

(Convenience translation of the limited review report and financial statements originally issued in Turkish)

Koza Altın İşletmeleri Anonim Şirketi

**Interim financial statements as of June 30,
2023 together with limited review repor**

(Convenience translation of the limited review report and financial statements originally issued in Turkish)

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To the Board of Directors of
Koza Altın İşletmeleri Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Koza Altın İşletmeleri Anonim Şirketi (the Company) as of June 30, 2023 and the interim condensed statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the six-month period then ended, and explanatory notes. Company management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- 1) As explained in detail in note 10, pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, the management of the Company was transferred to the Board of Trustees and then to the Savings Deposit Insurance Fund ("SDIF") on September 22, 2016 and various examinations and studies are continuing before the Company by the Prosecutor's Office, the Police Financial Crimes Branch and the CMB as of the balance sheet date. Regarding the reports that will constitute the basis of the relevant decision and the status of the ongoing legal process, we could not obtain sufficient and appropriate audit evidence as to whether any correction is required in the financial statements of the Company.
- 2) As explained in detail in Note 4, the control over the Company's UK-based subsidiary Koza Ltd was lost as a result of the General Meeting of the company on September 11, 2015 and its registration in England on November 2, 2015. The legal process initiated by the CMB regarding loss of control pursuant to its decision dated February 4, 2016 continues as of the date of this report. Due to the fact that the Company could not present the fair value determination work to be done in accordance with the provisions of TFRS 9 - Financial Instruments Standard, since the shares of the Company are accounted as financial assets and TFRS 10 - Consolidated Financial Statements Standard after loss of control, we could not obtain sufficient appropriate audit evidence as to whether any adjustments to the financial statements are necessary.

Emphasis of Matters

We draw attention to Note 21 explaining that the independently audited financial statements of the Company for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 were approved and published by the Board of Directors with the resolutions dated April 24, 2018, April 30, 2018, February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively by excluding the possible cumulative reflections of the works and transactions belonging to the previous financial periods on the tables in accordance with the provisions of Article 401/4 of the Turkish Commercial Code No. 6102 ("TCC"). 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 Company for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 could not be held due to the reasons stated in the paragraph of the basis for qualified conclusion and the financial statements of the relevant periods could not be submitted to the approval of the General Assembly. However, this issue does not affect the result announced by us.

We also draw attention to Note 11, which explains the decision of the Supreme Court 3rd Criminal Chamber dated April 14, 2023 and numbered 2023/2215, regarding the transfer of the Company's shares to the Treasury by confiscation, without prejudice to the rights of the Company's bona fide shareholders and third parties.

However, the above-mentioned matters do not affect our opinion.

Qualified Conclusion

Based on our review, with the exception of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Mehmet Can Altıntaş, SMMM
Partner

August 9, 2023
Ankara

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Koza Altın İşletmeleri Anonim Şirketi

Condensed statement of financial position

as of June 30, 2023

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

Assets	Notes	<i>Reviewed</i>	<i>Audited</i>
		June 30, 2023	December 31, 2022
Current assets		13.297.476	11.215.154
Cash and cash equivalents	3	271.104	142.064
Financial investments	4	11.792.052	9.760.480
Trade receivables			
- Due from third parties		1.344	182
Other receivables			
- Due from third parties		105.131	89.338
Inventories	5	1.063.778	1.085.651
Prepaid expenses		62.171	127.235
Other current assets		1.896	10.166
Assets Held for Sale		-	38
Non-current assets		3.063.696	2.215.590
Financial investments	4	254.933	271.253
Other receivables			
- Due from related parties	17	582.540	23.665
- Due from third parties		2.888	2.508
Right-of-use assets		21.507	31.578
Investment property	6	9.792	113.172
Property, plant and equipment	7	1.442.875	1.244.933
Intangible assets			
- Goodwill	8	11.232	11.232
- Other intangible assets	8	8.166	4.532
Prepaid expenses		235.369	160.201
Deferred tax assets	15	356.311	235.833
Other non-current assets		138.083	116.683
Total assets		16.361.172	13.430.744

Koza Altın İşletmeleri Anonim Şirketi

Condensed statement of financial position

as of June 30, 2023

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

Liabilities	Notes	Reviewed	Audited
		June 30, 2023	December 31, 2022
Current liabilities		1.932.297	1.067.479
Short-term lease liabilities			
- Bank credits	9	362.166	-
- Lease liabilities		16.138	20.108
Trade payables			
- Due to third parties		124.881	153.723
Payables related to employee benefits		94.143	35.249
Other payables			
- Due to related parties	17	1.372	168
- Due to third parties	10	519.399	74.525
Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		1.472	1.087
Current income tax liabilities	15	213.237	37.126
Short-term provisions			
- Provisions for employee benefits	10	92.199	73.158
- Other short-term provisions	10	494.714	659.768
Other current liabilities		12.576	12.567
Non-current liabilities		706.041	506.974
Long-term lease liabilities			
- Lease liabilities		9.503	15.306
Other payables			
- Due to third parties		141.800	102.676
Long-term provisions			
- Provisions for employee benefits	10	155.650	106.617
- Other long-term provisions	10	399.088	282.375
Equity		13.722.834	11.856.291
Paid-in share capital	11	3.202.500	152.500
Adjustment to share capital	11	3.579	3.579
Withdrawn shares (-)		(993.921)	-
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		(86.920)	(49.035)
Restricted reserves separated from profit			
- Legal reserves	11	400.443	400.443
-Reserves for withdrawn shares	11	993.921	-
Retained earnings		7.304.883	7.338.568
Net profit for the period		2.898.349	4.010.236
Total liabilities and equity		16.361.172	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 June 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

