b>	<b>January 1 – March 31, 2023</b>	January 1 – March 31, 2022
Revenue	11	<b>1.630.616</b>	1.408.745
Cost of sales (-)	11	<b>(1.006.646)</b>	(475.015)
<b>Gross profit</b>		<b>623.970</b>	933.730
Research and development expenses (-)		<b>(141.569)</b>	(92.321)
Marketing, sales and distribution expenses (-)		<b>(1.854)</b>	(918)
General administrative expenses (-)		<b>(189.825)</b>	(77.171)
Other operating income		<b>13.475</b>	64.244
Other operating expenses (-)		<b>(341.893)</b>	(46.419)
<b>Operating profit</b>		<b>(37.696)</b>	781.145
Income from investing activities	12	<b>1.496.181</b>	496.865
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		<b>70</b>	(3.740)
<b>Operating profit before financial income and expense</b>		<b>1.458.555</b>	1.274.270
<b>Financial expenses (-)</b>		<b>(4.842)</b>	-
<b>Profit before tax from continued operations</b>		<b>1.453.713</b>	1.274.270
<b>Tax expense from continuing operations</b>		<b>(69.683)</b>	(216.274)
- Current tax expense (-)	13	<b>(129.263)</b>	(245.613)
- Deferred tax income	13	<b>59.580</b>	29.339
<b>Net profit for the period</b>		<b>1.384.030</b>	1.057.996
<b>Other comprehensive expense</b>		<b>(2.988)</b>	(8.117)
<b>Total other comprehensive income not to be classified to profit or loss in subsequent years</b>			
Gains / (losses) on remeasurements of defined benefit plans		<b>(3.735)</b>	(10.146)
Gains / (losses) on remeasurements of defined benefit plans, tax effect		<b>747</b>	2.029
<b>Total comprehensive income</b>		<b>1.381.042</b>	1.049.879
<b>Earnings per 100 share</b>			
- common stock (TL)		<b>0,432</b>	6,938
<b>Earnings per 100 shares from total comprehensive income</b>			
- common stock (TL)		<b>0,431</b>	6,884

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

## Koza Altın İşletmeleri Anonim Şirketi

### Condensed statements of changes in equity for the period ended March 31, 2023

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

				Other comprehensive income/expense not to be reclassified to profit or loss		Retained earnings		
	Paid in capital	Adjustment to capital	Treasury Shares	Actuarial (loss) / gain fund for employment termination benefit	Restricted reserve	Retained earnings	Net profit for the period	Total equity
Balances as of January 1, 2022	152.500	3.579		(3.677)	137.390	7.273.891	3.004.002	10.567.685
Net profit for the period	-	-	-	-	-	-	1.057.996	1.057.996
Other comprehensive income/ (loss)	-	-	-	(8.117)	-	-	-	(8.117)
<b>Total comprehensive income/ (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.117)</b>	<b>-</b>	<b>-</b>	<b>1.057.996</b>	<b>1.049.879</b>
Transfers	-	-	-	-	-	3.004.002	(3.004.002)	-
Balance as of March 31, 2022	152.500	3.579	-	(11.794)	137.390	10.277.893	1.057.996	11.617.564
<b>Balance as of January 1, 2023</b>	<b>152.500</b>	<b>3.579</b>	<b>-</b>	<b>(49.035)</b>	<b>400.443</b>	<b>7.338.568</b>	<b>4.010.236</b>	<b>11.856.291</b>
Net profit for the period	-	-	-	-	-	-	1.384.030	1.384.030
Other comprehensive income/ (loss)	-	-	-	(2.988)	-	-	-	(2.988)
<b>Total comprehensive income/ (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.988)</b>	<b>-</b>	<b>-</b>	<b>1.384.030</b>	<b>1.381.042</b>
Capital increase (*)	3.050.000	-	-	-	-	(3.050.000)	-	-
Transfers	-	-	-	-	-	4.010.236	(4.010.236)	-
Increase (Decrease) through Treasury Share Transactions(**)	-	-	(683.513)	-	-	-	-	(683.513)
<b>Balances as of March 31, 2023</b>	<b>3.202.500</b>	<b>3.579</b>	<b>(683.513)</b>	<b>(52.023)</b>	<b>400.443</b>	<b>8.298.804</b>	<b>1.384.030</b>	<b>12.553.820</b>

(\*) The Company's issued capital, which is 152,500,000 TL (One Hundred Fifty Two Million Five Hundred Turkish Liras) within the registered capital ceiling of 5,000,000,000 TL (Five Billion Turkish Lira), is fully covered by internal resources of 3,050,000,000 TL (Three Billion Fifty Million TL). Turkish Lira) by 2000% and it was increased to 3.202.500.000 TL (Three Billion Two Hundred Two Million Five Hundred Thousand Turkish Liras).

(\*\*) It is related to the repurchased shares of the Company within the scope of share purchase and sale transactions initiated by the decision of the Company's Board of Directors. During the period, total of 32,000,000 shares were bought for Thousand TL 683,513.

