

**Çelebi Hava Servisi Anonim Şirketi
and Its Subsidiaries**

**Condensed consolidated financial
statements for the interim period
1 January – 31 March 2024**

**(Convenience translation into English of condensed consolidated
financial statements originally issued in Turkish)**

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ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2024

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Audited</i>
	Notes	31 March 2024	31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents	4	3.278.613.164	3.377.164.246
Financial investments		564.865.028	383.735.754
-Restricted bank balances	5	169.183.568	109.337.443
-Time deposits	5	395.681.460	274.398.311
Trade receivables		1.685.241.682	1.347.527.814
-Trade receivables from related parties	25	9.787.143	4.213.897
-Trade receivables from third parties	8	1.675.454.539	1.343.313.917
Other receivables		568.099.179	488.326.000
-Other receivables from related parties	25	163.340.241	134.574.137
-Other receivables from third parties	9	404.758.938	353.751.863
Derivative financial instruments		40.182.994	-
Inventories	10	158.672.487	136.392.286
Prepaid expenses	16	254.484.958	258.893.730
Other current assets	15	112.636.814	114.249.793
Total current assets		6.662.796.306	6.106.289.623
Non-current assets			
Financial investments	5	129.664.836	51.257.197
- Restricted bank balances	5	59.365.744	51.225.309
-Other financial assets at fair value through profit/loss		70.299.092	31.888
Other receivables		1.678.346.361	1.553.514.423
-Other receivables from related parties	25	906.490.000	848.447.600
-Other receivables from third parties	9	771.856.361	705.066.823
Investments accounted using equity method	6	26.205.448	25.998.200
Property, plant and equipment	11	2.518.749.531	2.326.967.950
Right-of-use assets	12	2.540.613.912	2.473.466.467
Intangible assets		1.842.594.231	1.737.253.009
-Goodwill	13	219.924.660	211.435.188
-Other intangible assets	13	1.622.669.571	1.525.817.821
Prepaid expenses	16	316.129.024	202.522.608
Deferred tax asset	23	696.603.446	641.945.756
Other fixed assets	15	124.978.338	139.802.659
Total non-current assets		9.873.885.127	9.152.728.269
Total assets		16.536.681.433	15.259.017.892

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2024**

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

		Current Period	Prior Period
		Not Audited	Audited
	Notes	31 March 2024	31 December 2023
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	934.382.000	1.075.244.170
Short-term portion of long-term financial liabilities	7	566.138.538	650.477.065
Short-term lease payables	7	711.875.168	625.034.676
Trade payables		958.566.505	980.101.930
- Trade payables to related parties	25	45.498.291	60.009.778
- Trade payables to third parties	8	913.068.214	920.092.152
Payables related to employee benefits	18	612.041.554	509.667.946
Other payables		215.110.893	178.121.458
- Other short-term payables to third parties	9	215.110.893	178.121.458
Deferred income	17	153.746.310	125.729.779
Current profit tax liability	23	303.862.896	327.129.782
Short-term provisions		142.943.452	122.442.111
- Provisions for employment termination benefits	14	109.979.539	86.611.202
- Other short-term provisions	14	32.963.913	35.830.909
Other current liabilities	15	287.218.316	258.896.400
Total current liabilities		4.885.885.632	4.852.845.317
Non-current liabilities			
Long-term financial liabilities	7	1.718.053.242	1.463.444.067
Long-term lease payables	7	2.460.117.709	2.387.344.460
Other payables		59.707.735	54.600.101
- Other long-term payables to third parties	9	59.707.735	54.600.101
Deferred tax liability	17	7.624.111	7.624.111
Long-term provisions		333.607.148	310.999.397
- Provisions for employee benefits	14	333.607.148	310.999.397
Other non-current liabilities	23	340.560.449	433.857.990
Deferred income	15	591.201.324	533.333.357
Total non-current liabilities		5.510.871.718	5.191.203.483
Total liabilities		10.396.757.350	10.044.048.800
EQUITY			
Equity attributable to equity holders of the parent		5.447.296.929	4.635.940.926
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		1.020.181.202	819.326.670
- Foreign currency translation differences		1.215.918.266	1.015.384.235
- Remeasurement losses of defined benefit plans		(195.737.064)	(196.057.565)
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		1.709.845.337	1.610.002.813
- Foreign currency translation differences		1.709.845.337	1.610.002.813
Restricted reserves appropriated from profit	19	195.490.565	195.490.565
Prior years' profit		1.986.820.878	319.097.790
Net profit / (loss) for the period		510.658.947	1.667.723.088
Non-controlling interests		692.627.154	579.028.166
Total equity		6.139.924.083	5.214.969.092
Total liabilities and equity		16.536.681.433	15.259.017.892

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

		Current Period	Prior Period
		Not Audited	Audited
		1 January –	1 January –
	Notes	31 March 2024	31 March 2023
CONTINUING OPERATIONS			
Revenue	20	3.525.626.076	1.746.217.197
Cost of sales (-)	20	(2.684.658.054)	(1.342.060.575)
GROSS PROFIT		840.968.022	404.156.622
General administrative expenses (-)		(350.685.137)	(205.713.112)
Other operating income		136.258.160	46.516.563
Other operating expenses (-)		(45.570.015)	(51.255.942)
OPERATING PROFIT		580.971.030	193.704.131
Income from investing activities		682.009	25.271
Expenses from investing activities (-)		(243.159)	(822.841)
OPERATING PROFIT BEFORE FINANCE EXPENSE		581.409.880	192.906.561
Finance income	21	163.929.429	55.246.887
Finance expenses (-)	22	(183.468.846)	(37.142.765)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		561.870.463	211.010.683
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS		(4.452.349)	238.388
Tax expense		10.236.763	(72.179.901)
Current tax expense	23	(115.410.133)	(112.071.882)
Deferred tax income/(expense)	23	125.646.896	39.891.981
PROFIT FOR THE PERIOD		567.654.877	139.069.171
Profit for the Period Attributable to			
Non-controlling interests		56.995.930	24.843.480
Equity holder of the Parent		510.658.947	114.225.691
		567.654.877	139.069.171
Earnings/(loss) per share (Kr)	24	0,210	0,047