		<i>Reviewed</i>	<i>Reviewed</i>	<i>Not</i>	<i>Not</i>
		January 1 -	January 1 -	Reviewed	Reviewed
		June 30,	June 30,	April 1 -	April 1 -
	Notes	2023	2022	June 30,	June 30,
				2023	2022
Revenue	12	3.069.106	2.680.208	1.438.490	1.271.463
Cost of sales (-)	12	(1.930.503)	(993.020)	(923.857)	(518.005)
Gross profit		1.138.603	1.687.188	514.633	753.458
Marketing, sales and distribution expenses (-)		(90.114)	(35.773)	(32.610)	(30.068)
General administrative expenses (-)		(274.028)	(170.716)	(139.852)	(98.332)
Research and development expenses (-)		(246.187)	(133.812)	(104.619)	(41.491)
Other operating income	14	51.538	151.952	38.062	87.708
Other operating expenses (-)	14	(644.528)	(359.851)	(302.634)	(313.432)
Operating profit/loss		(64.716)	1.138.988	(27.020)	357.843
Income from investing activities	13	3.246.864	1.084.385	1.750.595	615.985
Expense from investing activities (-)		-	(3.025)	88	(31.491)
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		57	3.274	(12)	7.015
Operating profit before financial income and expense		3.182.205	2.223.622	1.723.651	949.352
Financial expenses (-)		(16.549)	-	(11.709)	-
Profit before tax		3.165.656	2.223.622	1.711.942	949.352
Tax expense from continuing operations		(267.307)	(433.862)	(197.623)	(217.588)
- Current tax expense (-)	15	(378.313)	(460.182)	(249.049)	(214.569)
- Deferred tax income / (expense) (-)	15	111.006	26.320	51.426	(3.019)
Net profit for the period		2.898.349	1.789.760	1.514.319	731.764
Other comprehensive income /(expense)		(37.885)	(16.869)	(34.897)	(8.753)
Total other comprehensive income not to be classified to profit or loss in subsequent years					
Gains / (losses) on remeasurements of defined benefit plans	10	(47.357)	(21.086)	(43.621)	(10.941)
Gains / (losses) on remeasurements of defined benefit plans, tax effect		9.472	4.217	8.724	2.188
Total comprehensive income		2.860.464	1.772.891	1.479.422	723.011
Earnings per 100 share					
common stock (TL)	16	0,905	0,559	0,473	0,228
Earnings per 100 shares from total comprehensive income					
common stock (TL)	16	0,893	0,554	0,462	0,226

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

(Convenience translation of the limited review report and financial statements originally issued in Turkish)

Koza Altın İşletmeleri Anonim Şirketi

Condensed statements of changes in equity

for the period ended June 30, 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	Withdrawn 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	-	-	-	-	-	-	1.789.760	1.789.760
Other comprehensive income/ (loss)	-	-	-	(16.869)	-	-	-	(16.869)
Total comprehensive income/ (loss)	-	-	-	(16.869)	-	-	1.789.760	1.772.891
Transfers	-	-	-	-	-	3.004.002	(3.004.002)	-
Balance as of June 30, 2022	152.500	3.579	-	(20.546)	137.390	10.277.893	1.789.760	12.340.576
Balance as of January 1, 2023	152.500	3.579	-	(49.035)	400.443	7.338.568	4.010.236	11.856.291
Net profit for the period	-	-	-	-	-	-	2.898.349	2.898.349
Other comprehensive loss	-	-	-	(37.885)	-	-	-	(37.885)
Total comprehensive income/ (loss)	-	-	-	(37.885)	-	-	2.898.349	2.860.464
Capital increase (*)	3.050.000	-	-	-	-	(3.050.000)	-	-
Transfers	-	-	-	-	-	4.010.236	(4.010.236)	-
Increase (Decrease) through treasury share transactions(**)	-	-	(993.921)	-	993.921	(993.921)	-	(993.921)
Balances as of June 30, 2023	3.202.500	3.579	(993.921)	(86.920)	1.394.364	7.304.883	2.898.349	13.722.834

(*) 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 repurchase transactions initiated by the decision of the Company's Board of Directors. During the period, a total of 50.000.000 shares were bought back for 993,921 thousand TL.

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 June 30, 2023****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

		Reviewed	Reviewed
	Notes	January 1 – June 30, 2023	January 1 – June 30, 2022
A. Cash flows from operating activities		206.089	201.642
Profit for the period from the continuing operations		2.898.349	1.789.760
Adjustments to reconcile profit for the period			
Adjustments to depreciation and amortization		124.398	148.792
Adjustments for impairment of inventory		-	(48.913)
Adjustments for fair value loss (gains) of financial assets	13	(2.351.556)	(235.912)
Adjustments for provisions			
- Adjustment for lawsuits and/ or penalty provisions	10	74.028	16.573
- Adjustments for rehabilitation and state rights provision	10	301.273	280.828
- Adjustments for debt provisions	10	(40.640)	207.122
- Adjustments for provisions for employee benefits	10	27.570	8.836
Adjustments for tax expense	15	267.307	433.862
Adjustments for interest expenses		28.260	8.429
Adjustments for interest income	13	(79.943)	(840.064)
Adjustments for loss / (gains) arising from disposal of tangible assets	13	(35.227)	-
Adjustments for losses (gains) on disposal of investment property	13	(778.932)	-
Total adjustments		(2.463.462)	(20.447)
Decrease in trade receivables		(1.162)	(449)
Increase in other receivables		(16.173)	(50.180)
(Decrease) / increase in other receivables from related parties		(36.240)	(197.753)
Increase in inventories	5	21.873	(200.775)
Increase in prepaid expenses		(10.104)	(129.564)
Decrease in trade payables		(28.842)	(16.085)
Increase in other payables		37.571	19.270
(Decrease) / increase in payables related to employee benefits		58.894	12.068
(Increase) / decrease in other assets related to activities		(13.130)	5.018
Increase in other liabilities related to activities		9	3.550
Payments for employee retirement benefits	10	(18.629)	(4.784)
Payments related to other provisions	15	(202.201)	(662.941)
Tax paid	10	(20.664)	(345.046)
Net cash from operating activities		(228.798)	(1.567.671)
B. Cash flows from investing activities		580.486	(5.965.094)
Cash outflows from purchase of tangible assets	7	(228.783)	(226.105)
Cash outflows from purchase of intangible assets	8	(5.776)	(848)
Cash inflows from the sale of tangible and intangible assets	7, 13	40.171	15.668
Interest received		78.631	816.781
Cash inflows/outflows from financial investments		337.121	(6.570.590)
Cash inflows from the sale of investment properties		359.084	-
Cash inflows from the sale of fixed assets classified for sale		38	-
C. Net cash from financing activities		(657.153)	(15.276)
Increase due to share withdrawn transactions		(993.921)	-
Cash outflows related to lease liabilities (-)		(12.389)	(15.276)
Cash inflows due to borrowing		349.157	-
Net increase in cash and cash equivalents		129.422	(5.778.728)
Cash and cash equivalents at the beginning of the year	3	140.370	8.846.843
Cash and cash equivalents at the end of the year		269.792	3.068.115

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 June 30, 2023**

(Amounts 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 June 30, 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 June 30, 2023, shares corresponding to 30% of the Company's shares (December 31, 2022: 30%) are traded on BIST.

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").

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." It has been decided that Koza Altın İşletmeleri Anonim Şirketi, which has been accepted, will be transferred to the Treasury by confiscation pursuant to the first paragraph of Article 54 of the Law No. 5237, without prejudice to the rights of bona fide shareholders and third parties.

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.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

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

The main activities of the Company are operating gold mines in 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.

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 June 30, 2023, the number of employees is 2.567 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.