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

## Koza Altın İşletmeleri Anonim Şirketi

### Condensed statements of cash flows

for the period ended March 31, 2023

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

		January 1 – March 31, 2023	Reviewed January 1 – March 31, 2022
	Notes		
<b>A. Cash flows from operating activities</b>		<b>(4.002)</b>	371.212
<b>Profit for the period from the continuing operations</b>		<b>1.384.030</b>	1.057.996
<b>Adjustments to reconcile profit for the period</b>			
Adjustments to depreciation and amortization		<b>61.380</b>	66.802
Adjustments for Fair Value Loss (Gains) of Financial Assets	12	<b>(683.606)</b>	-
Adjustments for recognition impairment of inventory		-	(48.913)
Adjustments for provisions	9	<b>87.987</b>	139.044
- Adjustments for rehabilitation and state rights provision	9	<b>169.401</b>	152.601
- Adjustments for debt provisions	9	<b>(61.255)</b>	(11.396)
- Adjustments for provisions for employee benefits	9	<b>(20.159)</b>	(2.161)
Adjustments for tax expense	13	<b>69.683</b>	216.274
Adjustments for interest expenses		<b>7.027</b>	4.341
Adjustments for interest income	12	<b>(704.701)</b>	(460.265)
Adjustments for loss / (gains) arising from disposal of tangible assets	12	<b>(15.448)</b>	-
Adjustments for losses (gains) on disposal of investment property	12	<b>(776.032)</b>	-
<b>Total adjustments</b>		<b>(1.953.710)</b>	(82.717)
Decrease / increase in trade receivables		<b>(220)</b>	(212)
Decrease / increase in other receivables		<b>(71.614)</b>	(23.164)
Increase in other payables		<b>302.364</b>	8.332
Increase in inventories	5	<b>72.016</b>	(51.964)
Increase in prepaid expenses		<b>(170.547)</b>	(47.565)
Decrease in trade payables		<b>52.087</b>	(47.281)
(Decrease) / increase in payables related to employee benefits		<b>19.818</b>	16.174
(Increase) / decrease in other assets related to activities		<b>(1.458)</b>	2.745
Increase in other liabilities related to activities		<b>(3.406)</b>	1.092
Payments for employee retirement benefits	9	-	(1.279)
Payments related to other provisions	9	<b>(10.401)</b>	(6.061)
Taxes paid		<b>(1.160)</b>	(368.671)
Decrease / Increase in other receivables from related parties		<b>378.199</b>	(86.213)
<b>Net cash from operating activities</b>		<b>565.678</b>	(604.067)
<b>B. Cash flows from investing activities</b>		<b>1.308.214</b>	(4.174.428)
Cash outflows from purchase of tangible assets	6, 7	<b>(97.923)</b>	(93.252)
Cash outflows from purchase of intangible assets	8	<b>(2.589)</b>	(362)
Cash inflows from the sale of tangible and intangible assets	6, 7	<b>20.289</b>	15.569
Interest received		<b>703.925</b>	301.834
Changes in financial investments		<b>690.676</b>	(4.390.636)
Cash outflows related to lease liabilities (-)		<b>(6.202)</b>	(7.581)
Cash inflows from the sale of fixed assets classified for sale		<b>38</b>	-
<b>C. Net cash from financing activities</b>		<b>(442.004)</b>	-
Increase due to share withdrawn transactions		<b>(683.513)</b>	-
Cash inflows due to borrowing		<b>241.509</b>	-
<b>Net increase in cash and cash equivalents</b>		<b>862.208</b>	(3.803.216)
<b>Cash and cash equivalents at the beginning of the year</b>	3	<b>140.370</b>	8.846.843
<b>Cash and cash equivalents at the end of the year</b>	3	<b>1.002.578</b>	5.043.627

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

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 1. Company's organization and nature of the operations

Koza Altın İşletmeleri A.Ş. ("Koza Altın" or the "Company") was established on September 6, 1989 under the name of Eurogold Madencilik A.Ş. for the operation of the gold mine in Ovacık-Bergama, İzmir. Its name was changed to Normandy Madencilik A.Ş. ("Normandy Madencilik") with regard to the purchase of all shares of Eurogold Madencilik A.Ş. by Normandy Mining Ltd.

The name of the Company was registered as Koza Altın İşletmeleri A.Ş. on August 29, 2005 after ATP İnşaat ve Ticaret A.Ş. ("ATP"), a subsidiary of Koza İpek Holding A.Ş. ("Koza İpek Holding") acquired all shares of Normandy Madencilik from Autin Investment on March 3, 2005.

As of March 31, 2023, including the stocks traded in Borsa İstanbul ("BIST"), 45.01% of the Company's shares owned by ATP and 24.99% owned by Koza İpek Holding (December 31, 2022: 45.01% owned by ATP and 24.99% by Koza İpek Holding), the Company management was transferred to the Board of Trustees, pursuant to the decision of Ankara 5th Criminal Court of Peace, dated October 26, 2015, and subsequently transferred to the Savings Deposit Insurance Fund ("SDIF") on September 22, 2016. As of March 31, 2023, shares corresponding to 30% of the Company's shares (December 31, 2022: 30%) are traded on BIST.

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

As of this date, all the authorities of the management have been transferred to the trustees appointed to the management of Koza Altın İşletmeleri A.Ş. 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").

The Company's 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 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 Company for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 as explained in detailed in Note 9, 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 financial statements of the Company could not be submitted to the approval of the General Assembly.

The main activities of the Company are operating seven mines in five regions which are Ovacık-Bergama-İzmir, Çukuralan-İzmir, Kaymaz-Eskişehir, Mastra- Gümüşhane and Himmetdede-Kayseri, searching for gold mines generally in Turkey regions and improving the mine fields of ongoing projects.

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



## **Koza Altın İşletmeleri Anonim Şirketi**

### **Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

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

The Company 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 this financial statements. Under condensed financial statements, the Company has presented Koza Ltd. under the "Financial Investments" account with a cost value amounting to 218.325 thousand TL (December 31, 2022: 218.325 thousand TL).

