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MESSAGE FROM THE BOARD OF DIRECTORS

Valuable customers, partners, and employees,

Çelebi Ground Handling has achieved the position of our country's leading airport ground services provider with its successful activities over a period of nearly seventy years. Our Company's success is based on our business strategies shaped under the guidance of our long years of knowledge and experience, our proactive behavior by closely monitoring the markets, and our ability to pioneer the change.

There has been a slowdown in global economic activity in 2023.

The year 2023 has been a period in which many positive and negative factors interacted in the global economy in which our country, and therefore our Company, is largely integrated.

The global economy, which started 2023 with a very risky outlook, demonstrated significant resilience despite regional and sectoral divergences and managed to emerge from the recession environment at the beginning of the year by showing a slow but above-expected growth performance.

Simultaneous monetary tightening around the world, geopolitical tensions, weak confidence environment and slowing global trade due to structural changes in the supply chain have put pressure on growth.

The Russia-Ukraine war, which continues in 2023, the comprehensive sanctions imposed on Russia by western countries, and the Russian government's announcement of withdrawal from the Grain Corridor Agreement in July, are among the global geopolitical risks.

It has been observed that inflation in many countries has moved away from the peak levels it reached in 2022, due to the impact of interest rate increases initiated by central banks to combat inflation all over the world and the tightening in financial conditions. During the year, it was also observed that energy and commodity prices eased as the supply chain problems that occurred during the pandemic period covering the years 2019-2022 were resolved and supply-side problems were alleviated.

In the Global Economic Outlook Report published in January 2024, the IMF predicted that global economic growth, which was 3.5% in 2022, will be registered as 3.1% in 2023, with a partial slowdown due to the greater than expected resilience of the USA and some major developing economies and the support in China. The IMF also states that it predicts a similar growth of 3.1% for 2024 and a growth of 3.2% in 2025.

Predictions regarding growth in global goods trade have been revised downwards.

It is seen that the slowdown in global trade in 2023 will cover many countries and a wide range of products. The World Trade Organization (WTO) has made a downward revision in its forecasts for the growth in global goods trade in 2023 due to the continuation of the recession that started in the fourth quarter of 2022.

According to WTO data, the contraction in global trade in the January-September period compared to the same period of the previous year was 5.6%. It is predicted that global trade volume will decrease by 4.5% in 2023, falling below USD 31 trillion, and will increase by 3.3% in 2024 with slow but stable economic growth.

It seems that geopolitical developments have replaced economic concerns in the expectations for 2024.

In 2024, the global economy is expected to maintain its resilience, but vulnerabilities that need to be managed effectively will continue to exist. It is estimated that factors such as policies that will bring a permanent solution to inflation, reforms to improve governance, facilitate regulations and reduce trade barriers, and global cooperation against the climate crisis will maintain their importance on the global economy in the coming period.

The Turkish economy demonstrated a strong growth performance in 2023 despite the global slowdown.

Many negative developments, such as the slowdown in the global economy, the weakening of the main export markets and the major earthquake disaster at the beginning of the year, were among the factors affecting the Turkish economy in 2023.

Despite these developments, the Turkish economy, which recorded an economic growth performance close to its long-term average with the support of consumption expenditures, grew by 4% in the first quarter of 2023. In the economy that grew by 3.9% in the second quarter of 2023, consumption expenditures continued to be the locomotive of growth, supported by the recovery in investment expenditures.

In this period, net exports greatly limited growth, especially due to the sharp decline in exports, and on the production side, the contraction in the industrial sector and the loss of momentum in services came to the fore. In the second half of 2023, it was observed that the contribution of consumption expenditures to growth decreased slightly due to economic policies that prioritize the fight against inflation.

Despite these developments, Gross Domestic Product (GDP) recorded a strong increase of 6.1% in the 3rd quarter compared to the same period of the previous year, with the support of the investment item, especially private and public consumption, and 4% in the 4th quarter.

As a result, annual GDP obtained by the sum of four periods according to the production method, as a chained volume index (2009=100), increased by 4.5% in 2023 compared to the previous year.

GDP at current prices, which increased by 75% compared to 2022, reached TL 26 trillion 276 billion 307 million in 2023. As of the end of the year, GDP per capita was calculated as TL 307,952 (USD 13,110) at current prices.

In 2023, high levels of inflation were observed due to wage increases, exchange rate developments, increasing tax rates, food prices, rigidity in services inflation and strong domestic demand outlook. In addition, the increase in producer prices and developments in pricing behavior have led to broad-based inflationary pressures. On an annual basis, CPI closed 2023 at 64.77%, in line with the Medium Term Program (MTP) target of 65%.

Turkey has the potential to become a production center that can solve global supply chain problems with the help of its policies aimed at increasing foreign direct investments, its entrepreneurial character, trained human resources and geopolitical location. It is estimated that these qualities will support our country's economic growth in 2024, especially as the delayed effects of the monetary tightening process will be more clearly observed.

Çelebi Ground Handling demonstrated a strong financial performance in 2023 and achieved results consistent with its strategic goals.

Aiming for healthy growth and sustainable profitability, Çelebi Ground Handling achieved successful financial and operational results in 2023. Our Company, which served 94,744 flights in Turkey in 2023, recorded an increase of 17.6% compared to the previous year.

As of the end of 2023, Çelebi Ground Handling's consolidated asset size was TL 15,259 million and its equity capital was TL 5,215 million. In the same period, our consolidated turnover was TL 10,865 million, our consolidated gross profit was TL 3,667 million, our main operating profit was TL 2,761 million, and our net profit for the period was TL 1,826 million.

Our subsidiaries operating abroad have also contributed significantly to this success with their strong operational performance.

Our goals and expectations for the future of our Company and our industry are positive.

We have always focused on creating added value for our country's economy and society with our activities that we carry out with a balanced, stable approach that prioritizes risk management. The results we achieved in 2023, when we celebrate the 100th anniversary of our Republic with great pride, prove the accuracy of our road map.

In the future, we will continue to work determinedly to ensure that our country and our Company move forward with our broad perspective, corporate culture and experience.

In the coming years, while implementing many new investments and industry-leading practices that reflect our dynamic identity, we will include achieving high employee and customer satisfaction, increasing efficiency and strengthening our competitive advantages among our main goals.

I would like to thank our employees for their endless efforts and contributions on the path we follow to achieve our goals, and our shareholders, customers and business partners, whose support we always feel close to us.

Respectfully,



Can Çelebioğlu
Chairman of the Board of Directors

BOARD OF DIRECTORS 2023 Annual Report

I- OVERVIEW

1. FIELD OF ACTIVITY

Çelebi Hava Servisi A.Ş. (Çelebi Ground Handling Inc., "the Company") was the first privately-owned ground handling services company in the Turkish aviation industry and has been in business since 1958. The Company carries out its activities under the Çelebi Holding A.Ş. organization. The Company is registered with the Capital Markets Board of Turkey (CMB) and its shares began trading in Borsa Istanbul (BIST) on 18 November 1996. The Company's principal business activity consists of providing domestic and foreign airlines and air cargo companies with ground handling services (representation, traffic, ramp, cargo, flight operations, and similar services) and cargo warehouse services.

The Company's operations take place in Turkey at total 32 stations located in Adana, Ankara, Antalya, Bingöl, Bodrum, Bursa Yenişehir, Çorlu, Dalaman, Diyarbakır, Erzurum, İzmir, Isparta, Kars, Kayseri, Malatya, Mardin, Samsun, Trabzon, Van, Denizli, Hatay, Kahramanmaraş, Erzincan, Balıkesir Edremit, Çanakkale, Iğdır, Kocaeli, Hakkari, Uşak, Rize and Artvin airports which are under the control of State Airports Authority ("DHMI"), in İstanbul Airport which is under the control of İGA Havalimanı İşletmesi A.Ş. ("İGA") and in İstanbul Sabiha Gökçen Airport which is under the control of Airport Administration and Aviation Industries ("HEAŞ").

The Company is registered with the İstanbul Trade Registry (192002-139527). Its address of record is:

Çelebi Ground Handling Inc.

Tayakadın Mahallesi Nuri Demirağ Caddesi Bina No: 39 Arnavutköy İstanbul, Turkey

The Company's website is located at the address www.celebiaviation.com and the internet address for the Company's investor relations is www.celebiyatirimci.com.

2. BOARD OF DIRECTORS, AUDITORS, COMMITTEES AND SENIOR MANAGEMENT

The Company's Board of Directors is formed of the following members:

| Name | Position | Independent Member or Not |
|---------------------------|---------------|---------------------------|
| Can Çelebioğlu | Chairman | Non-independent Member |
| İsak Antika | Vice Chairman | Non-independent Member |
| Canan Çelebioğlu | Board Member | Non-independent Member |
| Turgay Kuttaş | Board Member | Non-independent Member |
| Mehmet Murat Çavuşoğlu | Board Member | Non-independent Member |
| Mehmet Yağız Çekin | Board Member | Non-independent Member |
| Uğur Tevfik Doğan | Board Member | Independent Member |
| Halil Yurdakul Yiğitgüden | Board Member | Independent Member |
| Fatma Çiğdem Bicik | Board Member | Independent Member |
| Demet Özdemir | Board Member | Independent Member |

The members of the Board of Directors have been elected for one year at the Ordinary General Assembly Meeting convened on 13 April 2023 until the next Ordinary General Assembly Meeting.

In accordance with our Company's Corporate Governance Principles and the provisions outlined in the Company's Articles of Association, Halil Yurdakul Yiğitgüden, Uğur Tevfik Doğan, İsmail Aydın Günter and Demet Özdemir have been elected as Independent Board Members for 1 (one) year (interim period between two regular sessions of the General Assembly), replacing the previous Independent Board Members.

In accordance with Article 363 of the Turkish Commercial Code, our Company's Board of Directors decided to appoint Mr. İsak Antika to the vacant position due to the resignation of Mr. Hüseyin Hüsnü Okvuran, our Company's Board of Directors member and Deputy Chairman of the Board, and to appoint Mr. Mehmet Murat Çavuşoğlu as a member of the Board of Directors to replace Board member Mrs. Esra Soydan at the meeting held on 15 May 2023 to serve until the first Ordinary General Assembly Meeting and to be submitted for the approval of the general assembly at the same meeting.

At the Extraordinary General Assembly Meeting of our Company dated 30 January 2024, it was decided to elect Mrs. Fatma Çiğdem Bicik as an Independent Board Member to serve until the first Ordinary General Assembly Meeting, replacing the Independent Board Member Mr. İsmail Aydın Günter, who resigned due to health problems.

The members of our Company's Board of Directors are nominated and elected from among individuals possessing the high level of knowledge and skills, the qualifications, specific experience and background in accordance with the Company's articles of incorporation. All our Board members have the capability to read and analyze financial statements and reports, as well as the necessary basic knowledge of legal regulations governing the Company in respect of its long-term acts and transactions, and have the means and commitment to participate in all Board of Directors meetings planned for the relevant fiscal year.

According to "Article 8-Representing and Binding the Company" of the Company's articles of association, the Company is administered and externally represented by the Board of Directors. Pursuant to Article 367 of the Turkish Commercial Code (TCC), the Board of Directors may delegate management, in part or in whole (excluding the Non-Delegable Duties and Powers of the Board of Directors as stipulated by Article 375 of the TCC), to one or more Board of Directors members or third parties. The Board of Directors may also delegate the power to represent, jointly or individually, to one or more senior executives of the Company who are not members of the Board under Article 370 of the TCC. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the Board and duly registered and announced.

In order for any documents issued by the Company or for any contracts to be concluded to be valid, they must be signed under the Company's legal name by an individual or by individuals authorized by the Board of Directors. Pursuant to Article 1526 of the TCC, the transactions carried out by the Company may be done with the secure electronic signatures of the individuals possessing the power of authority.

The authorities and responsibilities of our Company's Board members and managers are stated in signature circular XI setting down the powers to represent and bind the Company that was registered by the İstanbul Trade Registry on 09 June 2022 and announced as having been registered in issue 10600 of the Turkish Trade Registry Gazette dated 16 June 2022.

As per the assignment of duties among the Board Members elected at the Ordinary General Assembly Meeting of 13 April 2023, the Company's Board of Directors decided to elect Mr. Can Çelebioğlu as the Chairman and Mr. Hüseyin Hüsni Okvuran as Deputy Chairman of the Board.

In accordance with Article 363 of the Turkish Commercial Code, our Company's Board of Directors decided to appoint Mr. İsak Antika to the vacant position due to the resignation of Mr. Hüseyin Hüsni Okvuran, our Company's Board of Directors member and Deputy Chairman of the Board, at the meeting held on 15 May 2023 to serve until the first Ordinary General Assembly Meeting and to be submitted for the approval of the general assembly at the same meeting.

At the Ordinary General Assembly Meeting held on 13 April 2023, the shareholders having management control over the Company, members of the Board of Directors, senior executives and their spouses and relatives by blood and marriage unto the second degree have been authorized, as per Article 395 of the Turkish Commercial Code (TCC), to enter into transactions that are of a nature that might lead to conflict of interest with the Company or its subsidiaries, and deal with the Company on their own or others' behalf. No transactions took place within the scope of the said authorization granted during the reporting period.

Audit

In a resolution numbered 2022/17 passed on 14 March 2023, the Board of Directors voted to recommend the appointment of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Deloitte) as the Company's independent auditor to be charged with independently auditing the Company's consolidated financial statements for 2023 in compliance with Turkish Commercial Code and Capital Markets Board rules and regulations pertaining to the independent auditing of such statements prior to their public disclosure. At the annual Ordinary General Assembly Meeting of the Company held on 13 April 2023, the appointment of Deloitte as the Company's independent auditor was approved by unanimous vote of the participants.

Corporate Governance, Audit, and Early Detection of Risk Committees

Of those who were elected to seats on the Board of Directors at the 13 April 2023 annual Ordinary General Assembly Meeting of the Company, it has been decided at the Board of Directors meeting dated 14 April 2023, to elect Uğur Tefik Doğan, Halil Yurdakul Yiğitgüden, İsmail Aydın Günter and Demet Özdemir as members of the Audit Committee, to elect Mehmet Yağız Çekin, Uğur Tefik Doğan and İsmail Aydın Günter as members, and to appoint our Company's Financial Affairs Director Deniz Bal as natural member of the Corporate Governance Committee, and to elect Turgay Kuttaş, Halil Yurdakul Yiğitgüden and Demet Özdemir as members of the Risk Detection Committee, within the framework both of the applicable clause of Capital Markets Board Communiqué X: 22 Concerning Independent Auditing Standards in Capital Markets and of the applicable provisions of Capital Markets Board Corporate Governance Communiqué II-17.1.

On 31 January 2024, our Company's Board of Directors decided to elect Mrs. Fatma Çiğdem Bicik as a member of the Audit Committee and a member of the Corporate Governance Committee in our Company, who was elected as an Independent Board Member at the Extraordinary General Assembly Meeting of our Company held on 30 January 2024, within the framework both of the relevant article of Capital Markets Board Communiqué X: 22 Concerning Independent Auditing Standards in Capital Markets and of the applicable provisions of Capital Markets Board Corporate Governance Communiqué II-171.

Senior Management

The names of the executives who served at the Company within the 12-month period ending on 31 December 2023 are presented below:

| Name | Title | Effective from | Joined the Company in |
|-------------------|----------------------------|----------------|-----------------------|
| Osman Yılmaz | Chief Executive Officer | 2016 | 1993 |
| Deniz Bal | Financial Affairs Director | 2013 | 2003 |
| Bekir Güneş | Commercial Director | 2019 | 2009 |
| Gökçen Dervişoğlu | Human Resources Director | 2015 | 2015 |

Investor Relations Unit and Coordination of Corporate Governance Practices

Within the framework of our Company's efforts to achieve full compliance with the provisions of Article 11 of the Capital Markets Board's Corporate Governance Communiqué Serial II: 17-1 with the circular number 2014/04 and dated 03 January 2014 and to ensure their strict implementation:

- There is an Investor Relations Unit, which handles exercising of shareholding rights at our Company that is listed on the Borsa İstanbul (BIST). This unit reports to the Board of Directors and maintains communication between the Board of Directors and shareholders. In this context, Deniz Bal, who is the Company's Financial Affairs Director and who was entitled to receive a "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise License", served during the reporting period as the head of Investor Relations Unit. The Investor Relations Manager, Deniz Bal, was also responsible for compliance with capital market legislation and coordination of corporate governance practices, reporting to the General Manager of the Company. (Phone: +90-212-952 9200, e-mail: deniz.bal@celebiaviation.com)
- Tolga Akdoğan, a full-time employee of the Company who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses, served as "Investor Relations Unit Employee". (Tel: +90-212-952 9200, e-mail: tolga.akdogan@celebiaviation.com)

Information on General Assembly Meetings

| General assembly meetings held during the reporting period | Date | % of shares in attendance | Meeting announcements and invitations |
|--|---------------|---------------------------|---|
| Ordinary General Assembly Meeting | 13 April 2023 | 89.99% | Place, date, time and agenda of the Annual General Assembly Meeting were announced via: 1- Material event disclosure placed on the Public Disclosure Platform (KAP) on 14 March 2023. 2- Announcements published in the 16 March 2023 issue of the Turkish Trade Registry Gazette no: 10791 and the What Kind of an Economy? newspaper dated 15 March 2023. 3- Announcement on the Company's website. 4- Letters sent to registered shareholders. 5- Announcement made through the Electronic General Assembly Meeting system. |

The Company's annual General Assembly Meeting was held on 13 April 2023 during which the following resolutions were passed:

- The Board of Directors' annual report and the independent auditors' report are approved.
- The financial statements for the fiscal year 2022 are approved.
- Net profit for the period after deduction of the taxes and legal liabilities in our Consolidated Financial Statements dated 31 December 2022 amounted to TL 1,040,258,789.32.

In this framework, in compliance with CMB regulations pertaining to profit distribution and with respect to the period beginning on 1 January 2022 and ending on 31 December 2022, the following decisions were taken:

- Shareholders who are full taxpayer institutions and shareholders who are limited taxpayer corporate partners, earning dividends through a place of business or permanent representative based in Turkey, will be paid a 4240.00% cash dividend corresponding to TL 42.4000 gross for each share of stock with a nominal value of TL 1.00 that they hold.
- Other shareholders will be paid a 4240.00% cash dividend corresponding to TL 42.0000 gross for each share of stock with a nominal value of TL 1.00 that they hold, which amount is equal to a 3816.00% cash dividend corresponding to TL 38.1600 net for each share of stock with a nominal value of TL 1.00 that they hold, and unanimous decision was taken to set the dividend distribution date as 17 April 2023.
- It was unanimously approved to authorize the Company's Board of Directors to decide on the distribution of advance dividends for the 2023 accounting period, within the scope of the Company's articles of association and the provisions of the applicable CMB legislation.
- Due to resignation of the Board member and Deputy Chairman of the Board of Directors, İsak Antika, and the Board member Mehmet Murat Çavuşoğlu on 7 December 2022, the appointments of Hüseyin Hüsnü Okvuran and Esra Soydan as Board members were approved to serve until the first Board meeting to be held and to be submitted to the general assembly for approval at the same General Assembly Meeting in accordance with Article 363 of the Turkish Commercial Code.
- The members of the Board of Directors and the Company's statutory auditors are acquitted of their fiduciary responsibilities.
- Board of Directors members Canan Çelebioğlu, Mehmet Murat Çavuşoğlu, Mehmet Yağız Çekin, and Turgay Kuttaş, whose terms of office have expired, are elected to serve as board members for a period of one year (the period between two consecutive annual General Assembly Meetings).
- Uğur Tefvik Doğan, Halil Yurdakul Yiğitgüden, İsmail Aydın Günter and Demet Özdemir are elected as Independent Board Members to serve for 1 (one) year (interim period between two regular sessions of the General Assembly) instead of the Independent Board Members whose term of office has expired.
- Independent board members are to be paid a monthly fee/honorarium of gross TL 30,000.00 but no such fees or honoraria are to be paid to board members other than the independent ones.
- DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi ("Deloitte") is designated as the independent audit firm ("Auditor") to carry out the independent audit of the financial statements for 2023 fiscal year and other activities falling under the arrangements in the said laws.
- The Board of Directors will be authorized for a period of 15 months to issue borrowing instruments in an amount of up to TL 2,000,000,000.00, to determine all matters associated with the issuance and to carry out the related transactions and formalities under the provisions of the Turkish Commercial Code and CMB legislation in force.
- The donations amounting to TL 1,153,360 made during the period from 01.01.2023 to the General Assembly Meeting date of our Company were approved.
- An upper limit of TL 65,000.000,00 is set on charitable donations that are to be made by the Company during 2023 (1 January 2023-31 December 2023).
- Shareholders holding management control, the members of the Board of Directors, senior executives and their spouses and relatives by blood or marriage unto the second degree have been authorized, as per Article 395 of the Turkish Commercial Code no. 6102, to deal in transactions with the Company and its subsidiaries that might lead to conflict of interest, and to deal with the Company on their own or others' behalf.

Information was also provided to shareholders about;

- the guarantees, pledges, and mortgages granted, and the revenues and benefits received by the Company to/from third parties during 2022 fiscal year,
- related-party transactions engaged in 2022 fiscal year, and
- TL 12,818,491.20 worth of charitable donations to various foundations, associations, professional chambers, and public agencies and organizations during the period beginning on 1 January 2022 and ending on 31 December 2022.

Participation in General Assembly Meetings

The Ordinary General Assembly Meeting held on 13 April 2023 was attended by shareholders responding either in person or in proxy to invitations sent out, as well as by one member of the Company's Board of Directors, senior managers and Company's Investor Relations Unit personnel.

Entries in the Shareholders' Register

There is no period of time stipulated in the Company's articles of association in which the holders of registered shares must have entries made in the shareholders' register in order to take part in General Assembly Meetings. The provisions of the Turkish Commercial Law (TCC) governing such matters are complied with by the Company. Shares corresponding to more than 99% of our Company's capital have been duly registered as required by Capital Markets Board regulations. Shares belonging to our shareholders are retained in custody in the investor subaccounts of our Company as issuer and/or of brokerage concerns held by the Central Registry Agency.

Information Announced to Shareholders

With regard to the agenda of the Annual General Assembly Meeting on 13 April 2023, the Board of Directors membership candidate list, the Board of Directors' annual report for 2022 calendar year, the Company's remuneration policy, and the resolution for profit distribution for 2022 calendar year were all made available to shareholders and other stakeholders for their review through the Electronic General Assembly Meeting system and the Company's website on the date on which the General Assembly Meeting was announced.

Shareholders' exercise of their right to ask questions at general assemblies

The shareholders did not exercise their right to ask questions at the Ordinary General Assembly Meeting held on 13 April 2023.

Actions taken by shareholders at general assemblies

During the annual Ordinary General Assembly Meeting held on 13 April 2023, a total of 8 resolutions as listed below were made by shareholders, 4 of which were accepted by the participants by majority of votes and 4 by unanimous vote:

- Election of the Presiding Board.
- While the annual report of the Board of Directors was made available for shareholders to examine before the general assembly and handed out to those present at the meeting, and because the "profit distribution" section of the annual report is also to be read during the discussion of item 6 on the agenda, the general assembly agrees to deem the annual report to have been read and approved without being read during the discussion of item 3 on the agenda.
- While the annual report of the Board of Directors was made available for shareholders to examine before the general assembly and handed out to those present at the meeting, the general assembly agrees to deem the Independent Auditors' Report to have been read and approved without being read during the discussion of item 4 on the agenda.
- While the balance sheet and income statement included in the annex to the annual report were made available for shareholders to examine before the general assembly and both were handed out to those present at the meeting, the general assembly agrees that a reading of the main headings of both balance sheet and income statement would suffice for the discussion of item 5 on the agenda.
- The candidates designated to serve as members of the Board of Directors until the next Ordinary General Assembly Meeting are hereby elected; Mrs. Canan Çelebioğlu, Mrs. Esra Soydan, Mr. Mehmet Yağız Çekin and Mr. Turgay Kuttaş are to be elected as board members representing Group A shareholders (Çelebi Havacılık Holding A.Ş.) and Mr. Can Çelebioğlu and Mr. Hüseyin Hüsnu Okvuran as Board members representing Group B shareholders.
- Elected independent board members are to be paid a monthly fee/honorarium of gross TL 30,000.00, while board members elected to represent Group A and B shareholders shall not be paid any wages for this period.
- The Board of Directors will be authorized for a period of 15 months to issue borrowing instruments in an amount of up to TL 2,000,000,000.00, determine all matters associated with the issuance and carry out the issue transactions and formalities under the provisions of the Turkish Commercial Code and CMB legislation in force.
- An upper limit of TL 65,000,000.00 is set on charitable donations that are to be made by the Company during 2023.

Action taken to facilitate participation in general assemblies

To facilitate participation in general assemblies, a material event disclosure concerning them is made as required by CMB regulations while invitations announcing the meetings are published within the framework of the provisions of TCC and the Company's articles of association at least 21 days before the meeting date in the Turkish Trade Registry Gazette and one newspaper published in the place where our headquarters are located and announced in our Company's internet site. Media organizations are also contacted to have the meeting announced in the press and electronic media.

Availability of general assembly minutes for inspection by shareholders

After they have been registered in accordance with applicable laws, regulations, and administrative provisions, general assembly minutes are published in the Turkish Trade Registry Gazette and are always available for the inspection of stakeholders at our Company's headquarters and on its corporate website.

Presentation of information to shareholders regarding the amount and recipients of grants and donations during the reporting period under a dedicated agenda item in the general assembly

At the Ordinary General Assembly Meeting held on 13 April 2023, information has been presented to shareholders about the donations and grants made during the reporting period to various foundations, associations, chambers, public institutions and organizations amounting TL 12,818,491.20.

In addition, shareholders were informed about the donations and aids amounting to TL 1,153,360 made during the period from 01.01.2023 to the date of the General Assembly Meeting of our Company, and these donations and aids were approved by the shareholders.

While there is no specific policy for donations and grants that is approved by the General Assembly of Shareholders, grants and donations are made subject to the provisions of Article 3.9 of the Company's articles of association, which reads "Donations and grants may be made to social foundations, associations, universities and similar institutions and public institutions subject to the principles set forth in the CMB legislation, by providing information to the shareholders at the general assembly and by complying with the public disclosure obligation pursuant to the Capital Market Legislation."

Financial rights provided to the members of the Governing Body and senior managers

The Company designated its consolidated senior management team as the members of the Board of Directors, the Chief Executive Officer and Directors. Short-term benefits provided include salary, bonus, social security institution deductions and other fringe benefits.

The breakdown of the benefits provided to senior managers is presented in the table below:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Short-term benefits to senior managers | 115,096,882 | 70,983,015 |
| | 115,096,882 | 70,983,015 |

3. NATURE AND VALUE OF ISSUED CAPITAL MARKET INSTRUMENTS

As of 31 December 2023, our Company's issued capital amounted to TL 24,300,000. Our Company's capital structure on 31 December 2023 and 31 December 2022 was as follows:

| Shareholders | (%) | 31 December 2023 | (%) | 31 December 2022 |
|-------------------------------|---------------|-------------------|---------------|-------------------|
| Çelebi Havacılık Holding A.Ş. | 89.91 | 21,848,528 | 89.91 | 21,848,528 |
| Others | 10.09 | 2,451,472 | 10.09 | 2,451,472 |
| | 100.00 | 24,300,000 | 100.00 | 24,300,000 |

Ultimate Non-Corporate Controlling Shareholders

The names of our Company's ultimate non-corporate controlling shareholders, who have been identified, purged of all cross-shareholding interests, and their shareholding interests in the Company as of 31 December 2023 are presented below:

| Shareholders | 31 December 2023 (%) | 31 December 2022 (%) |
|--|----------------------|----------------------|
| Zeus Aviation Services Investments B.V. | 42.06 | 44.96 |
| Can Çelebioğlu | 14.72 | 15.73 |
| Canan Çelebioğlu | 14.72 | 15.73 |
| Çelebi Havacılık Holding A.Ş. | 5.79 | - |
| Hana Investment Company WLL | 5.38 | 5.75 |
| Racer S.r.l. | 2.71 | 2.9 |
| Pantheon Global Secondary Fund VI (US) | 1.88 | 2.34 |
| 57 Stars Global Opportunity Fund 3 (KIA), L.P. | 2.19 | 2.01 |
| Pantheon Access Secondary Program SCSp (Lux) | 0.45 | 0.48 |
| Others | 10.09 | 10.09 |
| | 100.00 | 100.00 |

The Company's articles of association contain no provisions pertaining to special voting rights. However, the shares representing the Company's issued capital are divided into three classes designated "A", "B", and "C" and only those who hold "A" and "B" shares are entitled to designate candidates for seats on the Company's Board of Directors and Board of Statutory Auditors.

4. INFORMATION ON PERSONNEL

The average number of personnel employed by the Company as at 31 December 2023 is 4,302 (31 December 2022: 3,653 people). The average number of personnel, including the subcontractor personnel was 13,747 and 11,838 people on 31 December 2023 and 31 December 2022, respectively.

| Number of Group Employees (Consolidated) | January - December 2023 | January - December 2022 |
|--|-------------------------|-------------------------|
| Çelebi Hava Servisi A.Ş. ("Company")* | 4,302 | 3,653 |
| Celebi Ground Handling Hungary | 856 | 850 |
| Celebi Nas (India) | 2,395 | 1,893 |
| Celebi Delhi Cargo (India, including subcontractor personnel) | 2,376 | 2,540 |
| Celebi Aviation Services (India) | 3,341 | 2,637 |
| Celebi Cargo GmbH (Germany, including subcontractor personnel) | 234 | 240 |
| Celebi Tanzania | 40 | 22 |
| KSU | 3 | 3 |
| Total | 13,747 | 11,838 |

* The effects of short-working and unpaid leave practices are excluded when calculating the number of employees.

5. INFORMATION ON THE EMPLOYEES AND THE HUMAN RESOURCES POLICY

Human Resources ("HR") Policy

In order to sustain the image and success of the Company, in the eyes of the society and the employees, the Human Resources Department monitors and develops all practices supported by the documentation and systems related to Human Resources, and the resulting human resources culture.

By supporting participation, teamwork, entrepreneurship, creativity and productivity, making our Company be preferred to work for in Turkey, and making it a big family with happy and loyal employees and to perpetuate this, form the basis of our Company's HR Policy.

The Station Managers are responsible for the dissemination of the HR policies, which were determined without discriminating language, religion, race, sect and gender with the participation of the Station Managers who are determined as our employee representatives, at the stations. The main responsibilities of these managers are to share the decisions taken with respect to the employees or the developments concerning the employees with the employees.

Our Company supports practices that promote the prevention of discrimination, inequality, human rights violations, forced labor, and child labor.

Components of the Human Resources Policies

To ensure our Company is the preferred place to work in Turkey, to make it a big family with happy and loyal employees, and to perpetuate its continuity by supporting participation, teamwork, entrepreneurship, creativity and productivity.

- **Human Resources Systems:**
- **Selection and Placement**
 - Selection Process
 - Orientation
- **Performance Management**
 - Target and Competency Management
 - Compensation
- **Talent and Career Management**
- **Training**
 - Mentoring System
 - Career Planning
 - Professional, Personal Development and Leadership Trainings
- **Remuneration Management**
- **Organization Development Activities**
 - Corporate Culture, Vision, Mission
 - Employee Loyalty and Satisfaction Practices
 - Regulatory Work
 - Organizational Work

Selection and Placement

Selection Process and Placement/Creating a candidate pool at the Group Companies

The main principle in selection and placement is to meet workforce needs in the most efficient and shortest time with the logic of "the right person for the right job". In this context, personnel needs are determined within the framework of the human resources plan determined in line with the Company's goals and strategies, and the profile required by the position is determined based on the job description and competencies. The Human Resources Department checks to see if there is a sufficient budget for the staff while requesting personnel.

Staff planning should be done carefully by paying attention to efficiency. The Human Resources Department and department managers share the responsibility of select personnel who are in compliance with the mission and vision of the Company, who can fulfill the responsibilities required for the job, adapt to the working conditions, and who have the necessary competencies and the qualifications required for the position to at least at the minimum expected level. Part of our Human Resources policy is to prioritize all Company employees among the Company and Group companies in the work opportunities appropriate to their career development and potential.