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

	<i>Current Period</i>	<i>Prior Period</i>
	<i>Not Audited</i>	<i>Not Audited</i>
	1 January- 31 March 2024	1 January- 31 March 2023
Notes		
Net profit for the period	567.654.877	139.069.171
Items that will not be reclassified to profit or loss		
- Foreign currency translation differences	200.534.031	66.311.034
- Remeasurement losses of defined benefit plans	320.608	-
Items that will be reclassified to profit or loss		
- Foreign currency translation differences	156.445.475	61.494.263
Other comprehensive income / (expense)	357.300.114	127.805.297
Total comprehensive income	924.954.991	266.874.468
Total comprehensive income attributable to:		
Non-controlling interests	113.598.988	38.158.548
Equity holders of the parent	811.356.003	228.715.920
	924.954.991	266.874.468

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD ENDED 31 MARCH 2024**

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

	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		Retained earnings		Equity attributable to equity holders of the parent		Non-controlling interests	Total equity
	Share capital	Losses on remeasurement of defined benefit plans	Foreign currency translation differences	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit for the period			
As of 1 January 2024	24.300.000	(196.057.565)	1.015.384.235	1.610.002.813	195.490.565	319.097.790	1.667.723.088	4.635.940.926	579.028.166	5.214.969.092
Transfers	-	-	-	-	-	1.667.723.088	(1.667.723.088)	-	-	-
Other comprehensive income / (expense)										
- Foreign currency translation difference	-	-	200.534.031	99.842.524	-	-	-	300.376.555	56.602.951	356.979.506
- Remeasurement losses of defined benefit plans	-	320.501	-	-	-	-	-	320.501	107	320.608
Total other comprehensive income / (expenses)	-	320.501	200.534.031	99.842.524	-	-	-	300.697.056	56.603.058	357.300.114
Net profit/(loss) for the period	-	-	-	-	-	-	510.658.947	510.658.947	56.995.930	567.654.877
Total comprehensive income / (expense)	-	320.501	200.534.031	99.842.524	-	-	510.658.947	811.356.003	113.598.988	924.954.991
As of 31 March 2024	24.300.000	(195.737.064)	1.215.918.266	1.709.845.337	195.490.565	1.986.820.878	510.658.947	5.447.296.929	692.627.154	6.139.924.083

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD ENDED 31 MARCH 2024**

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

	Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss					Retained earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share capital	Losses on remeasurement of defined benefit plans	Foreign currency translation differences	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit for the period			
As of 1 January 2023	24.300.000	(76.678.552)	416.969.078	881.598.528	91.996.776	374.299.405	1.079.953.824	2.792.439.059	459.467.272	3.251.906.331
Transfers	-	-	-	-	-	1.079.953.824	(1.079.953.824)	-	-	-
Increase in subsidiary minority shares	-	-	-	-	-	-	-	-	115.426	115.426
Other comprehensive income / (expense)										
- Foreign currency translation difference	-	-	66.311.034	48.179.195	-	-	-	114.490.229	13.315.068	127.805.297
Total other comprehensive income / (expenses)	-	-	66.311.034	48.179.195	-	-	-	114.490.229	13.315.068	127.805.297
Net profit/(loss) for the period	-	-	-	-	-	-	114.225.691	114.225.691	24.843.480	139.069.171
Total comprehensive income / (expense)	-	-	66.311.034	48.179.195	-	-	114.225.691	228.715.920	38.158.548	266.874.468
As of 31 March 2023	24.300.000	(76.678.552)	483.280.112	929.777.723	91.996.776	1.454.253.229	114.225.691	3.021.154.979	497.741.246	3.518.896.225

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

		Current Period	Prior Period
		Not Audited	Not Audited
		1 January – 31 March 2024	1 January – 31 March 2023
	Notes		
A. Cash flows from operating activities		388.131.053	292.444.188
Net (loss) / profit for the period		567.654.877	139.069.171
Adjustments for reconciliation of net profit/loss for the period		330.364.193	229.899.386
Adjustments related to depreciation and amortization expenses	11, 12, 13	217.623.241	114.923.222
Adjustments related to impairment (reversal)		1.787.378	65.064
Adjustments related to provisions		68.039.901	35.051.460
- Adjustments related to provisions for employee benefits		68.039.901	35.051.460
Adjustments related to interest income and expenses	21,22	49.136.937	8.038.514
- Adjustments related to interest income		(50.357.224)	(19.849.063)
- Adjustments related to interest expenses		99.494.161	27.887.577
Adjustments related to unrealized foreign currency translation differences		-	(917.956)
Adjustments related to tax (income) expenses		(10.236.763)	72.179.901
Adjustments related to undistributed profit of investments that are accounted by the equity method	6	4.452.349	(238.389)
Adjustments related to gains/losses on disposal of non-current assets		(438.850)	797.570
Changes in working capital		(343.194.341)	52.747.323
Adjustments related to increase/decrease in trade receivables		(345.951.400)	(121.646.915)
- Decrease/increase in trade receivables from related parties		(5.573.246)	1.374.288
- Decrease/increase in trade receivables from third parties		(340.378.154)	(123.021.203)
Adjustments related to increase/decrease in other receivables related to operations		(101.359.313)	106.586.255
Adjustments related to increase/decrease in inventories		(22.280.201)	(18.178.939)
Decrease (increase) in prepaid expenses		(109.197.644)	(97.598.183)
Adjustments related to increase/decrease in trade payables		(21.535.425)	(11.537.850)
- Increase (decrease) in trade payables to related parties		(14.511.487)	11.705.339
- Increase (decrease) in trade payables to third parties		(7.023.938)	(23.243.189)
Increase (decrease) in payables related to employee benefits		103.693.156	112.891.129
Adjustments related to increase/decrease in other payables related to operations		153.436.486	82.231.826
Cash flows generated from operations		554.824.729	421.715.880
Payments related to provisions for employee benefits	14	(28.016.657)	(68.583.904)
Payments related to other provisions		-	(191.107)
Tax returns (payments)		(138.677.019)	(60.496.681)