As of March 31, 2023, the number of employees is 2.532 people (December 31, 2022: 2.607).

The registered address of the Company is below:

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

#### **2. Basis of presentation of condensed financial statements**

##### **2.1 Basis of presentation**

###### **Financial reporting standards**

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

The accompanying condensed financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Resmi Gazete No:28676 on June 13, 2013. The accompanying condensed 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 condensed 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 financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some corrections and classification changes in order to present the Company's status according to TAS and TFRS. These adjustments generally consist of deferred taxes, provisions, depreciation of tangible assets and intangible asset amortization on economic life and pro-rata basis, and the valuation of buildings, investment properties and some financial assets.

## **Koza Altın İşletmeleri Anonim Şirketi**

### **Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

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

### **2.1 Basis of presentation (continued)**

#### **Foreign currency**

##### *Functional and reporting currency*

Condensed financial statements are presented in TL, which is the functional and presentation currency of the Company.

##### *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 Company has prepared its condensed financial statements according to the going concern principle.

#### **Declaration of conformity to TFRS**

The Company has prepared its interim condensed 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 condensed financial statements and notes are presented in accordance with the formats recommended by CMB and including the required information.

### **2.2 Accounting policies, changes in accounting estimates and errors**

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

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

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

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

**2.3 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the 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 Company’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 amendments did not have an impact on the financial position or performance of the the Company.

**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 financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the 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 Company expects no significant impact on its balance sheet and equity.

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

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

**2.4 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.

**2.5 Significant accounting judgments estimates and assumptions**

In the preparation of financial statements, the Company 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 Company conducts studies to determine the remaining reserves of mining assets, production-based depreciation calculations, and rehabilitation provisions within this scope.

The Company 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 financial statements**

**for the period ended March 31, 2023**

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

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

**2.5 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 Company 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 financial statements**

**for the period ended March 31, 2023**

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

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

**2.5 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 Company 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 Company reassessed the provision amounts due to changes in discount rates, costs, production areas subject to rehabilitation and reserve lifetimes. The Company 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, 2023: 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 Company 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 Company 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 Company management and as a result of the legal consultancy received. Negative effects of a decision or application that may be taken against the Company may significantly affect the activities of the Company. As of March 31, 2023, there is no legal risk expected to significantly affect the activities of the Company.
- 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 Company and the legal advisors' evaluation of the consequences that may arise in case these lawsuits are concluded against the Company. The Company 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.

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 3. Cash and cash equivalents

	March 31, 2023	December 31, 2022
Cash	264	186
Banks		
- Demand deposits	9.751	1.165
- Time deposits	993.395	140.713
<b>Total</b>	<b>1.003.410</b>	<b>142.064</b>
Less: Interest accruals	(832)	(1.694)
<b>Cash and cash equivalents presented in the cash flow statement</b>	<b>1.002.578</b>	<b>140.370</b>

The details of the Company'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	991.998	991.998
USD	%0,70	1-30 Days	73	1.397
<b>Total</b>				<b>993.395</b>

The details of the Company's 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	138.282	138.282
USD	%0,70	1-30 Days	130	2.431
<b>Total</b>				<b>140.713</b>

The Company's blocked deposits of 58.886 TL have been presented under financial investments account (December 31, 2022: 52.500 TL).

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 4. Financial investments

##### a. Short term financial investments

The short term financial investments of the Company 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 (***)	8.518.645	8.573.478
<b>Toplam</b>	<b>9.747.024</b>	<b>9.760.480</b>

##### b. Long term financial investments

The long financial investments of the Company as of March 31, 2023 and December 31, 2022 are as follows;

	March 31, 2023	December 31, 2022
Shares in subsidiaries (*)	218.753	218.753
Blocked deposits	58.886	52.500
<b>Total</b>	<b>277.639</b>	<b>271.253</b>

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

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

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

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

(\*\*\*) The Company has 5,839,150,152 mutual fund participation certificates, a total of 6,643,285 thousand TL, 129,213,455 Mint Gold Certificates, a total of 1,670,730 thousand TL, 6,250,000 shares of 204,630 thousand TL in total, and the fair value of the fund accounts. accounted for as financial assets recognized in profit or loss.



## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 5. Inventories

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

	March 31, 2023	December 31, 2022
Spare parts (*)	311.997	285.485
Gold and silver in the production process and gold and silver bars	256.040	291.212
Chemicals and operating materials	225.912	221.956
Ready to be processed and mined ore clusters	219.686	286.998
Provision for inventory impairment (-)	-	-
<b>Total</b>	<b>1.013.635</b>	<b>1.085.651</b>

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

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)
<b>Total</b>	<b>-</b>	<b>-</b>

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 6. Investment properties

The investment properties of the Company as of March 31, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals (*)	March 31, 2023
<b>Cost</b>				
Buildings	130.540	-	(119.108)	11.432
<b>Total</b>	<b>130.540</b>	<b>-</b>	<b>(119.108)</b>	<b>11.432</b>
<b>Accumulated depreciation</b>				
Buildings	17.368	592	(16.320)	1.640
<b>Total</b>	<b>17.368</b>	<b>592</b>	<b>(16.320)</b>	<b>1.640</b>
<b>Net book value</b>	<b>113.172</b>			<b>9.792</b>

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

	January 1, 2022	Additions	Disposals	March 31, 2022
<b>Cost</b>				
Buildings	130.540	-	-	130.540
<b>Total</b>	<b>130.540</b>	<b>-</b>	<b>-</b>	<b>130.540</b>
<b>Accumulated depreciation</b>				
Buildings	15.001	592	-	15.593
<b>Total</b>	<b>15.001</b>	<b>592</b>	<b>-</b>	<b>15.593</b>
<b>Net book value</b>	<b>115.539</b>			<b>114.947</b>

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.