The candidate pool in general;

The candidate pool in general consists of the potential candidates proposed by the Çelebi employees, candidates who apply directly by submitting a CV or by filling in a form, those candidates who apply by responding to an advertisement, applications collected in career days at universities, applications received from university preparation courses and educational institutions with which efforts have been taken to develop cooperation, or general applications made electronically online. In the selection of personnel, the order that is followed according to priorities is as follows:

- Employees who apply through internal announcements,
- Candidates recommended by Çelebi employees,
- Candidates who have previously applied through an advertisement or directly,
- Candidates who in response to an advertisement,
- Candidates who are referred to the organization by external consulting firms.

A new regulation on selection and placement of employees is in place and the Human Resources departments of associated companies execute all recruitment in compliance with the regulations.

For the selection of candidates, foreign language and general aptitude tests prepared by professional organizations, and assessment center applications are used. For all recruitments, candidate references are checked.

Orientation

Newly recruited employees are included in the orientation program in order to inform them of the Company mission, vision, principles and policies, and the working conditions of the Group Companies and their fields of activity.

Performance Management

Performance Evaluation

The performance evaluation system aims to provide the appropriate environment for the fulfillment of the objectives, which can identify and improve levels of competency, provide support for appointments, rotations and career planning, strengthen the communication between the subordinates and their superiors, improve the managerial competencies of our managers and to accelerate the flow of information that will be given to the management by all our staff with the feedback to be given.

Under our performance evaluation system, which aims to conduct an objective assessment based on the determined targets and competencies, the performance of all our white collar employees are assessed twice a year. In the 2023 performance evaluation, all positions (excluding trainees) at the Head Office and Regional Directorates, and supervisors and higher positions at stations are being assessed by objectives and competencies. The interim and year-end performance evaluation for 2023 has been finalized.

Performance Rewarding

According to the results of performance evaluation that is realized at year-end, employees who achieved outstanding success were rewarded within a certain proportion of their annual salary.

Talent and Career Management

The purpose of the Talent and Career Management activities is to provide a candidate pool at Çelebi for placing candidates in positions within Çelebi Ground Handling which match the expectations of employees with those of the Company. Between 2009-2023, a total of 24 senior managers were trained for service in critical positions in ground handling services and cargo operations in Mumbai and Delhi in India, in Hungary and in Frankfurt.

Within this context, in all our companies;

- Career maps are established in accordance with previously set up competency and qualification scales, and the training and rotations necessary for each career step are continuously monitored.
- A backup policy is developed for critical positions.

The Talent Management process has been designed to ensure a more systematical career management function in the Head Office, Regions and stations, and Talent Committees have been created. These committees have the following general purpose;

- To provide realistic backup planning
- To assign the right employees for critical roles
- To be able to assign, develop and follow high caliber employees
- To review and check the employee profile

Opportunities for promotion or rotation are offered to employees within internal assignment criteria. When there is a need for positions, these are first announced to Çelebi Ground Handling employees. Our employees are given priority in the evaluation process.

Training

Work on training and developing programs has been organized at different levels to identify where there is room for improvement in terms of enhancing the knowledge, skills and behavior of Çelebi's employees as required for their assignments, to develop and fulfill their potential and advance it further and to prepare all employees for the responsibilities of future. For supervisor positions, which are the first stage of management and for Supervisor candidates, the "New Manager Program" has been put into operation. This program includes Management Skills Training and intra-corporate department presentations.

The Human Resources Directorate annually plans the personal, professional and leadership development trainings. The personal and professional development trainings are identified and included in the plan as a result of the Performance Appraisal and Talent Management Project conducted annually throughout the Company.

Çelebi Academy is responsible for managing the mandatory sectoral training programs for those employed in operational roles as identified by national and international aviation authorities, for managing the development processes that are necessary for enabling the organization to achieve its operational targets, for creating the infrastructure necessary to ensure employees' development with respect to operational aspects, and for coordinating and running all the processes related to the training department.

For the mandatory refresher trainings included in the Training Instruction of the Civil Aviation General Directorate and in the General Directorate of State Airports Authority's (DHMI) Driving on the Pat Areas Guidelines, e-learning project works that will provide remote access were completed and are being implemented successfully.

A total of 12 training modules, including Ramp Safety and Apron Rules Refresher Training, Passenger Services Refresher Training, Travel Documents Refresher Training, Driving on the PAT Areas Refresher Training, Transfer of Disabled Passengers Refresher Training, Pushback-Head Set Refresher Training and Ramp Equipment Operation Refresher Training, SMS (Safety Management System) Refresher Training, SMS (Safety Management System - Refresher for Practitioners), Course-1 Security Awareness Basic and Refresher Training, Ramp Cleaning Refresher Training were included in the e-learning program, and they were put into use following approval from the related authorities. Furthermore, Global Orientation and Çelebi Code of Ethics e-learning module has been brought to completion and trainings were assigned to employees.

In addition, KVKK (Personal Data Protection Law), ISO27001 Management Systems Information, Waste Management training programs that employees are obliged to take under other applicable legislation are being prepared in the form of e-learning training modules and assigned to relevant employees.

Our Company's employees have actively used the Çelebi e-school application with great interest. In addition to cooperative training sessions, every employee is assigned department-specific operational training and personal development training tailored to their respective roles.

The mobile application which aims to support the classroom training modules, to keep the employees up-to-date, and let them consolidate the information they receive continued to be used successfully.

All training reports can be accessed over the SAP system. Çelebi Academy prepares periodic training budget planning and reporting based on these records.

All operational technical training is provided by internal trainers. Each year, all documents, training modules, and exams undergo a thorough review and update process in accordance with national and international publications. These materials are then published alongside relevant announcements.

In the January-December 2023 period, training per person was 10.3 days (January-December 2022: 14.6). In 2020, in addition to classroom training, 37 different e-training programs were produced, 27 of which were operational, and online training per person was 520 minutes. During 2021, 42 different e-training programs were produced, 26 being operational. During the January-December timeframe of 2022, a total of 10 separate e-training programs were developed. In the January-December period of 2023, 1 operational e-training was produced.

Support is obtained from the training and consulting companies for personal, professional and leadership development trainings. (Presentation Techniques, Team Work, Management Skills Development, MS Office Programs, etc.)

Remuneration Management

In line with the Company's vision and goals, the Çelebi Ground Handling remuneration system was established based on the prevailing market conditions and the developments in the aviation sector, and a remuneration scale was created to ensure the Company's internal consistency and reflect these conditions. In short, the pay should be the same for any two people working on the same task and the value of their work is the same if it does not differ from each other in terms of content, time, source, position profile etc., even if their personal traits and skills may be different.

The Head Office and administrative staff's remuneration scale is periodically compared with data received from market remuneration survey companies, and the scale is established in a way to include the results in these surveys. When determining the pay of senior managers, who are included in the Head Office remuneration scale, these criteria are taken as a basis. These works are updated every year by market surveys.

Remuneration for operational staff is determined according to the titles in the organizational structure, but based on a tariff linked to station sizes. It is updated every year by market surveys.

The results of the regularly conducted performance assessments affect the pay rises and year-end bonuses.

In addition to the current base salary, a foreign language allowance is given for personnel who pass the examinations applied for positions that require knowledge of a foreign language. In addition to the foreign language allowance, personnel working as drivers are paid a vehicle bonus depending on the type of vehicle they use. Furthermore, various role-based responsibility premiums are being paid for qualifications required on the basis of roles.

Social Responsibility

Çelebi Ground Handling offers comprehensive support to the aviation industry through Erzincan Binali Yıldırım University Ali Cavit Çelebioğlu School of Civil Aviation. Established in 2008 and operational since 2010, the school plays a crucial role in providing qualified personnel to the sector. With our IATA-approved training modules, we provide instructor and seminar support where we share our sectoral experiences, scholarships for 10 students, and employment opportunities along with internships during the summer periods.

Furthermore, in alignment with the targets of the Human Resources department, a distinct target is set to monitor the ratio of graduates and students from civil aviation departments in the recruitment and overall employment process, and the employment rate of civil aviation department is increased each year compared to the previous year. In order to promote this process, we provide support for career days, congresses, seminars, and training projects organized by aviation professional organizations.

Organizational Development Activities

Employee Satisfaction Applications

In order to enhance employee satisfaction, an annual Employee Engagement and Experience Survey, which is accessible to the participation of all employees and is organized annually by an independent company, is conducted. Upon completion of the survey, action plans are developed through the facilitation of over 30 workshops across various focus groups, with the involvement of employees from all levels and departments. Under the leadership of the consultant company, action plans are prioritized and followed up.

The result of the Employee Engagement and Experience Survey conducted in 2023 was 67%, with an action completion rate of 81%.

Regulation Work

In addition to the HR and Training Regulations established and used, regulations on operational and other issues continue to be created and revised with the projects that will be carried out jointly for the issues needed.

Organization Work

The Company ensures that the organizational structures are rendered effective and standardized in accordance with the requirements, and organizational changes are monitored and published. Work on determining hierarchical levels and revising the roles according to the prevailing conditions are the primary issues of the HR policies.

Communication

With the aim of creating participative management and a secure working place for employees and to meet the requirements, personnel are informed of the Company's financial status, wages, career opportunities, training programs, health policies through meetings held and every opportunity is taken to send such messages. The suggestions, complaints, opinions and comments received from employees serves as a starting point for the required work.

Occupational Safety

Our Company has a management system that provides a secure and healthy work place for its employees, and which uses risk evaluation to determine the risks and dangers employees may face, and which takes precautions, develops activities to reduce these dangers and risks in line with the requirements set out in labor law. The system's OHS performance is continuously tracked where OHS aims are put into practice with management programs. Furthermore, our 30 stations and the Head Office hold the OHSAS 18001 certification.

Social Activities & Internal Communication

Çelebi anniversary and seniority plaque ceremonies, which are organized for our employees at the Head Office and all our stations in honor of their 5 years or multiples of seniority, continue to be held every year at our Head Office and stations. In addition, in 2023, severance bonus vesting has started for employees who are entitled to receive a plaque as of the 10th anniversary.

Social activities continue regularly with the happy hour events we organize every month in our Head Office offices and the catering organizations held at our stations.

Within the scope of internal communication, we communicate with all our employees through 6 different channels. Compliance is achieved with the monthly internal communication plan, such as special day celebrations, internal company announcements, aviation news, interactive competitions and informative webinars.

II- FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR MANAGEMENT

At the annual Ordinary General Assembly Meeting of the Company held on 13 April 2023, shareholders approved the payment of a monthly honorarium of TL 30,000 to the independent members of the Company's Board and also voted not to pay any other honoraria to Board members who are elected to represent Class A and Class B shareholders. Payments were made to the Company's independent directors for January-December period of 2023.

Members of our Company's Board of Directors do not have any loans carried over from 2022. No loan advances were given to members of the Board of Directors in the January-December period of 2023.

There are no loans made by the Company to its Board members or managers whose terms have been extended or otherwise improved; no sums have been lent to them as personal loans through third parties; neither have they been granted any form of surety such as guarantees etc. on their behalf.

III- THE COMPANY'S ACTIVITIES AND MATERIAL DEVELOPMENTS IN ACTIVITIES

6. THE RELEVANT SECTOR, 2023 ACTIVITIES AND PERFORMANCE

Civil Aviation Industry

In the World...

The International Air Transport Association (IATA) announced that the recovery in air travel continued in December 2023 and that total 2023 traffic came closer to the pre-pandemic demand level.

Total traffic (measured in paid passenger kilometers or RPK) increased by 36.9% in 2023 compared to 2022. Globally, traffic for the full year 2023 has reached 94.1% of pre-pandemic (2019) levels. Total traffic for December 2023 increased by 25.3% compared to December 2022, reaching 97.5% of the December 2019 level. Fourth quarter traffic was at 98.2% of 2019, reflecting the strong recovery seen towards the end of the year.

International traffic increased by 41.6% in 2023 compared to 2022, reaching 88.6% of the 2019 level. International traffic for December 2023 increased by 24.2% compared to December 2022, reaching 94.7% of the December 2019 level. Fourth quarter traffic was at 94.5% of 2019.

Domestic traffic increased by 30.4% in 2023 compared to the previous year. Domestic traffic in 2023 was 3.9% above the whole of 2019. While December 2023 domestic traffic increased by 27.0% compared to the same period of the previous year, it was 2.3% above December 2019 traffic. Fourth quarter traffic increased by 4.4% compared to the same quarter of 2019.

IATA General Manager Willie Walsh commented as follows: "The strong recovery after the pandemic continued in 2023. While December traffic was only 2.5% below 2019 levels, the strong performance in the 4th quarter enabled airlines to return to normal growth patterns in 2024. The recovery in the travel industry is a good new. Restoring connectivity is powering the global economy as people travel to do business, further their education, work hard and take well-deserved vacations, and more. But in the post-pandemic world, governments need to take a strategic approach to maximize the benefits of air travel. This means providing cost-effective infrastructure to meet demand, incentivizing the production of Sustainable Aviation Fuel (SAF) to meet our target of net zero carbon emissions by 2050, and adopting regulations that provide a clear cost-benefit. Completing the recovery should not be an excuse for governments to forget aviation's critical role in improving the prosperity and well-being of people and businesses around the world."

Details about the airline passenger market

Asia-Pacific airlines recorded a 126.1% increase in international traffic for all of 2023 compared to 2022, maintaining the strongest year-over-year rate among regions. Capacity increased by 101.8% and load factor increased by 9.0 percentage points to 83.1%. December 2023 traffic increased by 56.9% compared to December 2022.

Full-year traffic of European carriers increased by 22.0% compared to 2022. While capacity rose by 17.5%, load factor increased by 3.1 percentage points to 83.8%. In December, demand increased by 13.6% compared to the same month of 2022. December traffic was higher than the same month in 2019 for the first time since the beginning of the pandemic.

Middle Eastern airlines recorded a traffic rise of 33.3% in 2023 compared to 2022. Capacity increased by 26.0% and load factor augmented by 4.4 percentage points to 80.1%. There was an increase of 16.6% in December compared to the same month of 2022.

North American carriers report annual traffic growth of 28.3% in 2023 compared to 2022. Capacity increased by 22.4% and load factor increased by 3.9 percentage points to 84.6%. December 2023 traffic increased by 13.5% compared to the previous year.

Latin American airlines recorded a traffic increase of 28.6% in 2023 compared to the whole year 2022. While annual capacity rose by 25.4%, the load factor increased by 2.1 percentage points to 84.7%. This was the highest rate among regions. December demand increased by 26.5% compared to December 2022.

Annual traffic of African airlines increased by 38.7% in 2023 compared to the previous year. While the capacity rose by 38.3% in the whole of 2023, the load factor increased by 0.2 points and recorded the lowest level among the regions with 71.9%. African airlines' traffic in December 2023 increased by 9.5% compared to December 2022.

China's full-year domestic traffic increased by 138.8% compared to 2022 and was 7.1% above the 2019 level.

Australia (-4.2% compared to 2019) and Japan (-3.2% compared to 2019) are the only major domestic markets that have yet to recover pre-pandemic traffic demand.

In Turkey...

In the January-December period of 2023 in Turkey, domestic commercial aircraft traffic increased by 19.32% and international commercial aircraft traffic increased by 15.81% compared to the same period of the previous year. According to these results, the increase in total commercial aircraft traffic was 17.64%.

January-December 2023 Activities and Performance

A total of 94,744 flights were serviced by the Company in the Turkish market during January-December 2023 period, corresponding to a 17.6% year-on-year increase over the 2022 figure which was 80,534 flights.

Our subsidiary, Çelebi Airport Services India Private Limited (formerly known as Çelebi Ground Handling Delhi Private Limited), which started to provide services at the Indira Gandhi International Airport in Delhi, India from June 2010, served 35,723 flights at the Delhi, Ahmedabad, Kochin, Bangalore, Goa and Hyderabad stations in the January-December 2022 period. In the January-December 2022 period, the number of flights served fell to 35,327 registering a 1.1% decrease.

With the addition of Chennai to our Mumbai, Delhi, Ahmedabad, Kochi, Bangalore, Hyderabad, Goa and Kannur stations that we serve in India, our total number of stations in this country has reached 9.

Our Celebi Delhi Cargo Terminal Management India Pvt. Ltd. subsidiary has been providing cargo warehousing and handling services in 77,000 m² of space at Delhi International Indira Gandhi Airport since November 2009. While the company had handled 366,897 tons of cargo in 2022, the same rose by 16.9% to 441,700 tons in the January-December 2023 period.

Celebi NAS, another subsidiary that began services at Chhatrapati Shivaji International Airport in Mumbai (Bombay) in July 2009, serviced 27,416 flights during January-December 2022 period. In the January-December 2022 period, 31,893 flights have been served with an increase of 16.3% year-on-year.

Celebi Ground Handling Hungary, Çelebi Ground Handling's first international subsidiary, served a total of 30,786 flights in January-December 2023 period, registering 3.6% increase as compared with 29,725 flights serviced in 2022.

Celebi Ground Handling Hungary started cargo handling operations in January 2011 in its new warehouse located outside the airport. While the company had provided service for a total of 65,868 tons during 2022, the same registered as 57,584 tons in January-December 2023 period, decreasing by 14.3%.

Celebi Cargo GmbH entered operation in 2011 to offer air cargo storage and handling services in its storage facilities at the International Frankfurt Airport's "Cargo City Süd". Having handled 171,565 tons of cargo in 2022, that figure stood at 158,511 tons in January-December 2023 period with a decline of 8.2%.

The Group's consolidated gross profit in January-December 2023 period was up by 69% to TL 3,667,187,574 (2022: TL 2,169,732,655). In January-December 2023 period, the Company posted an operating profit of TL 2,780,613,058 (2022: TL 1,575,002,493). The Group's profit after tax in the same period was recorded as TL 1,687,068,401 (2022 January-December: TL 1,079,953,824).

As of 31 December 2023, the total amount set aside for legal and compensation provisions of our Company was TL 35,830,909 (31 December 2022: TL 10,679,098). There was no legal action or demands for compensation against the Company during the period which would significantly affect the Company's financial status or activities.

7. DEVELOPMENTS IN INVESTMENTS; INVESTMENT INCENTIVES USED

Tangible fixed asset investments realized by the Group during the year ended on 31 December 2023 amounted to TL 554,914,556 (31 December 2022: TL 221,466,768). 54% of these investments consisted of investments in machinery, equipment and appliances, 23.1% of investments in progress, 9.1% in special costs, 4.2% in investments in fixtures and 9.6% in investments in vehicles.

Total consolidated investment outlays of the Group in tangible and intangible assets as of 31 December 2023 were worth TL 691,631,564. (2022: TL 364,440,342).

Our Company holds the Large Scale Investments incentive certificate obtained from the Ministry of Trade (formerly Ministry of the Economy), the General Directorate of Incentive Implementation and Foreign Investment. The total amount of investment undertaken by our Company under this incentive certificate until 31 December 2023 stood at TL 247,905,531.02.

Regarding the machinery and equipment investments planned by our Company for the airports in Turkey, our applications for incentive certificates, totaling approximately TL 350 million TL, have been approved by TR Ministry of Industry and Technology General Directorate of Incentive Implementation and Foreign Capital. Investment Incentive Certificates have been issued in order to enable our Company to benefit from investment incentive practices as per the relevant legislation provisions. Within the scope of these incentive certificates, a total of TL 67,883,347.07 was spent until 31 December 2023.

8. DIRECT OR INDIRECT ASSOCIATES OF THE COMPANY AND INFORMATION ON SHAREHOLDING THEREIN

In 2006, the Company has acquired the shares in Budapest Airport Handling, a company which has been providing ground handling service at Budapest Airport, and the company's name was changed to Celebi Ground Handling Hungary ("CGHH").

As at 31 December 2023, the paid in capital of CGHH is HUF 200,000,000, while the Company holds 100% of the shares.

In order to provide ground handling services for a period of 10 years at the Mumbai Chhatrapati Shivaji International Airport in India, a company with the name "Celebi NAS Airport Services India Private Limited ("Celebi NAS") and based in the Maharashtra state in Mumbai has been incorporated on 12 December 2008.

Celebi NAS has a capital of INR 100,000,000, in which the Company controls 59% stake as a founding partner. The paid-in capital of Celebi NAS is INR 552,000,000. Besides, INR 228,000,000 has been paid as advance capital by the shareholders in Celebi NAS.

Celebi NAS has been granted the concession rights concerning the rendering of services regarding air conditioners and generators mounted on passenger boarding bridges in the passenger terminal of that airport until May 2036. As per the concession contract between Celebi NAS and the tender authority MIAL, Celebi NAS will continue to provide ground handling services for a period of 10 (ten) years from 1 January 2020 to 31 December 2029 following the expiry of the current concession period on 31 December 2019 at the CSIA airport in Mumbai, India.

The Company acquired 65% of Celebi Tanzania Aviation Services Limited ("Celebi Tanzania"), established in Darussalam, Tanzania to participate in the concession auctions for provision of ground handling services. The said company's share capital is 100 million Tanzanian Shillings (approximately USD 40 thousand). In line with the agreement signed with Tanzania's Airport Authority, the company has started its operations from 1 February 2021.

In 6 May 2009, the Company established Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") in which it controls a 74% share as a founding partner and which will be engaged in the brownfield development, modernization and financing of the existing cargo terminal in the airport in New Delhi, India, and in its operation for a period of 25 years. The paid-in capital of Celebi Delhi Cargo is INR 1,120,000,000.

Winning the tender for providing airport ground handling services at Delhi International Airport for a 10-year term, Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi") was established on 18 November 2009 with a shareholding rate of 99.9%. In order to fulfill the obligations arising from the Implementation Contract signed with the contracting authority and to ensure the realization of the projected investments, the Company has made legal and premium capital payment amounting to Indian Rupee 1,674,371,160 on its subsidiary of Celebi GH Delhi to meet the equity needed.

Under the ongoing concession agreements, the Company carries on with ground handling services at New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad airports. On 15 March 2018, the company's name was changed as Celebi Airport Services India Private Limited ("CASI"). Based on the authorization granted on 9 December 2019, CASI will continue to provide ground handling services for another 10 years following the expiration of the existing concession period at the Delhi International Airport.

Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo") was established on 20 November 2008 to carry out transportation, cargo storage and distribution operations. Celebi Cargo GmbH ("Celebi Cargo"), the subsidiary of Çelebi Kargo with a 100% ownership, and located in Frankfurt, Germany was established in November 2009 with a paid-in capital of EUR 11.140.000, has rented storage and warehouse facilities at International Frankfurt Airport Cargo (Frankfurt Cargo City Süd) and carry out flight cargo storage and handling services.

The Company has a 57,65% share in KSU Aviation Private Limited ("KSU") located in India, which was established on 8 May 2019 to provide "taxiing" services to aircraft at airports in India. For this purpose, a legal and premium capital payment of Indian Rupee 435 million was made by the Company.

Celebi GH Delhi, a subsidiary of the Group, participated in DASPL by acquiring 16.66% stake in the company. DASPL resides in New Delhi, India, has a paid-in capital of INR 250,000,000 and was set up to ensure execution of air conditioning units installed on passenger bridges in the airport's passenger terminal, generator and utility water services in compliance with international standards. On 14 November 2016, Celebi GH Delhi acquired an additional 8.33% share in DASPL, and the Group's shareholding interest in DASPL rose to 24.99%. The Group recognizes DASPL in its consolidated financial statements by equity method. DASPL's operations ended as of 1 April 2022, and the net loss for the period after 31 March 2022 is shown under "Profit/(loss) for the period from discontinued operations".

Celebi GH India Private Limited (CGHI) was established as a subsidiary of CASI in 2022, based on the ground services tender won at India's Ahmedabad International Airport. The capital of the company is Indian Rupee 164,000.

Celebi GS Chennai Private Limited (CGSC) was established as a subsidiary of CASI in 2022, based on the ground services tender won at India's Chennai International Airport. The capital of the company is Indian Rupee 80,099,595.

9. INFORMATION ABOUT FINANCIAL STATEMENTS AND REPORTS

The summary consolidated financial statements of the Group are issued in compliance with the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No: 14.1 on Principles of Financial Reporting in the Capital Markets, which is published in the Official Gazette no. 28676 and dated 13 June 2013. In accordance with Article 5 of the communiqué, the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) released by the Public Oversight Accounting and Auditing Standards Authority (KGK) and the related annexes and comments were taken as a basis in the publication of the consolidated financial statements.

Moreover, the financial statements are presented in accordance with the formats specified in the "Announcement regarding IFRS Taxonomy" published by the KGK on 15 April 2019, and in the Illustrative Financial Statements and User Guide published by the CMB.

By its decision passed on 17 March 2005, the CMB announced that publicly-held companies operating in Turkey did not need to apply inflation accounting effective 1 January 2005. The Company's financial statements have been drawn up within the frame of this decision.

When keeping their accounting records and preparing their mandatory financial statements, the Group and the Group companies located in Turkey conform to the principles and conditions set forth by KGK, as well as the Turkish Commercial Code (TCC), tax legislation, and the requirements of the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Treasury and Finance ("Ministry of Finance").

The accounting records and financial statements of the subsidiaries, joint venture and associate operating in foreign countries, on the other hand, have been drawn up in accordance with the laws and regulations applicable in the countries where they are active. Consolidated financial statements are based on the statutory records of the Company, its subsidiaries, JV and associate, and have been issued to incorporate the required adjustments and reclassifications for the purpose of fair presentation pursuant to the Turkish Financial Reporting Standards.

Assets and liabilities of consolidated foreign partnerships have been translated into Turkish lira using the exchange rate on the date of the consolidated financial condition statement, whereas income and expenses have been translated using the average exchange rate. Exchange differences resulting from the closing and the use of average exchange rate are followed up under the FC translation differences account under shareholders' equity.

These consolidated financial statements prepared in accordance with the applied Turkish Financial Reporting Standards, have been prepared in Turkish Liras and under the historical cost conversion except for the financial assets and liabilities presented at fair values, and the valuations related to the differences between the carrying value and fair value of the non-current assets recognized in business combinations.

b) Reporting Currency

Each line item in the financial statements of the group's companies is recorded in the currency of the primary economic environment in which the companies operate. The consolidated financial statements are presented in TL, the reporting currency for the Group. The functional currencies of Group companies as of 31 December 2023 are detailed below.

| Company | Currency |
|-----------------------------------|--------------------------|
| Çelebi Ground Handling | Euro (EUR) |
| CGHH | Hungarian Forint (HUF) |
| Celebi Delhi Cargo | Indian Rupee (INR) |
| CASI | Indian Rupee (INR) |
| Celebi NAS | Indian Rupee (INR) |
| Çelebi Kargo | Turkish Lira (TL) |
| Celebi Cargo GmbH | Euro (EUR) |
| DASPL | Indian Rupee (INR) |
| Celebi GH India Private Limited | Indian Rupee (INR) |
| KSU | Indian Rupee (INR) |
| Celebi GS Chennai Private Limited | Indian Rupee (INR) |
| Celebi Tanzania | Tanzanian Shilling (TZS) |

The Companies Incorporated into Consolidation

The Company's consolidated financial statements for the period ending 31 December 2023 include the results of the Company, Celebi NAS, CGHH, Celebi Delhi Cargo, CASI, Çelebi Kargo, DASPL, Celebi Cargo GmbH, KSU, Celebi Tanzania, CGHI and CGSC which are jointly referred to as the "Group".

The consolidated financial statements for the period 1 January-31 December 2023 has been approved for the issuance by the Board of Directors on 11 March 2024, and signed by Osman Yılmaz, the General Manager, and Deniz Bal, the Director of Financial Affairs, on behalf of Board of Directors.

10. DONATIONS

In the year ending 31 December 2023, the Group's donations and grants to various foundations, associations, chambers, public institutions and organizations amounted to TL 57,814,758. TL 48,374,958 of this donation amount consists of the construction expenses of the additional building of the Ali Cavit Çelebioğlu Faculty of Aviation and Astronautics, located within Erzincan Binali Yıldırım University, under the auspices of the Ministry of Transport.

IV- FINANCIAL STANDING

11. KEY FINANCIAL RATIOS

The key ratios showing our Company's financial structure, profitability, and debt-servicing were calculated on the basis of the consolidated financial statements dated 31 December 2023 and 31 December 2022.

| | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Current Ratio (Current Assets/Current Liability) | 1.26 | 1.49 |
| Cash Ratio (Cash Assets/Current Liabilities) | 0.70 | 0.96 |
| Short-Term Liabilities/Total Liabilities | 48.32% | 44.59% |
| External Resources/Shareholders' Equity | 192.60% | 147.57% |
| | 31 December 2023 | 31 December 2022 |
| Average Collection Time | 31.53 | 33.86 |
| Gross Profit Margin | 33.75% | 37.04% |
| Operating Profit (Loss)/Net Sales Revenues | 25.41% | 29.01% |
| Operating Profit (Loss)/Total Assets | 18.10% | 17.18% |
| EBITDA/Net Sales Revenues | 31.62% | 34.69% |

12. INFORMATION ABOUT PRODUCTION AND SALES OF GOODS AND SERVICES

The number of aircraft serviced by our Company in the year ended 31 December 2023 is stated below:

| Number of Aircraft Serviced | 2023 | 2022 | 2023-2022 % |
|-----------------------------|------------------|------------------|-------------|
| | January-December | January-December | |
| International Flights | 44,566 | 38,482 | 18.1 |
| Domestic Flights | 50,178 | 42,052 | 24.1 |
| Turkey Total | 94,744 | 80,534 | 21.1 |
| Celebi NAS | 31,893 | 27,416 | 3.0 |
| CASI | 35,327 | 35,723 | 18.6 |
| India | 67,220 | 63,139 | 7.7 |
| Hungary | 30,786 | 29,725 | 12.5 |
| Grand Total | 192,750 | 173,398 | 14.9 |

The weights of cargo handled by the Company in 2023 are stated below:

| Group (Consolidated) | 31.12.2023 | | | | 31.12.2022 | | | |
|-----------------------------|---------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|
| | Express Cargo | Domestic | WT (Import) | WT (Export) | Express Cargo | Domestic | WT (Import) | WT (Export) |
| Celebi Delhi Cargo (India) | 33,7031 | 118,510 | 153,233 | 136,926 | 22,785 | 78,189 | 134,570 | 131,353 |
| Celebi Cargo GmbH (Germany) | - | - | 62,617 | 95,894 | - | - | 67,064 | 104,501 |
| Çelebi Hava Servisi A.Ş. | - | - | 23,754 | 39,137 | - | - | 21,848 | 43,972 |
| Celebi GHH (Hungary) | - | - | 38,243 | 19,341 | - | - | 41,614 | 24,254 |
| Total (tons) | 33,031 | 118,510 | 277,847 | 291,298 | 22,785 | 78,189 | 265,096 | 304,080 |

13. DIVIDEND POLICY AND TIMING

On 8 April 2014 our Company's Board of Directors passed a resolution to approve the revision of the Company's Dividend Policy pursuant to the requirements of Capital Markets Board Dividend Communiqué II-19.1, which went into effect with its publication in issue 28891 of Official Gazette dated 23 January 2014; to publicly disclose this revision; and to submit this revised Dividend Policy for the consideration and approval of shareholders at the upcoming annual General Assembly Meeting. At the Ordinary General Assembly Meeting held on 8 May 2014, the Board of Directors resolution concerning the Dividend Policy passed on 8 April 2014 was discussed and unanimously approved by shareholders.

Çelebi Ground Handling Inc. Dividend Policy

- Taking our Company's medium- and long-term strategies, its investment and financing policies, and its profitability and cash situation into account and in the absence of any extraordinary developments in our Company's investment and/or financing needs and/or occurrences in its industry or the economy, at least 50% of net distributable profit shall be paid out as a dividend. When determining the dividend rate, attention shall be given to medium- and long-term investments that may require short-term cash outflows, material events that affect our Company's financial structure, and significant developments in the sector and/or in the economy and/or in markets.
- Dividends whose payment has been decided upon may take the form of cash, of bonus shares, or of some mix of the two.
- Dividend and payment-timing Board of Directors resolutions shall be in compliance both with this Dividend Policy and with currently applicable laws, regulations, and administrative provisions and then publicly disclosed. Board of Directors dividend and payment-timing proposals shall be considered and decided upon by shareholders convened in a General Assembly Meeting. The payment of dividends shall begin within maximum thirty days of the date of the General Assembly Meeting at which the decision to pay them is taken and in all cases within statutorily-mandated periods of time. The Board of Directors may decide to have dividends paid in installments provided that a general assembly of shareholders shall have authorized it to do so.
- Provided that a general assembly of shareholders shall have authorized it to do so, the Board of Directors may decide to have advances paid against dividends and may affect the payment of such advances subject always to the Capital Markets Law and Capital Markets Board regulations and decisions and to the Company's own articles of association.