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

	<i>Current Period</i>	<i>Prior Period</i>
	<i>Not Audited</i>	<i>Not Audited</i>
	1 January –	1 January –
	31 March	31 March
Notes	2024	2023
B. Cash flows from investing activities	(502.776.854)	(94.755.982)
Cash inflows from sale of property, plant and equipment and intangible assets	2.705.177	481.177
-Cash inflows from sale of property, plant and equipment	2.705.177	481.177
-Cash inflows from sale of intangible assets	-	-
Cash outflows from purchase of property, plant and equipment and intangible assets	(119.686.828)	(88.268.692)
-Cash outflows from purchase of property, plant and equipment	(117.559.628)	(37.505.028)
-Cash outflows from purchase of intangible assets	(2.127.200)	(50.763.664)
Cash inflows from cash advances and debts given to related parties	(126.991.498)	(1.693.460)
Other cash inflows	(258.803.705)	(5.275.007)
C. Cash flows from financing activities	(285.800.808)	193.499.459
Lease payments	(111.701.083)	(59.235.107)
Cash inflows from financial liabilities	1.130.467.884	571.570.999
Cash outflows due to debt payments	(1.263.211.899)	(328.286.795)
Interest paid	(91.712.934)	(10.398.701)
Interest received	50.357.224	19.849.063
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES	(400.446.609)	391.187.665
Foreign currency translation differences	302.628.735	129.691.509
Net increase/decrease in cash and cash equivalents	(97.817.874)	520.879.174
E. Cash and cash equivalents at the beginning of the period	3.373.899.826	1.927.530.563
Cash and cash equivalents at the end of the period	4 3.276.081.952	2.448.409.737

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

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, Uşak, Rize-Artvin airports, which are under the control of the State Airports Administration ("DHMI") and İstanbul Sabiha Gökçen 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 March 2024, percentage of shares which are publicly traded is 10,09% (31 December 2023: 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 working for the Group as of the period ended on 31 March 2024 is 14.431 (31 December 2023: 13.747).

The consolidated financial statements for the period 1 January – 31 March 2024 has been approved for the issuance by the Board of Directors on 10 May 2024, and signed by Osman Yılmaz, the General Manager, and Deniz Bal, the Director of Financial Affairs, on behalf of Board of Directors.

Information on Subsidiaries and Investments Valued with Equity Method:

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 follows:

<u>Subsidiary</u>	<u>Register country</u>	<u>Geographic region</u>	<u>Nature of business</u>
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	Turkey	Turkey	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
PT. Prathita Titiannusantara	Endonezya	Endonezya	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 share capital in CGHH is 100% and its paid-in capital is 200.000.000 Hungarian Forints.

The Company participated as a co-founder in the Company with capital of 100.000 Indian Rupee under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernization and 25-year operation of the existing cargo terminal in the airport, in New Delhi in India on 2009 with a shareholding rate of 74%. The paid capital of the Celebi Delhi Cargo is Indian Rupee 1.120 million.

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

Information on Subsidiaries and Investments Valued with Equity Method (cont'd):

As a result of the winning the tender for providing ground handling services at Delhi International Airport for a 10-year period, Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi") was established in 2009. The Company's share capital is 99,9% and a total of 2.294 million Indian Rupees premium capital payment has been made to meet the required equity. The Company currently operates ground handling services in New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India as part of the ongoing concession agreements. In 2018, the Company's title was changed to Celebi Airport Services India Private Limited ("CASI"). CASI will continue to deliver ground handling services at Delhi International Airport for 10 years subsequent to the termination of the existing concession agreement with the authority granted in 2019.

Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo") was established in 2008 to carry out transportation, cargo storage and distribution activities. Celebi Cargo GmbH ("Celebi Cargo"), the subsidiary of Çelebi Kargo with a 100% ownership, was established in 2009 and has share capital amounting to EUR 11.140.000, 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 in 2019 to provide "taxiing" services to aircraft at airports in India. For this purpose, a premium capital payment of Indian Rupee 435 million was made by the Company.

Celebi Nas Airport Services India Private Limited ("Celebi Nas") was established in 2008 to provide ground handling services for 10 years at Mumbai Chhatrapati Shivaji International Airport (CSIA) in India. The Company has 59% shareholding where the share capital of Çelebi Nas is Indian Rupee 552.000.000. In addition, a premium capital increase of Indian Rupee 228.000.000 has been paid by the shareholders of Celebi Nas. Celebi Nas has obtained a concession right until May 2036 for the provision of ventilation and generator services installed on the passenger bridges at the airport passenger terminal. Within the scope of the concession agreement signed between Celebi Nas and MIAL, Celebi Nas will continue to provide ground handling services for an additional 10 (ten) years, following the expiration of the current concession period at CSIA airport.

Celebi GH India Private Limited was established in 2023 as a subsidiary of CASI with a shareholding ratio of 60,98%, based on the ground handling services tender won at Ahmedabad International Airport, India. The company's share capital is 164.000 Indian Rupees.

Celebi GS Chennai Private Limited was established in 2023 as a subsidiary of CASI with a 100% shareholding ratio, based on the ground handling services tender won at Chennai International Airport, India, and the company's total capital, including premium capital, is 180.097.395 million Indian Rupees.