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 7. Property, plant and equipment

The property, plant and equipment of the Company 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	792.229	783.688
<b>Total</b>	<b>1.283.159</b>	<b>1.244.933</b>

##### 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 lands, 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 of mining facility	73.025	48.029
Mining rights	61.273	61.273
<b>Total</b>	<b>490.930</b>	<b>461.245</b>

The movements of mining assets are as follows;

	January 1, 2023	Additions	Disposals	March 31, 2023
<b>Cost</b>				
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 of mining facility	376.166	35.396	-	411.562
Mining rights	74.643	-	-	74.643
<b>Total</b>	<b>1.554.042</b>	<b>49.789</b>	<b>-</b>	<b>1.603.831</b>
<b>Accumulated depreciation</b>				
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 of mining facility	328.137	10.400	-	338.537
Mining rights	13.370	-	-	13.370
<b>Total</b>	<b>1.092.797</b>	<b>20.104</b>	<b>-</b>	<b>1.112.901</b>
<b>Net book value</b>	<b>461.245</b>			<b>490.930</b>

**Koza Altın İşletmeleri Anonim Şirketi****Notes to the condensed financial statements****for the period ended March 31, 2023**

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

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

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>March 31, 2022</b>
<b>Cost</b>				
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
<b>Total</b>	<b>1.342.539</b>	<b>64.096</b>	<b>(15.569)</b>	<b>1.391.066</b>
<b>Accumulated depreciation</b>				
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
<b>Total</b>	<b>949.459</b>	<b>37.541</b>	<b>-</b>	<b>987.000</b>
<b>Net book value</b>	<b>393.080</b>			<b>404.066</b>

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

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

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

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 7. Property, plant and equipment (continued)

##### b) Other tangible assets

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

	January 1, 2023	Additions	Disposals	Transfers	March 31, 2023
<b>Cost</b>					
Land, buildings and land improvements	375.512	6.834	(11.847)	-	370.499
Machinery and equipment	998.797	16.060	-	84	1.014.941
Motor vehicles	233.023	2.099	-	-	235.122
Furnitures and fixtures	101.591	3.584	(1.448)	667	104.394
Construction in progress	65.071	19.557	-	(751)	83.877
<b>Total</b>	<b>1.773.994</b>	<b>48.134</b>	<b>(13.295)</b>	<b>-</b>	<b>1.808.833</b>
<b>Accumulated depreciation</b>					
Buildings and land improvements	184.435	4.028	(7.412)	-	181.051
Machinery and equipment	636.036	18.351	-	-	654.387
Motor vehicles	108.563	9.198	-	-	117.761
Furnitures and fixtures	61.272	3.176	(1.043)	-	63.405
<b>Total</b>	<b>990.306</b>	<b>34.753</b>	<b>(8.455)</b>	<b>-</b>	<b>1.016.604</b>
<b>Net book value</b>	<b>783.688</b>				<b>792.229</b>

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

As of March 31, 2023, the insurance amount on the tangible assets and inventories of the Company is TL 68.296 (March 31, 2022: TL 37.597).

The cost of other tangible assets of the Company, which have been fully depreciated as of March 31, 2023, but are in use, is amounting to TL382.586. (March 31, 2022: TL368.152).

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

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 7. Property, plant and equipment (continued)

##### b) Other tangible assets (continued)

	January 1, 2022	Additions	Disposals	Transfers	March 31, 2022
<b>Cost</b>					
Land, buildings and land improvements	331.259	2.836	-	6.227	340.322
Machinery and equipment	820.235	14.770	-	3.988	838.993
Motor vehicles	154.347	266	(746)	-	153.867
Furnitures and fixtures	84.622	3.520	(11)	274	88.405
Construction in progress	45.562	7.764	-	(10.489)	42.837
<b>Total</b>	<b>1.436.025</b>	<b>29.156</b>	<b>(757)</b>	<b>-</b>	<b>1.464.424</b>
<b>Accumulated depreciation</b>					
Buildings and land improvements	170.705	3.778	-	-	174.483
Machinery and equipment	579.968	9.444	-	-	589.412
Motor vehicles	77.154	6.289	(746)	-	82.697
Furnitures and fixtures	49.161	2.745	(3)	-	51.903
<b>Total</b>	<b>876.988</b>	<b>22.256</b>	<b>(749)</b>	<b>-</b>	<b>898.495</b>
<b>Net book value</b>	<b>559.037</b>				<b>565.929</b>

#### 8. Intangible assets

##### a) Goodwill

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

	March 31, 2023	December 31, 2022
Goodwill related to Newmont Altın purchase	11.232	11.232
<b>Total</b>	<b>11.232</b>	<b>11.232</b>

##### **Purchase of Newmont Gold:**

The Company 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 paid USD 538 Thousand and USD 2,462 Thousand, which is a part of the total purchase price of 8,500 Thousand USD, of 99.84% Newmont Gold shares, on 28 June 2010 and 2 July 2010, respectively. Of the remaining US\$ 5,500 Thousand, US\$ 3,000 Thousand will be paid after the Diyadin project, which is planned for at least one year after the balance sheet date, and the remaining US\$ 2,500 Thousand will be paid one year after the second payment. 31 March 2023 As a result of the estimations of the gold price made by the management as of date, geological and geochemical studies and expert reports, it is highly probable that sufficient amount of visible and possible reserves will emerge in the mentioned mine sites in the coming years. As a result of these assessments, no impairment is expected in goodwill arising from the acquisition of Newmont Gold as of March 31, 2023.