Approval of condensed financial statements

The condensed financial statements dated June 30, 2023 were approved by the Board of Directors and authorized to be published on August 9, 2023.

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/IFRS") 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 condensed consolidated financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some corrections and classification changes in order to present the Company's status according to TAS and IFRS.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

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

2.1 Basis of presentation

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 June 30, 2023 in accordance with TAS 29. In this context, TMS 29 is not applied, and inflation adjustment has not been reflected in the condensed financial statements as of June 30, 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 June 30, 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.

Comparative information and correction of previous period financial statements

The financial statements of the Company are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when necessary and significant differences are explained. The classification made in the profit or loss and other comprehensive income statement of the Company's of 30 June 2023 is as follows;

- Advertising expenses amounting to TL 33.626 thousand, which were accounted for under general administrative expenses in the income statement on 30 June 2022, were reclassified as marketing, sales and distribution expenses.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

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

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.

2.3 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of June 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

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

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

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

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

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the amendments are issued and become effective under TFRS.

- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

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

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

(Amounts 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

Interim financial statements for the period ending on June 30, 2023 have been prepared in accordance with TAS 34 standard for the preparation of interim financial statements of TAS / TFRS.

The interim financial statements for the period ending on June 30, 2023 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the financial statements for the year ending on December 31, 2022. Therefore, these interim 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 condensed 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.

The main evaluations, estimates and assumptions made are as follows:

- a) Mining assets consists of mine site development costs, mining rights, mining sites, deferred stripping costs and discounted costs associated with the improvement, rehabilitation and closure of mine sites. Mining assets are accounted in the 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 amortised 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, revising the possible effects of 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.

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.

Koza Altın İşletmeleri Anonim Şirketi

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

2.5 Significant accounting judgments, estimates and assumptions (continued)

Mining assets are amortised 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, 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 lives of mines and conditions may arise that may require adjustment on the carrying values of both goodwill and related assets.

Assets are grouped as independent and smallest cash generating units. If an impairment indicator is determined, estimates and assumptions are established for the cash flows to be obtained from each cash-generating unit determined. Impairment tests of both 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.

- b) Amount of provisions reflected in condensed 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 June 30, 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 (June 30, 2023: 5,07%, December 31, 2022: 4,07%). These uncertainties may cause future expenditures to differ from the amounts estimated today.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

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

2.5 Significant accounting judgments estimates and assumptions (continued)

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.

- c) Deferred tax assets are recorded when it is determined that it is possible to generate taxable income in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over temporary differences. The 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.
- d) 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.

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.

- e) The gold in circuit inventory amount, which is followed as a semi-finished product and has not yet turned into finished gold during the production process, is evaluated separately for each production facility by making technical production calculations and estimations. The gold in circuit process, which is common for both tank leaching and heap leach production plants, ends after finished gold is obtained. Since the production processes of tank leaching and heap leaching facilities are different from each other, the amount of gold stock in the circuit differs on the basis of facilities, and the estimated amount of gold that can be obtained from the gold in circuit stocks of each facility at the end of the production process and the life of mine is analyzed based on technical calculations.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

3. Cash and cash equivalents

	June 30, 2023	December 31, 2022
Cash	271	186
Banks		
- Demand deposits	2.303	1.165
- Time deposits	268.530	140.713
Total	271.104	142.064
Less: Interest accruals	(1.312)	(1.694)
Cash and cash equivalents presented in the cash flow statement	269.792	140.370

The details of the Company's time deposits as of June 30, 2023 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	15,00% - 42,50%	1-30 Days	259.337	259.337
USD	0,50%	1-30 Days	356	9.193
Total				268.530

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
Total				140.713

The Company's blocked deposits of TL 36.180 have been presented under financial investments account (December 31, 2022: 52.500 TL).

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
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4. Financial investments

a. Short term financial investments

The short term financial investments of the Company as of June 30, 2023 and December 31, 2022 are as follows;

	June 30, 2023	December 31, 2022
Currency protected time deposits (**)	1.744.478	1.187.002
Financial assets accounted at fair value under profit or loss (***)	10.047.574	8.573.478
	11.792.052	9.760.480

b. Long term financial investments

The long term financial investments of the Company as of June 30, 2023 and December 31, 2022 are as follows;

	June 30, 2023	December 31, 2022
Shares in subsidiaries (*)	218.753	218.753
Blocked deposits	36.180	52.500
Total	254.933	271.253

- (*) 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 USD 63.824 into "Currency protected time deposits accounts". The maturity of currency protected time deposits is 182 days.

- (***) The Company has 8,588,047,025 mutual fund participation certificates, a total of 7,357,817 thousand TL, 129,213,455 Mint Gold Certificates, a total of 2,124,269 thousand TL, 13,307,785 shares of 565,488 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

**Condensed statements of cash flows
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5. Inventories

The details of the Company's inventories as of 30 June 2023 and 31 December 2022 are presented below.

	June 30, 2023	December 31, 2022
Gold and silver in the production process and gold and silver bars	279.812	291.212
Ready to be processed and mined ore clusters	219.678	286.998
Spare parts (*)	325.247	285.485
Chemicals and operating materials	239.041	221.956
Total	1.063.778	1.085.651

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

6. Investment properties

The investment properties of the Company as of June 30, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals (*)	June 30, 2023
Cost				
Buildings	130.540	-	(119.108)	11.432
Total	130.540	-	(119.108)	11.432
Accumulated depreciation				
Buildings	17.368	592	(16.320)	1.640
Total	17.368	592	(16.320)	1.640
Net book value	113.172			9.792

(*) 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.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

6. Investment properties (continued)

	January 1, 2022	Additions	Disposals	June 30, 2022
Cost				
Buildings	130.540	-	-	130.540
Total	130.540	-	-	130.540
Accumulated depreciation				
Buildings	15.001	1.184	-	16.185
Total	15.001	1.184	-	16.185
Net book value	115.539			114.355

Depreciation expenses are accounted under general administrative expenses.

TL 967 rental income was earned from investment properties in 2023. (1 January – 30 June 2022: TL 1.099).

As of 30 June 2023, all of the investment properties consist of the dormitory building in Gümüşhane. There is no rental agreement. As of June 30, 2023, there are annotations placed on the said real estates of the Company by the General Directorate of National Real Estate.

7. Property, plant and equipment

The property, plant and equipment of the Company as of June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
Mining assets	560.342	461.245
Other tangible assets	882.533	783.688
Total	1.442.875	1.244.933

a) Mining assets

As of June 30, 2023 and December 31, 2022, mining assets consists of mining rights, mine site development costs, deferred stripping costs, mining sites, and closing and rehabilitation of mines, and the net book values of these mining assets are as follows.