In order to participate in ground handling concession tenders to be opened at airports in Tanzania, the Company has a 65% stake in Celebi Tanzania Aviation Services Limited ("Celebi Tanzania"), located in Dar es Salaam, Tanzania, with a total capital of 100 million Tanzania Shillings (approximately 40 thousand USD).

Based in Jakarta, Indonesia, PT. On March 27, 2024, 99,00% of the shares of Prathita Titianusantara ("PTN") were acquired by signing a Share Sale and Purchase Agreement for 35 billion Indonesian Rupees (approximately EUR 2.06 million).

- **Associate**

-

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

<u>Associate</u>	<u>Registered country</u>	<u>Geographic region</u>	<u>Nature of business</u>
DASPL	India	India	Ground handling services

Çelebi GH Delhi, a subsidiary of the Group, has participated in establishment of Delhi Aviation Services Private Limited ("DASPL") with a shareholding of 16,66%, DASPL is resident in New Delhi, India and operating in rendering services of air conditioners, water providing systems and generators mounted on passenger boarding bridges with international standards established with a share capital is Indian Rupee 250.000.000. CASI owns 24,99% of Delhi Aviation Services Private Limited (DASPL).The Group accounts DASPL by using the equity method in its consolidated financial statements. DASPL's operations ended as of 1 April 2023, and the net loss for the period after 31 March 2023 is shown under "Profit / (loss) for the period / from discontinued operations".

As of 31 March 2024, the consolidated financial statements of the Group contains the Company, Celebi Nas, CGHH, Celebi Delhi Cargo, CASI, Çelebi Kargo, DASPL, Celebi Cargo and KSU and Celebi Tanzania, CGHI and CGSC (all together will be referred to as "the Group").

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED 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 Accounting Standards / Turkish Financial Reporting Standards (“TAS/IFRS”) 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 2023 and the Financial Statement Examples and User Guide published by the CMB.

The Company and its Subsidiaries registered in Turkey 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 Turkey (“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, adjusted by reflecting the necessary adjustments and classifications for accurate presentation in accordance with Turkish Financial Reporting Standards. Assets and liabilities of the joint ventures within the scope of consolidation are translated into Turkish Lira using the exchange rate, income and expenses are translated by using the average exchange rate on the date of the consolidated statement of financial position. Exchange differences resulting from the use of closing and average exchange rates are followed under the foreign currency translation differences account in shareholders' equity.

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

Functional and Reporting 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 March 2024, the currency of Group's entities are as below.

Company

Çelebi Hava
CGHH
Çelebi Delhi Cargo
CASI
Çelebi Nas
Çelebi Kargo
Çelebi Cargo
CGHI
CGSC
DASPL
KSU
Çelebi Tanzania

Currency

Euro (EUR)
Hungarian Forint (HUF)
Indian Rupee (INR)
Indian Rupee (INR)
Indian Rupee (INR)
Euro (EUR)
Euro (EUR)
Indian Rupee (INR)
Indian Rupee (INR)
Indian Rupee (INR)
Indian Rupee (INR)
Indian Rupee (INR)
Tanzanian Shilling (TZS)

Going Concern

The Group has prepared its consolidated financial statements in accordance with the principle of going concern.

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1. Basis of Presentation (cont'd)

2.1.1 Accounting Standards Applied (cont'd)

Restatement of financial statements during periods of high inflation

On November 23, 2024, the Public Oversight Accounting and Auditing Standards Authority (KGK) issued a statement regarding the scope and application of TAS 29. It was stated that entities applying Turkish Financial Reporting Standards (TFRS) are required to present their financial statements for annual reporting periods ending on or after March 31, 2024, adjusted for the effects of inflation in accordance with the relevant accounting principles outlined in TAS 29.

Pursuant to the Capital Markets Board's (CMB) resolution dated December 28, 2024 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards (TAS/TFRS) shall implement

inflation accounting in accordance with the provisions of TAS 29, starting with the annual financial reports for the accounting periods ending on March 31, 2024.

TAS 29 is applied to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, including consolidated financial statements. In the presence of hyperinflation in an economy, TAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy be stated in terms of the measuring unit current at the end of the reporting period.

As of the reporting date, since the cumulative change in the general purchasing power over the last three years has exceeded 100% based on the Consumer Price Index (CPI), entities operating in Turkey are required to apply TAS 29 'Financial Reporting in Hyperinflationary Economies' for reporting periods ending on or after March 31, 2024.

Although the Company operates in Turkey, no adjustment has been made under TAS 29 as its functional currency is the Euro.

2.1.2 New and Amended Turkish Financial Reporting Standards

The accounting policies applied in the preparation of the condensed consolidated interim financial statements for the period ended March 31, 2024, are consistent with those applied in the previous year, except for the new and revised TFRS standards and TFRIC interpretations that became effective as of January 1, 2024, as summarized below. The impacts of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

a) Amendments that are mandatorily effective from 2024

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 Transaction</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
Amendments to TSRS 2	<i>Climate-related Disclosures</i>

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

The objective of these amendments is to assist companies in their decision-making process regarding the classification of liabilities and other obligations with no specific maturity date as either current (due to be settled within one year) or non-current, ensuring consistent application of the standard's requirements.

These amendments to TAS 1 will be effective for annual periods beginning on or after January 1, 2024, although early adoption is permitted.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1. Basis of Presentation (cont’d)

2.1.2 New and Amended Turkish Financial Reporting Standards (cont’d)

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback Transaction*

These amendments to TFRS 16 explain how a seller-lessee subsequently measures the lease liability in sale and leaseback transactions that qualify as sales under the requirements of TFRS 15.

These amendments to TFRS 16 will be effective for annual periods beginning on or after January 1, 2024, although early adoption is also permitted.

The potential effects of these changes and improvements on the Group's consolidated financial position and performance are being assessed.