**Koza Altın İşletmeleri Anonim Şirketi****Notes to the condensed financial statements****for the period ended March 31, 2023**

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

**8. Intangible assets (continued)****a) Goodwill (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**

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

	<b>January 1, 2023</b>	<b>Additions</b>	<b>March 31, 2023</b>
<b>Cost</b>			
Rights	18.873	2.589	21.462
<b>Total</b>	<b>18.873</b>	<b>2.589</b>	<b>21.462</b>
<b>Accumulated depreciation</b>			
Rights	14.341	898	15.239
<b>Total</b>	<b>14.341</b>	<b>898</b>	<b>15.239</b>
<b>Net book value</b>	<b>4.532</b>		<b>6.223</b>

	<b>January 1, 2022</b>	<b>Additions</b>	<b>March 31, 2022</b>
<b>Cost</b>			
Rights	15.717	362	16.079
<b>Total</b>	<b>15.717</b>	<b>362</b>	<b>16.079</b>
<b>Accumulated depreciation</b>			
Rights	11.738	561	12.299
<b>Total</b>	<b>11.738</b>	<b>561</b>	<b>12.299</b>
<b>Net book value</b>	<b>3.979</b>		<b>3.780</b>

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 9. Provisions, contingent assets and liabilities

As of March 31, 2023 and December 31, 2022, the details of the Company'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	43.840	84.037
Provisions for lawsuit	51.138	51.138
Other provisions	15.191	76.446
<b>Total</b>	<b>689.724</b>	<b>659.768</b>

##### b) Long-term provisions

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

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

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

(\*) The amount of provisions reflected in 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 estimates may affect provisions. As with reserve and resource amounts, rehabilitation provision amounts are evaluated by SRK Consulting and provision figures are determined in US Dollars.

##### c) Provisions for employee benefits

###### i- Short-term provisions for employee benefits

	March 31, 2023	December 31, 2022
Provision for unused vacation	31.720	31.720
Provision for personnel bonus	16.189	41.438
<b>Total</b>	<b>47.909</b>	<b>73.158</b>

The movement of provision for unused vacation is as follows;

	2023	2022
January 1	31.720	14.558
Additions / (cancellations), net	-	8.464
<b>March 31</b>	<b>31.720</b>	<b>23.022</b>



## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 9. Provisions, contingent assets and liabilities (continued)

##### c) Provisions for employee benefits (continued)

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

	March 31, 2023	December 31, 2022
Provision for employee termination benefits	121.157	106.617
<b>Total</b>	<b>121.157</b>	<b>106.617</b>

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the real rate net of expected effects of inflation. The severance pay ceiling is revised in every six months, and the ceiling amount of TL 19.982,83 TL (January 1, 2022: TL 10.848,59) as of January 1, 2023 was taken into consideration in the calculation of the provision for severance pay. TFRS requires actuarial valuation methods to be developed to estimate the provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	March 31, 2023	December 31, 2022
Net discount rate	%2,00	%2,00
Probability of qualifying for seniority	%94.41	%94,41

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

	2023	2022
<b>January 1</b>	<b>106.617</b>	<b>42.798</b>
Payment	-	(1.279)
Interest cost	5.715	2.274
Service cost	5.090	1.928
Actuarial loss / (gain)	3.735	10.146
<b>March 31</b>	<b>121.157</b>	<b>55.867</b>

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.

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 9. Provisions, contingent assets and liabilities (continued)

##### c) Provisions for employee benefits (continued)

##### ii- Long-term provisions for employment benefits (continued)

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:

2023	Discount rate		Rate of retirement	
	100 basis point increase	100 basis point decrease	100 basis point increase	100 basis point decrease
	(9.666)	7.131	335	(3.650)

  

2022	Discount rate		Rate of retirement	
	%0,50 increase	%0,50 decrease	%0,50 increase	%0,50 decrease
	(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 the 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.

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

## **Koza Altın İşletmeleri Anonim Şirketi**

### **Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

#### **9. Provisions, contingent assets and liabilities (continued)**

##### **d) Important ongoing cases (continued)**

###### **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 Eskisehir 1st Administrative Court filed regarding the field with license number of İR 43539 and the lawsuit numbered 2014/1084 E. regarding the field with license number of İR 82567; the court ordered to the cancellation of proceedings subject to the case, with open appeal. Both cases were concluded in favor of the Company. Upon the appeal of the plaintiffs in both files, the Council of State ordered to suspend the execution of the court decisions. 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. The 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 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.

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

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

**d) Important ongoing cases (continued)**

In addition, the Company was involved in the lawsuit filed by some plaintiffs against the İzmir 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 İzmir. 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 Company'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.