	June 30, 2023	December 31, 2022
Mining sites	43.553	43.859
Mine site development cost	292.270	278.456
Deferred stripping costs	31.290	29.628
Rehabilitation of mining facility	110.928	48.029
Mining rights	82.301	61.273
Total	560.342	461.245

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

7. Property, plant and equipment (continued)

a) Mining assets (continued)

The movements of mining assets during the period as of June 30, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposal	June 30, 2023
Cost				
Mining sites	89.824	97	-	89.921
Mine site development cost	679.527	24.954	-	704.481
Deferred stripping costs	333.882	8.107	-	341.989
Rehabilitation of mining facility	376.166	85.680	-	461.846
Mining rights	74.643	21.031	-	95.674
Total	1.554.042	139.869	-	1.693.911
Accumulated depreciation				
Mining sites	45.965	403	-	46.368
Mine site development cost	401.071	11.140	-	412.211
Deferred stripping costs	304.254	6.445	-	310.699
Rehabilitation of mining facility	328.137	22.781	-	350.918
Mining rights	13.370	3	-	13.373
Total	1.092.797	40.772	-	1.133.569
Net book value	461.245			560.342

	January 1, 2022	Additions	Disposal	June 30, 2022
Cost				
Mining sites	73.696	7.769	(15.569)	65.896
Mine site development cost	584.884	54.215	-	639.099
Deferred stripping costs	278.899	27.758	-	306.657
Rehabilitation of mining facility	331.055	35.167	-	366.222
Mining rights	74.005	-	-	74.005
Total	1.342.539	124.909	(15.569)	1.451.879
Accumulated depreciation				
Mining sites	42.807	2.364	-	45.171
Mine site development cost	364.415	22.599	-	387.014
Deferred stripping costs	264.586	18.029	-	282.615
Rehabilitation of mining facility	264.290	43.536	-	307.826
Mining rights	13.361	4	-	13.365
Total	949.459	86.532	-	1.035.991
Net book value	393.080			415.888

Depreciation expenses are accounted under the cost of goods sold. There isn't any mortgage on mining assets as of June 30, 2023 (December 31, 2022: None).

The costs of the mining sites, mining rights and mine site development costs of the Company, which have been fully depreciated as of June 30, 2023, but are in use, are amounting to TL 115.937. (June 30, 2022: TL 115.800).

Koza Altın İşletmeleri Anonim Şirketi

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7. Property, plant and equipment (continued)

b) Other tangible assets

Movements of other tangible assets during the period as of June 30, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals	Transfers	June 30, 2023
Cost					
Land, buildings and land improvements	375.512	14.464	(11.847)	-	378.129
Machinery and equipment	998.797	67.614	-	84	1.066.495
Vehicles	233.023	30.159	(640)	-	262.542
Furnitures and fixtures	101.591	6.454	(1.563)	667	107.149
Construction in progress	65.071	55.903	-	(751)	120.223
Total	1.773.994	174.594	(14.050)	-	1.934.538
Accumulated depreciation					
Buildings and land improvements	184.435	7.570	(7.412)	-	184.593
Machinery and equipment	636.036	37.500	-	-	673.536
Vehicles	108.563	19.242	(640)	-	127.165
Furnitures and fixtures	61.272	6.493	(1.054)	-	66.711
Total	990.306	70.805	(9.106)	-	1.052.005
Net book value	783.688				882.533

There isn't any mortgage on other tangible assets as of June 30, 2023 (December 31, 2022: None). As of June 30, 2023, the insurance amount on the tangible assets and inventories of the Company is TL 1.663.202 (June 30, 2022: TL 1.253.143).

The cost of other tangible assets of the Company, which have been fully depreciated as of June 30, 2023, but are in use, is amounting to TL 382.170. (June 30, 2022: TL 368.152).

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

Koza Altın İşletmeleri Anonim Şirketi

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7. Property, plant and equipment (continued)

b) Other tangible assets (continued)

	January 1, 2022	Additions	Disposals	Transfers	June 30, 2022
Cost					
Land, buildings and land improvements	331.260	6.047	-	6.227	343.534
Machinery and equipment	820.235	44.345	-	33.442	898.022
Vehicles	154.345	33.264	(901)	-	186.708
Furnitures and fixtures	84.622	6.723	(51)	452	91.746
Construction in progress	45.562	10.817	-	(40.121)	16.258
Total	1.436.024	101.196	(952)	-	1.536.268
Accumulated depreciation					
Buildings and land improvements	170.706	7.777	--	--	178.483
Machinery and equipment	579.968	21.287	--	--	601.255
Vehicles	77.154	13.484	(843)	--	89.795
Furnitures and fixtures	49.161	5.632	(10)	--	54.783
Total	876.989	48.180	(853)	--	924.316
Net book value	559.035				611.952

8. Intangible assets

a) Goodwill

As of June 30, 2023, and December 31, 2022, the details of the Company's intangible assets are as follows:

	June 30, 2023	December 31, 2022
Goodwill related to Newmont Altın purchase	11.232	11.232
Total	11.232	11.232

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

Koza Altın İşletmeleri Anonim Şirketi

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8. Intangible assets (continued)

a) Goodwill (continued)

As of June 30, 2023, it is highly probable that a sufficient amount of visible and probable reserves will be found in the mentioned mine sites in the coming years according to the estimates of the gold price made by the management, geological and geochemical studies and expert reports. As a result of these evaluations, no impairment is expected in the goodwill arising from the acquisition of Newmont Altın as of June 30, 2023.

b) Other intangible assets

The details of the Company's other intangible assets as of June 30, 2023 and 2022 are as follows:

	January 1, 2023	Additions	June 30, 2023
Cost			
Rights	18.873	5.776	24.649
Total	18.873	5.776	24.649
Accumulated depreciation			
Rights	14.341	2.142	16.483
Total	14.341	2.142	16.483
Net book value	4.532		8.166
	January 1, 2022	Additions	June 30, 2022
Cost			
Rights	15.716	848	16.564
Total	15.716	848	16.564
Accumulated depreciation			
Rights	11.737	1.174	12.911
Total	11.737	1.174	12.911
Net book value	3.979		3.653

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
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9. Bank Credits

	June 30, 2023			
	Currency	Nominal Interest Rate	Maturity Date	Net Book Value
Bank Credits	TL	11,50%	2024	362.166

As of June 30, 2023 and December 31, 2022, the details of the Company's bank credits are as follows:

Bank Credits	June 30, 2023	June 30, 2022
January 1	-	-
Credit Usage	349.157	-
Interest Accrual	13.009	-
Interest Payment (-)	-	-
June 30	362.166	-