With the decision of the Board of Directors taken at the Ordinary General Assembly Meeting convened on 13 April 2023, our financial statements, prepared on the basis of our legal books of account dated 31 December 2022, show a net current profit of TL 1,040,258,789.32 remaining after the deduction of all taxes and other legal obligations.

According to our Company's independently-audited consolidated financial statements dated 31 December 2021 prepared in accordance with Turkish Accounting Standards & Turkish Financial Reporting Standards (TMS/TFRS) and in CMB-specified formats pursuant to the requirements of CMB Communiqué II: 14.1 Concerning Financial Reporting Principles In Capital Markets, the net current profit remaining after the deduction of taxes and other statutory obligations amounts to TL 1,079,953,824.00.

Within the framework of CMB legislation, since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period and no first legal reserves that need to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable current profit is TL 1,079,953,824.00.

The entirety of the Net Profit for the Period descended in the Company's Consolidated Financial Statements dated 31 December 2022 is as follows:

| ÇELEBİ HAVA SERVİSİ A.Ş. Profit Distribution Table for 2022 (TL) | | |
|--|------------------------------|----------------------------|
| | According to CMB legislation | According to legal records |
| Net Profit for the Period (-) | 1,079,953,824.00 | 1,040,258,789.32 |
| Prior Year Loss (-) | 0.00 | 0.00 |
| General Legal Reserves | 0.00 | 0.00 |
| Net Distributable Profit for the Period | 1,079,953,824.00 | 1,040,258,789.32 |
| First Dividend to Shareholders | 1,215,000.00 | 1,215,000.00 |
| Second Dividend to Shareholders | 944,055,000.00 | 944,055,000.00 |
| Other Funds for Distribution | 85,050,000.00 | 85,050,000.00 |
| General Legal Reserves | 102,910,500.00 | 102,910,500.00 |
| Transferred to Extraordinary Reserves | 40,278,324.00 | 583,289.32 |

In this framework, in accordance with the CMB regulations pertaining to profit distribution, the following has been unanimously accepted for the accounting period of 1 January 2022- 31 December 2022:

- The distribution of TL 42.4000 Gross=net cash dividend to each share with a nominal value of TL 1,00 at the rate of 4240.00% to the full taxpayer corporations and the limited taxpayer institution shareholders obtaining dividends through a permanent representative and a workplace in Turkey,
- The distribution of gross cash dividend for each share with a nominal value of TL 1,00 at the rate of 3816.00%, and a net cash dividend of TL 38.1600 for each share with a nominal value of TL 1,00 to other shareholders, and the dividend distribution date has been set as 17 April 2023.

The related dividend payments have been completed as of 19 April 2023.

14. MISSION AND VISION

Mission

To be the global solution partner, adding value to its shareholders while correctly perceiving the needs of airport users and sustaining quality.

Vision

With a team fully identified with the collective "Çelebi spirit", being an internationally leading and trustworthy company that creates changes in its sector and produces value for all stakeholders.

Strategic Objectives

The strategic objectives of Çelebi Ground Handling are to maintain its position as the leader of the ground handling services sector in Turkey, to take part in ventures in ground handling services and terminal management and operations inside/outside Turkey.

V- RISKS AND AN ASSESSMENT BY THE GOVERNING BODY

15. BASIC FINANCIAL RISKS AND MANAGEMENT POLICIES

Due to the nature of its activities, the Group is focused on managing various financial risks including the effect of changes in exchange and interest rates. By its risk management program, the Group aims to minimize the potential negative effect to be caused by the volatilities in the markets.

Risk management is carried out within the frame of policies approved by the Board of Directors. The tasks of planning risk management, overseeing its operations and effectiveness, and ensuring that the internal audit team carries out its activities within the framework of the risk management plan are the duty of the Audit Committee, which has been set up by a Board of Directors resolution pursuant to CMB regulations and of the Corporate Governance Committee pursuant to the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles. The Audit Committee formulates a risk management and internal audit system capable of minimizing the risks that the Company could be exposed to and takes such measures as are needed to ensure that the system functions reliably. The Corporate Governance Committee sets up the necessary mechanisms for the early detection of operational and financial risks, implementation of necessary actions in relation to identified risks, and management of risk, and takes the necessary steps for their healthy operation.

Interest Rate Risk

The Company is exposed to interest rate risk due to the effect of the changes in interest rates on interest-bearing assets and liabilities. This risk is managed through balancing assets and liabilities that are sensitive to interest rates. Within the frame of its principle to manage risk with natural actions consisting of balancing the maturities of assets and liabilities sensitive to interest rates, the Company management utilizes its interest-bearing assets in matching-term investments. In addition, the Company protects itself from the interest risk arising from floating-rate bank loans through limited use of interest rate swap agreements that take place among derivative instruments as and when deemed necessary.

Liquidity Risk

The cash flow, made up of repayment times and amounts of loans, is managed in view of the amount of free cash flow to be generated by the Group on its activities. Therefore, while the option of debt repayment with the cash generated on activities when necessary is kept available on one hand, sufficient number of reliable and high-quality lending resources are kept accessible on the other.

Credit Risk

Credit risk consists of cash and cash equivalents, deposits held with banks, and customers exposed to credit risk that cover uncollected receivables.

With respect to the management of the credit risk concerning its receivables from customers, the Company identifies a risk limit individually for each customer (excluding related parties) using bank and other guarantees, and the customer carries out its business transactions so as not to exceed this risk limit. In the absence of these guarantees or in cases where they are required to be exceeded, transactions are carried out within internal limits set by procedures.

Exchange Rate Risk

Taking into consideration the significantly volatile course adopted in the past by the Turkish Lira against major foreign currencies and its over-valuation, the Group espoused a conservative monetary position and financial risk management policy. The Group is exposed to exchange rate risk due to its operations conducted in numerous currency units. Efforts are spent to keep the ratio of the amount of positions of these currencies among themselves or against Turkish Lira to total shareholders' equity within certain limits. To this end, foreign currency position is continually analyzed, and the exchange rate risk is managed using balance sheet transactions, or when necessary, off-balance sheet derivative instruments.

Capital Risk

The Company's goals in managing the capital is to be able to ensure the continuity of the Company's activities to sustain the optimum capital structure for the purpose of providing returns for its shareholders and benefits for its other stakeholders, and for minimizing the cost of capital. The Company's shareholders may, to the extent allowed by the CMB legislation, alter the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares and sell its assets to decrease indebtedness in order to preserve or reformulate the capital structure. Along with the other companies in the sector, the Company monitors the capital by utilizing the debt/capital ratio, which is net indebtedness divided by total capital. Net debt is total debt less cash and cash-equivalent assets and deferred tax liabilities. Total capital is the shareholders' equity and net debt as shown in the balance sheet.

VI- OTHER MATTERS

16. CHANGES TO THE ARTICLES OF ASSOCIATION AND COMPANY POLICIES

There was no change in our Company's articles of association and policies between 1 January 2023-31 December 2023.

17. ENVIRONMENT AND SUSTAINABILITY

Our Company has been upholding a sustainable environmental management system since its establishment. Our focus on adding value and commitment to continuous improvement has allowed us to systematically reduce and, where possible, eliminate any potential harm to the environment resulting from our activities.

1. Our Sustainability Strategy, Vision and Mission

As a Company, we remain committed to our responsibility for the continuity of our planet and life. Our sustainability efforts extend beyond the boundaries of our organization and encompass our customers, NGOs, investors, and all other stakeholders involved in the process, and our operations are conducted within the framework of the United Nations Sustainable Development Goals.

Our Company is committed to ensuring that the values and activities of our planet, our investors, our Company, and our customers continue and improve in a sustainable manner in the future, in accordance with the commitments we outlined in our Environmental Policy, which we publicly disclosed as part of our mission to become "an environmentally conscious company in the aviation industry through its practices."

2. ISO 14001:2015 Our Environmental Management System

Our Company has implemented an Environmental Management System that is designed to be sustainable, value-adding, and continuously improving, in accordance with the ISO 14001:2015 standard, which is widely recognized internationally. Our system has been certified by independent accreditation bodies, and aims to systematically minimize, and where possible, eliminate any adverse impacts on the environment.

As of 2023, the Company’s Headquarters, 32 stations, and IST Airport Cargo Temporary Storage Facility have been certified for compliance with the ISO 14001:2015 Environmental Management System.

Through our Environmental Policy, which guides our Environmental Management System that is publicly available, we are committed to providing our investors and other stakeholders with the following:

- To minimize our waste, to prevent environmental pollution, and to ensure compliance with all relevant environmental regulations.
- To implement environmental sustainability programs aimed at reducing our utilization of natural resources.
- To strive for maximizing the utilization of environmentally friendly technologies throughout operations, and to continuously improve our environmental performance.

Within the scope of our Environmental Management System, necessary programs and procedures have been created in order to determine the environmental dimensions at every stage of our services, from planning to presenting it to the customer, and to prevent or minimize the potential negative effects of these dimensions by controlling them with a proactive approach. We also ensure the continuous and effective improvement of our environmental performance.

In this context, annual Environmental Targets and Programs are created and implemented at the Head Office and all our stations in order to reduce/eliminate our environmental impacts arising from our activities.

In 2023, environmental goals such as reducing equipment fuel consumption and projects that provide environmental gain/benefit were added to our Company’s functional target set under the “Quality Scale” category in addition to those of 2022.

Functional Environmental Targets of ÇHS for the Year 2023

| Purpose | Goal | Calculation Method | Weight in Quality Scale | Target Scale | | | | |
|---|--|---|-------------------------|--------------|-----------|------------|------------|---------------------|
| | | | | 1 | 2 | 3 | 4 | 5 |
| Prevention of environmental pollution Sustainable resource utilization | To reduce energy consumption by 2% over the previous year | Comparison based on the amount of energy consumption (kWh per aircraft) per aircraft served compared to the previous year | 10% | No decrease | 0%< T <1% | 2% | 2%< T <4% | 4%<T |
| Combating climate crisis Protection of biodiversity and ecosystem | To reduce water consumption by 2% over the previous year | Comparison with the previous year on the quantity of water consumption per annual average number of HC personnel | 10% | | | | | |
| Reducing natural resource utilization | To reduce equipment fuel consumption by 2% over the previous year | Comparison with the previous year on the amount of equipment fuel consumption per aircraft served | 10% | | | | | |
| Prevention of environmental pollution Sustainable resource utilization | Implementation of projects that provide environmental benefit and profit on the topics which take place in the “calculation method” section within the station | Projects implemented during the year and whose environmental gains/benefits are proven with objective data will be evaluated. Environmental benefit/gain topics: 1. Reducing/preventing waste generation 2. Ensuring recycling/recovery/reuse 3. Reducing the use of energy and natural resources, energy efficiency studies 4. Reducing greenhouse gas emissions 5. Prevent soil, air and water pollution 6. Renewable energy studies | Provides extra points | 0 Project | 1 Project | 2 Projects | 3 Projects | 4 and over Projects |

The assignment of these goals, the monitoring of their realization levels and the steps taken to achieve them are carried out using our digital performance assessment platform.

In addition, we reduce and keep our environmental impacts under control, through the implementation of the following procedures and other documents that are in compliance with our ISO 9001 Quality, ISO 14001 Environment, and ISO 45001 Occupational Health and Safety Integrated Management System:

- Environment and OHS Handbook
- Risk and Opportunity Assessment Procedure
- Environmental Dimensions Assessment Procedure
- Legal Requirements Procedure
- General Training Procedure
- Emergency Procedure
- Documentation Procedure
- Operations Control Procedure
- Monitoring and Measurement Procedure
- Audit and Corrective Actions Procedure
- Management Review Procedure
- Greenhouse Gas Management Procedure
- Energy and Natural Resource Management Instruction
- Waste Management Instruction
- Control of Environmental Aspects Resulting from Maintenance Activities Instruction
- Safe Storage of Chemical Substances Instructions

3. Our Environmental Programs and Practices

Our Company recognizes the importance of utilizing natural resources essential for sustaining a healthy lifestyle while considering the needs of future generations and the associated responsibilities. Under the main headings of combating the climate crisis, optimizing natural resource utilization, and preventing environmental pollution-waste management, our Company conducts the following programs and practices:

3.1. Combating Climate Change

- As part of our commitment to the Carbon Disclosure Project (CDP), voluntarily calculating our greenhouse gas inventory and making this information available to the public and international investors, along with other practices we carry out to address the climate crisis,
- Purchasing and deploying electric vehicles (tractors, ladders, push-backs, passenger cars, etc.) instead of fossil fuel-consuming vehicles we use in our Apron Services, as well as converting the current fossil fuel equipment to electric,
- Utilizing lithium-ion batteries that are environmentally friendly in instead of traditional lead batteries,
- Conducting energy efficiency studies in our buildings and facilities (ventilation/cooling systems automation and isolation studies, conversion to LED lighting, etc.),
- Preventing paper use and reducing cartridge and toner waste by reducing printouts as a result of digitalizing business processes carried out with printed documents in our Operations, Human Resources, Administrative Affairs, Quality and other departments,
- Maintaining control over air pollutant emission sources by regularly conducting flue gas analyses through accredited institutions,
- Ensuring the reduction of greenhouse gases through involvement in the DHMI's Carbon-Free Airport Project.
- Efforts on increasing the use of renewable energy and transition to electricity with zero or minimal carbon emissions:
- Utilization of solar panels in our buildings,
- Installation of solar panels on our passenger stairs with canopy.

As part of our efforts to mitigate greenhouse gas emissions from third parties (suppliers, subcontractors, dealers, etc.), we have ensured that our suppliers providing personnel vehicle services are taking the following measures:

- Preventing excessive fuel consumption and reducing cooling gas leakage by performing regular maintenance and controls on service vehicles,
- In the process of setting the service routes, planning by selecting the shortest alternative routes, and assessing with Çelebi Ground Handling the service requirements of the newly recruited personnel in line with these routes, and reducing fuel consumption by keeping route changes at minimum.

3.2. Natural Resources Management

- Sorting recyclable (paper, plastic, etc.) and recoverable (waste batteries, toners/cartridges, electronic waste, etc.) wastes generated by our operations at source and recycling/recovering them through licensed facilities,
- Ensuring energy recovery by disposal of wastes with high calorific value, such as waste lubricants and end-of-life tires, generated as a result of our activities, at licensed incineration facilities,
- Reducing building electricity consumption by using photocell systems and energy efficient light bulbs in lighting installations,
- Reducing building water consumption by using photocell armatures at sinks,
- As part of the Green Buildings (LEED) Project, obtaining the relevant certification during the construction and operation phases of our Cargo & Headquarters and Technical Buildings at Istanbul New Airport ensuring the recycling of 94% of waste during the construction phase, 30% water savings, and 48% electrical energy savings in our buildings during the operation phase,
- Reusing filter backwash water from drinking water treatment plants in our vehicle/equipment washing activities,
- Using capture systems or equipment that prevent the release of cooling gases from equipment cooling systems into the atmosphere during maintenance processes,
- The Gray Water Project, which we have initiated to utilize rainwater collected within buildings for urinal purposes, remains ongoing.

3.3. Prevention of Environmental Pollution - Waste Management

- Maintaining control over our wastewater discharges through regular analysis conducted by accredited institutions at our wastewater sources,
- Ensuring that our wastewater is transferred to the treatment plant while minimizing the pollution load by physical/chemical treatment before discharging the wastewater to the relevant airport sewerage,
- As per the Zero Waste Regulation, segregating the waste generated from our operations at the source and facilitate the recycling, recovery, and reuse of the recyclable materials, and mitigating environmental harm by ensuring that non-recyclable hazardous waste is transported and disposed of by companies that are licensed by the Ministry of Environment, Urbanization, and Climate Change,
- Ensuring reduction efforts by obtaining Engine Oil Change Point Permit Certificate and regularly monitoring our waste oils, resulting from equipment maintenance in our technical buildings through the MOYDEN system, which is managed by the Ministry of Environment, Urbanization, and Climate Change, furthermore, for our areas that are not in this scope, proceeding with our reduction efforts by obtaining an out-of-scope letter from the Ministry of Environment, Urbanization and Climate Change,
- Developing environmental training modules that can be easily accessed by all our employees through our online training platform (Çelebi E-school) with an informative video on environment and waste management, aimed at enhancing our employees' environmental awareness,
- Establishing and training Spill-Leak Response Teams as part of environmental emergency preparedness, conducting routine drills, and maintaining readily available absorbent materials and other response tools and equipment.

In addition to the activities mentioned above, to enhance our sustainability performance for our services:

- Environmental training and modules that are tailored to our operations have been developed and made accessible to our employees online through our electronic training platform,
- Our Company's software, Skyflow, has been updated with an Environmental Management Module, enabling us to efficiently monitor and track key environmental parameters, including waste generation quantities, natural resource consumption quantities, and greenhouse gas activity data.

This report does not include a comprehensive breakdown of the United Nations (UN) 2030 Sustainable Development Goals (SDG) to which our programs and studies are aligned. This information is planned to be incorporated into an individual Sustainability Report that we intend to prepare in the upcoming period.

4. Benefits of Our Environmental Projects and Energy Efficiency Efforts

The table below provides comprehensive details on the environmental and financial benefits resulting from the efforts that have been implemented in 2023 to mitigate or eliminate our impact on the environment:

Benefits of Our Environmental Projects/Energy Efficiency Efforts

| Project/Effort | Environmental Benefit/Revenue | Cost Savings |
|--|--|--|
| Procuring 15 electrical equipment to use in our operations | A total of 63.30 tons of CO ₂ e greenhouse gas emissions have been prevented annually. | An annual savings of TL 1,195,680 was achieved across various categories including decrease in electricity consumption, maintenance, labor, and consumables. |
| Preventing the use of paper as a result of digitalizing business processes carried out with printed documents in our Human Resources department. | 226,542 sheets of A4 paper were saved annually. In this way, 1,051 kg CO ₂ e greenhouse gas emissions were prevented annually. | An annual savings of TL 31,700 was achieved. |
| Ensuring the recycling of waste oil resulting from our equipment maintenance activities | 30 tons of waste oil was recycled annually. A total of 717.3 tons of CO ₂ e greenhouse gas emissions have been prevented annually. | An annual savings of TL 24,085 was achieved. |
| Ending the use of plastic bottles in our offices located in İstanbul Station by switching to purified water dispensers | By eliminating the use of approximately 850 thousand plastic bottles annually, 365.92 tons of CO ₂ e greenhouse gas emissions were prevented. | The procurement process is ongoing. |

Additionally, the table below outlines the specifics pertaining to the energy consumption and emission reduction attained from the energy efficiency projects that we have executed:

Energy Efficiency Projects

| Project/Effort | Greenhouse Gas Emission Reduction (tons CO ₂ e /year) | Reduction in Energy Consumption (kWh/year) |
|--|--|--|
| Integrating 10 conditioned ventilation facilities in our IGA Cargo Warehouse building into the automation system to ensure optimal efficiency | 6.09 | 12,740 |
| Converting a total of 622 T8-type lights to LEDs (422 at our Antalya Station and 200 at our Sabiha Gökçen Airport Station) | 54.23 | 113,396 |
| At our Sabiha Gökçen Airport Station, enhancing the physical infrastructure, optimizing insulation, implementing automated continuous heat monitoring and control to minimize the heat losses in the system room | 6.09 | 12,285 |

5. Renewable Energy/Transition to Low Carbon Electricity Efforts

Our Company enhances its efforts on yearly basis to increase the amount of renewable energy usage and transition to zero or low carbon electricity. In this regard, solar power plants have been installed in two of our buildings at İstanbul Airport.



The table below provide information regarding the power plants:

Detailed Information on Solar Power Plants

| Parameter | Technical Building | Cargo Building |
|--|--------------------|----------------|
| Investment Cost (TL) | 86,589 | 157,632 |
| Installation Area (m ²) | 240 | 528 |
| Energy Generation (kWh per year) | 17,800 | |
| Greenhouse gas emission savings (CO ₂ e per year) | 8.5 | |

All the energy generated by the power plants was utilized. With the exception of the stated power plants, no electricity, heat, steam, or other forms of energy were generated by our Company during the reporting period.

6. Water Management

The responsibility for managing water and other natural resource consumption within our Company is assigned to the Station Managements in our operation units. As per our Environmental Policy and functional targets, we conduct activities to minimize water consumption in accordance with the guidelines outlined in our "I-TR01-10000676-004 Energy and Natural Resource Management Instruction". During the Annual Management Review meetings, the topics of discussion include water consumption amounts, reduction and improvement efforts.

The airports we serve utilize mains water as their primary water source. The quality of the water is ensured by both the airport authority and our Company through regular drinking water analyses conducted by relevant institutions.

Regarding water safety, on which our Company management focuses sensitively, our priority is to treat our industrial wastewater and discharge it safely, well below the discharge limits. In this context, we are committed to using water resources efficiently by aiming to recycle at least 40% of the amount of water we spend during our activities with the advanced chemical treatment systems we have installed in two different locations at Istanbul Airport. In this way, we ensure continuous improvement by controlling our environmental impact.

Advanced Chemical Treatment Plant Features

| Parameter | Features |
|--------------------------------------|----------|
| Plant Capacity (m ³ /day) | 15 |
| Investment Cost (Euro) | 79,900 |

Our wastewater treatment facility was awarded the "GREEN FLAG" award by TOBFED (Federation of Automotive Maintenance Associations of Turkey) at the 3rd Sustainable Future Summit, with the implementation of the İstanbul Airport Vehicle and Equipment Washing Areas Wastewater Recovery Project.



Our data on water consumption is shared in the "Our Environmental Indicators" section.

7. Our Environmental Indicators

The indicators of greenhouse gas emissions, water consumption, waste generation and energy consumption, which are related to major environmental aspects and are critical for assessing our environmental performance, are monitored on a regular basis.

The data pertaining to these indicators is presented in the tables below in a manner which facilitates comparison with previous years:

Greenhouse Gas Emissions Data

| Reporting Year | Greenhouse Gas Emissions (tons CO ₂ e) | | | Total | Emissions per Aircraft Served (tons CO ₂ e) | YoY Change |
|----------------|---|----------|----------|-----------|--|------------|
| | Scope 1 | Scope 2 | Scope 3 | | | |
| 2011 | 6,676.30 | 2,065.30 | - | 8,741.60 | 0.05592083 | Base Year |
| 2012 | 7,440.40 | 2,395.25 | - | 9,835.65 | 0.05676783 | 1.51% |
| 2013 | 6,678.89 | 2,354.04 | - | 9,032.93 | 0.05040529 | -11.21% |
| 2014 | 6,599.02 | 2,443.06 | - | 9,042.08 | 0.04685074 | -7.05% |
| 2015 | 8,132.82 | 2,386.61 | - | 10,519.43 | 0.05016250 | 7.07% |
| 2016 | 6,771.92 | 1,810.04 | - | 8,581.95 | 0.05123539 | 2.14% |
| 2017 | 6,319.36 | 2,197.33 | - | 8,516.69 | 0.06455365 | 25.99% |
| 2018 | 5,170.67 | 1,764.93 | - | 6,935.60 | 0.05470707 | -15.25% |
| 2020 | 1,549.42 | 757.45 | - | 2,306.87 | 0.04895319 | -10.52% |
| 2021 | 2,430.25 | 1,644.45 | 1,888.93 | 5,963.63 | 0.08077840 | 65.01% |
| 2022 | 3,628.63 | 2,017.88 | 832.14 | 6,478.65 | 0.08044667 | -0.41% |

NOTE: Scope 3 was included in our greenhouse gas inventory for the first time in 2021 reporting.

Water Consumption Data

| Year | Quantity Consumed (m ³) | Employee Water Consumption (m ³ /employee) | YoY Change |
|------|-------------------------------------|---|------------|
| 2019 | 68,165 | 17.36 | |
| 2020 | 29,913 | 16.64 | -4.15% |
| 2021 | 40,524 | 18.66 | 12.14% |
| 2022 | 55,786 | 16.37 | -12.27% |
| 2023 | 41,991 | 10.38 | -48.85% |

We have water meters in our own buildings at our Stations operating at airports, and water consumption is regularly monitored by the airport authority and a water bill is issued to us. In our offices and areas within the terminal, of which we are tenants, water bills are issued based on the distribution made on a square meter basis by the terminal authority. Consumption values are calculated by taking these invoices and accruals into account.

Quantities of Waste (hazardous and non-hazardous) Generated

| Year | Quantity of Waste (ton) |
|------|-------------------------|
| 2013 | 127 |
| 2014 | 94 |
| 2015 | 193 |
| 2016 | 235 |
| 2017 | 194 |
| 2018 | 89 |
| 2019 | 181 |
| 2020 | 72 |
| 2021 | 311 |
| 2022 | 583 |
| 2023 | 491 |

All of the Company’s stations retain active accounts in the Integrated Environmental Information System (EÇBS) of the Ministry of Environment, Urbanization, and Climate Change (<https://ecbs.cevre.gov.tr/>), and the annual waste disclosures are entered into the Waste Management application in EÇBS. Quantities of waste are monitored through these disclosures. On the other hand, the monthly quantities of waste generated and shipped by the stations are tracked via the Skyflow Environmental Management Module software of the Company. In addition, the amount of waste entering and exiting the warehouses is determined with the help of weighing scales in our Temporary Waste Warehouses on the field. This information is documented through the use of “F-TR01-10000676-100 Waste Warehouse Entry Registration Form” and “F-TR01 10000676-005 Waste Tracking Chart”.

Energy Consumption Values in 2023

| Type of Energy | Scope 1 | Type of Energy | Scope 2 |
|----------------|----------------------------|----------------|-------------------------|
| | Quantity Consumed (liters) | | Quantity Consumed (kWh) |
| Gasoline | 198,212 | Electricity | 4,596,256 |
| Diesel | 1,319,779 | Natural Gas | 414,781 |
| Total | 1,517,991 | Total | 5,011,037 |

8. Greenhouse Gas Inventory Calculations - Methodology

Our Company conducts yearly greenhouse gas inventory calculations in accordance with the ISO 14064 standard. The station buildings, workshop, and vehicle/equipment parking zone utilized by Çelebi Ground Handling in the airport apron area, which falls under the financial and administrative control of Çelebi Ground Handling, along with the passenger services offices located in the airport terminal building and rented from the terminal operator, are encompassed in the greenhouse gas inventory as direct greenhouse gas emissions (Scope 1) and energy indirect greenhouse gas emissions (Scope 2). As of the 2021 inventory, our greenhouse gas inventory includes the emissions resulting from the activities of our personnel service providers, and the fuel consumption of our employees who receive business travel/fuel support as other indirect greenhouse gas emissions (Scope 3).

The year 2011 is used as the base year in the calculations.

The details of the methodology employed within the scope of the ISO 14064 standard are outlined as follows:

- Emission factors within the scope of tier-1 (IPCC, IEA etc.) are used in our calculations.
- The emission factors we have chosen on the basis of emission source are as follows:
 - Warm-Up= IPCC 2006, Vol.2, Table 2.4. Default emission factors for stationary combustion in the commercial/institutional category (kg of greenhouse gas per TJ on a net calorific basis) (page 2.20)
 - GPU, ASU, ACU, emergency generator, vehicle washing equipment= IPCC 2006, Vol.2, Table 2.4. Default emission factors for stationary combustion in the commercial/institutional category (kg of greenhouse gas per TJ on a net calorific basis) (page 2.20)
 - Refrigeration system leaks = IPCC 2006, Vol.3; Chapter 7, Table 7.9: Estimates for charge, lifetime and emission factors for refrigeration and air-conditioning systems (page 7.52)

- Impact Potentials on Global Warming = IPCC Fifth Assessment Report, 2014 (AR5); GWP values for 100-year time horizon
- Fuel intensity = Regulation on Increasing Efficiency in the Use of Energy Resources and Energy, Annex-2: Lower Calorific Values of Energy Resources and Conversion Coefficients to Petroleum Equivalent
- On-road and off-road vehicles = Sources: IPCC 2006, Vol.2;
 - Table 3.2.1. Road transport default CO2 emission factors and uncertainty ranges (page 3.16)
 - Table 3.2.2. Road transport N2O and CH4 default emission factors and uncertainty ranges (page 3.21)
 - Table 3.3.1. Default emission factors for off-road mobile sources and machinery (page 3.36)

9. Environmental Reporting

Our Company regularly reports its efforts and data pertaining to the combat against the climate crisis to the Carbon Disclosure Project (CDP), which is comprised of investors who represent a total of USD 100 trillion in assets globally. 2022 calendar year CDP reporting was completed on 26 July 2023.

As a result of the effective and detailed work we have carried out on environmental sustainability on this platform, which we have been involved in since 2012, we have managed to maintain our CDP climate change reporting score at the "B-Management" level. In line with our commitments in our environmental policy, we will continue to continuously improve our environmental sustainability performance.

We have included our information and data regarding environmental management in our Annual Report, which we have shared with our investors and the public since 2001.

The details of our environmental reporting are provided in the table below:

Environmental Reporting

| Report | Scope of the Report | Reporting Period | Reporting Date | Reporting Conditions, Platforms on which Reports are Disclosed |
|-------------------------------------|-------------------------------|---------------------------------------|----------------|--|
| Carbon Disclosure Project (CDP) | All Çelebi Ground Handling | 01 January 2022 - 31 December 2022 | 26 July 2023 | The report is submitted through the official website of CDP, which is a global platform accessible at https://www.cdp.net/ . The reports are accessible to global investors. Since 2012, the reporting process has entailed submitting data for the preceding calendar year by the end of June annually. The reporting for the calendar year 2022 has been finalized on 26 July 2023. |
| Annual Report - Environment Section | All Çelebi Ground Handling | 01 January 2023 - 31 December 2023 | 01 March 2024 | It is reported on a quarterly basis, four times a year. Our Annual Report can be accessed on the Çelebi Investor website at http://celebiyatirimci.com/ |

10. Environmental Committees

The "ÇHS Sustainability Team" has been formed with the participation of all relevant departments in order to coordinate activities on sustainability throughout the CRC and to ensure effective communication between departments. Committee's activities are conducted under the leadership of the Financial Affairs and Quality Departments. The Committee is not affiliated to the Board of Directors, and operates as an independent functional team within the Company.

On the stations side, Environmental Committees have been established under the leadership of Quality Officers to conduct the coordination of environmental activities and programs within the framework of the ISO 14001 Environmental Management System. Effective coordination is maintained between the Central Committee and the Environment Committees at the stations through regular meetings, briefings, and reports.

11. Carbon Pricing, Carbon Credit

During the reporting period, the Company did not engage in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax). Currently, there is a lack of clarity regarding the Emissions Trading System (ETS) in Turkey. In case of clarification, engagement will be considered.

During the reporting period covering 01 January 2023-31 December 2023, there are no carbon credits accrued or purchased within the Company.

No carbon pricing is implemented within our Company.

12. Criteria for Environmental Rewarding

During the reporting period, no environmental targets were incorporated into the rewarding criteria within the scope of performance incentive systems regarding stakeholders (such as members of the Board of Directors, managers and employees).

13. Related Party Relationships

The following table provides details on the activities we conduct to strengthen our relationships with related parties, such as public institutions, customers, and suppliers, and to contribute to collaborative studies:

Collaborations with Related Parties

| Organization | Subject Matter | Collaboration |
|--|--|--|
| Directorate General Of Civil Aviation (SHGM) | Drafts of the Environmental Management Regulation at Airports (SHY-ÇEVRE) and the Environmental Criteria Instruction for Airports (SHT-ÇEVRESEL) | Presenting opinion within the scope of the Regulation and Instruction planned to be published. |
| ASA (Airport Services Association) | Sustainability Committee | An active role is taken in the established committee. |
| TÖSHİD | Sustainability Working Group | An active participation is ensured in the established working group. |
| Lokman Hekim Sağlık Vakfı | Support for medical students | Support is provided for the foundation's charitable activities. |

We do not have any lawsuits filed and/or concluded against our Company regarding ESG issues, which are important in terms of our ESG policies and/or will significantly affect our activities.

18. EVENTS AFTER THE FINANCIAL STATEMENT DATE

Not available.

19. PROFIT DISTRIBUTION PROPOSAL OF THE BOARD OF DIRECTORS

Our financial statements prepared on the basis of our legal books of account dated 31 December 2023 show a net current profit in the amount of TL 1,683,900,125.62 remaining after the deduction of all taxes and other legal obligations.

As there is no Prior Year's Loss available to be deducted from the Net Period Profit, the Net Distributable Profit amount that should be considered for profit distribution in accordance with our Company's legal records is TL 1,683,900,125.62.

The Net Profit for the Period, after the deduction of Tax and Legal liabilities, in our Company's consolidated financial statements dated 31 December 2023, that were prepared in accordance with the formats specified by CMB and in the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) pursuant to the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No. 14.1 on the "Principles of Financial Reporting in the Capital Markets", and which have been audited by independent organizations, amounted to TL 1,667,723,088.00.