**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.

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 9. Provisions, contingent assets and liabilities (continued)

##### d) Important ongoing cases (continued)

##### 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 Thousand (December 31, 2022: TL 51.138 Thousand).

#### e) Commitments and contingent liabilities

##### i- Letter of guarantees given

The details of the letter of guarantees given by the Company 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 entity	51.535	52.195
- <i>Guarantee</i>	51.535	52.195
- <i>Mortgage</i>	-	-
B. CPM's given in favor of partnerships which are fully consolidated	-	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given in favor of the parent company	-	-
ii. Total amount of CPM's given in favor of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
<b>Total</b>	<b>51.535</b>	<b>52.195</b>

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 9. Provisions, contingent assets and liabilities (continued)

##### e) Commitments and contingent liabilities (continued)

##### ii- Letter of guarantees received

The details of the Company'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	1.286.505	1.256.439
Security bonds	390.005	394.066
Guarantee letters	127	127
<b>Total</b>	<b>1.676.637</b>	<b>1.650.632</b>

##### iii- Government grants

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

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

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 10. Equity

##### a) Capital

As of March 31, 2023, the Company's paid-in capital is amounting to TL 3.202.500 Thousand (December 31, 2022: TL 152.500 Thousand) and consists of 320.250.000.000 shares with a nominal share value of 1 Kuruş (December 31, 2022: 15.250.000.000 units).

Equity	March 31, 2023			December 31, 2022	
	Share Group	Share rate	Share amount	Share rate	Share amount
ATP İnşaat ve Ticaret A.Ş.	A, B	45,01	1.441.343	45,01	68.636
Koza İpek Holding A.Ş.	A, B	24,99	800.407	24,99	38.114
Other	A	30,00	960.750	30,00	45.750
<b>Total</b>		<b>100</b>	<b>3.202.500</b>	100	152.500
Capital adjustment differences			<b>3.579</b>		3.579
<b>Paid-in capital</b>			<b>3.206.079</b>		156.079

The Board of Directors of the Company consists of six members and four of these six persons are elected by the general assembly from among the candidates nominated by (A) group registered shareholders, and two independent members from among the candidates nominated in the general assembly. At its meeting after each ordinary general assembly or each general assembly where members are elected, the board of directors elects a chairman and a vice chairman among the members representing the (A) group registered shareholders. Apart from this, (A) and (B) group shares do not have any other privileges. According to the decision of Ankara 5th Criminal Court of Peace dated October 26, 2015, trustees have been appointed to the Company, and a regulation has been made regarding the transfer of the powers of the trustees working in the companies that have been decided to be appointed to the SDIF by the judge or the court with the Decree No.674 on Making Some Regulations under the State of Emergency, published in the Resmi Gazete dated August 15, 2016. With the decision of Ankara 4th Criminal Judgeship dated September 6, 2016 and numbered 2016/4628 D, it was decided to terminate the duties of the trustees on the day the procedures for their trusteeship powers were completed. The board of directors was established by the SDIF with the decision of the SDIF Board dated September 22, 2016 and numbered 2016/206. For this reason, the privileges of the (A) and (B) share groups cannot be used.

Capital adjustment differences amounting to TL 3.579 Thousand (December 31, 2022: TL 3.579 Thousand), from the difference between the total amount of the Company's capital adjusted for inflation and the capital amount before the inflation correction of the Company, offsetting accumulated losses in 2006 and remaining after the transfer to the paid-in capital refers to the amount.

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 10. Equity (continued)

##### a) Capital (continued)

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

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 Company's Board of Directors, 32,000,000 shares were repurchased for thousand TL 683,513.

##### b) Profit separated restricted reserves

The Company's restricted reserves are as follows:

	<b>March 31, 2023</b>	December 31, 2022
Restricted reserves	<b>400.443</b>	400.443
<b>Total</b>	<b>400.443</b>	400.443

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.



## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 11. Revenue and cost of sales

The details of the Company'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	1.630.616	1.408.745
<b>Total sales</b>	<b>1.630.616</b>	<b>1.408.745</b>
<b>Cost of sales</b>	<b>(1.006.646)</b>	<b>(475.015)</b>
<b>Gross profit</b>	<b>623.970</b>	<b>933.730</b>

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

	January 1 – March 31, 2023	January 1 – March 31, 2022
Sales of gold bars	1.624.130	1.404.260
Sales of silver bars	6.486	4.483
Other	-	2
<b>Total</b>	<b>1.630.616</b>	<b>1.408.745</b>

#### 12. Income from investing activities

	January 1 – March 31, 2023	January 1 – March 31, 2022
Income from investment property sales	776.032	-
Investment fund and stock valuation income	640.736	-
Income from currency protected time deposit	42.870	-
Interest income	21.095	460.265
Income from fixed asset sales	15.448	8.135
Foreign exchange income	-	28.465
<b>Total</b>	<b>1.496.181</b>	<b>496.865</b>

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

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

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

	March 31, 2023	December 31, 2022
Current tax expense	975.242	845.979
Prepaid taxes (-)	(810.012)	(808.853)
<b>Current income tax liability</b>	<b>165.230</b>	<b>37.126</b>

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

**13. Income taxes (continued)**

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

	<b>March 31, 2023</b>	March 31, 2022
Current tax expense	<b>(129.263)</b>	(245.613)
Deferred tax expense / (income)	<b>59.580</b>	29.339
<b>Total tax expense</b>	<b>(69.683)</b>	(216.274)