10. Provisions, contingent assets and liabilities

As of June 30, 2023 and December 31, 2022, the details of the Company's provisions, contingent assets and liabilities are as follows:

a) Short-term provisions

	June 30, 2023	December 31, 2022
State right expense provision (*)	268.373	448.147
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	65.369	84.037
Provisions for lawsuit	125.166	51.138
Other provisions (*)	35.806	76.446
Total	494.714	659.768

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

(**) State right liability of 448,952 thousand TL related to the activities of 2022 was accounted under other payables to third parties in the statement of financial position dated 30 June 2023, and the payment was made on 3 July 2023.

b) Long-term provisions

	June 30, 2023	December 31, 2022
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	399.088	282.375
Total	399.088	282.375

Koza Altın İşletmeleri Anonim Şirketi

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

10. Provisions, contingent assets and liabilities (continued)

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

	2023	2022
January 1	366.412	327.817
Paid during the period	(20.664)	(33.977)
Discount effect	5.023	(13.093)
Effect of changes in estimates and assumptions	113.686	80.484
June 30 (*)	464.457	361.231

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

c) Provisions for employee benefits

i- Short-term provisions for employee benefits

	June 30, 2023	December 31, 2022
Provision for unused vacation	60.212	31.720
Provision for personnel bonus	31.987	41.438
Total	92.199	73.158

The movement of provision for unused vacation is as follows;

	2023	2022
January 1	31.720	14.558
Additions / (cancellations), net	28.492	8.295
June 30	60.212	22.853

ii- Long-term provisions for employee benefits

	June 30, 2023	December 31, 2022
Provision for employee termination benefits	155.650	106.617
Total	155.650	106.617

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.

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10. Provisions, contingent assets and liabilities (continued)

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the real rate net of expected effects of inflation. The severance pay ceiling is revised in every six months, and the ceiling amount of TL 19.982,83 (July 1, 2022: TL 15.371,40) as of July 1, 2023 was taken into consideration in the calculation of the provision for severance pay. TFRS requires actuarial valuation methods to be developed to estimate the provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	June 30, 2023	December 31, 2022
Net discount rate	2,00%	2,00%
Probability of qualifying for seniority	95,27%	94,41%

c) Provisions for employee benefits (continued)

The movements of the provision for severance pay within the accounting periods of June 30, 2023 and 2022 are as follows:

	2023	2022
January 1	106.617	42.798
Interest cost	11.776	4.547
Service cost	5.909	3.671
Past year service cost	2.620	-
Actuarial loss	47.357	21.086
Severance paid	(18.629)	(4.784)
June 30	155.650	67.318

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

The sensitivity analysis of the important assumptions used in the calculation of the provision for employee termination benefits as of June 30, 2023 and 2022 is as follows:

	Discount rate		Rate of retirement	
	0,50% increase	0,50% decrease	0,50% increase	0,50% decrease
2023	(22.386)	27.873	6.939	(6.347)
	Discount rate		Rate of retirement	
	0,50% increase	0,50% decrease	0,50% increase	0,50% decrease
2022	(7.727)	9.334	1.775	(1.833)

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10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases

i- Lawsuits related to the Ovacık mine

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

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

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

ii- Lawsuits related to Kaymaz mine

The Company has filed lawsuits in 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 a registration 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. In the examination of the appeal, a decision was made in favor of the company in terms of both files, and the trial continues at the stage of correction of the decision.

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

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.

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10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

iii- Lawsuits related to other mines (continued)

Lawsuits related to Çukuralan mine:

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

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

At this point, it is stated that, according to the decision of the Council of State, for the 2019/574 E. file, it is not possible to apply two different EIA Positive decisions related to the same project together, due to a second EIA Positive decision regarding the project in question, and that the EIA Positive decision, which is the subject of the case, was implicitly withdrawn by the respondent Ministry. Since it was concluded that it should be accepted and that the subject of the pending case is no more, it is certain that the decision of the 6th Administrative Court of İzmir, numbered 2019/574 E. In terms of the 2019/1120 E. file, it has been decided that there is no legal inaccuracy in the decision of the İzmir 6th Administrative Court regarding the cancellation of the action in question, and that the appeal requests of our intervening company as well as the respondent Ministry and the respondent Ministry are rejected.

In addition, the company was involved in the lawsuit filed by some plaintiffs against the İzmir Governor's Office for the cancellation of the decision of the İzmir 6th Administrative Court for the cancellation of the Environmental Impact Assessment Not Required for the Çukuralan Gold Mine Crushing and Screening Plant Project planned to be made by the company in the file 2020/1479 E. The company's appeals were partially accepted and partially rejected.

Regarding the 3rd capacity increase project of the Çukuralan Gold Mine Plant planned to be carried out by the company, some plaintiffs have filed a lawsuit against the Ministry of Environment and Urbanization by some of the plaintiffs for the stay of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision given by the Ministry of Environment and Urbanization. Administrative Court filed a lawsuit with file numbered 2021/1407 E. and 2021/1013 E. In both files, the company was involved in the relevant lawsuit alongside the defendant ministry, and in both files, the court decided to reject the lawsuit on the grounds that the EIA Positive decision was in compliance with the law. The decision rendered in the file numbered 2021/1407 E. of the İzmir 4th Administrative Court and numbered 2021/1013 E. of the İzmir 4th Administrative Court, as a result of the appeal proceedings appealed by the plaintiffs, the appeal of the plaintiffs was accepted and a more detailed examination was procedural. The decision of the court of first instance was overturned by unanimous vote, with the mention that it should be done, and the file was sent to the court of first instance for a more detailed examination. However, since there is no final decision yet, in the current situation, all of the production activities subject to the court decisions of the Çukuralan Gold Mine Plant 3rd Capacity Increase Project, within the scope of the new EIA Positive decision, mining (production) activities continue in accordance with the relevant legislation.

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10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

Lawsuit related to Çanakkale Project:

In the lawsuit filed for the cancellation of the EIA positive decision and the stay of execution of the S:20101197 Gold Silver Mine Project, which is planned to be built around the Serçiler and Terziler villages of the Merkez district of Çanakkale, the company is involved in the 2020/763 E. file alongside the Ministry of Environment and Urbanization. At the present stage, Çanakkale 1st Administrative Court decided to cancel the action subject to the lawsuit, an appeal was filed against the decision and the appeal process continues.

iv- Lawsuits regarding the 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 quash the file for procedural reasons. Ankara 10th Commercial Court of First Instance, with its additional decision, decided that the appeal application of the defendants was not made. The defendants appealed the decision. The appeal process continues.

v- Liability lawsuits filed against former managers

As a result of the evaluations made by the CMB after the decision to appoint a trustee, the Company was instructed to file a liability lawsuit against previous board members for various reasons, and various liability lawsuits were filed against former managers on behalf of Ankara Commercial Courts, and the lawsuits are still pending. Lawsuits that may affect the activities of the Company are announced on the public disclosure platform in legal periods.

vi- Other legal processes

Pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, the management of the Company was transferred to the Trustee Board, and then to the Savings Deposit Insurance Fund ("TMSF") on September 22, 2016. The indictment prepared by the Ankara Chief Public Prosecutor's Office regarding the events leading to the appointment of a trustee was accepted by the Ankara 24th High Criminal Court, and their trial began with the file no. 2017/44 E. and the case was decided by the court of first instance. In the first instance court decision; It was decided to confiscate the company shares that belonged to the previous members of the board of directors. Until the decision becomes final, it has been decided to continue the same measure as the appointment of a trustee described above. Within the scope of the file numbered 2017/44 E. of the Ankara 24th High Criminal Court, the appeal review was completed and the decision of the appeal court was announced on the Public Disclosure Platform.