Within the framework of CMB legislation, as there is no Prior Year Loss available to be deducted from the Net Profit for the Period in our Company's consolidated financial statements and no General Legal Reserve that needs to be set aside pursuant to the Turkish Commercial Code (TCC), the Net Distributable Profit for the Period is TL 1,667,723,088.00.

Accordingly, the Net Period Profit of TL 1,667,723,088.00 in our Company's Consolidated Financial Statements dated 31 December 2023 and the amount of TL 14,677,647.28 to be covered from previous years' profits in our Company's financial statements prepared in accordance with the CMB will be distributed as follows:

| ÇELEBİ HAVA SERVİSİ A.Ş. Profit Distribution Table for 2023 (TL) | | |
|---|-------------------------------------|-----------------------------------|
| | According to CMB legislation | According to legal records |
| Net Profit for the Period | 1,667,723,088.00 | 1,683,900,125.62 |
| Prior Year Loss (-) | 0.00 | 0.00 |
| General Legal Reserves (-) | 0.00 | 0.00 |
| Net Distributable Profit for the Period | 1,667,723,088.00 | 1,683,900,125.62 |
| First Dividend to Shareholders | 1,215,000.00 | 1,215,000.00 |
| Second Dividend to Shareholders | 1,515,007,352.72 | 1,529,685,000.00 |
| Other Funds for Distribution | 14,677,647.28 | 0.00 |
| General Legal Reserves | 152,968,500.00 | 152,968,500.00 |
| - Period Profit | 151,500,735.27 | 152,968,500.00 |
| - Other Funds to Be Distributed | 1,467,764.73 | 0.00 |
| Transferred to Extraordinary Reserves | 0.00 | 31,625.62 |

In this framework, in accordance with the CMB regulations pertaining to profit distribution and with respect to the period from 1 January 2023 until 31 December 2023, we hereby present for the approval of the Ordinary General Assembly that will convene on 16 April 2024 that:

- Shareholders who are resident corporate entities and shareholders who are non-resident corporate entities but earn dividends through a place of business or permanent representative based in Turkey be paid a TL 63.0000 gross=net cash dividend for each share of stock with a nominal value of TL 1,00 that they hold corresponding to a ratio of 6300.00%;
- Other shareholders be paid a TL 63.0000 gross cash dividend for each share of stock with a nominal value of TL 1,00 that they hold, which corresponds to a ratio of 6300.00%, and TL 56.7000 net cash dividend for each share of stock with a nominal value of TL 1,00 that they hold, which corresponds to a ratio of 5670.00%;
- The dividend payout date be set as 24 April 2024.

Very truly yours,

ÇELEBİ HAVA SERVİSİ A.Ş.

BOARD OF DIRECTORS

CORPORATE GOVERNANCE INFORMATION FORM

| 1. SHAREHOLDERS | |
|--|---|
| 1.1. Facilitating the Exercise of Shareholders Rights | |
| The number of investor meetings (conference, seminar/etc.) organized by the company during the year | 4 |
| 1.2. Right to Obtain and Examine Information | |
| The number of special audit request(s) | 0 |
| The number of special audit requests that were accepted at the General Shareholders' Meeting | 0 |
| 1.3. General Assembly | |
| Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d) | https://www.kap.org.tr/tr/Bildirim/1137625 |
| Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time | Provided in Turkish. |
| The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9. | - |
| The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1) | - |
| The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II- 17.1) | - |
| The name of the section on the corporate website that demonstrates the donation policy of the company | http://www.celebiyatirimci.com/tr/yazi.php?id=37 |
| The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved | https://www.kap.org.tr/tr/Bildirim/1022686 |
| The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting | 10 |
| Identified stakeholder groups that participated in the General Shareholders' Meeting, if any | https://www.kap.org.tr/tr/Bildirim/1022686 |
| 1.4. Voting Rights | |
| Whether the shares of the company have differential voting rights | No |
| In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares, | - |
| The percentage of ownership of the largest shareholder | 89.91 |
| 1.5. Minority Rights | |
| Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association | No |
| If yes, specify the relevant provision of the articles of association, | - |
| 1.6. Dividend Right | |
| The name of the section on the corporate website that describes the dividend distribution policy | http://www.celebiyatirimci.com/tr/yazi.php?id=27 |
| Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend, | - |
| PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends | - |

General Assembly Meetings

| General Assembly Meeting Date | The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting | Shareholder participation rate to the General Shareholders' Meeting | Percentage of shares directly present at the GSM | Percentage of shares represented by proxy | Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against | Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them | The number of the relevant item or paragraph of General Meeting minutes in relation to related party transactions | The number of declarations by insiders received by the board of directors | The link to the related PDP general shareholder meeting notification |
|-------------------------------|---|---|--|---|---|---|---|---|--|
| 13.04.2023 | 0 | 90.00% | 0.00% | 89.91% | www.celebiyatirimci.com.tr >> Information about General Assembly >> Minutes of General Assembly Meetings and List of Attendees >> Ordinary General Assembly Meeting dated 13 April 2023 >> Minutes of the Meeting | www.celebiyatirimci.com.tr >> Information about General Assembly >> Minutes of General Assembly Meetings and List of Attendees >> Ordinary General Assembly Meeting dated 13 April 2023 >> Minutes of the Meeting | - | 65 | https://www.kap.org.tr/tr/Bildirim/1137625 |

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

| | |
|---|---|
| Specify the name of the sections of the website providing the information requested by the Principle 2.1.1. | www.celebiyatirimci.com.tr |
| If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares, | www.celebiyatirimci.com >> About Us >> Shareholders Structure |
| List of languages for which the website is available | Turkish and English |

2.2. Annual Report

| | |
|--|---|
| The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2. | |
| a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members | Board of Directors, Audit, Committees and Senior Management |
| b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure | Board of Directors, Audit, Committees and Senior Management >> Corporate Governance, Audit and Early Detection of Risk Committees |
| c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings | The Board of Directors held 83 meetings in 2023. |
| ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation | - |
| d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof | - |
| e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest | - |
| f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5% | Direct or Indirect Associates of the Company and Information on Shareholding Therein |
| g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results | Information on Personnel and Human Resources Policy |

| 3. STAKEHOLDERS | |
|--|--|
| 3.1. Corporation's Policy on Stakeholders | |
| The name of the section on the corporate website that demonstrates the employee remedy or severance policy | - |
| The number of definitive convictions the company was subject to in relation to breach of employee rights | - |
| The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism) | Members of the Ethics Board |
| The contact detail of the company alert mechanism | ethics@celebiaviation.com |
| 3.2. Supporting the Participation of the Stakeholders in the Corporation's Management | |
| Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies | - |
| Corporate bodies where employees are actually represented | Employee Committee |
| 3.3. Human Resources Policy | |
| The role of the board on developing and ensuring that the company has a succession plan for the key management positions | Defined in the Company's Human Resources Policy, |
| The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy. | Defined in the Human Resources section at the www.celebiaviation.com |
| Whether the company provides an employee stock ownership program | - |
| The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy. | Defined in the Human Resources section at the www.celebiaviation.com |
| The number of definitive convictions the company is subject to in relation to health and safety measures | - |
| 3.5. Ethical Rules and Social Responsibility | |
| The name of the section on the corporate website that demonstrates the code of ethics | www.celebiyatirimci.com.tr >> Disclosures >> Code of Ethics |
| The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues. | www.celebiyatirimci.com.tr >> About >> Social Responsibility |
| Any measures combating any kind of corruption including embezzlement and bribery | www.celebiyatirimci.com.tr >> Disclosures >> Code of Ethics |
| 4. BOARD OF DIRECTORS-I | |
| 4.2. Activity of the Board of Directors | |
| Date of the last board evaluation conducted | - |
| Whether the board evaluation was externally facilitated | - |
| Whether all board members released from their duties at the GSM | Yes |
| Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties | Can Çelebioğlu: Chairman of the Board of Directors Hüseyin Hüsnü Okvuran: Deputy Chairman of the Board of Directors İsak Antika: Deputy Chairman of the Board of Directors |
| Number of reports presented by internal auditors to the audit committee or any relevant committee to the board | 7 |
| Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls | - |
| Name of the Chairman | Can Çelebioğlu |
| Name of the CEO | Osman Yılmaz |
| If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles | - |
| Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital | - |
| The name of the section on the corporate website that demonstrates current diversity policy targeting women directors | - |
| The number and ratio of female directors within the Board of Directors | The number of female members is 3 and the ratio to the total number of members is 30%. |

CORPORATE GOVERNANCE INFORMATION FORM

Composition of Board of Directors

| Name, Surname of Board Member | Whether Executive Director or Not | Whether Independent Director or Not | The First Election Date To Board | Link to PDP Notification that Includes the Independence Declaration | Whether the Independent Director Considered by the Nomination Committee | Whether She/He is the Director Who Ceased to Satisfy the Independence or Not | Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or Not |
|-------------------------------|-----------------------------------|-------------------------------------|----------------------------------|---|---|--|--|
| Can Çelebioğlu | Yes | Not Independent Director | 06.01.1983 | - | - | - | Yes |
| İsak Antika | Yes | Not Independent Director | 28.03.2023 | - | - | - | Yes |
| Canan Çelebioğlu | No | Not Independent Director | 06.01.1983 | - | - | - | Yes |
| Turgay Kuttaş | No | Not Independent Director | 24.05.2012 | - | - | - | Yes |
| Mehmet Murat Çavuşoğlu | No | Not Independent Director | 28.03.2023 | - | - | - | Yes |
| Mehmet Yağız Çekin | No | Not Independent Director | 17.05.2013 | - | - | - | Yes |
| Uğur Tevfik Doğan | No | Independent Director | 19.04.2018 | https://www.kap.org.tr/Bildirim/1128912 | Considered by the Corporate Governance Committee | No | Yes |
| Halil Yurdakul Yiğitgüden | No | Independent Director | 09.04.2019 | https://www.kap.org.tr/Bildirim/1128912 | Considered by the Corporate Governance Committee | No | Yes |
| İsmail Aydın Günter* | No | Independent Director | 21.04.2022 | https://www.kap.org.tr/Bildirim/1128912 | Considered by the Corporate Governance Committee | No | Yes |
| Demet Özdemir | No | Independent Director | 21.04.2022 | https://www.kap.org.tr/Bildirim/1128912 | Considered by the Corporate Governance Committee | No | Yes |

* At the Extraordinary General Assembly Meeting of our Company dated 30 January 2024, it was decided to elect Mrs. Fatma Çiğdem Bicik as an Independent Board Member to serve until the first Ordinary General Assembly Meeting, replacing the Independent Board Member Mr. İsmail Aydın Günter, who resigned due to health problems.

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

| | |
|---|--|
| Number of physical board meetings in the reporting period (meetings in person) | 83 |
| Director average attendance rate at board meetings | 81.57% |
| Whether the board uses an electronic portal to support its work or not | Yes (eYKS) |
| Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter | 3 |
| The name of the section on the corporate website that demonstrates information about the board charter | - |
| Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors | The upper limit specified in sub-clause (ğ) of Article 4.3.6 of the CMB Corporate Governance Principles is accepted. |

4.5. Board Committees

| | |
|---|---|
| Page numbers or section names of the annual report where information about the board committees are presented | Board of Directors, Audit, Committees and Senior Management >> Corporate Governance, Audit and Early Detection of Risk Committees |
| Link(s) to the PDP announcement(s) with the board committee charters | https://www.kap.org.tr/Bildirim/1022857 |

Composition of Board Committees-I

| Names of the Board Committees | Name of Committees Defined As "Other" in the First Column | Name-Surname of Committee Members | Whether Committee Chair or Not | Whether Board Member or Not |
|-----------------------------------|---|-----------------------------------|--------------------------------|-----------------------------|
| Audit Committee | - | Uğur Tefrik Doğan | - | Board Member |
| Audit Committee | - | Halil Yurdakul Yiğitgüden | - | Board Member |
| Audit Committee | - | İsmail Aydın Günter* | - | Board Member |
| Audit Committee | - | Demet Özdemir | - | Board Member |
| Corporate Governance Committee | - | Uğur Tefrik Doğan | - | Board Member |
| Corporate Governance Committee | - | Mehmet Yağız Çekin | - | Board Member |
| Corporate Governance Committee | - | İsmail Aydın Günter* | - | Board Member |
| Corporate Governance Committee | - | Deniz Bal | - | Not Board Member |
| Early Detection of Risk Committee | - | Halil Yurdakul Yiğitgüden | - | Board Member |
| Early Detection of Risk Committee | - | Turgay Kuttaş | - | Board Member |
| Early Detection of Risk Committee | - | Demet Özdemir | - | Board Member |

* Mrs. Fatma Çiğdem Bicik has been elected as a member of the Audit Committee and a member of the Corporate Governance Committee at the Extraordinary General Assembly Meeting of our Company held on 30 January 2024, replacing the Independent Board Member Mr. İsmail Aydın Günter.

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

| | |
|---|--|
| Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website) | www.celebiyatirimci.com.tr >> Disclosures >> Working Principles of the Audit Committee |
| Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website) | www.celebiyatirimci.com.tr >> Disclosures >> Working Principles of the Corporate Governance Committee |
| Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website) | The Corporate Governance Committee undertakes the duties of the Nominating Committee. |
| Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website) | www.celebiyatirimci.com.tr >> Disclosures >> Working Principles of the Early Detection of Risk Committee |
| Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website) | The Corporate Governance Committee undertakes the duties of the Remuneration Committee. |
| 4.6. Financial Rights | |
| Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report) | Annual Report >> The Relevant Sector, 2023 Activities and Performance |
| Specify the section of website where remuneration policy for executive and non-executive directors is presented, | www.celebiyatirimci.com.tr >> Disclosures >> Remuneration Policy |
| Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report) | Annual Report >> Financial Rights Provided to the Members of the Governing Body and Senior Management |

Composition of Board Committees-II

| Names of the Board Committees | Name of committees defined as "Other" in the first column | The Percentage of Non-executive Directors | The Percentage of Independent Directors in the Committee | The Number of Meetings Held in Person | The Number of Reports on Its Activities Submitted to the Board |
|-----------------------------------|---|---|--|---------------------------------------|--|
| Audit Committee | - | 100% | 100% | 6 | - |
| Corporate Governance Committee | - | 100% | 50% | 7 | - |
| Early Detection of Risk Committee | - | 100% | 66% | 6 | - |

CORPORATE GOVERNANCE COMPLIANCE REPORT

| | Compliance Status | | | | Explanation |
|---|-------------------|---------|----|----------|--|
| | Yes | Partial | No | Exempted | |
| 1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS | | | | | |
| 1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website. | X | | | | |
| 1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION | | | | | |
| 1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit. | X | | | | |
| 1.3. GENERAL ASSEMBLY | | | | | |
| 1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics. | X | | | | |
| 1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting. | X | | | | |
| 1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting. | X | | | | |
| 1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions. | X | | | | |
| 1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak. | X | | | | |
| 1.4. VOTING RIGHTS | | | | | |
| 1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights. | X | | | | |
| 1.4.2 - The company does not have shares that carry privileged voting rights. | X | | | | |
| 1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control. | X | | | | |
| 1.5. MINORITY RIGHTS | | | | | |
| 1.5.1 - The company pays maximum diligence to the exercise of minority rights. | | | X | | Minority shareholdings interests are not represented in the Company's administration because there are no minority shareholders who have been designated as candidates in elections for Company directors or statutory auditors and elected to such positions. |

| | Compliance Status | | | | | Explanation |
|--|-------------------|---------|----|----------|------------|--|
| | Yes | Partial | No | Exempted | Irrelevant | |
| 1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights. | | | X | | | The Company's articles of association contain no provisions concerning the representation of minority shareholding interests on the Board of Directors or governing the accumulated voting method. |
| 1.6. DIVIDEND RIGHT | | | | | | |
| 1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website. | X | | | | | |
| 1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future. | X | | | | | |
| 1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item. | | | | | X | Since profit distribution is made, article 1.6.3 is marked as irrelevant. |
| 1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company. | X | | | | | |
| 1.7. TRANSFER OF SHARES | | | | | | |
| 1.7.1 - There are no restrictions preventing shares from being transferred. | X | | | | | |
| 2.1. CORPORATE WEBSITE | | | | | | |
| 2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1. | X | | | | | |
| 2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months. | X | | | | | |
| 2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content. | X | | | | | |
| 2.2. ANNUAL REPORT | | | | | | |
| 2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities. | X | | | | | |
| 2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2. | X | | | | | |
| 3.1. CORPORATION'S POLICY ON STAKEHOLDERS | | | | | | |
| 3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles. | X | | | | | |
| 3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website. | X | | | | | |

CORPORATE GOVERNANCE COMPLIANCE REPORT

| | Compliance Status | | | | | Explanation |
|--|-------------------|---------|----|----------|------------|---|
| | Yes | Partial | No | Exempted | Irrelevant | |
| 3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues. | X | | | | | |
| 3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner. | X | | | | | |
| 3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT | | | | | | |
| 3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management. | X | | | | | |
| 3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them. | X | | | | | |
| 3.3. HUMAN POLICY | | | | | | |
| 3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions. | X | | | | | |
| 3.3.2 - Recruitment criteria are documented. | X | | | | | |
| 3.3.3 - The company has a policy on human resources development, and organizes trainings for employees. | X | | | | | |
| 3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health. | X | | | | | |
| 3.3.5 - Employees, or their representatives, were notified of decisions impacting them, The opinion of the related trade unions was also taken. | X | | | | | Decisions that may affect the employees are notified to themselves and to the employee representatives, but since there is no union structure at Çelebi Hava Servisi A.Ş., it is not applicable to get union opinion, |
| 3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration. | X | | | | | |
| 3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment. | X | | | | | |
| 3.3.8 - The company ensures freedom of association and supports the right for collective bargaining. | | | | | X | |

| | Compliance Status | | | | | Explanation |
|---|-------------------|---------|----|----------|------------|-------------|
| | Yes | Partial | No | Exempted | Irrelevant | |
| 3.3.9 - A safe working environment for employees is maintained. | X | | | | | |
| 3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS | | | | | | |
| 3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction. | X | | | | | |
| 3.4.2 - Customers are notified of any delays in handling their requests. | X | | | | | |
| 3.4.3 - The company complied with the quality standards with respect to its products and services. | X | | | | | |
| 3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers. | X | | | | | |
| 3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY | | | | | | |
| 3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website. | X | | | | | |
| 3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery. | X | | | | | |
| 4.1. ROLE OF THE BOARD OF DIRECTORS | | | | | | |
| 4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place. | X | | | | | |
| 4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance. | X | | | | | |
| 4.2. ACTIVITIES OF THE BOARD OF DIRECTORS | | | | | | |
| 4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders. | X | | | | | |
| 4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report. | X | | | | | |
| 4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity. | X | | | | | |
| 4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report. | X | | | | | |
| 4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined. | X | | | | | |

| | Compliance Status | | | | | Explanation |
|--|-------------------|---------|----|----------|------------|--|
| | Yes | Partial | No | Exempted | Irrelevant | |
| 4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders. | X | | | | | |
| 4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital. | X | | | | | |
| 4.3. STRUCTURE OF THE BOARD OF DIRECTORS | | | | | | |
| 4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy. | X | | | | | There is 3 female member at the Board of Directors of our Company. Although a policy has not been established yet, the rate of female members is 30%, above the 25% limit. |
| 4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance. | X | | | | | |
| 4.4. BOARD MEETING PROCEDURES | | | | | | |
| 4.4.1 - Each board member attended the majority of the board meetings in person. | X | | | | | |
| 4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members. | X | | | | | |
| 4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members. | X | | | | | |
| 4.4.4 - Each member of the board has one vote. | X | | | | | |
| 4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board. | X | | | | | |
| 4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any. | X | | | | | |
| 4.4.7 - There are limits to external commitments of board members, Shareholders are informed of board members' external commitments at the General Shareholders' Meeting. | X | | | | | |

| | Compliance Status | | | | | Explanation |
|--|-------------------|---------|----|----------|------------|---|
| | Yes | Partial | No | Exempted | Irrelevant | |
| 4.5. BOARD COMMITTEES | | | | | | |
| 4.5.5 - Board members serve in only one of the Board's committees. | | X | | | | Since the Company's Board of Directors consists of 8 members other than the chairman and the deputy chairman and there are 3 different committees formed, some members serve on more than one committee. |
| 4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views. | X | | | | | |
| 4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report. | | | | | X | The committees formed under the Board of Directors did not receive any external consultancy services, |
| 4.5.8 - Minutes of all committee meetings are kept and reported to board members. | X | | | | | |
| 4.6. FINANCIAL RIGHTS | | | | | | |
| 4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively. | X | | | | | |
| 4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them. | X | | | | | |
| 4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report. | | | X | | | The remunerations and all other benefits provided to the members of the Board of Directors and to the executives with administrative responsibility are disclosed in the "Financial Rights Provided to the Members of the Governing Body and Senior Managers" section of the annual report. |

SUSTAINABILITY REPORT

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|---|--|----|---------|-----|--|--|
| | Yes | No | Partial | N/A | | |
| A. General Principles | | | | | | |
| A1. Strategy, Policy and Targets | | | | | | |
| A1.1 | The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities. | X | | | ESG priorities, risks and opportunities have been identified. | Station Environmental Factors Analysis Studies are documented in the Integrated Management Systems Risk and Opportunity Analysis forms. Corporate Governance Compliance Report is published together with the Annual Report. |
| | The Board of Directors establishes relevant ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and they are publicly disclosed. | X | | | In our Environmental Policy, our commitments to comply with the Environmental Management System and legal requirements, which we have established to protect the environment, are disclosed. In our Ethical Behavior Principles, our management principles on Commitment to purpose and mission, Compliance with laws and terms of service, Honesty, Impartiality, Equality, Courtesy, Respect, Dignity and Trust, Effective Resource Utilization, Information Management and Privacy, Professionalism, and Avoiding Conflict of Interest are disclosed. In our Remuneration Policy, the principles of establishing and managing a remuneration system commensurate with the performance of our employees and the duties, responsibilities, experience and expertise they have assumed at the Company are disclosed. | Environmental Policy is publicly disclosed at https://www.celebiaviation.com/about/quality-and-safety , HR Policies at https://www.celebiaviation.com/career/hr-policies , Remuneration Policy and Ethical Conduct Principles at http://www.celebiyatirimci.com/tr/yazi.php?id=18 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|--------------------------------------|--|----|---------|-----|---|---|
| | Yes | No | Partial | N/A | | |
| A1.2 | | | X | | Despite the fact that the goals have been set within the framework of ESG policies, the studies and assessments of the Board of Directors on the establishment and public disclosure of the long-term goals continue. | The targets determined within the scope of ESG Policies were shared in the previous year's Management Activity Report (2% reduction target of Energy, Water and Fuel consumption) and were disclosed to the public at http://www.celebiyatirimci.com/en/yazi.php?id=12 . |
| A2. Implementation/Monitoring | | | | | | |
| A2.1 | | | X | | Although the committees have been established to a certain extent within the scope of implementing ESG policies, the Board of Directors is currently conducting studies and assessments to identify and publicly disclose the highest level of authority and its associated duties within the partnership for ESG issues. | |
| | The responsible committee and/or unit reports the activities carried out as per the policies during the year at least once a year to the Board of Directors. | | X | | The Quality and Safety Department provides quarterly reports to the Board of Directors on the Environment and Sustainability activities conducted within the organization. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 , |

SUSTAINABILITY REPORT

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|----------------------|---|----|---------|-----|---|---|
| | Yes | No | Partial | N/A | | |
| A2.2 | Creates and discloses implementation and action plans aligned with ESG targets. | | | X | While the environmental and sustainability goals have been established, the studies and assessments of the Board of Directors on public disclosure continues. | The targets determined within the scope of ESG Policies were regularly shared in the Management Activity Report (2% reduction target of Energy, Water and Fuel consumption) and were disclosed to the public at http://www.celebiyatirimci.com/en/yazi.php?id=12 . |
| A2.3 | Discloses ESG Key Performance Indicators (KPI) and the degree of their achievement by years. | | | X | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information on environmental Key Performance Indicators (KPI) is disclosed. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| A2.4 | Discloses efforts for improving sustainability performance with respect to work processes or products and services. | | | X | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information about our environmental sustainability activities is disclosed. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| A3. Reporting | | | | | | |
| A3.1 | Discloses sustainability performance, targets and actions in an intelligible, accurate and adequate manner in annual reports. | X | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information about our environmental sustainability activities is disclosed. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|------------------------------------|---|----|---------|-----|-------------|---|
| | Yes | No | Partial | N/A | | |
| A3.2 | Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to. | | X | | | The studies of the Board of Directors on this topic and their assessments on public disclosure continue. |
| A3.3 | Makes disclosures regarding the lawsuits filed and/or concluded against the company on account of ESG issues, which are material with respect to ESG policies and/or have material impact on operations. | X | | | | Our Company is not involved in any lawsuits regarding environmental, social, or corporate governance issues that have material impact on its operations. |
| A4. Verification | | | | | | |
| A4.1 | ESG Key Performance measurements are verified by an independent third party and publicly disclosed. | | X | | | The studies of the Board of Directors on this topic and their assessments on public disclosure continue. |
| B. Environmental Principles | | | | | | |
| B1 | Publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs. | X | | | | As part of our implementation of the ISO 14001 Environmental Management System, we have detailed the practices and programs aligned with our Environmental Policy commitments in the "ENVIRONMENT AND SUSTAINABILITY" section of our Annual Report. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B2 | Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information. | X | | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Annual Report, the subject information regarding our environmental reporting is disclosed. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| | Principle | Compliance Status | | | | Explanation | Related Report/Link |
|----|--|-------------------|----|---------|-----|---|---|
| | | Yes | No | Partial | N/A | | |
| B3 | Provided in A2.1. | | | X | | Although the committees have been established to a certain extent within the scope of implementing ESG policies, the Board of Directors is currently conducting studies and assessments to identify and publicly disclose the highest level of authority and its associated duties within the partnership for ESG issues. | |
| B4 | Discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on). | | X | | | The studies of the Board of Directors on this topic and their assessments on public disclosure continue. | |
| B5 | Explains how environmental issues identified to be material are integrated into business goals and strategies. | | X | | | The studies of the Board of Directors on this topic and their assessments on public disclosure continue. | |
| B6 | Provided in A2.4. | X | | | | Information about our environmental sustainability activities is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B7 | Explains how it manages environmental issues throughout the Company's value chain including suppliers and customers so as to cover the operation process as well and how they are integrated into its business goals and strategies. | X | | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information about our activities throughout our value chain is shared. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link | |
|-----------|---|----|---------|-----|-------------|---|---|
| | Yes | No | Partial | N/A | | | |
| B8 | Discloses whether it is involved in policy-making processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any. | X | | | | In the "ENVIRONMENTAL AND SUSTAINABILITY" section of our Company's Annual Report, information about our collaborations with relevant organizations and NGOs is disclosed. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B9 | Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; GHG emissions Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications). | X | | | | Relevant information is shared in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B10 | Discloses the standard, protocol, methodology and baseline year details used to collect and calculate its data. | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B11 | Publicly discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years. | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B12 | Sets short and long-term goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years. | X | | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company Annual Report, information about our environmental goals is disclosed. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

SUSTAINABILITY REPORT

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|-----------|---|----|---------|-----|---|---|
| | Yes | No | Partial | N/A | | |
| B13 | Discloses its strategy and actions to combat the climate crisis. | | | X | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, our activities regarding the climate crisis are disclosed. The studies of the Board of Directors regarding strategy integration, and their assessments on public disclosure continue. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B14 | Explains its programs or procedures to prevent or minimize the potential negative impacts of the products and/or services it offers. | X | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information about the programs and procedures developed is explained. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| | Takes and explains its actions for driving reduction of GHG emission quantities of third parties (e.g. suppliers, sub-contractors, dealers, etc.). | X | | | Relevant information is shared in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B15 | Discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/revenues and cost savings they provide. | X | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information on environmental benefits/revenues and cost savings provided by our initiatives and projects to mitigate our environmental impacts is disclosed. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B16 | Reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2. | X | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|-----------|---|----|---------|-----|-------------|---|
| | Yes | No | Partial | N/A | | |
| B17 | Discloses information about the electricity, heat, steam and cooling generated during the reporting year. | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B18 | Conducts and discloses studies on increasing the use of renewable energy, transition to zero or low carbon electricity. | X | | | | In the "ENVIRONMENTAL AND SUSTAINABILITY" section of our Company's Annual Report, information about our work on the transition to low-carbon electricity (use of ground handling equipment powered by electricity instead of fossil fuel, etc.) is disclosed. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B19 | Discloses data on its renewable energy generation and consumption. | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B20 | Develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts. | X | | | | In the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report, information about the reduction in quantity achieved through the implementation of energy efficiency practices was disclosed. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B21 | Reports the amount of underground or overground water withdrawn, recycled and discharged, the resources and procedures | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|-----------|--|----|---------|-----|-------------|---|
| | Yes | No | Partial | N/A | | |
| B22 | Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax). | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B23 | Discloses the carbon credits saved or purchased during the reporting period. | X | | | | Relevant information is disclosed in the "ENVIRONMENT AND SUSTAINABILITY" section of our Company's Annual Report. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| B24 | Discloses the details if carbon pricing is applied within the Company. | | | X | | Our Company routinely delivers CDP reports. At present, Turkey does not have an established emissions trading system (ETS). Upon implementation of the system, engagement will be assessed by the Board of Directors. |
| B25 | Discloses the platforms that it reports its environmental information to. | X | | | | The Company Annual Report's "ENVIRONMENT AND SUSTAINABILITY" section publicly discloses the platforms (CDP) where our environmental information is reported. Our report is submitted in a non-public status on the CDP platform. Our report is accessible exclusively to platform members who are investors, while the general public does not have access to it. Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|---|--|----|---------|-----|-------------|---|
| | Yes | No | Partial | N/A | | |
| C. Social Principles | | | | | | |
| C1. Human Rights and Employee Rights | | | | | | |
| C1.1 | Develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other applicable legislation. Discloses the policy and the roles and responsibilities associated for its implementation. | | X | | | The studies of the Board of Directors on this topic and their assessments of public disclosure continue. |
| C1.2 | Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain. | | | X | | The policies pertaining to employee rights mentioned under this heading are included in our Company's existing Procurement Policy, Human Resources Policy, and Employee Handbook, Our Board of Directors is diligently working towards achieving full compliance with all policies defined in this heading. |
| C1.3 | Discloses the measures taken throughout the value chain for protecting the rights of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or for securing minority rights/equal opportunity. | | X | | | The studies of the Board of Directors on this topic and their assessments of public disclosure continue. |
| C1.4 | Reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor. | X | | | | Relevant information is shared in the Employee Information and Human Resources Policy section of our Annual Report at http://celebiyatirimci.com/en/yazi.php?id=12 . |

SUSTAINABILITY REPORT

| | Principle | Compliance Status | | | | Explanation | Related Report/Link |
|------|--|-------------------|----|---------|-----|--|---|
| | | Yes | No | Partial | N/A | | |
| C1.5 | Incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/life balance solutions and talent management in its policies concerning employee rights. | X | | | | The information is partially mentioned in the Employee Handbook. | Relevant information is shared in the Employee Information and Human Resources Policy section of our Annual Report at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| | Determines the mechanisms for resolution of employee complaints and labor disputes, and establishes conflict resolution processes. | X | | | | Mechanisms for resolving employee complaints and disputes have been determined and implemented in our Company policies such as the Ethics Regulation and the Disciplinary Regulation. | |
| | Discloses the activities for ensuring employee satisfaction during the reporting period. | X | | | | An annual employee satisfaction survey is conducted on a regular basis, and the results are disclosed exclusively within the Company. | Relevant information is shared in the Employee Satisfaction Practices section of our Annual Report at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| C1.6 | Establishes and discloses occupational health and safety policies. | X | | | | As part of our implementation of the ISO 45001 Occupational Health and Safety Management System, we have established an OHS Policy that outlines our commitments, and it is readily available to all interested parties on our website. | The OHS Policy has been made publicly available at https://www.celebiaviation.com/about/quality-and-safety . |
| | Discloses the measures adopted for preventing workplace accidents and for protecting occupational health along with statistical data on accidents. | | X | | | Our Company adopts the appropriate measures in compliance with the ISO 45001 Occupational Health and Safety Management System and OHS legislation, which it implements to prevent workplace accidents, and prepares legal reports while studies on the public disclosure of statistics continue. | |

| Principle | Compliance Status | | | | | Related Report/Link | |
|-----------|--|----|---------|-----|-------------|---------------------|--|
| | Yes | No | Partial | N/A | Explanation | | |
| C1.7 | Establishes and discloses personal data protection and data security policies. | X | | | | | They are publicly disclosed at https://www.celebiaviation.com/about/personel-data-protection and at https://www.celebiaviation.com/information-security-policy . |
| C1.8 | Establishes and discloses a code of ethics. | X | | | | | It is publicly disclosed at https://www.celebiaviation.com/about/principles-of-ethical-behavior and at https://www.celebiaviation.com/career/principles-of-ethical-conduct . |
| C1.9 | Discloses studies within the scope of social investment, social responsibility, financial inclusion and access to finance. | X | | | | | Relevant information has been shared in the Ethical Conduct principles section under the Information main heading on our Company's Çelebiyatirimci website and in our 2023 Annual Report under the Reports and Presentations main heading. |
| C1.10 | Organizes information meetings and training programs on ESG policies and practices for employees. | X | | | | | Relevant information is shared in the Environment and Sustainability section of our Annual Report, available at http://celebiyatirimci.com/en/yazi.php?id=12 . |

| Principle | Compliance Status | | | | Explanation | Related Report/Link |
|--|--|----|---------|-----|-------------|--|
| | Yes | No | Partial | N/A | | |
| C2. Stakeholders, International Standards and Initiatives | | | | | | |
| C2.1 | Establishes and discloses a customer satisfaction policy for handling and resolving customer complaints. | | X | | | While our Company has established systems for handling and resolving customer complaints, our Board of Directors is currently conducting studies and assessments to develop a customer satisfaction policy that will be publicly disclosed. |
| C2.2 | Discloses information about the communication maintained with stakeholders (which stakeholders, topics and frequency). | | X | | | The studies of the Board of Directors on this topic and their assessments of public disclosure continue. |
| C2.3 | Discloses the international reporting standards embraced in its reporting. | X | | | | In the Financial Statements and Reports Explanations section of our Annual Report, we disclosed the international reporting standards embraced in our reporting. Relevant information is shared in the Explanations Related to Financial Statements and Reports in our Annual Reports at http://celebiyatirimci.com/en/yazi.php?id=12 . |
| C2.4 | Discloses the principles embraced in relation to sustainability, international organizations, committees and principles that it is a signatory or member of. | | X | | | The studies of the Board of Directors on this topic and their assessments of public disclosure continue. |
| C2.5 | Makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa İstanbul and/or international index providers. | | X | | | The studies of the Board of Directors on this topic and their assessments of public disclosure continue. |
| D. Corporate Governance Principles | | | | | | |
| D1 | Seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability. | | X | | | The assessment of the Board of Directors on the studies under this headline continues. |
| D2 | Works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs. | X | | | | Relevant information is shared in the "Social Responsibility" section of the Annual Report. Relevant information is shared in our Annual Reports at http://celebiyatirimci.com/en/yazi.php?id=12 . |

ACKNOWLEDGEMENT OF RESPONSIBILITY

BOARD OF DIRECTORS DECISION ESPOUSING THE FINANCIAL STATEMENTS AND ANNUAL REPORTS

DECISION DATE: 11.03.2024

DECISION NUMBER: 2024/20

ACKNOWLEDGEMENT OF RESPONSIBILITY PURSUANT TO THE CMB COMMUNIQUÉ NO: II-14.1. ARTICLE 9

We hereby represent that;

- a) we have examined the independently audited consolidated financial statements which have been approved by our Company's Board of Directors decision dated 11.03.2024 and numbered 2024/20, and by the Audit Committee decision no. 2024/02 dated 07.03.2024, which are prepared pursuant to the CMB Communiqué No: II-14.1. article 9 on Principles of Financial Reporting in Capital Markets and drawn up in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS"), and the Board of Directors' Annual Report for the year ended 31 December 2023.
- b) to the best of our knowledge we have with respect to our positions and responsibilities in the Company, these financial statements and annual report contain no misrepresentations on material matters or no omissions whose absence could be misleading as of the date on which the statement was made; and
- c) to the best of our knowledge we have with respect to our positions and responsibilities in the Company, the financial statements drawn up in accordance with the CMB Communiqué No: II-14.1. article 9 on Principles of Financial Reporting in Capital Markets -inclusive of those subject to consolidation- represent a true and fair view of the Company's assets, liabilities, financial status and profit/loss, and that the annual report presents a fair view of the development and performance of the business -inclusive of those subject to consolidation-, the Company's financial standing, and the key risks and uncertainties it is exposed to.