**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.

	<b>March 31, 2023</b>		December 31, 2022	
	<b>Cumulative temporary differences</b>	<b>Deferred tax</b>	Cumulative temporary differences	Deferred tax
Tangible and intangible assets	<b>604.357</b>	<b>132.196</b>	496.320	99.250
State right provision	<b>579.555</b>	<b>115.911</b>	448.147	89.629
Employee termination benefit	<b>121.157</b>	<b>24.231</b>	106.617	21.323
Lawsuit provision	<b>45.687</b>	<b>9.137</b>	45.687	9.137
Provision for unused vacation	<b>31.720</b>	<b>6.344</b>	31.720	6.344
Provision for personnel bonuses	<b>16.189</b>	<b>3.238</b>	41.438	8.288
Financial investments	<b>16.071</b>	<b>3.215</b>	-	-
Provisions for doubtful receivables	<b>5.406</b>	<b>1.081</b>	5.370	1.074
Leasing transactions	<b>4.082</b>	<b>816</b>	3.836	767
TFRS 9 provision	<b>35</b>	<b>7</b>	105	21
Financial borrowing	<b>(82)</b>	<b>(16)</b>	-	-
<b>Total deferred tax assets</b>		<b>296.160</b>		235.833
<b>Deferred tax assets, net</b>		<b>296.160</b>		235.833

Movement of deferred tax is as follows:

	<b>2023</b>	2022
<b>January 1</b>	<b>235.833</b>	190.295
Deferred tax expense recognized in equity	<b>747</b>	2.029
Deferred tax income recognized in income statement	<b>59.580</b>	29.339
<b>March 31</b>	<b>296.160</b>	221.663

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 13. Income taxes (continued)

The reconciliation of the tax is as follows:

	2023	2022
<b>Profit before tax</b>	<b>1.453.713</b>	1.274.270
Effective tax rate	<b>20%</b>	23%
Tax calculated using effective tax rate	<b>290.743</b>	293.082
Effect of investment incentive allowance	<b>(2.370)</b>	-
Different tax rate effect	<b>(2.276)</b>	(1.202)
Disallowable expenses	<b>82.719</b>	13.007
Exemptions and discounts	<b>(299.133)</b>	(88.613)
<b>Current tax expense</b>	<b>69.683</b>	216.274

#### 14. 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 Company 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 Company	<b>1.384.030</b>	1.057.996
Weighted average number of share certificates	<b>320.250.000.000</b>	15.250.000.000
<b>Earnings per 100 share</b>	<b>0,432</b>	6,938
Total comprehensive income attributable to the owners of the Company	<b>1.381.042</b>	1.049.880
<b>Earnings per 100 shares from total comprehensive income</b>	<b>0,431</b>	6,884

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 15. 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 Company and other related parties are explained as below.

##### a) Related party balances

Other receivables of the Company 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) (*)	499.924	-
Konaklı Metal Madencilik San. Tic. A.Ş. (2)	20.787	20.612
ATP Koza Gıda Tarım Hay. A.Ş. (2)	118	544
ATP Havacılık ve Ticaret A.Ş. (2)	106	34
ATP İnşaat ve Ticaret A.Ş. (1)	23	28
Other (3)	3.328	2.447
<b>Total</b>	<b>524.286</b>	<b>23.665</b>

(\*) Most of the 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 Company to related parties as of March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
Koza İpek Sigorta A.Ş.	2.103	-
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (2)	82	-
Koza İpek Holding A.Ş (1)	-	168
<b>Total</b>	<b>2.185</b>	<b>168</b>

## Koza Altın İşletmeleri Anonim Şirketi

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

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

#### 15. Related party disclosures (continued)

##### b) Transactions with related parties

The purchases of the Company from related parties between January 1 – March 31, 2023 and 2022 are as follows;

	January 1 – March 31, 2023			January 1 – March 31, 2022		
	Rent	Service	Other	Rent	Service	Other
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (2)	2.847	-	-	5.615	-	-
Özdemir Antimuan Madenleri A.Ş.	-	-	505	-	-	-
Other (3)	-	-	4.201	-	-	4.776
<b>Total</b>	<b>2.847</b>	<b>-</b>	<b>4.706</b>	<b>5.615</b>	<b>-</b>	<b>4.776</b>

Sales of the Company 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)	-	-	865.916	7.612	-	25
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (2)	-	-	155	-	-	3
Koza İpek Sigorta A.Ş. (2)	-	-	105	-	-	3
ATP İnşaat ve Ticaret A.Ş. (1)	-	-	63	15.009	-	3
Other (3)	-	-	1.597	923	-	213
<b>Total</b>	<b>-</b>	<b>-</b>	<b>867.836</b>	<b>23.544</b>	<b>-</b>	<b>247</b>

c) **Compensations provided to key management;** The Company'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 6.394 thousand. The entire amount consists of the wages. (January 1 – March 31, 2022: TL 2.264 thousand).

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

**16. Nature and level of risks arising from financial instruments**

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

The Company 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 Company'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 Company does not have an Early Risk Detection Committee.

The purpose that the Company 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 Company, 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 Company 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 Company 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 Company 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 Company may be exposed to is up to the amounts reflected in the financial statements.

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

The Company 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.