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10. Provisions, contingent assets and liabilities (continued)

d) Important ongoing cases (continued)

vi- Other legal processes (continued)

In the case of Ankara 24th High Criminal Court numbered 2017/44 E., for the previous members of the board of directors who could not be prosecuted because they did not come to the court, their files were separated and recorded on a new basis, the proceedings continued over this file, and the measure of appointing a trustee until the end of the trial is exactly the same. decided to continue. The file that has been separated has received the number of Ankara 24th High Criminal Court 2020/20 E. and the trial continues over the relevant file. In the case file of the 24th High Criminal Court of Ankara, numbered 2021/157 E., in which the accused Cafer Tekin İpek and Özlem Özdemir are tried; It was decided that the defendants should be punished, with the appeal law open. The trial process continues with the file number 2022/193 E. of the 24th High Criminal Court of Ankara.

vii- Employee lawsuits and cases of contract receivables

As of June 30, 2023, the provision amount accounted for ongoing employee and other lawsuits against the Company is amounting to TL 125.166 Thousand (December 31, 2022: TL 51.138 Thousand).

10. Provisions, contingent assets and liabilities (continued)

e) Commitments and contingent liabilities

i- Letter of guarantees given

The details of the letter of guarantees given by the Company as of June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
A. CPM's given on behalf of own legal entity	54.753	52.195
- Guarantee	54.753	52.195
- Mortgage	-	-
B. CPM's given in favor of partnerships which are fully consolidated	-	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given in favor of the parent company	-	-
ii. Total amount of CPM's given in favor of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	54.753	52.195

ii- Letter of guarantees received

The details of the Company's letter of guarantees received as of June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
Guarantee cheques	1.734.912	1.256.439
Guarantee letters	434.709	394.066
Security bonds	127	127
Total	2.169.748	1.650.632

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10. Provisions, contingent assets and liabilities (continued)

e) Commitments and contingent liabilities

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.

11. Equity

a) Capital

As of June 30, 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).

It has been decided to increase the Company's issued capital, which is TL 152,500,000 (One Hundred Fifty Two Million Five Hundred Thousand Turkish Liras), within the registered capital ceiling of TL 5,000,000,000 (Five Billion Turkish Lira), to TL 3,202,500,000 (Three Billion Two Hundred Two Million Five Hundred Thousand Turkish Liras), by an increase of TL 3,050,000,000 (Three Billion Fifty Million Turkish Liras) and 2000%, by being covered by internal resources. The permission and approval for the amendment of Article 6, titled "Type of Capital and Shares", was given by the Capital Markets Board on 02.02.2023, registered on 15.02.2023 and announced in the Trade Registry Gazette dated 15 February 2023 and numbered 10770.

In accordance with the provision "the rights of good faith shareholders and third parties remain reserved" covered in the decision with the number 2022/18087 Merits, 2023/2215 Decision dated April 14, 2023 by the 3rd Criminal Chamber of the Court of Cassation, the registration and announcement to protect the rights of good faith shareholders and third parties of Company's and other Koza İpek Group companies' partnership structures have been conducted by the Directorate of Trade Registry on July 28, 2023.

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11. Equity (continued)

a) Capital (continued)

Equity	Share Group	June 30, 2023		December 31, 2022	
		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	B	30,00	960.750	30,00	45.750
Total		100	3.202.500	100	152.500
Capital adjustment differences			3.579		3.579
Paid-in capital			3.206.079		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.

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.

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11. Equity (continued)

a) Capital (continued)

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 buyback transactions initiated with the decision of the Company's Board of Directors, 50,000,000 shares were repurchased for TL 993,921 thousand.

The Company's restricted reserves are as follows:

	June 30, 2023	December 31, 2022
Reserves for withdrawn shares	993.921	-
Legal reserves	400.443	400.443
Total	1.394.364	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.

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

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12. Revenue and cost of sales

The details of the Company's revenue and cost of sales as of January 1 – June 30, 2023 and 2022 are as follows:

	January 1 – June 30, 2023	January 1 – June 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Domestic sales	3.069.106	2.680.208	1.438.490	1.271.463
Total sales	3.069.106	2.680.208	1.438.490	1.271.463
Cost of sales	(1.930.503)	(993.020)	(923.857)	(518.005)
Gross profit	1.138.603	1.687.188	514.633	753.458

The distribution of the Company's revenues by product type as of January 1 – June 30, 2023 and 2022 are as follows:

	January 1 – June 30, 2023	January 1 – June 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Sales of gold bars	3.052.168	2.666.272	1.428.039	1.262.012
Sales of silver bars	16.938	13.936	10.451	9.451
Total	3.069.106	2.680.208	1.438.490	1.271.463

13. Income from investing activities

a- Income from investing activities

The details of the Group's income and expenses from investment activities as of January 1 - June 31, 2023 and 2022 are as follows:

	January 1 – June 30, 2023	January 1 – June 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Investment fund and stock fair value increases	1.792.587	-	1.151.851	-
Income from investment property sales	778.932	-	2.900	-
Currency-protected deposit fair value increases	558.969	235.912	516.099	89.085
Interest income	79.943	840.064	58.760	526.628
Income from fixed asset sales	35.227	8.409	19.779	272
Foreign exchange income related to trading activities	1.206	-	1.206	-
Total	3.246.864	1.084.385	1.750.595	615.985

b- Expense from investing activities

	January 1 – June 30, 2023	January 1 – June 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Foreign exchange income/expense, net	-	3.025	-	31.491
Total	-	3.025	-	31.491

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14. Other operating incomes and expenses

a- Other operating incomes

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

	January 1 – June 30, 2023	January 1 – July 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Foreign exchange income related to trading activities	-	116.347	-	64.309
Other	51.538	35.605	38.062	23.399
Total	51.538	151.952	38.062	87.708

b- Other operating expenses

The details of the Company's other operating expenses as of January 1 – June 30, 2023 and 2022 are as follows

	January 1 – June 30, 2023	January 1 – July 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Lawsuit provision	74.028	16.573	74.028	16.573
Foreign exchange expense related to trading activities	73.691	-	73.691	-
Financial leasing transactions	2.613	3.882	1.201	1.816
Other (**)	494.196	339.396	153.714	295.043
Total	644.528	359.851	302.634	313.432

(**) As of 30 June 2023, TL 346,214 thousand of the balance consists of earthquake donations, TL 163,291 thousand is the cost incurred for school donations.