Yours sincerely,

ÇELEBİ GROUND HANDLING INC.



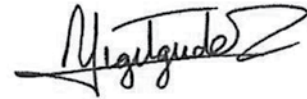
Deniz BAL
Financial Affairs Director



Osman YILMAZ
CEO



Uğur Tefik DOĞAN
Audit Committee Member



Halil Yurdakul YİĞİTGÜDEN
Audit Committee Member



Fatma Çiğdem BİCİK
Audit Committee Member



Demet ÖZDEMİR
Audit Committee Member

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY - 31 DECEMBER 2023 AND INDEPENDENT AUDIT REPORT**

(Convenience translation of consolidated financial statements and independent auditor's report originally issued in Turkish into english)

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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To the General Assembly of Çelebi Hava Servisi A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Çelebi Hava Servisi A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by Capital Markets Board of Turkey and the Standards of Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



| Key Audit Matter | How the Matter was Addressed in the Audit |
|--|---|
| <p>Accounting of Right-of-Use Assets and Lease Liabilities and Presentation in the Consolidated Financial Statements</p> <p>TFRS 16 provides a tenant accounting model based on specific measurement methods. Accordingly, it requires the accounting of assets and liabilities. The lessee recognises a right-of-use assets that represents the right to use of the leased assets and a lease obligation that represents the obligation to pay for the leased assets.</p> <p>The Group has lease agreements for land and buildings, machinery, plant and equipment and vehicles. As of 31 December 2023, TL 2.473.466.467 of right-of-use assets is recognized in the consolidated statement of financial position. The share of the right-of-use assets in non-current assets is 27%. As of 31 December 2023, the Group has recognized TL 3.012.379.136 of lease liabilities for the lease agreements.</p> <p>The amounts recognized as a result of the application of TFRS 16 are significant for the consolidated financial statements. In addition, the calculation of the right-to-use assets and lease obligations includes significant estimates and assumptions of the management. The substantial part of these estimates are interest rates used to discount cash flows and assessment of options to extend or terminate lease contracts.</p> <p>Considering these reasons, the impacts of the accounting of TFRS 16 on the consolidated financial statements and the notes to the consolidated financial statements are determined as a key audit matter for our audit. Please refer to Notes 2, 7 and 12 to the consolidated financial statements for the amounts and disclosures, including the related accounting policies.</p> | <p>The audit procedures applied including but not limited to the following are:</p> <p>Understanding and evaluating the significant processes affecting financial reporting related to the calculation of TFRS 16,</p> <p>Evaluating the completeness of the contract lists obtained from the Group management, assessment of selected contracts whether they are a service or lease contract and evaluating whether the contracts defined by the Group as leases are in scope of TFRS 16,</p> <p>Recalculation of the right-of-use assets and related financial lease liabilities recognised in the consolidated financial statements by using rates such as interest rate, rent increase rate etc. for the selected lease contracts that are in scope of TFRS 16,</p> <p>Evaluating the compliance of inputs used in the calculation like rent increase rate, interest rate etc,</p> <p>Selecting the lease contracts used in the calculation of right-of-use assets and financial lease liabilities on a sample basis and testing the compliance of the term of the lease contacts and the assessment of the extension options applied if such options exist with the provision of the contract,</p> <p>Evaluating the adequacy of the disclosures in the consolidated financial statements in relation to the application of TFRS 16.</p> |

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 11 March 2024.

In accordance with paragraph four of the article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Cem Tovil.

Additional paragraph for convenience translation to English

In the accompanying consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Cem Tovil
Partner

İstanbul, 11 March 2024

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023

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

| | Notes | Audited 31 December 2023 | Audited 31 December 2022 |
|--|-------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 3.377.164.246 | 1.928.963.765 |
| Financial investments | | 383.735.754 | 117.856.757 |
| - Restricted bank balances | 5 | 109.337.443 | 60.756.407 |
| - Time deposits | 5 | 274.398.311 | 57.100.350 |
| Trade receivables | | 1.347.527.814 | 561.665.795 |
| - Trade receivables from related parties | 31 | 4.213.897 | 1.682.036 |
| - Trade receivables from third parties | 8 | 1.343.313.917 | 559.983.759 |
| Other receivables | | 488.326.000 | 382.034.765 |
| - Other receivables from related parties | 31 | 134.574.137 | 84.869.838 |
| - Other receivables from third parties | 9 | 353.751.863 | 297.164.927 |
| Inventories | 10 | 136.392.286 | 64.668.039 |
| Prepaid expenses | 16 | 258.893.730 | 95.196.252 |
| Other current assets | 15 | 114.249.793 | 42.507.926 |
| Total current assets | | 6.106.289.623 | 3.192.893.299 |
| Non-current assets | | | |
| Financial investments | 5 | 51.257.197 | 47.877.504 |
| - Restricted bank balances | 5 | 51.225.309 | 47.832.174 |
| - Other financial assets at fair value through profit/loss | | 31.888 | 45.330 |
| Other receivables | | 1.553.514.423 | 423.549.399 |
| - Other receivables from related parties | 31 | 848.447.600 | - |
| - Other receivables from third parties | 9 | 705.066.823 | 423.549.399 |
| Investments accounted using equity method | 6 | 25.998.200 | 19.463.360 |
| Property, plant and equipment | 11 | 2.326.967.950 | 1.265.612.918 |
| Right-of-use assets | 12 | 2.473.466.467 | 1.491.722.409 |
| Intangible assets | | 1.737.253.009 | 1.093.201.305 |
| - Goodwill | 13 | 211.435.188 | 124.300.843 |
| - Other intangible assets | 13 | 1.525.817.821 | 968.900.462 |
| Prepaid expenses | 16 | 202.522.608 | 84.120.073 |
| Deferred tax asset | 29 | 641.945.756 | 340.335.572 |
| Other non-current assets | 15 | 139.802.659 | 91.811.185 |
| Total non-current assets | | 9.152.728.269 | 4.857.693.725 |
| Total assets | | 15.259.017.892 | 8.050.587.024 |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023

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

| | Notes | Audited 31 December 2023 | Audited 31 December 2022 |
|---|-------|-----------------------------|-----------------------------|
| LIABILITIES | | | |
| Current liabilities | | | |
| Short-term financial liabilities | 7 | 1.075.244.170 | - |
| Short-term portion of long-term financial liabilities | 7 | 650.477.065 | 692.168.864 |
| Lease payables | 7 | 625.034.676 | 317.667.889 |
| Trade payables | | 980.101.930 | 446.286.492 |
| - Trade payables to related parties | 31 | 60.009.778 | 3.291.944 |
| - Trade payables to third parties | 8 | 920.092.152 | 442.994.548 |
| Payables related to employee benefits | 18 | 509.667.946 | 219.634.885 |
| Other payables | | 178.121.458 | 28.420.155 |
| - Other long-term payables to third parties | 9 | 178.121.458 | 28.420.155 |
| Deferred income | 17 | 125.729.779 | 94.585.719 |
| Current profit tax liability | 29 | 327.129.782 | 47.980.681 |
| Short-term provisions | | 122.442.111 | 57.192.656 |
| - Provisions for employee benefits | 14 | 86.611.202 | 46.513.558 |
| - Other short-term provisions | 14 | 35.830.909 | 10.679.098 |
| Other current liabilities | 15 | 258.896.400 | 235.610.233 |
| Total current liabilities | | 4.852.845.317 | 2.139.547.574 |
| Non-current liabilities | | | |
| Long-term financial liabilities | 7 | 1.463.444.067 | 498.445.840 |
| Lease liabilities | 7 | 2.387.344.460 | 1.501.108.498 |
| Other payables | | 54.600.101 | 54.166.153 |
| - Other long-term payables to third parties | 9 | 54.600.101 | 54.166.153 |
| Deferred income | 17 | 7.624.111 | 15.269.112 |
| Long-term provisions | | 310.999.397 | 143.103.765 |
| - Provisions related to employee benefits | 14 | 310.999.397 | 143.103.765 |
| Deferred tax liability | 29 | 433.857.990 | 122.139.556 |
| Other non-current liabilities | 15 | 533.333.357 | 324.900.195 |
| Total non-current liabilities | | 5.191.203.483 | 2.659.133.119 |
| Total liabilities | | 10.044.048.800 | 4.798.680.693 |
| EQUITY | | | |
| Equity attributable to equity holders of the parent | | | |
| Paid-in capital | 19 | 24.300.000 | 24.300.000 |
| Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss | | 819.326.670 | 340.290.526 |
| - Foreign currency translation differences | | 1.015.384.235 | 416.969.078 |
| - Loss on remeasurement of defined benefit plans | | (196.057.565) | (76.678.552) |
| Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss | | 1.610.002.813 | 881.598.528 |
| - Foreign currency translation differences | | 1.610.002.813 | 881.598.528 |
| Restricted reserves appropriated from profit | 19 | 195.490.565 | 91.996.776 |
| Prior years' profit | | 319.097.790 | 374.299.405 |
| Net profit for the period | | 1.667.723.088 | 1.079.953.824 |
| Non-controlling interests | | 579.028.166 | 459.467.272 |
| Total equity | | 5.214.969.092 | 3.251.906.331 |
| Total liabilities and equity | | 15.259.017.892 | 8.050.587.024 |

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

CONSOLIDATED FINANCIAL STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

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

| | Notes | <i>Current Period</i> | <i>Prior Period</i> |
|---|-----------|---------------------------------|---------------------------------|
| | | <i>Audited</i> | <i>Audited</i> |
| | | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| Revenue | 20 | 10.864.817.407 | 6.072.008.541 |
| Cost of sales (-) | 20 | (7.197.629.833) | (3.902.275.886) |
| GROSS PROFIT | 20 | 3.667.187.574 | 2.169.732.655 |
| General administrative expenses (-) | 22 | (1.014.411.459) | (590.638.301) |
| Other operating income | 23 | 445.146.670 | 137.751.907 |
| Other operating expenses (-) | 23 | (336.655.040) | (141.843.768) |
| OPERATING PROFIT | | 2.761.267.745 | 1.575.002.493 |
| Income from investing activities | 25 | 30.269.535 | 813.475 |
| Expenses from investing activities (-) | 26 | (7.525.997) | (27.867.600) |
| Shares of profit/(losses) from of investments valued by equity method | | - | (1.910.106) |
| OPERATING PROFIT BEFORE FINANCE EXPENSE | | 2.784.011.283 | 1.546.038.262 |
| Finance income | 27 | 406.313.592 | 200.039.323 |
| Finance expenses (-) | 28 | (469.559.974) | (284.931.130) |
| PROFIT BEFORE TAX | | 2.720.764.901 | 1.461.146.455 |
| Profit/(loss) for the period from discontinued operations | 6 | 901.875 | (4.419.592) |
| Tax income/(expense) | | (895.605.891) | (302.736.702) |
| Current tax expense | 29 | (752.485.943) | (300.775.570) |
| Deferred tax income/(expense) | 29 | (143.119.948) | (1.961.132) |
| PROFIT FOR THE PERIOD | | 1.826.060.885 | 1.153.990.161 |
| Profit for the Period Attributable to | | | |
| Non-controlling interests | | 158.337.797 | 74.036.337 |
| Equity holder of the Parent | | 1.667.723.088 | 1.079.953.824 |
| | | 1.826.060.885 | 1.153.990.161 |
| Earnings per share | 30 | 0,686 | 0,444 |

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

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

| | <i>Current Period</i> | <i>Prior Period</i> |
|--|-----------------------|----------------------|
| | <i>Audited</i> | <i>Audited</i> |
| | 1 January - | 1 January - |
| | 31 December 2023 | 31 December 2022 |
| Net profit for the period | 1.826.060.885 | 1.153.990.161 |
| Items that will not be reclassified to profit or loss | | |
| - Foreign currency translation differences | 598.415.157 | 295.918.446 |
| - Gains/(losses) on remeasurement of defined benefit plans | (159.137.817) | (52.202.406) |
| Taxes related to other comprehensive income that will not be reclassified to profit or loss - Gains/(losses) on remeasurement of defined benefit plans, tax effect | 39.633.409 | 10.641.765 |
| Items that will be reclassified to profit or loss | | |
| - Foreign currency translation differences | 978.898.164 | 367.440.508 |
| Other comprehensive income | 1.457.808.913 | 621.798.313 |
| Total comprehensive income | 3.283.869.798 | 1.775.788.474 |
| Total comprehensive income attributable to: | | |
| Non-controlling interests | 408.706.281 | 173.248.477 |
| Equity holders of the parent | 2.875.163.517 | 1.602.539.997 |
| | 3.283.869.798 | 1.775.788.474 |

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2023

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

| | Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss | | Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss | | |
|---|--|---|--|--|--|
| | Share capital | Gains/ (losses) on remeasurement of defined benefit plans | Foreign currency translation differences | Foreign currency translation differences | Restricted reserves appropriated from profit |
| As of 1 January 2023 | 24.300.000 | (76.678.552) | 416.969.078 | 881.598.528 | 91.996.776 |
| Transfers | - | - | - | - | - |
| Dividend payment | - | - | - | - | 103.493.789 |
| Additional capital contributions from non-controlling shareholders ^(*) | - | - | - | - | - |
| Other comprehensive income/(expense) | | | | | |
| - Foreign currency translation difference | - | - | 598.415.157 | 728.404.285 | - |
| Gains/(losses) on remeasurement of defined benefit plans | - | (119.379.013) | - | - | - |
| Total other comprehensive income | - | (119.379.013) | 598.415.157 | 728.404.285 | - |
| Net profit for the period | - | - | - | - | - |
| Total comprehensive income | - | (119.379.013) | 598.415.157 | 728.404.285 | - |
| As of 31 December 2023 | 24.300.000 | (196.057.565) | 1.015.384.235 | 1.610.002.813 | 195.490.565 |

^(*) The relevant amount consists of the equity effect arising from the purchase of an additional 2% share from Celebi Nas capital in the current period.

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

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| Prior years' profit/ (losses) | Net profit/(loss) for the period | Equity attributable to equity holders of the parent | Non-controlling interests | Total equity |
|----------------------------------|-------------------------------------|---|------------------------------|-----------------|
| 374.299.405 | 1.079.953.824 | 2.792.439.059 | 459.467.272 | 3.251.906.331 |
| 1.079.953.824 | (1.079.953.824) | - | - | - |
| (1.133.813.789) | - | (1.030.320.000) | (275.116.481) | (1.305.436.481) |
| (1.341.650) | - | (1.341.650) | (14.028.906) | (15.370.556) |
| - | - | 1.326.819.442 | 250.493.879 | 1.577.313.321 |
| - | - | (119.379.013) | (125.395) | (119.504.408) |
| - | - | 1.207.440.429 | 250.368.484 | 1.457.808.913 |
| - | 1.667.723.088 | 1.667.723.088 | 158.337.797 | 1.826.060.885 |
| - | 1.667.723.088 | 2.875.163.517 | 408.706.281 | 3.283.869.798 |
| 319.097.790 | 1.667.723.088 | 4.635.940.926 | 579.028.166 | 5.214.969.092 |

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2023

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

| | Share capital | Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss | Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss | | Restricted reserves appropriated from profit |
|--|---------------|--|--|--|--|
| | | Gains/(losses) on remeasurement of defined benefit plans | Foreign currency translation differences | Foreign currency translation differences | |
| As of 1 January 2022 | 24.300.000 | (34.956.456) | 121.050.632 | 613.208.705 | 74.387.905 |
| Transfers | - | - | - | - | - |
| Dividend payment | - | - | - | - | 17.608.871 |
| Additional capital contributions from non-controlling shareholders | - | - | - | - | - |
| Other comprehensive income/(expense) | | | | | |
| - Foreign currency translation difference | - | - | 295.918.446 | 268.389.823 | - |
| - Gains/(losses) on remeasurement of defined benefit plans | - | (41.722.096) | - | - | - |
| Total other comprehensive income | - | (41.722.096) | 295.918.446 | 268.389.823 | - |
| Net profit/(loss) for the period | - | - | - | - | - |
| Total comprehensive income/(expense) | | (41.722.096) | 295.918.446 | 268.389.823 | - |
| As of 31 December 2022 | 24.300.000 | (76.678.552) | 416.969.078 | 881.598.528 | 91.996.776 |

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

Retained earnings

| Prior years' profit/ (losses) | Net profit/(loss) for the period | Equity attributable to equity holders of the parent | Non-controlling interests | Total equity |
|----------------------------------|-------------------------------------|---|------------------------------|----------------------|
| 22.479.380 | 533.453.896 | 1.353.924.062 | 315.921.024 | 1.669.845.086 |
| 533.453.896 (181.633.871) | (533.453.896) - | - (164.025.000) | - (33.142.929) | - (197.167.929) |
| - | - | - | 3.440.700 | 3.440.700 |
| - | - | 564.308.269 | 99.050.685 | 663.358.954 |
| - | - | (41.722.096) | 161.455 | (41.560.641) |
| - | - | 522.586.173 | 99.212.140 | 621.798.313 |
| - | 1.079.953.824 | 1.079.953.824 | 74.036.337 | 1.153.990.161 |
| - | 1.079.953.824 | 1.602.539.997 | 173.248.477 | 1.775.788.474 |
| 374.299.405 | 1.079.953.824 | 2.792.439.059 | 459.467.272 | 3.251.906.331 |

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

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

| | Notes | Current Period | Prior Period |
|--|----------|---------------------------------|---------------------------------|
| | | Audited | Audited |
| | | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| A. Cash flows from operating activities | | 2.671.638.355 | 1.702.571.564 |
| Net profit for the period | | 1.826.060.885 | 1.153.990.161 |
| Adjustments for reconciliation of net profit for the period | | 1.769.689.622 | 855.529.087 |
| Adjustments related to depreciation and amortization expenses | 11,12,13 | 626.898.399 | 366.282.358 |
| Adjustments related to impairment (reversal) | | 30.650.211 | 2.377.758 |
| Adjustments related to provisions | | 106.041.313 | 44.441.575 |
| - <i>Adjustments related to provisions for employee benefits</i> | | <i>106.041.313</i> | <i>44.441.575</i> |
| Adjustments related to interest income and expenses | | 171.054.647 | 142.263.490 |
| - <i>Adjustments related to interest income</i> | 27 | <i>(119.302.896)</i> | <i>(63.492.929)</i> |
| - <i>Adjustments related to interest expenses</i> | 28 | <i>290.357.543</i> | <i>205.756.419</i> |
| Adjustments related to unrealized foreign currency translation differences | | (36.915.426) | (8.514.760) |
| Adjustments related to tax (income) expenses | | 895.605.891 | 302.736.702 |
| Adjustments related to undistributed profit of investments that are accounted by the equity method | 6 | (901.875) | 6.329.697 |
| Adjustments related to gains/losses on disposal of non-current assets | | (22.743.538) | (387.733) |
| Changes in working capital | | (342.441.560) | (105.334.191) |
| Adjustments related to (increase)/decrease in trade receivables | | (864.118.680) | (195.023.219) |
| - <i>(Increase)/decrease in trade receivables from related parties</i> | | <i>(2.531.861)</i> | <i>(1.092.294)</i> |
| - <i>(Increase)/decrease in trade receivables from third parties</i> | | <i>(861.586.819)</i> | <i>(193.930.925)</i> |
| Adjustments related to (increase)/decrease in other receivables related to operations | | (378.404.759) | (275.527.986) |
| Adjustments related to (increase)/decrease in inventories | | (71.724.247) | (23.847.018) |
| (Increase)/decrease in prepaid expenses | | (282.100.013) | (104.450.489) |
| Adjustments related to increase/(decrease) in trade payables | | 533.815.438 | 152.334.062 |
| - <i>(Decrease)/increase in trade payables to related parties</i> | | <i>56.717.834</i> | <i>(8.488.197)</i> |
| - <i>Increase/(decrease) in trade payables to third parties</i> | | <i>477.097.604</i> | <i>160.822.259</i> |
| Increase/(decrease) in payables related to employee benefits | | 288.229.774 | 114.343.662 |
| Adjustments related to (decrease)/increase in other payables related to operations | | 431.860.927 | 226.836.797 |
| Cash flows generated from operations | | 3.253.308.947 | 1.904.185.057 |
| Payments related to provisions for employee benefits | 14 | (106.978.273) | (21.068.988) |
| Payments related to other provisions | | (1.355.477) | (3.903.715) |
| Tax returns (payments) | | (473.336.842) | (176.640.790) |

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

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

| | Notes | <i>Current Period</i> | <i>Prior Period</i> |
|---|----------|---------------------------------|---------------------------------|
| | | <i>Audited</i> | <i>Audited</i> |
| | | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| B. Cash flows from investing activities | | (1.829.470.723) | (330.161.845) |
| Cash inflows from sale of property, plant and equipment and intangible assets | | 31.402.648 | 953.074 |
| - <i>Cash inflows from sale of property, plant and equipment</i> | | 31.402.648 | 953.074 |
| Cash outflows from purchase of property, plant and equipment and intangible assets | | (691.631.564) | (364.440.342) |
| - <i>Cash outflows from purchase of property, plant and equipment</i> | 11 | (554.914.556) | (221.466.768) |
| - <i>Cash outflows from purchase of intangible assets</i> | 13 | (136.717.008) | (142.973.574) |
| Dividends received | | - | 3.680.527 |
| Cash inflows from cash advances and debts given to related parties | | (898.151.899) | 80.101.695 |
| Other cash inflows/(outflows) | | (271.089.908) | (50.456.799) |
| C. Cash flows from financing activities | | (809.389.734) | (1.009.236.774) |
| Lease payments | 7 | (335.810.757) | (185.916.269) |
| Cash inflows from borrowings | 7 | 1.741.187.223 | 313.965.093 |
| Cash outflows due to debt payments | 7 | (827.378.252) | (943.342.149) |
| Dividends paid | | (1.305.436.481) | (164.025.000) |
| Interest paid | | (185.786.445) | (93.411.378) |
| Interest received | | 119.302.896 | 63.492.929 |
| Cash outflows arising from changes in partnership shares that do not lead to loss of control in subsidiaries | | (15.467.918) | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES | | 32.777.898 | 363.172.945 |
| D. Foreign currency translation differences | | 1.413.591.365 | 470.782.786 |
| Net increase/decrease in cash and cash equivalents | | 1.446.369.263 | 833.955.731 |
| E. Cash and cash equivalents at the beginning of the period | | 1.927.530.563 | 1.093.574.832 |
| Cash and cash equivalents at the end of the period | 4 | 3.373.899.826 | 1.927.530.563 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Çelebi Hava Servisi A.Ş. (referred as the "Company" or "Çelebi Hava") established in 1958 was the first private ground handling service company in the Turkish aviation sector. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and aircraft maintenance etc.), cargo and warehouse services and fuel supplies to domestic and foreign airlines and private cargo companies. The Company operates in İstanbul, İzmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta, Erzincan, Çanakkale, Balıkesir Edremit, Iğdır, Kocaeli, Bingöl, Hakkari airports, which are under the control of the State Airports Administration ("DHMI") and İstanbul Sabiha Gokcen airport which is under the control of the Airport Administration and Aviation Industries A.Ş. ("HEAS"). The Company is controlled by Çelebi Havacılık Holding Anonim Şirketi, the parent company which is jointly controlled by Çelebioğlu Family and Zeus Aviation Services Investments B.V.

The Company is registered in Capital Markets Board ("CMB") and has been listed in Borsa İstanbul ("BIST") since 18 November 1996. As of 31 December 2023, the percentage of shares which are publicly traded is 10,09% (31 December 2022: 10,09%).

The address of the headquarters of the Company is as follows:

Tayakadın Mahallesi Nuri Demirağ Caddesi No: 39
Arnavutköy/İstanbul

The average number of employees employed by the Group for the year ended 31 December 2023 is 13.747 (2022: 11.838).

The consolidated financial statements for the accounting period of 1 January - 31 December 2023 were approved for publication at the meeting of the Board of Directors dated 11 March 2024 and signed by General Manager Osman Yılmaz and Financial Affairs Director Deniz Bal on behalf of the Board of Directors.

Information on Subsidiaries, Joint Ventures, and Associate:

The nature of the business, their respective geographical segments, and the registered country of the subsidiaries, joint venture and associate of the Group are as follows.

Subsidiaries of the Group are as below:

| Subsidiary | Registered country | Geographical region | Nature of business |
|-----------------------------------|--------------------|---------------------|------------------------------|
| CGHH | Hungary | Hungary | Ground handling services |
| Celebi Delhi Cargo | India | India | Warehouse and cargo services |
| CASI | India | India | Ground handling services |
| Celebi Nas | India | India | Ground handling services |
| Çelebi Kargo | Türkiye | Türkiye | Warehouse and cargo services |
| Celebi Cargo | Germany | Germany | Warehouse and cargo services |
| Celebi GH India Private Limited | India | India | Ground handling services |
| Celebi GS Chennai Private Limited | India | India | Ground handling services |
| KSU | India | India | Ground handling services |
| Celebi Tanzania | Tanzania | Tanzania | Ground handling services |

In 2006, the Company acquired the shares of Celebi Ground Handling Hungary ("CGHH"), which provides airport ground handling services at Budapest Airport. The Company's shareholding in CGHH is 100% and its paid-in capital is 200.000.000 Hungarian Forints.

In 2009, a company named Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") was established to operate in the development, modernisation and operation of the existing cargo terminal at the airport in New Delhi, India for 25 years. The Company's shareholding in Celebi Delhi Cargo is 74% and the paid-in capital of Celebi Delhi Cargo is 1,120 million Indian Rupees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

As a result of winning the tender for the provision of airport ground handling services at Delhi International Airport for a period of 10 years, Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi") was established in 2009. The share capital of the Company is 99.9% and a total of Indian Rupees 2,294 million premium capital payment was made in order to meet the required equity capital. The Company currently carries out ground handling services at New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India under ongoing concession agreements. In 2018, the Company's name was changed to Celebi Airport Services India Private Limited ("CASI"). With the authorisation granted in 2019, the Company continues to provide ground handling services at Delhi International Airport for an additional 10 years following the expiry of the current concession period.

Çelebi Kargo Depolama ve Dağıtım Hizmetleri Anonim Şirketi ("Çelebi Kargo") was established in 2008 to engage in transport, freight forwarding, cargo storage and distribution activities. Celebi Cargo GmbH ("Celebi Cargo"), a 100% owned subsidiary of Çelebi Kargo with a paid-in capital of EUR 11,140,000, is engaged in cargo storage and handling at Frankfurt International Airport Cargo.

In 2019, the Company has participated in KSU Aviation Private Limited ("KSU"), an Indian company established to provide "taxiing" services to aircraft at airports in India, by 57.65%. For this purpose, the Company made a premium capital payment amounting to 435 million Indian Rupees in total.

Celebi Nas Airport Services India Private Limited ("Celebi Nas") was established in 2008 to provide ground handling services at Mumbai Chhatrapati Shivaji International Airport (CSIA) in India for a period of 10 years. The share capital is 59% and the paid-in capital is 552 million Indian Rupees. In addition, the shareholders of Celebi Nas made a premium capital payment amounting to Indian Rupees 228 million. Celebi Nas has obtained the concession right until 2036 for the provision of ventilation and generator services installed on the passenger bridges at the passenger terminal of the airport. Within the scope of the concession agreement signed between Celebi Nas and the Airport Authority, Celebi Nas will continue to provide ground handling services for a period of 10 (ten) years following the expiry of the current concession period at CSIA airport on 31 December 2019.

Celebi GH India Private Limited was established as a subsidiary of CASI in 2022, with a partnership rate of 60,98%, based on the ground services tender won at India's Ahmedabad International Airport. The capital of the company is 164,000 Indian Rupees.

Celebi GS Chennai Private Limited was established in 2022 as a subsidiary of CASI with a 100% partnership rate, based on the ground services tender won at India's Chennai International Airport, and the total capital of the company, including premium capital is 80,099,595 million Indian Rupees.

In order to participate in the ground handling services concession tenders to be opened at airports in Tanzania, the Company has participated in 65% of Celebi Tanzania Aviation Services Limited ("Celebi Tanzania"), based in Dar es Salaam, Tanzania, with a total capital of 100 million Tanzanian Shillings (approximately USD 40 thousand) and started its operations in 2021 in accordance with the agreement signed with the airport authority.