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

The amendments to TAS 1 explain how the conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability. These amendments to TAS 1 will be effective for annual periods beginning on or after January 1, 2024, although early adoption is also permitted. The potential effects of these changes and improvements on the Group's consolidated financial position and performance are being assessed.

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

The amendments to TAS 7 and TFRS 7 introduce guidance requiring entities to provide both qualitative and quantitative information about supplier finance arrangements and disclosure requirements. These amendments are effective for annual periods beginning on or after January 1, 2024.

The potential effects of these amendments on the Group's financial position and performance are being assessed.

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

TSRS S1 establishes general requirements for sustainability-related financial disclosures, requiring an entity to disclose information about sustainability-related risks and opportunities that would be useful to primary users of general-purpose financial statements in making decisions about providing resources to the entity.

The application of this standard is mandatory for entities meeting the relevant criteria outlined in the Public Oversight Accounting and Auditing Standards Authority's (POA) announcement dated January 5, 2024, numbered 2024-5, for entities starting their annual reporting periods on or after January 1, 2024. Banks must comply regardless of criteria, while other entities may report in accordance with TSRS sustainability standards on a voluntary basis.

The potential effects of this amendment on the Group's financial position and performance are being assessed.

Amendments to TSRS 2 *Climate-related Disclosures*

TSRS S2 sets out the requirements for the identification, measurement, and disclosure of climate-related risks and opportunities that would be useful for primary users of general-purpose financial statements in making decisions about providing resources to the entity.

The application of this standard is mandatory for entities meeting the relevant criteria outlined in the Public Oversight Accounting and Auditing Standards Authority's (POA) announcement dated January 5, 2024, numbered 2024-5, for entities starting their annual reporting periods on or after January 1, 2024. Banks must comply regardless of criteria, while other entities may report in accordance with TSRS sustainability standards on a voluntary basis.

The Group has not yet applied the following standards and the changes and interpretations to existing standards that have not yet come into effect:

TFRS 17 – *Insurance Contracts*

TFRS 17 (Amendments) – *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9: Comparative Information*

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1. Basis of Presentation (cont’d)

2.1.2 New and Amended Turkish Financial Reporting Standards (cont’d)

TFRS 17 – Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at their current fulfilment value and introduces a more structured approach to the measurement and presentation of all insurance contracts. These requirements are designed to achieve consistent and principle-based accounting for insurance contracts.

The application of TFRS 17 has been deferred by one year for insurance, reinsurance, and pension companies and will replace TFRS 4 Insurance Contracts as of January 1, 2025.

The potential effects of this standard on the Group’s financial position and performance are currently being assessed.

TFRS 17 (Amendments) – Insurance Contracts and Initial Application of TFRS 17 and TFRS 9: Comparative Information

Amendments have been introduced to TFRS 17 to reduce implementation costs, improve the clarity of disclosures, and ease the transition process.

Additionally, the amendment relating to comparative information permits entities applying TFRS 7 and TFRS 9 for the first time simultaneously to present comparative information for their financial assets as if the classification and measurement requirements of TFRS 9 had been applied previously.

These amendments are to be applied upon the initial adoption of TFRS 17.

The potential effects of these standards, amendments, and improvements on the Group’s consolidated financial position and performance are currently being assessed.

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 CMB 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.

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.

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1. Basis of Presentation (cont'd)

2.1.3 Basis of Consolidation (cont'd)

- 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 March 2024	31 December 2023
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
CASI	99,9	99,9
Celebi Nas	59,0	59,0
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
PTN	99,0	-
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 ownership interest (%)	31 March 2024	31 December 2023
DASPL	24,99	24,99

2.2. Change in Accounting Policies

2.2.1 Comparative Information

The condensed consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends.

The Group presented the condensed consolidated statement of financial position as of 31 March 2024 comparatively with the condensed consolidated statement of financial position as of 31 December 2023, presented the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the interim period ended on 31 March 2024 comparatively with the condensed consolidated profit or loss and condensed consolidated statement of other income for the interim period ended 31 March 2023.

2.3. Changes in significant accounting policies

c

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.

c

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.

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

NOTE 3 – SEGMENT REPORTING

The management determines the operating segments based on the reports analyzed by the key management personnel, and found effective in strategically decision taking.

The Management evaluates the Group from two different perspectives: geographical and operating segments. The Management evaluates the Group's performance based on its operating segments; Ground Handling services, Security Services and Cargo and Warehouse Services. Ground Handling Services and Cargo and Warehouse Services are considered as reportable operating segments, since the Group's revenues primarily consist of these operating segments. The management assesses the performance of EBITDA after deduction of the impact of TFRS Interpretation ("TFRIC 12"), TFRS 16 (excluding interest), retirement pay liability and unused vacation provisions from earnings before interest, tax depreciation and amortization.

The operational segment information provided to the board of directors as of 31 March 2024 is as follows:

	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
1 January - 31 March 2024				
Revenue	2.213.706.458	1.324.051.027	(12.131.409)	3.525.626.076
Cost of sales	(1.804.198.700)	(892.319.722)	11.860.368	(2.684.658.054)
Gross profit	409.507.758	431.731.305	(271.041)	840.968.022
General administrative expenses	(285.165.528)	(66.651.120)	1.131.511	(350.685.137)
Addition: Depreciation and amortization	142.110.644	75.512.597	-	217.623.241
Addition: TFRIC 12 effect shares	-	22.100.220	-	22.100.220
Addition: Retirement pay liability and unused vacation provisions	63.186.041	4.533.251	-	67.719.292
EBITDA effect of investments accounted by using equity method	(4.774.675)	-	-	(4.774.675)
EBITDA	324.864.240	467.226.253	860.470	792.950.963
Lease expenses under TFRS 16	(86.851.237)	(24.294.048)	-	(111.145.285)
EBITDA (Excluding TFRS 16 impact)	238.013.003	442.932.205	860.470	681.805.678