**Koza Altın İşletmeleri Anonim Şirketi**

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

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

**a) Credit risk (continued)**

The analysis of the Company's credit risk as of March 31, 2023 and December 31, 2022 are as follows:

March 31, 2023	Trade receivables		Other receivables		Cash and cash equivalents
	Related party	Third party	Related party	Third party	Deposits in banks
<b>Maximum credit risk exposure as of the reporting date (A+B+C+D+E) *</b>	-	402	524.286	165.185	1.003.146
<i>Portion of the maximum risk that is guaranteed with a collateral, etc</i>	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	402	524.286	165.185	1.003.146
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)	-	72.604	-	-	-
Impairment (-)	-	(72.604)	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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



**Koza Altın İşletmeleri Anonim Şirketi**

**Notes to the condensed financial statements**

**for the period ended March 31, 2023**

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

**16. 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) (*)	-	182	23.665	91.846	141.878
<i>Portion of the maximum risk that is guaranteed with a collateral, etc</i>	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	182	23.665	91.846	141.878
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)	-	72.628	-	-	-
Impairment (-)	-	(72.628)	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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

**Koza Altın İşletmeleri Anonim Şirketi****Notes to the condensed financial statements****for the period ended March 31, 2023****(All amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)****16. Nature and level of risks arising from financial instruments (continued)****b) Market risk – Currency risk**

Due to operations, the Company is exposed to financial risks related to changes in exchange rates and gold price. Market risks encountered by the Company are measured on the basis of sensitivity analysis. In the current year, there isn't any change in the market risk that the Company 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 Company controls this risk through a natural precaution that occurs by netting foreign currency assets and liabilities.

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

<b>March 31, 2023</b>	<b>TL Equivalent</b>	<b>Usd</b>	<b>Euro</b>	<b>Gbp</b>
Cash and cash equivalents	1.439	74	-	1
Other receivables	2.041	39	1	54
Current assets	3.480	113	1	55
<b>Total assets</b>	<b>3.480</b>	<b>113</b>	<b>1</b>	<b>55</b>
Trade payables	208.359	8.788	1.792	114
Other payables	105.174	5.491	-	-
Current liabilities	313.533	14.279	1.792	114
<b>Total liabilities</b>	<b>313.533</b>	<b>14.279</b>	<b>1.792</b>	<b>114</b>
<b>Net foreign currency position</b>	<b>(310.053)</b>	<b>(14.166)</b>	<b>(1.791)</b>	<b>(59)</b>
<b>December 31, 2022</b>	<b>TL Equivalent</b>	<b>Usd</b>	<b>Euro</b>	<b>Gbp</b>
Cash and cash equivalents	2.643	132	2	6
Other receivables	2.003	39	3	54
Current assets	4.646	171	5	60
<b>Total assets</b>	<b>4.646</b>	<b>171</b>	<b>5</b>	<b>60</b>
Trade payables	77.785	67	3.398	391
Other payables	102.672	5.491	-	-
Current liabilities	180.457	5.558	3.398	391
<b>Total liabilities</b>	<b>180.457</b>	<b>5.558</b>	<b>3.398</b>	<b>391</b>
<b>Net foreign currency position</b>	<b>(175.811)</b>	<b>(5.387)</b>	<b>(3.393)</b>	<b>(331)</b>

**Koza Altın İşletmeleri Anonim Şirketi****Notes to the condensed financial statements****for the period ended March 31, 2023**

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

**16. Nature and level of risks arising from financial instruments (continued)**Sensitivity analysis:

The Company 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.

<b>March 31, 2023</b>	<b>Profit / Loss</b>		<b>Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>In case of 10% appreciation / depreciation of USD against TL</b>				
1- USD net asset/liability	<b>(29.529)</b>	<b>29.529</b>	<b>(29.529)</b>	<b>29.529</b>
2- Portion protected from USD risk (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>(29.529)</b>	<b>29.529</b>	<b>(29.529)</b>	<b>29.529</b>
<b>In case of 10% appreciation / depreciation of EUR against TL</b>				
4- EUR net asset/liability	<b>(3.432)</b>	<b>3.432</b>	<b>(3.432)</b>	<b>3.432</b>
5- Portion protected from EUR risk (-)	-	-	-	-
<b>6-EUR net effect (4+5)</b>	<b>(3.432)</b>	<b>3.432</b>	<b>(3.432)</b>	<b>3.432</b>
<b>In case of 10% appreciation / depreciation of GBP against TL</b>				
7-GBP net asset/liability	<b>(138)</b>	<b>138</b>	<b>(138)</b>	<b>138</b>
8- Portion protected from GBP risk (-)	-	-	-	-
<b>9-GBP Net effect (7+8)</b>	<b>(138)</b>	<b>138</b>	<b>(138)</b>	<b>138</b>
<b>Total (3+6+9)</b>	<b>(33.099)</b>	<b>33.099</b>	<b>(33.099)</b>	<b>33.099</b>

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

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

##### b) Market risk (continued)

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	(10.739)	10.739	(10.739)	10.739
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(10.739)	10.739	(10.739)	10.739
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(6.344)	6.344	(6.344)	6.344
5- Portion protected from EUR risk (-)	-	-	-	-
6-EUR net effect (4+5)	(6.344)	6.344	(6.344)	6.344
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)	(17.828)	17.828	(17.828)	17.828

##### Price risk

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

The operational profitability of the Company 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 Company and continue in this way for a certain period, the operational profitability of the Company may decrease.

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

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

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

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

**c) Capital risk management:**

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

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

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

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

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

Fair value of the financial instruments

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

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

Level classifications of financial assets measured at their fair values:

<b>March 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>	<b>8.518.645</b>	<b>1.228.379</b>	<b>218.753</b>	<b>9.965.777</b>
Measured at fair value through other comprehensive income	<b>8.518.645</b>	<b>1.228.379</b>	<b>218.753</b>	<b>9.965.777</b>
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

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 18. 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.

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 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 Company made a severance payment amounting to TL 4,318,700,16.

## Koza Altın İşletmeleri Anonim Şirketi

### Notes to the condensed financial statements

for the period ended March 31, 2023

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

#### 19. 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	2.050	680
	2.050	680

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

The Company'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, 2022, 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.