Associate

The associate of the Group accounted using the equity method is as follows:

| Associate | Registered country | Geographical region | Nature of business |
|-----------|--------------------|---------------------|--------------------------|
| DASPL | India | India | Ground handling services |

CASI, a subsidiary of the Group, has 16.66% shareholding in DASPL, a New Delhi, India based company with a paid-in capital of Indian Rupees 250,000,000, established to ensure that the ventilation, generator and domestic water services installed on the passenger bridges at the airport passenger terminal are performed at international standards. CASI owns 24.99% of Delhi Aviation Services Private Limited (DASPL). The Group accounts for DASPL using the equity method in the consolidated financial statements. The operations of DASPL have ended as of 1 April 2022 and the net loss for the period after 31 March 2022 is presented under "Profit/(loss) for the period from discontinued operations".

As of 31 December 2023, the consolidated financial statements of the Group comprise the Company, Celebi Nas, CGHH, Celebi Delhi Cargo, CASI, Çelebi Kargo, DASPL, Celebi Cargo, KSU, Celebi Tanzania, CGHI and CGSC (together referred to as the "Group").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1 Accounting standards applied

The Group's consolidated financial statements have been prepared in accordance with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013, which is published on Official Gazette numbered 28676, and according to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") and appendix and interpretations related to them.

In addition, the financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 4 October 2022 and the Financial Statement Examples and User Guide published by the CMB.

The Company and its Subsidiaries registered in Türkiye maintain their books of account and prepare their statutory financial statements in accordance with the principles and standards issued by POA, Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of Türkiye ("Ministry of Finance"). Foreign subsidiaries, joint venture and associate maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. Adjustments and restatements, required for the fair presentation of the consolidated financial statements in conformity with the Turkish Financial Reporting Standards have been accounted in the statutory financial statements the Company, its subsidiaries, joint venture and associate. Assets and liabilities included in the financial statements of the foreign subsidiaries of the Group have been translated into Turkish Lira using the exchange rates prevailed at the date of the consolidated statement of financial position and income and expenses are translated into Turkish Lira using the average exchange rates for the related period. The difference between using the period-end exchange rates and average exchange rates is accounted as the currency translation differences under equity.

Consolidated financial statements are prepared on the historical cost basis. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as basis.

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in TL, which are the functional currency of the Çelebi Hava and the presentation currency of the Group. As of 31 December 2023, the currency of Group's entities are as below.

| Company | Currency |
|--------------------|--------------------------|
| Çelebi Hava | Euro (EUR) |
| CGHH | Hungarian Forint (HUF) |
| Celebi Delhi Cargo | Indian Rupee (INR) |
| CASI | Indian Rupee (INR) |
| Celebi Nas | Indian Rupee (INR) |
| Çelebi Kargo | Euro (EUR) |
| Celebi Cargo | Euro (EUR) |
| CGHI | Indian Rupee (INR) |
| CGSC | Indian Rupee (INR) |
| DASPL | Indian Rupee (INR) |
| KSU | Indian Rupee (INR) |
| Çelebi Tanzania | Tanzanian Shilling (TZS) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Going Concern

The Group prepared condensed consolidated financial statements in accordance with the going concern assumption.

Restatement of financial statements during periods of high inflation

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

Although the Company operates in Türkiye, no adjustments have been made within the scope of TMS 29 since its functional currency is Euro.

2.1.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

| | |
|-----------------------|---|
| Amendments to TAS 1 | <i>Disclosure of Accounting Policies</i> |
| Amendments to TAS 8 | <i>Definition of Accounting Estimates</i> |
| Amendments to TAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> |
| Amendments to TFRS 17 | <i>Initial Application of TFRS 17 and TFRS 9 - Comparative Information (Amendment to TFRS 17)</i> |
| Amendments to TAS 12 | <i>International Tax Reform - Pillar Two Model Rules</i> |

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

| | |
|--------------------------------|---|
| TFRS 17 | <i>Insurance Contracts</i> |
| Amendments to TFRS 17 | <i>Initial Application of TFRS 17 and TFRS 9 - Comparative Information (Amendment to TFRS 17)</i> |
| Amendments to TFRS 4 | <i>Extension of the Temporary Exemption from Applying TFRS 9</i> |
| Amendments to TAS 1 | <i>Classification of Liabilities as Current or Non-Current</i> |
| Amendments to TFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |
| Amendments to TAS 1 | <i>Non-current Liabilities with Covenants</i> |
| Amendments to TAS 7 and TFRS 7 | <i>Supplier Finance Arrangements</i> |
| TSRS 1 | <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> |
| TSRS 2 | <i>Climate-related Disclosures</i> |

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

2.1.3 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company. Çelebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the "Group") on the basis set out in sections (b), to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries and Joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

b) The consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfillment of the following conditions:

- having power over the invested company/asset;
- being open to or entitled to variable returns from the invested company/asset and
- ability to use power to have an impact on returns.

If a situation or event occurs that may cause any change in at least one of the criteria listed above, the Company reassesses whether it has control over its investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

In cases where the Company does not have majority voting rights on the investee company/asset, it has control power over the investee company/asset, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment. The Company considers all relevant events and circumstances in assessing whether the majority of votes in the relevant investment is sufficient to gain control, including the following:

- Comparison of the voting rights of the Company with the voting rights of other shareholders;
- Potential voting rights held by the Company and other shareholders;
- Rights arising from other contractual agreements and
- Other events and conditions that may show whether the Company has the power to manage the relevant activities (including the voting at the previous general assembly meetings) in cases where a decision has to be made.

c) The direct and indirect ownership interests held by the Group in its subsidiaries are provided below, the direct and indirect ownership interest is equal to the proportion of effective interest:

| Subsidiary | Ownership interest (%) | |
|--------------------|------------------------|------------------|
| | 31 December 2023 | 31 December 2022 |
| CGHH | 100,0 | 100,0 |
| Celebi Delhi Cargo | 74,0 | 74,0 |
| CASI | 99,9 | 99,9 |
| Celebi Nas | 59,0 | 57,0 |
| CGHI | 61,0 | 61,0 |
| CGSC | 100,0 | 100,0 |
| Çelebi Kargo | 99,9 | 99,9 |
| Celebi Cargo | 99,9 | 99,9 |
| KSU | 58,7 | 58,7 |
| Celebi Tanzania | 65,0 | 65,0 |

d) The Group categorized the sales and purchase of its subsidiaries' shares transactions as transactions between group shareholders except parent company. Therefore, for the addition share purchase from other than parent company, the Group records the difference between cost of purchase and book value of asset of subsidiary's purchased portion under shareholders' equity. For the share sales to other than parent company, the Group records the income or loss as a result of the difference between sales price and book value of asset of subsidiary's sold portion under shareholders' equity.

e) It is accounted by using the equity method.

| Associate (%) | 31 December 2023 | 31 December 2022 |
|---------------|------------------|------------------|
| DASPL | 24,99 | 24,99 |

2.2. Change in Accounting Policies

2.2.1 Comparative Information and Restatement of Prior Period Financial Statements

The financial statements of the Group have been prepared comparatively with the prior period in order to evaluate financial position and performance trends. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

The Group has prepared the consolidated statement of financial position as at 31 December 2023 comparatively with the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the interim period ended 31 December 2023 comparatively with the consolidated statement of profit or loss, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated statement of other comprehensive income for the year ended 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

As of 31 December 2023, income accruals amounting to 9.011.527 TL, presented under other receivables in the consolidated statement of financial position, have been classified as trade receivables.

As of 31 December 2023, other tax liabilities amounting to TL 117.874.307, which were presented under period profit tax liability in the consolidated statement of financial position, were classified under other short-term liabilities.

2.3. Changes in Significant Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. There has not been any significant change in the accounting policies of the Group in the current year.

If the changes in accounting estimates are for only one period, they are applied prospectively in the current period when the change is made. If the changes in accounting estimates are related to future periods, they are applied prospectively both in the period when the change was made and in the future periods. There has not been any significant change in the accounting estimates of the Group in the current year.

2.4 Summary of Significant Accounting Policies

2.4.1 Accounting of Income

Revenue is recognized on an accrual basis at the fair value of the consideration received or receivable from the sale of goods and services. Net sales represent the invoiced value of goods delivered and services rendered free of sales discounts and returns. In the event that there is an important financing element in the sales, the fair value is determined by deducting the future collections from the interest rate within the financing element. The difference is recognized as other income from operating activities on an accrual basis.

Dividend Income

Dividend income is recognized as income at the time of collection.

2.4.2 Financial Assets

Classification

The Group classifies its financial assets in three categories of "financial assets measured at amortized cost", "financial assets measured at fair value through other comprehensive income" and "financial assets measured at fair value through profit or loss". The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase. Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets held within the scope of a business model aimed at collecting contractual cash flows and with cash flows including interest payments arising solely on principal and principal balance at specific dates under contractual terms. The Group's financial assets are accounted at the amortized cost include items such as "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". Related assets are initially recognized at fair value in the financial statements; in subsequent accounting, measured at amortized cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

"Financial assets at fair value through other comprehensive income", are non-derivative financial assets that are held in the context of business model aimed at collecting contractual cash flows and selling financial assets, and cash flows include interest payments solely at principal and principal balance on contractual terms. Any gains or losses arising from the related financial assets are recognized in other comprehensive income except for impairment losses, gains or losses and exchange rate differences income or expenses. In the case of the sale of assets, the valuation differences classified as other comprehensive income are classified as retained earnings.

"Financial assets at fair value through profit or loss", are financial assets measured at amortized cost other than financial assets at fair value through comprehensive income. The resulting gains and losses from the valuation of such assets are recognized in the consolidated income statement of profit or loss.

Derecognition

The Group derecognizes the financial assets when it terminates the rights related to the cash flows due to the contract or when the related rights are transferred through a purchase and sale of all risks and rewards related to the financial asset. Any rights created or held by financial assets transferred by the Group are recognized as a separate asset or liability.

Impairment

The impairment of financial assets and contractual assets is calculated using the "expected credit loss" (ECL) model. The impairment model applies to amortized cost financial assets and contractual assets.

In the case of financial asset has a low credit risk at the reporting date, the Group can determine that the credit risk of the financial asset has not increased significantly. However, the lifetime ECL measurement (simplified approach) is always valid for commercial receivables and contract assets, without significant financing.

2.4.3 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value (Note 4).

2.4.4 Property, Plant and Equipment

Property, plant and equipment, on the other hand, are reflected in the consolidated financial statements with their net value after deduction of accumulated depreciation and impairment, if any, over their acquisition costs. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line method based on the estimated useful lives of the assets.

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

| | Useful Lives (Year) |
|-------------------------|---------------------|
| Machinery and equipment | 1-20 |
| Motor vehicles | 2-10 |
| Furniture and fixtures | 1-20 |
| Leasehold improvements | 5-25 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Depreciation is provided for assets when they are ready for use. Depreciation continues to be provided on assets when they become idle.

Gains or losses on disposals of property, plant and equipment are determined by comparing the carrying amount at financial statements and collected amount and included in the other income and expenses from investing activities accounts, as appropriate.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Expenses arising from replacing any part of property, plant and equipment, together with maintenance and repair costs, can be capitalized if they increase the future economic benefit of the asset. All other expenses are accounted for as expense items in the income statement as they occur.

2.4.5 Intangible Assets

a) Goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

The estimations related with the future cash flows do not include cash inflows and outflows related with restructuring that the Group has not committed yet or the enhancing or the improving the performance of the asset.

b) Computer software

Rights arising on computer software are recognized at its acquisition cost. Computer software is amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is between 3-15 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

c) Service Concession Arrangements and Build-operate-transfer investments

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop/upgrade, operate and maintain the grantor's infrastructure. During the arrangement period, operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

Since the Group has a right to charge to users regarding usage of investment, determined with Service Concession Agreements, the Group has applied an intangible asset model described in TFRIC 12 "Service Concession Agreements" for the agreements listed below.

Intangibles arising from concession service agreement classified as build- operate - transfer investment as intangible assets.

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Operation or service income are recognized in the reporting period in which the services are rendered.

According to service concession agreements, maintenance and modernization within in the scope of the contractual obligations are accounted in accordance with TAS 37 ("Provisions, Contingent Liabilities and Contingent Assets").

Investment costs related to the construction of the terminal are amortized on a straight-line basis over the life of the terminal.

Borrowing costs that are directly attributable to the Build-Operate-Transfer investment are capitalized as part of the cost of that asset, if the amount of costs can be measured reliably and it is probable that the economic benefits associated with the qualifying asset will flow to the Group.

According to these concession agreements, the Group capitalized the differences between the paid deposit paid and its net present value as Build-Operate-Transfer investment and amortized the amount during the periods of concession agreements (Note 13).

2.4.6 Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition.

Cost is determined by the monthly moving weighted average method. The cost of borrowings is not included in the costs of inventories. Net realizable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.4.7 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that deferred tax assets, an asset other than intangible assets with indefinite useful lives, and financial assets at fair value may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. The recoverable amount is determined by choosing the higher of fair value less cost of selling and value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognized immediately in statement of income. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets.

An impairment loss recognized in prior period for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount cannot be higher than the previously recognized impairment loss and shall not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized as income in the consolidated financial statements.

2.4.8 Financial Liabilities and Borrowing Costs

Borrowings are recognized initially at the proceeds received; net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings.

If financing costs arising from loans are associated with acquisition and construction of qualifying assets, it has been included in the cost price of the qualifying assets. The qualifying assets refer to assets that are required for a long period of time to be ready for use or sale as intended. All other borrowing costs are recognized in the profit or loss statement in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2.4.9 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets include the first measurement of the corresponding lease obligation, lease payments made before or before the lease actually starts, and other direct initial costs. These assets are subsequently measured at cost by deducting accumulated depreciation and impairment losses.

A provision is recognized in accordance with TAS 37 in cases where the Group is exposed to the costs required to disassemble and eliminate a lease asset, to restore the area on which the asset is located, or to restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right-of-use asset, unless they are incurred for inventory production.

The right-of-use assets are depreciated according to the shorter of the main asset's rental period and useful life. If ownership of the main asset is transferred in the lease or if the Group plans to implement a purchase option, right-of-use asset is depreciated over the useful life of the main asset. Depreciation starts on the date the lease actually starts.

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

The right-of-use assets are presented in a separate line in the consolidated financial statements.

The Group applies the TAS 36 to determine whether the right-of-use assets are impaired and for all identified impairment losses are accounted as specified in the 'Property, Plant and Equipment' policy.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

2.4.10 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value.

2.4.11 Business Combinations and Goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method in accordance with TFRS 3 (Note 13).

The cost of a business combination is allocated by recognizing the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill has been recognized as an asset and has initially been measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. In business combinations, the acquirer recognizes identifiable assets (such as deferred tax on carry forward losses), intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements at their fair values in the consolidated financial statements. The goodwill previously recognized in the financial statements of the acquiree is not considered as an identifiable asset.

Goodwill recognized as a result of business combinations is not amortized and its carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Provisions for goodwill impairment loss are not cancelled at subsequent periods. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2.4.12 Foreign Currency Transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The daily or average exchange rate was used when converting the foreign currency assets and liabilities into the presentation currency.

2.4.13 Earnings per Share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned (Note 30).

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

2.4.14 Events After the Balance Sheet Date

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements (Note 34).

2.4.15 Provisions, Contingent Liabilities and Contingent Assets

The conditions which are required to be met in order to recognize a provision in the consolidated financial statements are those that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation (Note 14).

Where the effect of the time value of money is significant, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Liabilities or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the entity are considered as contingent liabilities and assets, and not included in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2.4.16 Related Parties

Related party is the person or entity related to Company which is preparing financial statements ("reporting Company") (Note 31).

a) A person or a close member of that person's family is related to a reporting entity:

If that person;

- i) has control or joint control over the reporting entity;
- ii) has significant influence over the reporting entity; or
- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.4.17 Segment Reporting

The operating segments are evaluated in parallel to the internal reporting and strategic sections presented to the organs or persons authorized to make decisions regarding the activities of the Group. The organs and persons authorized to make strategic decisions regarding the Group's activities with respect to the resources to be allocated to these sections and their evaluation are defined as the Group's senior managers of the Group. The Group's senior managers follow up the Group's activities on activity basis as ground handling services and cargo and warehouse services.

2.4.18 Taxes on Income

Current tax expense and deferred tax

Tax expense includes current tax expense and deferred tax expense. The tax is included in the income statement, provided that it is not directly related to an operation accounted under equity. Otherwise, the tax is accounted under equity as well as the related transaction.

Current tax expense is calculated by taking into account the tax laws applicable in the countries where the Group's subsidiaries and investments accounted by using the equity method are active as of the date of statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Income tax

The Company and its subsidiaries established in Türkiye and other countries in the scope of consolidation, associates, and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The effective tax rate in 2023 is 25% (2022: 23%). The corporate tax rate is applied to the net corporate income calculated as a result of adding non-deductible expenses in accordance with the tax laws to the trade income of the corporations, and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month. However, according to Turkish tax legislation, corporations, legal or business centers of which are located in Türkiye, calculate provisional tax on their quarterly financial profits and declare the results of the relevant period until the 14th day of the second month following the relevant period and pay the calculated temporary tax until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded or deducted in cash. As of 31 December 2023 and 2022, tax provision has been made in accordance with the applicable tax legislation.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations and non-resident corporations exempted from income and corporation tax. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Deferred tax

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is calculated using tax rates that are currently in effect as of the date of the statement of financial position.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are calculated to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset against each other if the same country is subject to tax legislation and there is a legally enforceable right to offset current tax assets against current tax liabilities.

As of 31 December 2023, 25% tax rate is used for all temporary differences in the deferred tax calculation.

Turkish tax legislation does not permit a parent company, its subsidiaries, to file a tax return on its consolidated financial statements. Therefore, the tax liabilities of the Group's consolidated financial statements are calculated separately for all companies included in the scope of consolidation. The taxes payable on the statement of financial position as of 31 December 2023 and 2022, are netted off for each subsidiary and are separately classified in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2.4.19 Employee Benefits

Employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total reserve for future probable future obligations of the Group arising from the retirement of the personnel in accordance with the Turkish Labor Law and the laws of the countries in which the Subsidiaries operate. In accordance with the law and the Turkish Labor Law regulates the current working life in Türkiye, the Group has completed at least one year of service, their request with redundancy or improper conduct on-off work for reasons other than termination of the results of the work contract, who passed away or retired each staff it is obliged to pay severance pay collectively.

Provision which is allocated by the present value of the defined benefit obligation is calculated using the projected liability method. All actuarial gains and losses are accounted under equity.

The employment termination liability is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees.

After the legislative amendment on 23 May 2002, some transition process items related to the previous service period before retirement were issued. The amount payable consists of one month's salary for each year of service and is limited to TL 23.489,83 as of 31 December 2023 (31 December 2022: TL 15.371,40).

Provision for unused vacation

The Company records a liability by calculating the number of vacation days earned by its employees but not used, such amount is short-term and measured without being discounted, and is recognized as an expense in the profit or loss as the related service is fulfilled.

2.4.20 Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from main activities represent the cash flows of the Group generated from airport ground handling services, airport construction and operation activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2.4.21 Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

2.4.22 Paid-in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

2.4.23 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function.

When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net provided that the nature of the transaction or the event will qualify for offsetting.

2.5 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that may have a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment

As explained in Note 2.4.11 the Group performs impairment tests on goodwill annually as of 31 December or more frequently if events or changes in circumstances indicate that it might be impaired. As of 31 December 2023, the Group reflected impairment identified as a result of the analyzes.

(b) Impairment of intangible assets

According to the accounting policy stated in Note 2.4.5 the intangible assets are disclosed with their net value after the deduction of the accumulated depreciation, and impairment, if any.

(c) Provisions

In accordance with the accounting policy mentioned in Note 2.4.15, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation. In this context, the Group has evaluated the legal proceedings and damage claims raised against in courts as of 31 December 2023 and for the ones where the Group estimates a probability of losing the cases in courts, necessary provisions are accounted for in the consolidated financial statements (Note 14).

(d) Taxes calculated on the basis of the Company's earnings

In accordance with the accounting policy mentioned in Note 2.4.18, a provision is made for the tax liability of current year calculated with tax rates which are valid on the balance sheet date over the portion of period income estimated based on period results of the Group as of balance sheet date. Tax legislation of jurisdictions, in which the subsidiaries and subsidiaries subject to joint control of the Group operates, are subject to different interpretations and may be amended. In this scope, interpretation of tax legislation by tax authorities related to operations of subsidiaries and subsidiaries subject to joint control of the Group may differ from the interpretation of the management. Therefore, transactions may be interpreted in a different manner by tax authorities and the Group may be exposed to additional tax, fines and interest payments.

As of 31 December 2023, the Group has reviewed possible tax fines which may source from its subsidiaries and subsidiaries subject to joint control and has not considered to make any provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

(e) Calculated deferred tax assets over tax deductions to be used

Tax receivable due to unused taxable losses is reflected on the records in the case of being most likely to have sufficient taxable profit in future periods.

(f) Investments made in the framework of concession arrangements in scope of TFRIC 12

Celebi Delhi Cargo, subsidiary of the Group resident in India, has signed a concession arrangement with Delhi International Airport Private Limited ("DIAL") on 6 May 2009 in order to operate in development, modernization, financing and management for 25 years of current cargo terminal in the airport located in New Delhi city of India.

Investment expenditures made by the Group within scope of aforementioned arrangement and concession arrangement signed by Çelebi Nas, which is a joint venture of the Group subject to joint control and resident in India, on 8 April 2015, are recognized in accordance with International Financial Reporting Interpretations Committee 12 ("TFRIC 12") Service Concession Arrangements.

Preparation of the consolidated financial statements in accordance with TFRS requires the management to make decisions, estimations and assumptions affecting the implementation of policies and amounts of assets, liabilities, income and expense which are reported. Actual results may differ from those estimates.

Estimations and assumptions forming a basis for estimations are continuously reviewed. Updates made in accounting estimates are recorded in the period of update and following periods affected from the aforementioned updates.

Information on significant decisions applied to accounting policies which have the most significant impact on amounts recorded in consolidated financial statements is explained in the following notes:

Note 2.5 (f) - Application of profit margin to construction costs made in scope of TFRIC 12 "Service Concession Arrangements"

Information on estimates having significant impact on amounts recorded in consolidated financial statements is explained in the notes below:

Note 11 - Property, plant and equipment

Note 12 - Right-of-use assets

Note 13 - Intangible assets

Note 14 - Provision for employee benefits

Note 29 - Tax assets and liabilities

Note 31 - Related party disclosures

NOTE 3 - SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Company's senior management and effective in making strategic decisions. The management evaluates the Group from two perspectives; based on geographical position and operational segments. They are assessing the Group's performance on an operational segment basis as; Ground Handling Services, Security Services, Cargo and Warehouse Services. Since the Group's income consists primarily of these operational segments, Ground Handling Services and Cargo and Warehouse Services are regarded as reportable operating segment revenues. The management assesses the performance of the operational segments based on a measure of EBITDA after deduction of the impact of TFRS Interpretation ("TFRIC 12"), retirement pay liability and unused vacation provisions from earnings before interest, tax depreciation and amortization.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

The operational segment information provided to the board of directors as of 31 December 2023 is as follows:

| 1 January - 31 December 2023 | Operation Groups | | | After Consolidation |
|--|----------------------|------------------------------|---------------------------|----------------------|
| | Ground Handling | Cargo and Warehouse Services | Consolidation Adjustments | |
| Revenue | 7.130.392.196 | 3.767.236.112 | (32.810.901) | 10.864.817.407 |
| Cost of sales | (4.704.603.842) | (2.526.765.227) | 33.739.236 | (7.197.629.833) |
| Gross profit | 2.425.788.354 | 1.240.470.885 | 928.335 | 3.667.187.574 |
| General administrative expenses | (803.883.748) | (213.869.718) | 3.342.007 | (1.014.411.459) |
| Addition: Depreciation and amortization | 402.328.256 | 224.570.143 | - | 626.898.399 |
| Addition: TFRIC -12 effect shares | - | 50.001.923 | - | 50.001.923 |
| Addition: Provision for employment termination benefit and unused vacation | 93.890.893 | 11.924.422 | - | 105.815.315 |
| EBITDA effect of investments accounted by using equity method | (137.653) | - | - | (137.653) |
| EBITDA | 2.117.986.102 | 1.313.097.655 | 4.270.342 | 3.435.354.099 |
| Lease expenses under TFRS 16 | (258.639.168) | (77.171.589) | - | (335.810.757) |
| EBITDA (Except for TFRS 16) | 1.859.346.934 | 1.235.926.066 | 4.270.342 | 3.099.543.342 |

The operational segment information provided to the board of directors as of 31 December 2022 is as follows:

| 1 January - 31 December 2022 | Operation Groups | | | After Consolidation |
|--|----------------------|------------------------------|---------------------------|----------------------|
| | Ground Handling | Cargo and Warehouse Services | Consolidation Adjustments | |
| Revenue | 3.724.412.945 | 2.342.139.815 | 5.455.781 | 6.072.008.541 |
| Cost of sales | (2.449.356.971) | (1.447.775.338) | (5.143.577) | (3.902.275.886) |
| Gross profit | 1.275.055.974 | 894.364.477 | 312.204 | 2.169.732.655 |
| General administrative expenses | (447.746.865) | (143.893.226) | 1.001.790 | (590.638.301) |
| Addition: Depreciation and amortization | 234.006.621 | 132.275.737 | - | 366.282.358 |
| Addition: TFRIC -12 effect shares | - | 19.915.728 | - | 19.915.728 |
| Addition: Provision for employment termination benefit and unused vacation | 35.404.572 | 8.105.266 | - | 43.509.838 |
| EBITDA effect of investments accounted by using equity method | 2.688.691 | - | - | 2.688.691 |
| EBITDA | 1.099.408.993 | 910.767.982 | 1.313.994 | 2.011.490.969 |
| Lease expenses under TFRS 16 | (140.535.088) | (45.381.181) | - | (185.916.269) |
| EBITDA (Except for TFRS 16) | 958.873.905 | 865.386.801 | 1.313.994 | 1.825.574.700 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

The reconciliation of EBITDA with operating profit before tax is as follows:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|---|---------------------------------|---------------------------------|
| EBITDA for reported segments | 3.435.354.099 | 2.011.490.969 |
| Depreciation and amortization | (626.898.399) | (366.282.358) |
| TFRIC 12 effect | (50.001.923) | (19.915.728) |
| Provisions for employment termination benefit and unused vacation | (105.815.315) | (43.509.838) |
| Other operating income | 445.146.670 | 137.751.907 |
| Other operating expenses (-) | (336.655.040) | (141.843.768) |
| EBITDA effect of investments accounted by using equity method | 137.653 | (2.688.691) |
| Operating profit | 2.761.267.745 | 1.575.002.493 |
| Income from investment activities | 30.269.535 | 813.475 |
| Expenses from investment activities (-) | (7.525.997) | (27.867.600) |
| Financial income | 406.313.592 | 200.039.323 |
| Financial expenses (-) | (469.559.974) | (284.931.130) |
| Shares in profit from investments accounted by equity method (from continuing operations) | - | (1.910.106) |
| Profit/(loss) before tax | 2.720.764.901 | 1.461.146.455 |

NOTE 4 - CASH AND CASH EQUIVALENTS

| | 31 December 2023 | 31 December 2022 |
|------------------|----------------------|----------------------|
| Cash | 2.431.556 | 1.735.686 |
| Banks | 3.374.732.690 | 1.927.228.079 |
| - time deposit | 2.347.727.034 | 1.255.465.152 |
| - demand deposit | 1.027.005.656 | 671.762.927 |
| | 3.377.164.246 | 1.928.963.765 |

As of 31 December 2023, effective interest rates on TL, EUR, USD and INR denominated time deposits are 33,00-41,00%, 0,1-1,75%, 01-2,25% and 75-7,25% (31 December 2022: TL 15,21%, EUR 1,46%, USD 1,33%, INR 5,38%). As of 31 December 2023, the maturity of denominated time deposits are 1 day for EUR, USD and TL, 30-365 days for INR, respectively (31 December 2022: TL, EUR and USD 1 day, INR 45 days).

The details of cash and cash equivalents presented in the statements of cash flows as of 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|--------------------------------|----------------------|----------------------|
| Cash on hand and cash at banks | 3.377.164.246 | 1.928.963.765 |
| Less: Interest accruals | (3.264.420) | (1.433.202) |
| | 3.373.899.826 | 1.927.530.563 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 5 - FINANCIAL INVESTMENTS

Restricted bank balances:

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|--------------------|
| Restricted bank balances (Between 3 months and 365 days) ^(*) | 109.337.443 | 60.756.407 |
| Restricted bank balances (Longer than 365 days) ^(*) | 51.225.309 | 47.832.174 |
| | 160.562.752 | 108.588.581 |

Time deposits:

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|-------------------|
| Time deposits (Between 3 months and 365 days) | 274.398.311 | 57.100.350 |
| | 274.398.311 | 57.100.350 |

^(*) Most of the restricted bank balances consist of the collections from customers and the amounts obtained within the framework of project finance within the framework of the concession agreements signed for the operation of the terminals and the related balances are kept blocked in bank accounts with a maturity longer than 3 months.

Other financial assets measured at fair value through profit or loss:

| | Percentage of Shares | 31 December 2023 | Percentage of Shares | 31 December 2022 |
|--|----------------------|------------------|----------------------|------------------|
| Celebi Ground Handling India Private Limited | - | - | 61% | 22.665 |
| Celebi Ground Services Chennai Private Limited | - | - | 100% | 22.665 |
| Celebi Shared Services India Private Limited | 100% | 31.888 | - | - |
| | | 31.888 | | 45.330 |

NOTE 6 - INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD

| | Percentage of Shares | 31 December 2023 | Percentage of Shares | 31 December 2022 |
|-------|----------------------|-------------------|----------------------|-------------------|
| DASPL | 24,99% | 25.998.200 | 24,99% | 19.463.360 |
| | | 25.998.200 | | 19.463.360 |

The movements of investments accounted using the equity method during the period ended on 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| As of 1 January | 19.463.360 | 20.391.743 |
| Shares of net profit/(loss) for the period | 901.875 | (6.329.698) |
| Transfers | - | (22.665) |
| Dividends received | - | (3.680.527) |
| Foreign currency translation differences | 5.632.965 | 9.104.507 |
| As of 31 December | 25.998.200 | 19.463.360 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Shares of profit/loss from investments accounted using the equity method:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|-------|---------------------------------|---------------------------------|
| DASPL | 901.875 | (6.329.697) |
| | 901.875 | (6.329.697) |

Summary information of financial statements of the investment accounted by using the equity method:

Summary information of DASPL is as follows:

| | 31 December 2023 | 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Total Assets | 115.038.960 | 69.559.096 |
| Total Liabilities | 8.161.470 | 4.866.078 |
| | | |
| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| Total Sales Income | - | 26.281.810 |
| Profit/(Loss) for the Period ^(*) | 3.607.500 | (25.328.921) |

^(*) DASPL's operations ended as of 1 April 2022, and the net loss for the period after 31 March 2022 is shown under "Profit for the period/(loss) from discontinued operations."