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

	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
1 January - 31 March 2023				
Revenue	1.101.534.028	643.080.171	1.602.998	1.746.217.197
Cost of sales	(838.082.224)	(502.334.212)	(1.644.139)	(1.342.060.575)
Gross profit	263.451.804	140.745.959	(41.141)	404.156.622
General administrative expenses	(165.726.160)	(40.169.171)	182.219	(205.713.112)
Addition: Depreciation and amortization	74.198.999	40.724.223	-	114.923.222
Addition: TFRIC 12 effect shares	-	40.057.011	-	40.057.011
Addition: Retirement pay liability and unused vacation provisions	32.972.829	2.078.631	-	35.051.460
EBITDA effect of investments accounted by using equity method	(61.575)	-	-	(61.575)
EBITDA	204.835.897	183.436.653	141.078	388.413.628
Lease expenses under TFRS 16	(45.678.660)	(13.556.447)	-	(59.235.107)
EBITDA (Except for effect of new and revised accounting policies)	159.157.237	169.880.206	141.078	329.178.521

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 3 – SEGMENT REPORTING (cont’d)

Reconciliation of EBITDA figure to operational profit before tax is provided as follows:

	1 January – 31 March 2024	1 January – 31 March 2023
EBITDA for reported segments	792.950.963	388.413.628
Depreciation and amortization	(217.623.241)	(114.923.222)
TFRIC 12 effect	(22.100.220)	(40.057.011)
Other operating income	136.258.160	46.516.563
Other operating expenses (-)	(45.570.015)	(51.255.942)
Retirement pay liability and unused vacation provisions	(67.719.292)	(35.051.460)
EBITDA effect of investments accounted by using equity method	4.774.675	61.575
Operating profit	580.971.030	193.704.131
Income from investment activities	682.009	25.271
Expenses from investment activities (-)	(243.159)	(822.841)
Financial income	163.929.429	55.246.887
Financial expenses (-)	(183.468.846)	(37.142.765)
Profit / (loss) before tax	561.870.463	211.010.683

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash	2.532.574	2.431.556
Banks	3.276.080.590	3.374.732.690
- time deposit	2.217.035.695	2.347.727.034
- demand deposit	1.059.044.895	1.027.005.656
	3.278.613.164	3.377.164.246

As of 31 March 2024, effective interest rates on TL, EUR, USD and INR denominated time deposits are 30,00-41,00%, 0,1-1,75%, 0,01-2,25 % and 4,75-7,25% (31 December 2023: TL 33,00-41,00%, Euro 0,1-1,75%, USD 0,01-2,25%, INR 4,75-7,25%). As of 31 March 2024, the maturity of denominated time deposits are 1 day for TL, EUR and US Dollar , respectively, 30-365 days for INR (31 December 2023: 1 day for TL, US Dollar and Euro, 30-365 days for INR).

The details of cash and cash equivalents presented in the statements of cash flows as of 31 March 2024 and 31 March 2023 are as follows:

	31 March 2024	31 March 2023
Cash on hand and cash at banks	3.278.613.164	2.451.047.172
Less: Interest accruals	(2.531.212)	(2.637.435)
	3.276.081.952	2.448.409.737

NOTE 5 - FINANCIAL INVESTMENTS

	31 March 2024	31 December 2023
Restricted bank balances (3 months to 365 days) (*)	169.183.568	109.337.443
Restricted bank balances (Longer than 365 days) (*)	59.365.744	51.225.309
	228.549.312	160.562.752

Time deposits:

	31 March 2024	31 December 2023
Time deposits (3 months to 365 days)	395.681.460	274.398.311
	395.681.460	274.398.311

(*) The majority of the restricted bank balances consist of collections from customers and amounts obtained within the framework of project financing within the framework of concession agreements signed for the operation of the terminals, and the relevant balances are kept in bank accounts with maturities longer than 3 months and are blocked.

Other financial assets measured by reflecting the fair value difference in profit/loss:

		31 March 2024	Percentage of shares%	31 December 2023
Celebi Shared Services India Private Limited	100%	38.761	%100	31.888
PT. Prathita Titiannusantara	99%	70.264.207	-	-
		70.302.968		31.888

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 - INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD

	Percentage of shares%	31 March 2024	Percentage of shares%	31 December 2023
DASPL	24,99%	26.205.448	24,99%	25.998.200
		26.205.448		25.998.200

The movements of investments accounted using the equity method for the periods ended on 31 March 2024 and 31 March 2023 are as follows:

	31 March 2024	31 March 2023
As of 1 January	25.998.200	19.463.360
Shares of profit/loss	(4.452.349)	238.389
Foreign currency translation differences	4.659.597	(3.217.534)
As of 31 March	26.205.448	16.484.215

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

	1 January- 31 March 2024	1 January- 31 March 2023
DASPL	(4.452.349)	238.389
	(4.452.349)	238.389

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

Summary information of financial statements of DASPL is as follows:

	31 March 2024	31 December 2023
Total Assets	108.062.097	115.038.960
Total Liabilities	11.100.959	8.161.470
	1 January- 31 March 2024	1 January- 31 March 2023
Profit / (Loss) for the Period (*)	(17.809.401)	953.557

(*) DASPL's operations have ceased to exist as of April 1, 2023, and the net loss for the period after March 31, 2023 is shown under "Discontinued operations profit / (loss)".