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15. 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, temporary taxes are calculated and accrued 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.

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

Income Withholding Tax

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

Tax Advantages Obtained Under the Investment Incentive System:

Tax Advantages Obtained Under the Investment Incentive System: The Company's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to 2.604 thousand TL (31 December 2022: 325,710 thousand TL) that the Company will benefit from in the foreseeable future as of 30 June 2023 is reflected in the financial statements as a deferred tax asset. As a result of the recognition of the said tax advantage as of 30 June 2023, deferred tax income amounting to 422 thousand TL has been realized in the profit or loss statement for the period from 1 January to 30 June 2023.

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15. Income taxes (continued)

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Company bases the reflection of deferred tax assets arising from investment incentives in the financial statements on longterm plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations. It is foreseen that the deferred tax assets in question will be recovered within 5 years from the balance sheet date.

In the sensitivity analysis carried out as of 30 June 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets regarding investment incentives, which is foreseen as 5 years, has not changed.

Corporate tax liabilities recognized in the balance sheet as of June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
Corporate tax provision	346.221	845.979
Prepaid taxes (-)	(132.984)	(808.853)
Current income tax liability	213.237	37.126

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

	June 30, 2023	June 30, 2022
Current tax expense	(378.313)	(460.182)
Deferred tax expense / (income)	111.006	26.320
Total tax expense	(267.307)	(433.862)

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15. Income taxes (continued)**Deferred taxes**

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

	June 30, 2023		December 31, 2022	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
State right provision	716.390	143.278	448.147	89.629
Tangible and intangible assets	748.327	160.991	496.320	99.250
Employee termination benefit	155.650	31.130	106.617	21.323
Lawsuit provision	119.715	23.943	45.687	9.137
Provision for unused vacation	60.212	12.042	31.720	6.344
Personnel bonus provision	31.987	6.397	41.438	8.288
Provisions for doubtful receivables	6.286	1.257	5.370	1.074
Leasing transactions	4.150	830	3.836	767
Provisions for TFRS 9	48	10	105	21
Financial borrowing	17	3	-	-
Financial investments	(117.853)	(23.570)	-	-
Total deferred tax assets		356.311		235.833
Deferred tax assets, net		356.311		235.833

Movement of deferred tax is as follows:

	2023	2022
January 1	235.833	190.295
Recognized in other comprehensive income	9.472	4.217
Recognized in the profit or loss statement	111.006	26.320
June 30	356.311	220.832

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15. Income taxes (continued)

The reconciliation of the tax is as follows:

	2023	2022
Profit before tax	3.165.656	2.223.622
Effective tax rate	20%	23%
Tax calculated using effective tax rate	633.131	511.433
Effect of non-deductible expenses	100.615	83.925
Effect of earthquake	64.183	
Different tax rate effect	(5.990)	(4.128)
Effect of investment incentive allowance	(422)	
Exemptions and discounts (*)	(524.210)	(146.705)
Temporary differences not subject to deferred tax	-	(12.269)
Other	-	1.606
Current tax expense	267.307	433.862

(*) 213,935 thousand TL of the exceptions and discounts are related to the income from the funds, 101,901 thousand TL is related to donations and aids, 95,073 TL is foreign currency protected deposits, and the rest is other exemptions. and the rest is from other exemptions.

16. 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.

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16. Earnings per share (continued)

The earnings per share of the Company as of June 30, 2023 and 2022 are as follows:

	January 1 – June 30, 2023	January 1 – June 30, 2022	April 1 – June 30, 2023	April 1 – June 30, 2022
Net profit attributable to the owners of the Company	2.898.349	1.789.760	1.514.319	731.764
Weighted average number of share certificates (*)	320.250.000.000	320.250.000.000	320.250.000.000	320.250.000.000
Earnings per 100 share	0,905	0,559	0,473	0,228
Total comprehensive income attributable to the owners of the Company	2.860.464	1.772.891	1.479.422	723.011
Earnings per 100 shares from total comprehensive income	0,893	0,554	0,462	0,226

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).

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

17. 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 June 2023 was applied as 34,07% per year (June 30, 2022: 18,51%).

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

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17. Related party balances (continued)

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 June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
Koza İpek Holding A.Ş.(1) (*)	522.488	-
ATP İnşaat ve Ticaret A.Ş. (1)	33.741	28
Konaklı Metal Madencilik San. Tic. A.Ş. (2) (**)	20.873	20.612
ATP Koza Gıda Tarım Hay. A.Ş. (2)	1.216	544
ATP Havacılık ve Ticaret A.Ş. (2)	210	34
Other (3)	4.012	2.447
Toplam	582.540	23.665

(*) The majority of the related amount is related to the sale of investment properties within the Company with a cost of 102.788 thousand TL to Koza-İpek Holding A.Ş. For the sales price, a maturity difference invoice will be issued with the CBRT monthly average commercial loan interest rate for 18 months.

(**) A large part of the related amount consists of personnel and consultancy services given to the company.

b) Transactions with related parties

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

	June 30, 2023	December 31, 2022
Koza İpek Holding A.Ş.(1)	-	168
Other (3)	1.372	-
Total	1.372	168

The purchases of the Company from related parties between January 1 – June 30, 2023 and 2022 are as follows;

	January 1 – June 30, 2023			January 1 – June 30, 2022		
	Rent	Service	Other	Rent	Service	Other
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (2)	5.344	-	-	5.735	-	-
ATP Koza Gıda Tarım Hay. A.Ş. (2)	-	-	3.734	-	-	-
ATP İnşaat ve Ticaret A.Ş.(1)	-	-	-	-	-	2.433
Özdemir Antimuan Madenleri A.Ş.(2)	-	-	-	-	-	1.800
Other (3)	-	-	1.466	-	-	886
Total	5.344	-	5.200	5.735	-	5.119

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17. Related party balances (continued)

b) Transactions with related parties (continued)

Sales of the Company to related parties between January 1 – June 30, 2023 and 2022 are as follows;

	January 1 – June 30, 2023			January 1 – June 30, 2022		
	Interest	Service	Other	Interest	Service	Other
Koza İpek Holding A.Ş. (1) (*)	27.204	-	882.376	15.742	-	121
ATP İnşaat ve Ticaret A.Ş. (1)	1.430	-	130	31.387	-	8
Özdemir Antimuan Madenleri A.Ş. (2)	-	-	1.183	-	-	-
ATP Koza Gıda Tarım Hay. A.Ş. (2)	-	-	568	1.080	-	-
Koza Anadolu Metal A.Ş. (2)	-	-	543	-	-	-
İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (2)	-	-	313	-	-	8
ATP Turizm A.Ş.	-	-	296	-	-	-
Koza İpek Sigorta A.Ş. (2)	-	-	212	-	-	9
ATP Havacılık ve Ticaret A.Ş. (2)	-	-	178	961	-	-
Other (3)	-	-	288	-	-	774
Total	28.634	-	886.087	49.170	-	920

(*) A large part of the amount is related to the sale of 48 real estates, 43 of which are domestic and 5 of which are abroad, within the decision of the Company to Koza-İpek Holding A.Ş.