NOTE 7 - SHORT-TERM AND LONG-TERM BORROWINGS

Short-term borrowings:

| | 31 December 2023 | | TL |
|-------------------------------|-----------------------------|-----------------|----------------------|
| | Effective interest rate (%) | Original amount | |
| Short-term loans: | | | |
| EUR borrowings | 6,50-12,00 | 32.950.000 | 1.075.244.170 |
| Total short-term loans | | | 1.075.244.170 |

Short-term finance lease obligations:

| | 31 December 2023 | | TL |
|---|-----------------------------|-----------------|--------------------|
| | Effective interest rate (%) | Original amount | |
| INR finance lease obligation | | 418.833.092 | 157.921.002 |
| EUR finance lease obligation | | 13.308.211 | 434.281.536 |
| TL finance lease obligation | | 28.677.542 | 28.677.542 |
| HUF finance lease obligation | | 48.677.165 | 4.154.596 |
| Total short-term finance lease obligations | | | 625.034.676 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Short-term portion of long-term borrowings:

| | 31 December 2023 | | TL |
|---|-----------------------------|-----------------|----------------------|
| | Effective interest rate (%) | Original amount | |
| Interest expense accrual - EUR | | 2.811.447 | 91.744.821 |
| Interest expense accrual -INR | | 4.066.030 | 1.440.635 |
| EUR borrowings | 5,95-7,44 | 11.441.178 | 373.355.385 |
| INR borrowings | 8,01-9,75 | 514.407.307 | 183.936.224 |
| Total short-term portion of long-term borrowings | | | 650.477.065 |
| Total short-term borrowings: | | | 2.350.755.911 |

Long-term borrowings:

| | 31 December 2023 | | TL |
|----------------|-----------------------------|-----------------|----------------------|
| | Effective interest rate (%) | Original amount | |
| INR borrowings | 8,01-9,75 | 1.308.327.848 | 539.413.622 |
| EUR borrowings | 5,95-7,44 | 28.316.176 | 924.030.445 |
| | | | 1.463.444.067 |

Long-term finance lease obligations:

| | | | |
|--|--|-------------|----------------------|
| INR finance lease obligation | | 790.659.098 | 302.681.940 |
| EUR finance lease obligation | | 61.946.696 | 2.021.481.751 |
| TL finance lease obligation | | 57.170.726 | 57.170.726 |
| HUR finance lease obligation | | 70.416.438 | 6.010.043 |
| Total long-term finance lease obligations | | | 2.387.344.460 |
| Total long-term borrowings | | | 3.850.788.527 |
| Total financial liabilities | | | 6.201.544.438 |

Short-term finance lease obligations:

| | 31 December 2022 | | TL |
|---|-----------------------------|-----------------|--------------------|
| | Effective interest rate (%) | Original amount | |
| INR finance lease obligations | | 329.465.625 | 74.673.384 |
| EUR finance lease obligations | | 10.653.137 | 212.751.662 |
| TL finance lease obligations | | 29.552.607 | 29.552.607 |
| HUF finance lease obligations | | 13.829.613 | 690.236 |
| Total short-term finance lease obligations | | | 317.667.889 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Short-term portion of long-term borrowings:

| | 31 December 2022 | | TL |
|--|-----------------------------|-----------------|----------------------|
| | Effective interest rate (%) | Original amount | |
| Short-term portion of long-term loans: | | | |
| Interest expense accrual - EUR | | 721.399 | 14.406.916 |
| Interest expense accrual -INR | | 9.941.977 | 2.253.349 |
| Interest expense accrual -TL | | 12.554 | 12.554 |
| INR borrowings | 5,50-10,00 | 448.722.912 | 101.703.048 |
| EUR borrowings | 2,75-6,07 | 27.209.646 | 543.398.396 |
| TL borrowings | 16,00-19,75 | 30.394.601 | 30.394.601 |
| Total short-term portion of long-term borrowings: | | | 692.168.864 |
| Total short-term borrowings: | | | 1.009.836.753 |

Long-term borrowings:

| | 31 December 2022 | | TL |
|---|-----------------------------|-----------------|----------------------|
| | Effective interest rate (%) | Original amount | |
| Long-term loans: | | | |
| INR Borrowings | 5,50-10,00 | 1.328.424.112 | 301.087.325 |
| EUR Borrowings | 2,75-6,07 | 9.882.354 | 197.358.515 |
| | | | 498.445.840 |
| Long-term finance lease obligations: | | | |
| INR finance lease obligations | | 720.977.079 | 163.409.455 |
| EUR finance lease obligations | | 65.277.757 | 1.303.649.028 |
| TL finance lease obligations | | 34.050.015 | 34.050.015 |
| Total payables from long-term leases | | | 1.501.108.498 |
| Total long-term borrowings | | | 1.999.554.338 |
| Total borrowings | | | 3.009.391.091 |

As of 2023 and 31 December 2022, the repayment terms of the Group's borrowings are as follows:

| | 31 December 2023 | 31 December 2022 |
|---------------------|----------------------|----------------------|
| Less than 3 months | 1.345.760.031 | 344.118.211 |
| Between 3-12 months | 1.004.995.880 | 665.718.542 |
| Between 1-5 years | 2.472.874.777 | 1.235.910.398 |
| More than 5 years | 1.377.913.750 | 763.643.940 |
| | 6.201.544.438 | 3.009.391.091 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

As of 2023 and 31 December 2022, the repayment schedule of long-term loans is as follows:

| | 31 December 2023 | 31 December 2022 |
|-------------------|----------------------|--------------------|
| Between 1-2 years | 385.457.758 | 231.250.652 |
| Between 2-3 years | 303.710.892 | 161.789.233 |
| Between 3-4 years | 321.219.847 | 55.409.809 |
| 4 years and more | 453.055.570 | 49.996.146 |
| | 1.463.444.067 | 498.445.840 |

As of 2023 and 31 December 2022, the repayment maturities of the debts from the lease transactions are as follows:

| | 31 December 2023 | 31 December 2022 |
|-------------------|----------------------|----------------------|
| Up to 1 year | 625.034.676 | 317.667.889 |
| Between 1-5 years | 1.146.371.057 | 669.482.757 |
| More than 5 years | 1.240.973.403 | 831.625.741 |
| | 3.012.379.136 | 1.818.776.387 |

The repayment schedule of the Group's floating rate borrowings as of 31 December 2023 and 2022 is as follows:

| | 31 December 2023 | 31 December 2022 |
|---------------------|--------------------|--------------------|
| Less than 3 months | 46.193.516 | 24.606.622 |
| Between 3-12 months | 148.707.590 | 79.349.774 |
| Between 1-5 years | 534.978.666 | 294.881.584 |
| 5 years and more | 26.978.473 | 6.205.742 |
| | 756.858.245 | 405.043.722 |

The movement table of loans between 1 January 2023 and 31 December 2023 is as follows:

| | 31 December 2023 | 31 December 2022 |
|---|----------------------|----------------------|
| Beginning of the period - 1 January | 1.190.614.704 | 1.478.468.803 |
| New financial liabilities | 1.741.187.223 | 313.965.093 |
| Principal payments | (827.378.252) | (943.342.149) |
| Interest payments | (185.786.445) | (93.411.378) |
| Exchange differences and foreign currency translation differences | 1.012.496.827 | 333.193.122 |
| Change in interest accruals | 258.031.245 | 101.741.213 |
| End of the period - 31 December | 3.189.165.302 | 1.190.614.704 |

The movement table of borrowings from lease transactions between 1 January 2023 and 31 December 2023 is as follows:

| | 31 December 2023 | 31 December 2022 |
|---|----------------------|----------------------|
| Beginning of the period - 1 January | 1.818.776.387 | 1.262.208.003 |
| Additions | 312.195.273 | 110.003.987 |
| Interest expense | 104.571.100 | 98.346.817 |
| Lease payments | (335.810.757) | (185.916.269) |
| Exchange differences and foreign currency translation differences | 1.112.647.133 | 534.133.849 |
| End of the period - 31 December | 3.012.379.136 | 1.818.776.387 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

| | 31 December 2023 | 31 December 2022 |
|---|----------------------|--------------------|
| Trade receivables from third parties | 1.514.277.545 | 658.660.045 |
| Less: Provision for impairment | (170.963.628) | (98.676.286) |
| Trade receivables from third parties (net) | 1.343.313.917 | 559.983.759 |
| Trade receivables from related parties (Note 31) | 4.213.897 | 1.682.036 |
| Total short-term trade receivables | 1.347.527.814 | 561.665.795 |

The average collection period of trade receivables is 0-2 months, and they are classified as short-term trade receivables. The Group holds its trade receivables to collect the contractual cash flows and therefore measures at amortized cost using the effective interest method.

Movements of provisions for doubtful receivables within accounting periods are as follows:

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|-------------------|
| Opening balance | 98.676.286 | 79.272.561 |
| Additional provisions in the current period | 30.650.211 | 2.377.758 |
| Foreign currency translation differences | 47.606.450 | 20.679.971 |
| Collections and provisions released | (5.969.319) | (3.654.004) |
| Closing balance | 170.963.628 | 98.676.286 |

Credit risks exposed by the Group for each financial instrument type as of 31 December 2023 and 2022 are shown below:

| 31 December 2023 | Trade receivables | | Other receivables | | Bank deposits |
|---|-------------------|----------------------|--------------------|----------------------|----------------------|
| | Related party | Other | Related party | Other | |
| Maximum of credit risk exposed as of the reporting date | 4.213.897 | 1.343.313.917 | 983.021.737 | 1.058.818.686 | 3.809.693.754 |
| - Amount of risk covered by guarantees | - | 66.597.329 | - | - | - |
| Net carrying value of financial assets which are not due or not impaired | 4.213.897 | 1.206.725.954 | 983.021.737 | 1.058.818.686 | 3.809.693.754 |
| Net carrying value of financial assets which are overdue but not impaired | - | 136.587.963 | - | - | - |
| - Amount of risk covered by guarantees | - | 7.824.611 | - | - | - |
| Net carrying value of impaired assets | - | - | - | - | - |
| - Overdue (gross carrying value) | - | 170.963.628 | - | - | - |
| - Impairment (-) | - | (170.963.628) | - | - | - |
| - Amount of risk covered by guarantees | - | - | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

| 31 December 2022 | Trade receivables | | Other receivables | | Bank deposits |
|---|-------------------|--------------------|-------------------|--------------------|----------------------|
| | Related party | Other | Related party | Other | |
| Maximum of credit risk exposed as of the reporting date | 1.682.036 | 550.972.232 | 84.869.838 | 729.725.853 | 1.975.060.253 |
| - Amount of risk covered by guarantees | - | 31.165.740 | - | - | - |
| Net carrying value of financial assets which are not due or not impaired | 1.682.036 | 393.322.546 | 84.869.838 | 729.725.853 | 1.975.060.253 |
| Net carrying value of financial assets which are overdue but not impaired | - | 97.398.251 | - | - | - |
| - Amount of risk covered by guarantees | - | 15.089.992 | - | - | - |
| Net carrying value of impaired assets | - | - | - | - | - |
| - Overdue (gross carrying value) | - | 98.676.286 | - | - | - |
| - Impairment (-) | - | (98.676.286) | - | - | - |
| - Amount of risk covered by guarantees | - | - | - | - | - |

Aging which is prepared considering the overdue days of overdue receivables that are not impaired including receivables from related parties is as follows:

| | 31 December 2023 | 31 December 2022 |
|---------------------|--------------------|-------------------|
| Overdue 1 month | 97.552.647 | 29.486.091 |
| Overdue 1-3 months | 14.356.928 | 8.563.546 |
| Overdue 3-12 months | 19.711.468 | 56.500.709 |
| Overdue 1-5 years | 4.966.920 | 2.847.905 |
| | 136.587.963 | 97.398.251 |

As of 31 December 2023, the portion of the Group's overdue but not impaired receivables secured by collateral is TL 7.824.612 (31 December 2022: TL 15.089.992).

Short-term trade payables

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|--------------------|
| Trade payables to third parties | 601.298.449 | 290.011.726 |
| Accrued liabilities | 318.793.703 | 152.982.822 |
| Total trade payables to third parties | 920.092.152 | 442.994.548 |
| Due to third parties (Note 31) | 60.009.778 | 3.291.944 |
| Total short-term trade payables | 980.101.930 | 446.286.492 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|--------------------|
| Receivables from tax office | 40.669.484 | 11.700.900 |
| Deposits and guarantees given | 63.795.700 | 30.787.836 |
| Airline tax ^(*) | 107.562.680 | 41.625.191 |
| Other miscellaneous receivables ^(**) | 141.723.999 | 213.051.000 |
| Short-term other receivables from related parties | 353.751.863 | 297.164.927 |
| Other receivables from related parties (Note 31) | 134.574.137 | 84.869.838 |
| Total short-term other receivables | 488.326.000 | 382.034.765 |

^(*) Related to airline tax effective in Hungary from 1 July 2022.

^(**) The majority of other miscellaneous receivables consist of loans of INR 400.000.000 that Delhi Cargo has given to GMR Group companies (31 December 2022: INR 940.000.000).

Other long-term receivables

| | 31 December 2023 | 31 December 2022 |
|---|----------------------|--------------------|
| Deposits and guarantees given ^(*) | 705.066.823 | 423.549.399 |
| Other long-term receivables from third parties | 705.066.823 | 423.549.399 |
| Other receivables from related parties (Note 31) | 848.447.600 | - |
| Total long-term other receivables | 1.553.514.423 | 423.549.399 |

^(*) As of 31 December 2023, deposits and guarantees given predominantly consists of the deposits given for the subsidiaries of the Group located in India, CASI, Celebi Delhi Cargo and Celebi Nas, amounting to TL 91.388.570 (31 December 2022: TL 63.602.687), TL 216.224.945 (31 December 2022: TL 123.667.741) and TL 367.606.329 (31 December 2022: TL 236.159.046), respectively, to local authorities and companies and the amounts shown in the blockage at banks.

Other short-term payables

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|-------------------|
| Deposits and guarantees received | 154.400.628 | 15.249.336 |
| Other short-term payables | 23.720.830 | 13.170.819 |
| Total short-term other payables | 178.121.458 | 28.420.155 |

Other long-term payables

| | 31 December 2023 | 31 December 2022 |
|---------------------------------------|-------------------|-------------------|
| Deposits and guarantees received | 54.600.101 | 54.166.153 |
| Total long-term other payables | 54.600.101 | 54.166.153 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 10 - INVENTORIES

| | 31 December 2023 | 31 December 2022 |
|-----------------------|--------------------|-------------------|
| Trade goods | 45.989.646 | 16.234.843 |
| Other inventories (*) | 90.402.640 | 48.433.196 |
| | 136.392.286 | 64.668.039 |

(*) Other inventories include fuel oil, baggage sticker, boarding passes, miscellaneous periodicals, clothes and spare parts.

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended on 31 December 2023 are as follows:

| | Opening 1 January 2023 | Additions | Disposals | Transfers | Foreign currency translation differences | Closing 31 December 2023 |
|---------------------------------|---------------------------|----------------------|---------------------|---------------------|--|-----------------------------|
| Cost | | | | | | |
| Plant, machinery and equipment | 1.489.198.096 | 299.483.444 | (33.558.808) | 72.739.935 | 927.998.942 | 2.755.861.609 |
| Motor vehicles | 323.134.741 | 53.377.895 | (5.557.353) | 32.154.919 | 213.174.807 | 616.285.009 |
| Furniture and fixtures | 161.464.516 | 23.369.386 | (6.616.975) | 6.812.104 | 103.004.800 | 288.033.831 |
| Leasehold improvements | 522.334.696 | 50.564.118 | - | 4.830.744 | 349.205.533 | 926.935.091 |
| Construction in progress | 120.831.028 | 128.119.713 | - | (198.456.220) | 61.125.378 | 111.619.899 |
| | 2.616.963.077 | 554.914.556 | (45.733.136) | (81.918.518) | 1.654.509.460 | 4.698.735.439 |
| Accumulated depreciation | | | | | | |
| Plant, machinery and equipment | (925.053.586) | (129.146.302) | 26.950.855 | 128.298 | (547.671.496) | (1.574.792.231) |
| Motor vehicles | (190.978.302) | (28.981.075) | 3.713.212 | - | (121.877.211) | (338.123.376) |
| Furniture and fixtures | (92.351.471) | (24.541.458) | 6.409.959 | (118.190) | (62.430.326) | (173.031.486) |
| Leasehold improvements | (142.966.800) | (31.237.923) | - | (10.108) | (111.605.565) | (285.820.396) |
| | (1.351.350.159) | (213.906.758) | 37.074.026 | - | (843.584.598) | (2.371.767.489) |
| Net book value | 1.265.612.918 | | | | | 2.326.967.950 |

Depreciation cost amounting to TL 203.717.469 for the period ended on 31 December 2023 was included in cost of sales and TL 10.189.289 was included in general administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Movements in property, plant and equipment for the period ended on 31 December 2022 are as follows:

| | Opening 1 January 2022 | Additions | Disposals | Transfers | Foreign currency translation differences | Closing 31 December 2022 |
|---------------------------------|---------------------------|----------------------|---------------------|--------------|--|-----------------------------|
| Cost | | | | | | |
| Plant, machinery and equipment | 1.057.610.398 | 79.626.326 | (8.274.795) | 24.610.029 | 335.626.138 | 1.489.198.096 |
| Motor vehicles | 216.485.771 | 37.117.633 | (307.620) | 7.357.979 | 62.480.978 | 323.134.741 |
| Furniture and fixtures | 111.376.561 | 16.868.819 | (2.572.520) | (507.091) | 36.298.747 | 161.464.516 |
| Leasehold improvements | 380.342.541 | 19.299.715 | (850.087) | - | 123.542.527 | 522.334.696 |
| Construction in progress | 61.419.347 | 68.554.275 | - | (31.460.917) | 22.318.323 | 120.831.028 |
| | 1.827.234.618 | 221.466.768 | (12.005.022) | - | 580.266.713 | 2.616.963.077 |
| Accumulated depreciation | | | | | | |
| Plant, machinery and equipment | (656.222.085) | (70.989.671) | 7.823.806 | (14.976) | (205.650.660) | (925.053.586) |
| Motor vehicles | (138.059.005) | (14.077.186) | 212.333 | - | (39.054.444) | (190.978.302) |
| Furniture and fixtures | (62.554.261) | (12.045.100) | 2.553.455 | 14.976 | (20.320.541) | (92.351.471) |
| Leasehold improvements | (95.597.428) | (16.099.789) | 850.087 | - | (32.119.670) | (142.966.800) |
| | (952.432.779) | (113.211.746) | 11.439.681 | - | (297.145.315) | (1.351.350.159) |
| Net book value | 874.801.839 | | | | | 1.265.612.918 |

Depreciation cost amounting to TL 107.929.825 for the period ended on 31 December 2022 was included in cost of sales and TL 5.281.921 was included in operating expenses.

NOTE 12 - RIGHT-OF-USE ASSETS

Movements in right of use assets for the interim period ended on 31 December 2023 are as follows:

| | Opening 1 January 2023 | Additions | Modifications | Foreign currency translation differences | Closing 31 December 2023 |
|---------------------------------|---------------------------|----------------------|--------------------|--|-----------------------------|
| Cost | | | | | |
| Buildings and land | 2.024.032.245 | 125.074.019 | 163.227.389 | 1.349.921.340 | 3.662.254.993 |
| Machinery, plant and equipment | 94.103.174 | 23.962.857 | - | 66.048.956 | 184.114.987 |
| Motor vehicles | 50.311.689 | - | (68.992) | 32.396.785 | 82.639.482 |
| | 2.168.447.108 | 149.036.876 | 163.158.397 | 1.448.367.081 | 3.929.009.462 |
| Accumulated depreciation | | | | | |
| Buildings and land | (551.172.927) | (260.331.124) | - | (416.160.313) | (1.227.664.364) |
| Machinery, plant and equipment | (94.103.174) | (1.996.905) | - | (60.194.865) | (156.294.944) |
| Motor vehicles | (31.448.598) | (15.573.778) | - | (24.561.311) | (71.583.687) |
| | (676.724.699) | (277.901.807) | | (500.916.489) | (1.455.542.995) |
| Net book value | 1.491.722.409 | | | | 2.473.466.467 |

Depreciation expense for the period ended on 31 December 2023 amounting to TL 277.901.807 is included in cost of sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Movements in right-of-use assets for the period ended 31 December 2022 are as follows:

| | Opening 1 January 2022 | Additions | Modifications | Foreign currency translation differences | Closing 31 December 2022 |
|---------------------------------|---------------------------|----------------------|-------------------|--|-----------------------------|
| Cost | | | | | |
| Buildings and land | 1.338.033.236 | 80.221.313 | 27.197.395 | 578.580.301 | 2.024.032.245 |
| Machinery, plant and equipment | 71.217.129 | - | - | 22.886.045 | 94.103.174 |
| Vehicles | 31.825.926 | 2.283.058 | 302.221 | 15.900.484 | 50.311.689 |
| | 1.441.076.291 | 82.504.371 | 27.499.616 | 617.366.830 | 2.168.447.108 |
| Accumulated depreciation | | | | | |
| Buildings and land | (289.166.353) | (155.573.340) | | (106.433.234) | (551.172.927) |
| Machinery, plant and equipment | (71.217.129) | | | (22.886.045) | (94.103.174) |
| Vehicles | (17.085.769) | (7.986.874) | | (6.375.955) | (31.448.598) |
| | (377.469.251) | (163.560.214) | | (135.695.234) | (676.724.699) |
| Net book value | 1.063.607.040 | | | | 1.491.722.409 |

Depreciation expense for the period ended 31 December 2022 in the amount of TL 163.560.214 is included in cost of sales.

NOTE 13 - INTANGIBLE ASSETS

Other Intangible Assets

Movements in other intangible assets for the period ended 31 December 2023 are as follows:

| | Opening 1 January 2023 | Additions | Disposals | Transfers | Foreign currency translation differences | Closing 31 December 2023 |
|---|---------------------------|----------------------|--------------------|------------------|--|-----------------------------|
| Cost | | | | | | |
| Rights | 23.312.907 | 9.971.423 | - | - | 14.951.793 | 48.236.123 |
| Software | 96.345.005 | 5.160.463 | (1.967.201) | 2.485.576 | 62.284.729 | 164.308.572 |
| Concession rights ^(*) | 540.520.369 | - | - | - | 304.446.632 | 844.967.001 |
| Build-operate- transfer investments ^(**) | 1.035.701.453 | 121.585.122 | - | - | 611.343.200 | 1.768.629.775 |
| | 1.695.879.734 | 136.717.008 | (1.967.201) | 2.485.576 | 993.026.354 | 2.826.141.471 |
| Accumulated depreciation | | | | | | |
| Rights | (15.774.894) | (3.108.793) | - | - | (3.995.808) | (22.879.495) |
| Software | (74.720.298) | (9.506.759) | 1.967.201 | - | (49.530.340) | (131.790.196) |
| Concession rights ^(*) | (285.446.461) | (55.367.986) | - | - | (140.817.520) | (481.631.967) |
| Build-operate- transfer investments ^(**) | (351.037.619) | (67.106.296) | - | - | (245.878.077) | (664.021.992) |
| | (726.979.272) | (135.089.834) | 1.967.201 | - | (440.221.745) | (1.300.323.650) |
| Net book value | 968.900.462 | | | | | 1.525.817.821 |

^(*) Refers to fixed asset expenditures made within the scope of the concession agreement signed between DIAL Celebi Delhi Cargo and are recognized in accordance with TFRIC 12.

^(**) The amounts calculated as a result of bringing the deposit prices paid in accordance with the concession agreements signed for the delivery of cargo and ground services at the airports in India to their present values, are accounted for under build-and-transfer basis to be amortized during the concession period.

Amortization expense for the period ended 31 December 2023 in the amount of TL 129.728.748 and TL 5.361.086 are included in cost of sales and operating expenses, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Movements in other intangible assets for the period ended 31 December 2022 are as follows:

| | Opening 1 January 2022 | Additions | Disposals | Transfers | Foreign currency translation differences | Closing 31 December 2022 |
|---------------------------------------|---------------------------|---------------------|-----------------|-----------|--|-----------------------------|
| Cost | | | | | | |
| Rights | 17.595.437 | 55.332 | - | - | 5.662.138 | 23.312.907 |
| Computer software | 69.214.586 | 4.708.486 | (53.392) | - | 22.475.325 | 96.345.005 |
| Concession rights ^(*) | 410.413.586 | 7.258.800 | - | - | 122.847.983 | 540.520.369 |
| Build-operate-transfer investments | 689.286.987 | 130.950.956 | - | - | 215.463.510 | 1.035.701.453 |
| | 1.186.510.596 | 142.973.574 | (53.392) | - | 366.448.956 | 1.695.879.734 |
| Accumulated depreciation | | | | | | |
| Rights | (10.229.325) | (1.969.510) | - | - | (3.576.059) | (15.774.894) |
| Computer software | (52.133.841) | (6.146.928) | 53.392 | - | (16.492.921) | (74.720.298) |
| Concession rights ^(*) | (202.933.140) | (20.466.751) | - | - | (62.046.570) | (285.446.461) |
| Build-operate-transfer investments | (219.911.048) | (60.927.209) | - | - | (70.199.362) | (351.037.619) |
| | (485.207.354) | (89.510.398) | 53.392 | - | (152.314.912) | (726.979.272) |
| Net book value | 701.303.242 | | | | | 968.900.462 |

^(*) Refers to fixed asset expenditures made within the scope of the concession agreement signed between Celebi Delhi Cargo and Celebi Nas and are recognized in accordance with TFRIC 12.

Amortization expense for the period ended 31 December 2022 in the amount of TL 85.661.115 and TL 3.849.283 are included in cost of sales and operating expenses, respectively.

Goodwill

Goodwill as of 31 December 2023 and 2022 is as follows:

| | 31 December 2023 | 31 December 2022 |
|-------------------------------------|--------------------|--------------------|
| Goodwill due to acquisition of CGHH | 199.415.548 | 116.611.951 |
| Goodwill due to acquisition of KSU | 12.019.640 | 7.688.892 |
| | 211.435.188 | 124.300.843 |

Goodwill movement table as of 31 December 2023 is as follows:

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|--------------------|
| 1 January | 124.300.843 | 119.963.138 |
| Foreign currency translation differences | 87.134.345 | 31.779.563 |
| Impairment | - | (27.441.858) |
| Goodwill | 211.435.188 | 124.300.843 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Goodwill impairment test

The Group tests goodwill at least once a year for the risk of impairment. A valuation report prepared by an independent valuation firm is based on for ordinary goodwill impairment test.

| | 31 December 2023 | 31 December 2022 |
|---------------------------------|------------------|------------------|
| Ground handling services - CGHH | 199.415.548 | 116.611.951 |

The recoverable value of the cash generating unit, has been determined by taking the usage calculations as a basis. These calculations are based on cash flow estimates covering the 5-year period, which have been approved by management and better reflect management's expectations and forecasts for the future development of the business. Continuous growth rate of 2,1% used to determine the final value for the period exceeding the forecast period.

Other important assumptions in the fair value calculation model are as follows.

| | |
|---------------|-------|
| Discount rate | 11,2% |
|---------------|-------|

The management bases its budget on previous performance and market growth expectations. The weighted average growth rates used are in line with the estimation stated in industry reports. The discount rate used is the before tax discount rate and includes the Company specific risk factors.

| | 31 December 2023 | 31 December 2022 |
|--------------------------------|------------------|------------------|
| Ground handling services - KSU | 12.019.640 | 7.688.892 |

The recoverable value of the cash generating unit, has been determined by taking the usage calculations as a basis. These calculations are based on cash flow estimates covering the 5-year period, which have been approved by management and better reflect management's expectations and forecasts for the future development of the business. Continuous growth rate of 4,0% used to determine the final value for the period exceeding the forecast period.

Other important assumptions in the fair value calculation model are as follows.

| | |
|---------------|-------|
| Discount rate | 17,6% |
|---------------|-------|

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short-Term Provisions

Other short-term provisions

| | 31 December 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| Provision for litigation and indemnity | 35.830.909 | 10.679.098 |
| | 35.830.909 | 10.679.098 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Movements of other short-term provisions within the accounting period of 1 January - 31 December 2023 are as follows:

| | 31 December 2023 | 31 December 2022 |
|--------------------------------|-------------------|-------------------|
| As of 1 January | 10.679.098 | 9.047.150 |
| Addition during the period | 20.490.399 | 4.954.328 |
| Payments during the period | (1.355.477) | (3.903.715) |
| Translation differences | 1.674.768 | 581.335 |
| Transfer | 4.342.121 | - |
| As of end of the period | 35.830.909 | 10.679.098 |

Short-term provision for employee benefits

| | 31 December 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| Provision for employee termination benefits ^(*) | 20.797.399 | 7.767.888 |
| Provision for unused vacation rights | 65.813.803 | 38.745.670 |
| | 86.611.202 | 46.513.558 |

^(*) Consists of employee termination benefits of the outsourced employees of Çelebi GH Delhi, Çelebi Delhi Cargo and Çelebi Cargo, the subsidiaries of the Group.

b) Long-term provisions

Long-term provisions for employee benefits:

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|--------------------|
| Provision for employment termination benefits | 310.999.397 | 143.103.765 |
| | 310.999.397 | 143.103.765 |

Provision for employment termination benefits is recorded based on the explanations below. The Group does not have any other defined benefit plans except for the legally mandatory one explained below.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has charged 25 years of services (20 years for women) and whose employment is terminated without due cause, is called up for military service or who dies.

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable as of 31 December 2023 consists of one month's salary limited to a maximum of TL 23.489,83 (31 December 2022: TL 15.371,40) for each year of service.

The liability is not funded, as there is no funding requirement.

In accordance with local regulations in India, the Group is required to make employee termination benefit payments to each employee in its subsidiaries, joint ventures and associate, who has completed five years of service, who is called up for military service, who achieves the retirement age, who early retires, or who dies.

Turkish Financial Reporting Standards require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. 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 expected real rate after adjusting for the anticipated effects of future inflation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

The Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 35.058,58 which is effective from 1 January 2024 (1 January 2023: TL 19.982,83) has been taken into consideration in the calculations.

Movements in the provision employment termination benefits for the period between 1 January 2023 - 31 December 2023 are as follows:

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|--------------------|
| As of 1 January | 150.871.653 | 80.970.229 |
| Payments during the period | (100.645.429) | (17.601.806) |
| Actuarial loss | 159.137.817 | 20.458.846 |
| Service cost | 60.026.818 | 7.825.575 |
| Interest cost | 19.648.134 | 52.208.937 |
| Foreign currency translation differences | 44.561.090 | 12.799.399 |
| Transfers | (1.803.287) | (5.789.527) |
| As of period end | 331.796.796 | 150.871.653 |

Movements in the provision for unused vacation rights for the period between 1 January 2023 - 31 December 2023 are as follows:

| | 31 December 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| As of 1 January | 38.745.670 | 18.976.928 |
| Payments of provisions during the period | (6.332.844) | (3.467.182) |
| Increase in unused vacation rights during the period | 26.140.363 | 16.366.732 |
| Transfers | - | 2.702.131 |
| Foreign currency translation differences | 7.260.614 | 4.167.061 |
| As of period end | 65.813.803 | 38.745.670 |

c) Contingent assets and liabilities

| Guarantees received | 31 December 2023 | 31 December 2022 |
|----------------------------|-------------------------|-------------------------|
| Guarantee letters | 119.594.605 | 69.992.103 |
| Guarantee cheques | 10.132.663 | 4.872.917 |
| Guarantee notes | 4.991.949 | 4.746.045 |
| | 134.719.217 | 79.611.065 |
| Guarantees given | 31 December 2023 | 31 December 2022 |
| Guarantee letters | 650.770.798 | 383.465.116 |
| Collaterals (*) | 591.557.780 | 607.519.810 |
| Pledged shares (*) | 145.729.120 | 92.471.387 |
| | 1.388.057.698 | 1.083.456.313 |

(*) TL 737.286.900 of the collaterals given and pledged shares are given to the banks for the loans borrowed by the subsidiaries and joint venture of the Group (31 December 2022: TL 699.991.197) (Note 31).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

As of 31 December 2023, the litigations those generate contingent assets and liabilities to the Group are as below:

As of 31 December 2023, the Group has contingent liabilities amounting to TL 82.062.180 (31 December 2022: TL 53.326.350) due to the legal cases, criminal liabilities and enforcement proceedings in progress against the Group.

The details of collaterals, pledges, guarantees and mortgages ("CPGM") of the Group as of 31 December 2023 and 2022 are as follows:

| CPGM given by the Group | 31 December 2023 | | 31 December 2022 | |
|---|------------------|----------------------|------------------|----------------------|
| | Amount | TL Equivalent | Amount | TL Equivalent |
| A. CPGM given on behalf of the Group's legal personality | | 650.770.798 | | 383.465.116 |
| TL | 30.936.753 | 30.936.753 | 22.702.874 | 22.702.874 |
| EUR | 6.040.632 | 197.121.528 | 5.772.771 | 115.286.855 |
| USD | 2.210.500 | 65.190.519 | 3.150.500 | 59.015.166 |
| INR | 864.362.431 | 306.252.253 | 712.421.284 | 161.470.284 |
| HUF | 600.700.000 | 51.269.745 | 500.700.000 | 24.989.937 |
| B. CPGM given on behalf of fully consolidated subsidiaries | | 737.286.900 | | 699.991.197 |
| EUR | 50.000 | 1.631.630 | 2.050.000 | 40.940.140 |
| INR | 2.076.304.000 | 735.655.270 | 2.907.792.000 | 659.051.057 |
| C. CPGM given for continuation of its economic activities on behalf of the third parties | - | - | - | - |
| D. Total amount of other CPGM | - | - | - | - |
| | | 1.388.057.698 | | 1.083.456.313 |

NOTE 15 - OTHER ASSETS AND LIABILITIES

Other current assets

| | 31 December 2023 | 31 December 2022 |
|-----------------------------|--------------------|-------------------|
| Deferred VAT | 110.697.509 | 37.576.262 |
| Advances given to personnel | 2.162.306 | 1.489.431 |
| Other | 1.389.978 | 3.442.233 |
| | 114.249.793 | 42.507.926 |

Other non-current assets

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|-------------------|
| Prepaid taxes and funds ^(*) | 132.212.407 | 73.360.108 |
| VAT and service tax receivables | 7.109.576 | 17.971.451 |
| Other | 480.676 | 479.626 |
| | 139.802.659 | 91.811.185 |

^(*) As of 31 December 2023, the relevant amount consists of prepaid taxes and funds that can be used for more than 1 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Other current liabilities

| | 31 December 2023 | 31 December 2022 |
|--------------------------------|--------------------|--------------------|
| Airline tax ^(*) | 124.961.846 | 78.892.182 |
| Taxes and funds payable | 109.729.800 | 144.508.417 |
| Renewal investments obligation | 24.181.658 | 12.182.438 |
| Other | 23.096 | 27.196 |
| | 258.896.400 | 235.610.233 |

^(*) Relates to air tax effective in Hungary as of 1 July 2022.