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS

Short-term borrowings:

			31 March 2024
	Effective interest rate (%)	Original balance	TL
Short-term borrowings:			
EUR borrowings	6,00-12,00	26.800.000	934.382.000
Total short-term borrowings:			934.382.000

Short-term finance lease obligations:

	Effective interest rate (%)	Original balance	31 March 2024 TL
INR finance lease obligation		484.628.500	199.060.023
EUR finance lease obligation		13.685.266	477.136.813
TL finance lease obligation		31.266.487	31.266.487
HUF finance lease obligation		49.851.356	4.411.845
Total short-term finance lease obligations			711.875.168

Short-term portion of long-term borrowings:

	Effective interest rate (%)	Original balance	31 March 2024 TL
Interest expense accrual – EUR		921.657	32.133.556
Interest expense accrual –INR		4.331.702	1.679.011
INR borrowings	6,58-7,44	8.941.178	311.734.171
EUR borrowings	7,91-9,75	554.463.948	220.591.800
Total short-term finance lease obligations:			566.138.538
Total short-term borrowings:			2.212.395.706

Long-term borrowings:

	Effective interest rate (%)	Original balance	31 March 2024 TL
INR borrowings	7,91-9,75	1.330.706.759	616.114.166
EUR borrowings	6,65-7,44	31.605.882	1.101.939.076
			1.718.053.242

Long-term finance lease obligations:

	Original balance	TL
Long-term finance lease obligations – INR	759.091.664	318.379.043
Long-term finance lease obligations – EUR	59.755.739	2.083.383.846
Long-term finance lease obligations – TL	52.888.149	52.888.149
Long-term finance lease obligations – HUF	61.770.294	5.466.671
Total long-term finance lease obligations		2.460.117.709
Total long-term borrowings		4.178.170.951
Total financial liabilities		6.390.566.657

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NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS (cont'd)

Short-term borrowings:

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

Short-term finance lease obligations:

			31 December 2023
	Effective interest rate (%)	Original balance	TL
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

Short-term portion of long-term borrowings:

			31 December 2023
	Effective interest rate (%)	Original balance	TL
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
	Effective interest rate (%)	Original balance	TL
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 lease obligations:

		Original balance	TL
INR lease obligations		790.659.098	302.681.940
EUR lease obligations		61.946.696	2.021.481.751
TL lease obligations		57.170.726	57.170.726
HUF lease obligations		70.416.438	6.010.043
Total long-term lease obligations			2.387.344.460
Total long-term borrowings			3.850.788.527
Total borrowings			6.201.544.438

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NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS (cont’d)

As of 31 March 2024 and 31 December 2023, repayment maturities of the Group’s borrowings are as follows:

	31 March 2024	31 December 2023
Less than 3 months	298.431.740	1.345.760.031
Between 3-12 months	1.913.963.967	1.004.995.880
Between 1-5 years	2.738.471.976	2.472.874.777
5 years and more	1.439.698.974	1.377.913.750
	6.390.566.657	6.201.544.438

As of 31 March 2024 and 31 December 2023, repayment maturities of long-term loans are as follows:

	31 March 2024	31 December 2023
Between 1-2 years	441.530.347	385.457.758
Between 2-3 years	461.549.612	303.710.892
Between 3-4 years	346.208.121	321.219.847
4 years and more	468.765.162	453.055.570
	1.718.053.242	1.463.444.067

The repayment terms of the leasing debts as of March 31, 2024 and 2023 are as follows:

	31 March 2024	31 December 2023
Less than 1 year	711.875.168	625.034.676
Between 1-5 years	1.193.038.506	1.146.371.057
5 years and more	1.267.079.203	1.240.973.403
	3.171.992.877	3.012.379.136

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	31 March 2024	31 December 2023
Trade receivables from third parties	1.854.940.944	1.514.277.545
Less: Provision for impairment	(179.486.405)	(170.963.628)
Trade receivables from third parties (net)	1.675.454.539	1.343.313.917
Trade receivables from related parties (Note 25)	9.787.143	4.213.897
Total short-term trade receivables	1.685.241.682	1.347.527.814

The average collection period of trade receivables is 0-2 months and is classified as short-term trade receivables. The Group holds its trade receivables for the purpose of collecting contractual cash flows and therefore measures them at their amortized cost using the effective interest method.

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (cont’d)

Movements of provision for doubtful receivables during the accounting periods are as follows:

	2024	2023
Beginning of the period - 1 January		
Opening balance	170.963.628	98.676.286
Additional provisions in current period	1.787.378	30.650.211
Foreign currency translation differences	6.450.154	47.606.450
Written-off of uncollectible receivables	285.245	(5.969.319)
Closing balance	179.486.405	170.963.628

Short-term trade payables

	31 March 2024	31 December 2023
Trade payables to third parties	734.255.024	601.298.449
Accrued liabilities	178.813.190	318.793.703
Total trade payables to third parties	913.068.214	920.092.152
Due to related parties (Note 25)	45.498.291	60.009.778
Total short-term trade payables	958.566.505	980.101.930

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Short-term other receivables

	31 March 2024	31 December 2023
Receivables from tax office	41.749.824	40.669.484
Deposits and guarantees given	89.570.098	63.795.700
Airline tax (*)	98.585.829	107.562.680
Other miscellaneous receivables (**)	174.853.187	141.723.999
Other short-term receivables from third parties	404.758.938	353.751.863
Other receivables from related parties (Note 25)	163.340.241	134.574.137
Total short-term other receivables	568.099.179	488.326.000

(*) Related to airline tax effective in Hungary from 1 July 2023.

(**) A large part of other miscellaneous receivables consist of short-term loans given by Delhi Cargo to GMR Group to its companies in the amount of INR 400.000.000 (31 December 2023: INR 400.000.000).

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES (cont'd)

Other long-term receivables

	31 March 2024	31 December 2023
Deposits and guarantees given (*)	771.856.361	705.066.823
Other short-term receivables from third parties	771.856.361	705.066.823
Other receivables from related parties (Note 25)	906.490.000	848.447.600
Total long-term other receivables	1.678.346.361	1.553.514.423

(*) As of 31 March 2024, 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 102.607.290, (31 December 2023: TL 91.388.570), TL 243.289.332 (31 December 2023: TL 216.224.945) and TL 391.745.555 (31 December 2023: TL 367.606.329), respectively, to local authorities and companies and the amounts shown in the blockage at banks.