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 – June 30, 2023 is amounting to TL 17.192 thousand. The entire amount consists of the wages. (January 1 – June 30, 2022: TL 5.469 thousand).

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18. 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 main risk posed by the Company's financial instruments is foreign currency risk. 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 manages this risk by continuously evaluating the reliability of the 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.

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

The analysis of the Company's credit risk as of June 30, 2023 and December 31, 2022 are as follows:

June 30, 2023	Trade receivables		Other receivables		Cash and cash equivalents
	Related party	Third party	Related party	Third party	Deposits in banks
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) *	-	1.344	582.540	108.019	270.833
<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	-	1.344	582.540	108.019	270.833
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)	-	6.286	-	-	-
Impairment (-)	-	(6.286)	-	-	-
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.

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

	Trade receivables		Other receivables		Cash and cash equivalents
December 31, 2022	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)	-	5.370	-	-	-
Impairment (-)	-	(5.370)	-	-	-
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.

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18. Nature and level of risks arising from financial instruments (continued)**b) Market risk**

Due to operations, the Company is exposed to financial risks related to changes in exchange rates and interest rates. 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 and non-monetary assets and monetary and non-monetary liabilities of the Company in foreign currency as of the date of financial position is as follows:

June 30, 2023	TL Equivalent	USD	EURO	GBP
Cash and cash equivalents	9.535	357	4	7
Other receivables	2.801	39	-	54
Current assets	12.336	396	4	61
Total assets	12.336	396	4	61
Trade payables	98.844	947	2.642	-
Current liabilities	98.844	947	2.642	-
Other payables	141.800	5.491	-	-
Non-Current liabilities	141.800	5.491	-	-
Total liabilities	240.644	6.438	2.642	-
Net foreign currency position	(228.308)	(6.042)	(2.638)	61
December 31, 2022	TL Equivalent	Usd	Euro	Gbp
Cash and cash equivalents	2.643	132	2	6
Other receivables	2.003	39	3	54
Current assets	4.646	171	5	60
Total assets	4.646	171	5	60
Trade payables	77.785	67	3.398	391
Current liabilities	77.785	67	3.398	391
Other payables	102.672	5.491	-	-
Non-Current liabilities	102.672	5.491	-	-
Total liabilities	180.457	5.558	3.398	391
Net foreign currency position	(175.811)	(5.387)	(3.393)	(331)

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18. 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.

June 30, 2023	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of Foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(17.012)	17.012	(17.012)	17.012
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(17.012)	17.012	(17.012)	17.012
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(6.813)	6.813	(6.813)	6.813
5- Portion protected from EUR risk (-)	-	-	-	-
6-EUR net effect (4+5)	(6.813)	6.813	(6.813)	6.813
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	200	(200)	200	(200)
8- Portion protected from GBP risk (-)	-	-	-	-
9-GBP Net effect (7+8)	200	(200)	200	(200)
Total (3+6+9)	(23.625)	23.625	(23.625)	23.625
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

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

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.

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.

19. 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.

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

Level classifications of financial assets measured at their fair values:

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets:	10.047.574	1.744.478	218.753	12.010.805
Measured at fair value through profit or loss	10.047.574	1.744.478	218.753	12.010.805
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 profit or loss	8.573.478	1.187.002	218.753	9.979.233

20. Subsequent events after balance sheet date

In accordance with the provision "the rights of good faith shareholders and third parties remain reserved" covered in the decision with the number 2022/18087 Merits, 2023/2215 Decision dated April 14, 2023 by the 3rd Criminal Chamber of the Court of Cassation, the registration and announcement to protect the rights of good faith shareholders and third parties of Company's and other Koza İpek Group companies' partnership structures have been conducted by the Directorate of Trade Registry on July 28, 2023.

With this registration and announcement, the main partnership-subsiary structure within the group companies continues as is, and the shares of individuals other than the investors trading on BIST (Istanbul Stock Exchange) have been registered on behalf of the Treasury, thus protecting the rights of the investors.

On May 4, 2023, the Board of Directors of the Company provided cash to shareholders, approximately 30% of the net profit for the period specified in the 2022 profit share table (1,281,000,000 TL gross) and 0,40 TL (Forty Kurus) per 1 TL nominal value share. decided to distribute dividends.

The Savings Deposit Insurance Fund (TMSF) Fund Board, with its decision dated 11 July 2023 and numbered 2023/280, approved the profit distribution table for the year 2022, in accordance with the decision of the Board of Directors regarding the distribution of dividends for the year 2022. In accordance with the legislation, the Board of Directors of the Company has decided that the dividend distribution will be made on 14 July 2023.

The state right payment of 448,952 thousand TL for the activities in 2022 was made on July 3, 2023.

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on July 5, 2023 and published in the Official Gazette dated July 15, 2023. According to this; the corporate tax rate has been increased from 20% to 25%, starting from the declarations that will be submitted as of 1 October 2023. In addition, starting from July 15, 2023; 50% tax exception ratio stipulated for immovable assets' sales gains in the Law No. 5520 has been abolished with the amendment. However, the 50% tax exemption ratio will be applied as 25% for the sales of immovable assets of the entities acquired before July 15, 2023.

Efforts to determine the effects of these changes on current and deferred tax amounts continue.

The company has made an investment decision for the Mollakara Project, and the contractor company that will establish the facility was determined with the tender, and a contract with Fernas İnşaat A.Ş for 4.990.012.400 TL + VAT for construction works and 40.710.000 USD + VAT for machinery and equipment supply works has been signed.

Koza Altın İşletmeleri Anonim Şirketi

**Condensed statements of cash flows
for the period ended June 30, 2023**

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

21. 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, 28 February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively. Independently audited financial statements for the year ended December 31, 2015, on the other hand, were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 as explained in detail in Note 12, 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.