Other non-current liabilities

| | 31 December 2023 | 31 December 2022 |
|--------------------------------|--------------------|--------------------|
| Renewal investments obligation | 533.333.357 | 324.900.195 |
| | 533.333.357 | 324.900.195 |

NOTE 16 - PREPAID EXPENSES

Short-term prepaid expenses

| | 31 December 2023 | 31 December 2022 |
|----------------------|--------------------|-------------------|
| Prepaid expenses | 164.588.824 | 55.232.004 |
| Order advances given | 94.304.906 | 39.964.248 |
| | 258.893.730 | 95.196.252 |

Long-term prepaid expenses

| | 31 December 2023 | 31 December 2022 |
|---------------------------------|--------------------|-------------------|
| Advances given for fixed assets | 156.823.282 | 64.196.624 |
| Prepaid expenses | 45.699.326 | 19.923.449 |
| | 202.522.608 | 84.120.073 |

NOTE 17 - DEFERRED INCOME

Short-term deferred income

| | 31 December 2023 | 31 December 2022 |
|-------------------------|--------------------|-------------------|
| Other advances received | 117.641.269 | 85.728.516 |
| Deferred income | 8.088.510 | 8.857.203 |
| | 125.729.779 | 94.585.719 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Long-term deferred income

| | 31 December 2023 | 31 December 2022 |
|-----------------|------------------|-------------------|
| Deferred income | 7.624.111 | 15.269.112 |
| | 7.624.111 | 15.269.112 |

NOTE 18 - PAYABLES RELATED TO EMPLOYEE BENEFITS

| | 31 December 2023 | 31 December 2022 |
|----------------------------------|--------------------|--------------------|
| Bonus payable accruals | 210.156.270 | 82.627.848 |
| Wages and salaries payable | 176.315.602 | 90.538.189 |
| Social security premiums payable | 123.196.074 | 46.468.848 |
| | 509.667.946 | 219.634.885 |

NOTE 19 - EQUITY

Share Capital

As of 31 December 2023, the authorized share capital of the Group is TL 24.300.000 comprising of TL 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2022: 2.430.000.000).

At 31 December 2023 and 2022, the shareholding structure of the Group is stated in historical amounts below:

| Shareholders | 31 December 2023 | | 31 December 2022 | |
|-------------------------------------|-------------------|---------------|-------------------|---------------|
| | Amount | Share % | Amount | Share % |
| Çelebi Havacılık Holding A.Ş. (ÇHH) | 21.848.528 | 89,91 | 21.848.528 | 89,91 |
| Other | 2.451.472 | 10,09 | 2.451.472 | 10,09 |
| | 24.300.000 | 100,00 | 24.300.000 | 100,00 |

Restricted reserves appropriated from profit (legal reserves)

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code 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 capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. Under the Turkish Commercial Code, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

As of 31 December 2023, the amount of restricted reserves is TL 195.490.565 (31 December 2022: TL 91.996.776).

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 2014. Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statement of the Company.

Remeasurement losses on defined benefit plans

Consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Foreign currency translation differences

Accumulated foreign currency translation differences in other comprehensive income and expenses not to be reclassified to profit or loss: Consist of exchange differences arising from the translation of the consolidated financial statements from Euro, the functional currency of the parent, to TL, the presentation currency.

Accumulated foreign currency translation differences in other comprehensive income and expenses to be reclassified to profit or loss: Consist of exchange differences arising from the translation of the financial statements of subsidiaries and associates whose functional currency is different from TL to TL, which is the presentation currency.

NOTE 20 - REVENUE AND COST OF SALES

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Ground handling services | 7.465.634.645 | 3.871.797.432 |
| Revenue from cargo and warehouse services | 3.600.787.140 | 2.295.468.720 |
| Rent and allocation revenue not related to aviation | 198.735.061 | 125.944.129 |
| Revenue in the context of TFRIC 12 | - | 7.801.842 |
| Less: Returns and discounts | (400.339.439) | (229.003.582) |
| Revenue | 10.864.817.407 | 6.072.008.541 |
| Cost of sales | (7.197.629.833) | (3.902.275.886) |
| Gross profit | 3.667.187.574 | 2.169.732.655 |

NOTE 21 - EXPENSES BY NATURE

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Personnel expenses | (3.861.748.057) | (1.973.209.773) |
| Concession expenses | (1.176.336.012) | (697.993.443) |
| Payments to authorities and terminal managements (*) | (785.293.054) | (365.423.921) |
| Depreciation and amortization expense | (626.898.399) | (366.282.358) |
| Technical maintenance of equipment, fuel and security expenses | (505.735.926) | (345.304.554) |
| Cost of sales (***) | (66.656.892) | (22.020.547) |
| Expenses within the scope of TFRIC 12 (**) | (50.001.922) | (27.717.570) |
| Insurance expense | (55.739.890) | (40.110.223) |
| Travel and transportation expense | (40.106.472) | (21.910.988) |
| Consultancy expense (****) | (470.075.519) | (253.414.398) |
| Other expenses | (573.449.149) | (379.526.412) |
| | (8.212.041.292) | (4.492.914.187) |

(*) Payments to authorities and terminal managements are composed of royalty, rental facilities and check-in desks within the airport area, working licenses and similar expenses, office rental expenses and other miscellaneous expenses related to utilization of office area.

(**) Aforementioned expenses are composed of construction costs calculated in accordance with TFRIC 12 and provisions for other liabilities within the scope of concession agreement.

(***) Aforementioned expenses are composed of sales and utilization cost of de-icing and spare part inventories.

(****) TL 348.636.584 of the consultancy expenses are comprised of share of holding company expenses (1 January - 31 December 2022: TL 187.573.446).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Consultancy expenses | (459.919.425) | (249.459.766) |
| Personnel expenses | (367.789.255) | (228.695.259) |
| Technical maintenance of equipment, fuel and security expenses | (49.976.122) | (30.476.137) |
| Travel and transportation expense | (22.144.112) | (15.619.175) |
| Payments to authorities and terminal managements | (8.460.943) | (9.209.826) |
| Depreciation and amortization expense | (15.550.375) | (9.131.204) |
| Insurance expense | (11.022.444) | (7.039.400) |
| Other expenses | (79.548.783) | (41.007.534) |
| | (1.014.411.459) | (590.638.301) |

NOTE 23 - OTHER OPERATING INCOME

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|-----------------------------|---------------------------------|---------------------------------|
| Foreign exchange income | 337.351.391 | 70.253.635 |
| Maturity difference income | 6.519.653 | 5.164.036 |
| Provision reversal income | 4.436.578 | 1.060.281 |
| Income from insurance claim | 3.216.735 | 699.490 |
| Other income | 93.622.313 | 60.574.465 |
| | 445.146.670 | 137.751.907 |

NOTE 24 - OTHER OPERATING EXPENSES

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Foreign exchange expenses | (87.427.189) | (62.371.667) |
| Donation and aid expenses | (57.814.758) | (12.818.491) |
| Litigation and indemnity provision expenses | (20.490.399) | (4.954.328) |
| Provision for doubtful receivables | (30.650.211) | (2.377.758) |
| Other expenses | (140.272.483) | (59.321.524) |
| | (336.655.040) | (141.843.768) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 25 - INCOME FROM INVESTING ACTIVITIES

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--------------------------------------|---------------------------------|---------------------------------|
| Profit from the sale of fixed assets | 30.269.535 | 813.475 |
| | 30.269.535 | 813.475 |

NOTE 26 - EXPENSES FROM INVESTING ACTIVITIES

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Impairment of goodwill | (7.525.997) | (425.742) |
| Loss from the sale of fixed assets and abandonment | - | (27.441.858) |
| | (7.525.997) | (27.867.600) |

NOTE 27 - FINANCE INCOME

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|-------------------------|---------------------------------|---------------------------------|
| Foreign exchange income | 187.448.593 | 67.530.213 |
| Interest income | 119.302.896 | 63.492.929 |
| Other financial income | 99.562.103 | 69.016.181 |
| | 406.313.592 | 200.039.323 |

NOTE 28 - FINANCE EXPENSES

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Interest expenses | (185.786.445) | (107.409.602) |
| Foreign exchange losses | (105.211.705) | (53.673.705) |
| Financial expenses incurred within the scope of TFRS 16 ^(*) | (104.571.098) | (93.067.969) |
| Other finance expenses | (73.990.726) | (30.779.854) |
| | (469.559.974) | (284.931.130) |

^(*) It consists of expenses that do not generate cash outflows within the scope of TFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 29 - TAX ASSETS AND LIABILITIES

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|--------------------|
| Current period corporate tax provision | 327.129.782 | 47.980.681 |
| Current income tax liability, net ^(*) | 327.129.782 | 47.980.681 |
| Deferred tax assets | 641.945.756 | 340.335.572 |
| Deferred tax liabilities | (433.857.990) | (122.139.556) |
| Deferred tax assets - net | 208.087.766 | 218.196.016 |

^(*) Current income tax assets and current income tax liabilities from the different subsidiaries of the Group have been separately presented as net in the balance sheet.

Income Taxes

Turkish tax legislation does not permit a parent company, its subsidiaries, to file a tax return on its consolidated financial statements. Therefore, the tax liabilities of the Group's consolidated financial statements are calculated separately for all companies included in the scope of consolidation.

In Türkiye, the corporate tax rate is 25% (31 December 2022: 23%). The corporate tax rate is applied to the net corporate income to be deducted from deduction of exemptions and reductions in tax laws and an addition of expenses not subject to deduction according to tax legislation.

The corporate tax rate in force in Hungary is 9% effective as of 1 January 2018.

In India, the corporate tax rate is 25,17% for fiscal year 2023 (2022: 25,17%). The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (such as research and development expenses).

In Germany, the corporate tax rate is 31,83% for fiscal year 2023 (2022: 31,925%). The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (such as research and development expenses).

For the periods ended on 31 December 2023 and 2022, tax expenses are as follows:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| - Current period corporate tax | (752.485.943) | (300.775.570) |
| - Deferred tax income | (143.119.948) | (1.961.132) |
| Current period tax income (expense) - net | (895.605.891) | (302.736.702) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Reconciliation of tax expenses presented in consolidated statements of income for the periods ended 31 December 2023 and 2022 are as follows:

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Profit before tax in the financial statements | 2.720.764.901 | 1.456.726.864 |
| Expected tax expense according to parent company tax rate | (680.656.429) | (335.047.195) |
| Differences in tax rates of subsidiaries | (109.662.059) | (13.064.791) |
| Expected tax expense of the Group | (790.318.488) | (348.111.986) |
| Non-deductible expenses | (47.769.796) | (9.287.931) |
| Reductions | 83.773.022 | 139.084 |
| Effect of donations and aids | 12.294.440 | - |
| Offset prior year profit loss | 5.268.936 | 15.453.227 |
| Tax incentive effect | - | 72.045.579 |
| Deferred tax income/(expense) calculated over unused previous years' losses | (44.771.665) | 3.219.679 |
| Earthquake tax | (78.858.795) | - |
| Other | (35.223.545) | (36.194.354) |
| Current period tax expense of the Group | (895.605.891) | (302.736.702) |

Deferred Taxes

The Group calculates deferred tax assets and liabilities on temporary differences on statement of financial position items arising from different evaluation of financial statements prepared in accordance with TAS and statutory accounting standards. In general, such temporary differences are resulted from accounting of income and expenses in different reporting periods in accordance with Tax laws and TAS accounting standards. Rates for deferred tax assets and liabilities calculated by liability method over temporary differences to be realized in future periods are 25%, 9%, 31,83% and 25,17% for Türkiye, Hungary, Germany and India, respectively.

The details of cumulative temporary differences and the related deferred tax assets and liabilities calculated with currently enacted tax rates as at 31 December 2023 and 2022 are as follows:

| | Total temporary differences | | Deferred tax assets (liabilities) | |
|---|-----------------------------|------------------|-----------------------------------|--------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Deferred tax assets | | | | |
| Personnel bonus accrual | (90.337.480) | (7.127.060) | 22.584.370 | 1.425.412 |
| Accrued sales commissions | (137.157.492) | (62.898.275) | 34.289.373 | 12.579.655 |
| Provision for employment termination benefits | (214.975.933) | (91.158.560) | 53.749.864 | 18.319.742 |
| Adjustments related with TFRS 16 | (670.680.660) | (450.277.924) | 156.033.552 | 85.157.166 |
| Provision for unused vacation rights | (37.119.124) | (16.404.015) | 9.279.781 | 3.280.803 |
| Provision for litigation and indemnity | (25.850.764) | (8.995.985) | 6.462.691 | 1.799.197 |
| Adjustments related to property plant and equipment and intangible assets | (709.412.585) | (338.237.990) | 186.324.921 | 86.680.356 |
| Investment incentives | - | (120.194.455) | - | 24.038.891 |
| Deferred tax asset calculated over unused previous years' losses | (224.508.292) | (247.056.923) | 72.073.897 | 79.025.120 |
| Other | (371.222.681) | (127.587.624) | 101.147.307 | 28.029.230 |
| Deferred tax assets | | | 641.945.756 | 340.335.572 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

| | Total temporary differences | | Deferred tax assets (liabilities) | |
|--|-----------------------------|------------------|-----------------------------------|----------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Deferred tax liabilities | | | | |
| Adjustments related to property, plant and equipment and intangible assets | 1.597.404.539 | 575.731.893 | (388.270.446) | (113.448.241) |
| Other | 182.350.188 | 43.456.585 | (45.587.544) | (8.691.315) |
| Deferred tax liabilities | | | (433.857.990) | (122.139.556) |
| Deferred tax assets, net | | | 208.087.766 | 218.196.016 |

The table of deferred tax movement is as follows:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| As of 1 January | 218.196.016 | 170.707.898 |
| Foreign currency translation differences | 93.604.286 | 38.759.362 |
| Deferred tax income/(expense) for the current year | (143.119.948) | (1.961.132) |
| Recognized in other comprehensive income | 39.407.412 | 10.689.888 |
| As of the end of the period | 208.087.766 | 218.196.016 |

NOTE 30 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period.

Companies can increase their capital by distributing shares ("Bonus Shares") to existing shareholders from retained earnings in proportion of their shares. When earnings per share are calculated, these bonus shares are considered as issued shares. Therefore, weighted average of shares used in earnings per share calculation are obtained by retrospective application of the issuance of the shares as free of charge.

Earnings per share are determined by dividing net profit attributable to shareholders by the weighted average number of issued ordinary shares as below:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Net profit attributable to the parent company | 1.667.723.088 | 1.079.953.824 |
| Weighted average number of shares with 1 KR face value each | 2.430.000.000 | 2.430.000.000 |
| Earnings per share (Kr) | 0,686 | 0,444 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 31 - RELATED PARTY DISCLOSURES

The balances of due from related parties, other receivables from related parties and payables to related parties as of the end of the period and a summary of transactions with related parties during the period are given below:

i) Balances with related parties

Short-term receivables from related parties

| | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Çelebi Havacılık Holding ⁽¹⁾ | 1.431.694 | 1.653.638 |
| Other | 2.782.203 | 28.398 |
| | 4.213.897 | 1.682.036 |

Other short-term receivables from related parties

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|-------------------|
| Çelebi Havacılık Holding ^{(1) (*)} | 134.574.137 | 84.869.838 |
| | 134.574.137 | 84.869.838 |

Other receivables from related parties

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|------------------|
| Çelebi Havacılık Holding ^{(1) (*)} | 848.447.600 | - |
| | 848.447.600 | - |

Payables to related parties

| | 31 December 2023 | 31 December 2022 |
|---|-------------------|------------------|
| Çelebi Havacılık Holding ^{(1) (**)} | 55.191.043 | 3.267.192 |
| Celebi Shared Services India Pvt Ltd ⁽⁴⁾ | 4.780.042 | - |
| DASPL ⁽⁴⁾ | 38.693 | 24.752 |
| | 60.009.778 | 3.291.944 |

⁽¹⁾ Parent company

⁽²⁾ Subsidiary of the Group

⁽³⁾ Joint venture of the Group

⁽⁴⁾ Associate of the Group

⁽⁵⁾ Other related party

^(*) The relevant amount consists of the intra-group loan receivable of EUR 30.000.000 granted by CGHH and Celebi Cargo to ÇHH.

^(**) As of 31 December 2023, the relevant amount consists of legal, financial, human resources, management, corporate communication, purchasing, IT and business development services received by the Group from ÇHH, business development projects and expense reflections carried out by ÇHH on behalf of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

ii) Significant transactions with related parties

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Miscellaneous sales to related parties | | |
| Çelebi Havacılık Holding ⁽¹⁾ | 48.748.880 | 9.669.028 |
| Celebi Shared Services India ⁽⁴⁾ | 1.139.235 | - |
| Other | 18.468 | - |
| | 49.906.583 | 9.669.028 |
| Contribution to holding expenses ^(*) | | |
| Çelebi Havacılık Holding ⁽¹⁾ | 348.636.584 | 187.573.446 |
| | 348.636.584 | 187.573.446 |
| Other purchases from related parties | | |
| Çelebi Havacılık Holding ^{(1) (*)} | 58.646.087 | 33.476.125 |
| Celebi Shared Services India ⁽⁴⁾ | 3.520.194 | - |
| Other | 3.418 | 9.554.741 |
| | 62.169.699 | 43.030.866 |

(*) Holding expense participation shares paid to ÇHH include the legal, financial, human resources, management, business development, corporate communication, purchasing and IT consultancy services received by Çelebi Hava Hizmetleri A.Ş. from ÇHH.

⁽¹⁾ Parent company

⁽²⁾ Subsidiary of the Group

⁽³⁾ Associate of the Group

⁽⁴⁾ Other related party

^(*) Other purchases consist of vehicle rental, organization fees and other expenses. The purchases from ÇHH, which are classified under other purchases from related companies, consist of expenses reflected to the Company related to business development projects and tenders carried out by ÇHH on behalf and on behalf of the Company, directly related to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

As of 31 December 2023 and 2022, collaterals given in favour of the subsidiaries and joint venture of the Group for the loans borrowed by them are as follow:

| 31 December 2023 | EUR | INR | Total TL |
|-----------------------------------|------------------|----------------------|--------------------|
| Celebi Nas ⁽¹⁾ | - | 97.704.000 | 34.617.504 |
| Celebi Delhi Cargo ⁽²⁾ | - | 313.600.000 | 111.111.616 |
| CASI ⁽³⁾ | - | 1.665.000.000 | 589.926.150 |
| Celebi Cargo GmbH ⁽⁴⁾ | 50.000 | - | 1.631.630 |
| | 50.000 | 2.076.304.000 | 737.286.900 |
| 31 December 2022 | EUR | INR | Total TL |
| Celebi Nas ⁽¹⁾ | - | 94.392.000 | 21.393.947 |
| Celebi Delhi Cargo ⁽²⁾ | - | 313.600.000 | 71.077.440 |
| CASI ⁽³⁾ | - | 2.499.800.000 | 566.579.670 |
| Celebi Cargo GmbH ⁽⁴⁾ | 2.050.000 | - | 40.940.140 |
| | 2.050.000 | 2.907.792.000 | 699.991.197 |

⁽¹⁾ Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Nas and a bank resident in India amounting to INR 2.345.000.000 cash and INR 845.000.000 non-cash, 30% of the 59% shares of Celebi Nas owned by the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 31 December 2023, the risk of the cash loan in the respective bank is amounting to INR 394.851.167.

⁽²⁾ Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Delhi Cargo and a bank resident in India amounting to INR 1.800.000.000 cash and INR 50.000.000 non-cash, 28% of the shares of the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 31 December 2023, the risk of the cash loan in the respective bank is amounting to INR 614.725.463.

⁽³⁾ Celebi Airport Services has a borrowing amounting to INR 1.215.000.000 cash and INR 600.000.000 non-cash within the scope of the long-term project finance and working capital loan agreement signed between the Company and a bank resident in India. As of 31 December 2023, the risk of the cash loan in the respective bank is amounting to INR 821.613.911.

⁽⁴⁾ As of 31 December 2023, the cash credit risk amount in the relevant banks is EUR 50.000 for financial liabilities arising from cash and non-cash loan agreements amounting to EUR 50.000, respectively signed between Celebi Cargo GmbH and banks residing in Germany.

Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers. Key management compensation includes salaries, bonuses, social security contributions and other benefits provided to key management of the Group:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Short-term key management compensation | 115.096.882 | 70.983.015 |
| | 115.096.882 | 70.983.015 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group focused to manage miscellaneous financial risks including changes in foreign currency exchange rates and interest rates because of activities of the Group. The Group purposes to minimize potential adverse effects arising from fluctuations in financial markets with overall risk management program.

Risk management is carried out under policies approved by the Boards of Directors.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Interest rate positions of the Group as of 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Fixed interest rate financial instruments | | |
| Financial Assets | 2.347.727.034 | 1.312.565.502 |
| - Cash and cash equivalents | 2.347.727.034 | 1.312.565.502 |
| Financial Liabilities | 5.444.686.193 | 2.604.347.369 |
| Floating interest rate financial instruments | | |
| Financial Liabilities | 756.858.245 | 405.043.722 |

If other variables are kept constant and the interest rates were 1% higher/lower, interest expense due to financial liabilities would have been TL 1.857.864 higher or lower for the period ended 31 December 2023 (2022: TL 1.074.096).

Expected repricing and maturity dates are not disclosed in an additional table because they are not different from contractual maturity dates for non-credit financial assets and liabilities.

Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Group management meets these risks by restricting the average risk for each counterparty (excluding related parties) and receiving collateral if necessary. Explanations for credit risk are disclosed in Note 8.

Liquidity risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities if necessary and on the other hand sufficient and reliable sources of high-quality loans are accessible. The Group has long-term financial liabilities with maturity more than one year amounting to TL 3.850.788.527 as at 31 December 2023 (31 December 2022: TL 1.999.554.338) (Note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

The table below demonstrates the Group's liquidity risk arising from financial liabilities:

| 31 December 2023 | Book value | Total cash outflows | Contractual | | | |
|---|---------------|---------------------|--------------------|-------------|---------------|-------------------|
| | | | Less than 3 months | 3-12 months | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Loans | 3.189.165.302 | 3.652.370.073 | 1.280.145.347 | 583.266.639 | 1.555.078.075 | 233.880.012 |
| Liabilities from leasing obligations | 3.012.379.136 | 4.291.066.955 | 110.105.599 | 330.316.796 | 1.464.706.621 | 2.385.937.939 |
| Trade payables | | | | | | |
| - Related party | 60.009.793 | 60.009.793 | 60.009.793 | - | - | - |
| - Other | 920.092.158 | 920.092.152 | 318.793.703 | 601.298.449 | - | - |
| Other liabilities | 232.721.559 | 232.721.559 | 22.312.585 | 155.808.873 | 54.600.101 | - |

| 31 December 2022 | Book value | Total cash outflows | Contractual | | | |
|---|---------------|---------------------|--------------------|-------------|-------------|-------------------|
| | | | Less than 3 months | 3-12 months | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Loans | 1.190.614.704 | 1.278.856.927 | 306.070.981 | 464.261.582 | 502.244.362 | 6.280.002 |
| Liabilities from leasing obligations | 1.818.776.387 | 2.128.341.685 | 53.869.423 | 161.608.268 | 737.653.065 | 1.175.210.929 |
| Trade payables | | | | | | |
| - Related party | 3.291.944 | 3.291.944 | 3.291.944 | - | - | - |
| - Other | 442.994.548 | 442.994.548 | 152.982.822 | 290.011.726 | - | - |
| Other liabilities | 82.586.308 | 82.586.308 | 17.595.667 | 10.824.488 | 54.166.153 | - |

Foreign currency risk

The Group is exposed to foreign exchange rate risk through operations done using multiple currencies. The main principle in the management of this foreign currency risk is maintaining foreign exchange position in a way to be affected least by the fluctuations in foreign exchange rates.

For this reason, the proportion of the positions of these currencies to total equity amount is aimed to be controlled under certain limits. Derivative financial instruments are also used, when necessary. In this context, the Group's primary method is utilizing forward foreign currency transactions. The Group is exposed to foreign exchange rate risk mainly for EUR, and USD.

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the USD, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 27.013.993 (31 December 2022: TL 21.325.183).

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the EUR, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 13.373.176 (31 December 2022: TL 4.170.738).

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the GBP, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 151.133 (31 December 2022: TL 160.309).

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10%, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 33.433.107 (31 December 2022: TL 22.152.406).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Foreign currency denominated assets and liabilities of the Group as of 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Assets denominated in foreign currency | 1.955.348.389 | 768.816.458 |
| Liabilities denominated in foreign currency (-) | 2.045.386.560 | (820.399.159) |
| Net foreign currency position | (90.038.171) | (51.582.701) |

The table below summarizes TL equivalents of foreign currency denominated assets and liabilities of the Group as of 31 December 2023 and 2022:

| 31 December 2023 | TL Equivalent | USD | Euro | GBP | TL |
|--|----------------------|-------------------|--------------------|----------------|---------------------|
| 1. Trade Receivables | 421.777.837 | 3.232.156 | 6.254.083 | - | 122.370.366 |
| 2. Monetary Financial Assets | 718.331.300 | 8.866.806 | 7.139.824 | 2.265 | 223.761.396 |
| 3. Other | 242.856.212 | 21.975 | 3.293.851 | 72.727 | 131.984.000 |
| 4. Current Assets (1+2+3) | 1.382.965.349 | 12.120.937 | 16.687.758 | 74.992 | 478.115.762 |
| 5. Other | 572.383.040 | 44.506 | 17.500.000 | - | - |
| 6. Non-Current Assets (5) | 572.383.040 | 44.506 | 17.500.000 | - | - |
| 7. Total Assets (4+6) | 1.955.348.389 | 12.165.443 | 34.187.758 | 74.992 | 478.115.762 |
| 8. Trade Payables | 194.939.662 | 2.973.248 | 1.009.408 | - | 74.315.106 |
| 9. Financial Liabilities | 270.129.804 | - | 7.399.112 | - | 28.677.542 |
| 10. Other Monetary Liabilities | 428.574.411 | 414.218 | 285.355 | 81.243 | 403.988.973 |
| 11. Current liabilities (8+9+10) | 893.643.877 | 3.387.466 | 8.693.875 | 81.243 | 506.981.621 |
| 12. Financial Liabilities | 1.149.762.223 | - | 33.481.595 | - | 57.170.726 |
| 13. Other Monetary Liabilities | 1.980.460 | - | - | - | 1.980.460 |
| 14. Non-Current Liabilities (12+13) | 1.151.742.683 | - | 33.481.595 | - | 59.151.186 |
| 15. Total Liabilities (11+14) | 2.045.386.560 | 3.387.466 | 42.175.470 | 81.243 | 566.132.807 |
| 16. Net Foreign Currency Asset/(Liability) Position (7-15) | (90.038.171) | 8.777.977 | (7.987.712) | (6.251) | (88.017.045) |
| 17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15) | (90.038.171) | 8.777.977 | (7.987.712) | (6.251) | (88.017.045) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

| 31 December 2022 | TL Equivalent | USD | Euro | GBP | TL |
|--|---------------------|-------------------|--------------------|-----------------|----------------------|
| 1. Trade Receivables | 125.425.813 | 1.760.898 | 4.022.221 | - | 12.112.989 |
| 2. Monetary Financial Assets | 507.522.484 | 10.941.560 | 12.076.609 | 9.300 | 61.175.399 |
| 3. Other | 131.553.639 | 356.199 | 4.249.696 | 600 | 39.997.927 |
| 4. Current Assets (1+2+3) | 764.501.936 | 13.058.657 | 20.348.526 | 9.900 | 113.286.315 |
| 5. Other | 4.314.522 | - | - | - | 4.314.522 |
| 6. Non-Current Assets (5) | 4.314.522 | - | - | - | 4.314.522 |
| 7. Total Assets (4+6) | 768.816.458 | 13.058.657 | 20.348.526 | 9.900 | 117.600.837 |
| 8. Trade Payables | 128.423.970 | 1.142.910 | 1.109.199 | 3.348 | 84.787.702 |
| 9. Financial Liabilities | 217.012.869 | - | 7.864.137 | - | 59.959.762 |
| 10. Other Monetary Liabilities | 170.799.423 | 531.425 | - | 77.465 | 159.093.557 |
| 11. Current liabilities (8+9+10) | 516.236.262 | 1.674.335 | 8.973.336 | 80.813 | 303.841.021 |
| 12. Financial Liabilities | 302.929.038 | - | 13.463.608 | - | 34.050.015 |
| 13. Other Monetary Liabilities | 1.233.859 | - | - | - | 1.233.859 |
| 14. Non-Current Liabilities (12+13) | 304.162.897 | - | 13.463.608 | - | 35.283.874 |
| 15. Total Liabilities (11+14) | 820.399.159 | 1.674.335 | 22.436.944 | 80.813 | 339.124.895 |
| 16. Net Foreign Currency Asset/(Liability) Position (7-15) | (51.582.701) | 11.384.322 | (2.088.418) | (70.913) | (221.524.058) |
| 17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15) | (51.582.701) | 11.384.322 | (2.088.418) | (70.913) | (221.524.058) |

Capital risk management

The Group's objectives when managing capital is able to maintain operations of the Group for maintaining optimal capital structure in order to provide return for its shareholders, reduce capital cost and benefit for other shareholders.

The shareholders of the Company, in order to maintain or modify capital structure, can change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to decrease financing needs, in consistency with the regulations of the CMB.

Consistent with others in the industry, the Group monitors capital on the basis of the debt/equity ratio. This ratio is found by dividing net debt to total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital invested is calculated as equity, as shown in the balance sheet, plus net debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

The net debt/(equity+net debt) ratio as of 31 December 2023 and 2022 is as follows:

| | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Total financial liabilities | 6.201.544.438 | 3.009.391.091 |
| Less: Cash and cash equivalents | (3.373.899.826) | (1.927.530.563) |
| Less: Time deposits | (274.398.311) | (57.100.350) |
| Less: Restricted bank balances | (160.562.753) | (108.588.581) |
| Net debt ^(*) | 2.392.683.548 | 916.171.597 |
| Net debt (Except for the impact of TFRS 16) | (619.695.588) | (902.604.790) |
| Shareholder's equity | 5.214.969.092 | 3.251.906.331 |
| Capital invested | 7.607.652.640 | 4.168.077.928 |
| Net debt/capital invested | 0,31 | 0,22 |

^(*) As of 31 December 2023, TL 3.012.379.136 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective as of 1 January 2019 (31 December 2022: TL (1.818.776.387)).

NOTE 33 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees for the services received by the Company from the Independent Audit Firm (IAF) in the periods of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows:

| | 2023 | | | 2022 | | |
|--|------------------|-----------|------------------|------------------|----------|------------------|
| | IAF | Other IAF | Total | Other IAF | Total | IAF |
| Independent audit fee for the reporting period | 6.623.074 | - | 6.623.074 | 4.780.002 | - | 4.780.002 |
| Fee for other assurance services | 1.918.929 | - | 1.918.929 | 1.470.994 | - | 1.470.994 |
| Fees for services other than independent audit | 75.000 | - | 75.000 | 347.910 | - | 347.910 |
| | 8.617.003 | - | 8.617.003 | 6.598.906 | - | 6.598.906 |

NOTE 34 - EVENTS AFTER THE BALANCE SHEET DATE

None.

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