Other short-term payables

	31 March 2024	31 December 2023
Other short-term payables (*)	160.801.036	154.400.628
Deposits and guarantees received	54.309.857	23.720.830
	215.110.893	178.121.458

Other long-term payables

	31 March 2024	31 December 2023
Deposits and guarantees received	59.707.735	54.600.101
	59.707.735	54.600.101

NOTE 10 – INVENTORIES

	31 March 2024	31 December 2023
Trade goods	39.822.417	45.989.646
Other inventories (*)	118.850.070	90.402.640
	158.672.487	136.392.286

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

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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended on 31 March 2024 are as follows:

	Opening 1 January 2024	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2024
Cost						
Plant, machinery and equipment	2.755.861.609	59.652.617	(4.778.915)	33.175.853	223.913.279	3.067.824.443
Motor vehicles	616.285.009	1.553.455	-	11.816.144	34.750.855	664.405.463
Furniture and fixtures	288.033.831	6.263.422	(440.345)	1.665.872	18.154.914	313.677.694
Leasehold improvements	926.935.091	3.471.036	-	-	62.719.568	993.125.695
Construction in progress	111.619.899	46.619.098	-	(46.657.869)	1.390.456	112.971.584
	4.698.735.439	117.559.628	(5.219.260)	-	340.929.072	5.152.004.879
Accumulated depreciation						
Plant, machinery and equipment	(1.574.792.231)	(49.420.745)	2.756.434	315.173	(132.456.141)	(1.753.597.510)
Motor vehicles	(338.123.376)	(10.813.055)	-	-	(20.795.780)	(369.732.211)
Furniture and fixtures	(173.031.486)	(8.730.207)	196.499	(315.173)	(11.705.653)	(193.586.020)
Leasehold improvements	(285.820.396)	(10.876.646)	-	-	(19.642.565)	(316.339.607)
	(2.371.767.489)	(79.840.653)	2.952.933	-	(184.600.139)	(2.633.255.348)
Net book value	2.326.967.950					2.518.749.531

Depreciation cost amounting to TL 77.971.285 for the period ended on 31 March 2024 was included in cost of sales and TL 1.869.368 was included in operating expenses.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	Opening 1 January 2023	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2023
Cost						
Plant, machinery and equipment	1.489.198.096	27.213.866	(1.953.672)	1.714.627	60.489.227	1.576.662.144
Motor vehicles	323.134.741	4.932.052	(150.961)	-	18.546.299	346.462.131
Furniture and fixtures	161.464.516	2.705.297	(116.112)	-	8.176.443	172.230.144
Leasehold improvements	522.334.696	1.247.272	-	3.762.145	24.920.428	552.264.541
Construction in progress	120.831.028	608.971	-	(32.621.542)	3.461.031	92.279.488
	2.616.963.077	36.707.458	(2.220.745)	(27.144.770)	115.593.428	2.739.898.448
Accumulated depreciation						
Plant, machinery and equipment	(925.053.586)	(22.964.427)	1.606.734	758	(35.642.092)	(982.052.613)
Motor vehicles	(190.978.302)	(5.034.828)	37.740	-	(9.299.151)	(205.274.541)
Furniture and fixtures	(92.351.471)	(4.481.793)	95.094	-	(5.019.747)	(101.757.917)
Leasehold improvements	(142.966.800)	(6.225.894)	-	(758)	(7.421.235)	(156.614.687)
	(1.351.350.159)	(38.706.942)	1.739.568	-	(57.382.225)	(1.445.699.758)
Net book value	1.265.612.918					1.294.198.690

Depreciation cost amounting to TL 36.632.438 for the period ended on 31 March 2023 was included in cost of sales and TL 2.074.504 was included in operating expenses.

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NOTE 12 – RIGHT-OF-USE ASSETS

Movements in right of use assets for the interim period ended on 31 March 2024 are as follows:

	Opening 1 January 2024	Additions	Modifications	Foreign currency translation differences	Closing 31 March 2024
Cost					
Buildings and land	3.662.254.993	-	(6.818.889)	247.869.961	3.903.306.065
Machinery, plant and equipment	184.114.987	-	-	12.595.538	196.710.525
Motor vehicles	82.639.482	-	-	5.290.097	87.929.579
	3.929.009.462	-	(6.818.889)	265.755.596	4.187.946.169
Accumulated depreciation					
Buildings and land	(1.227.664.364)	(83.941.966)	-	(85.540.226)	(1.397.146.556)
Machinery, plant and equipment	(156.294.944)	(1.953.938)	-	(10.764.851)	(169.013.733)
Motor vehicles	(71.583.687)	(4.952.345)	-	(4.635.936)	(81.171.968)
	(1.455.542.995)	(90.848.249)	-	(100.941.013)	(1.647.332.257)
Net book value	2.473.466.467				2.540.613.912

Depreciation expense for the period ended on 31 March 2024 amounting to TL 90.848.249 is included in cost of sales.

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NOTE 12 – RIGHT-OF-USE ASSETS (cont’d)

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

	Opening 1 January 2023	Additions	Modifications	Foreign currency translation differences	Closing 31 March 2023
Cost					
Buildings and land	2.024.032.245	3.477.649	25.936.302	104.485.150	2.157.931.346
Machinery, plant and equipment	94.103.174	-	-	4.296.149	98.399.323
Motor vehicles	50.311.689	-	17.906	2.664.276	52.993.871
	2.168.447.108	3.477.649	25.954.208	111.445.575	2.309.324.540
Accumulated depreciation					
Buildings and land	(551.172.927)	(47.387.850)	-	(30.673.513)	(629.234.290)
Machinery, plant and equipment	(94.103.174)	-	-	(4.296.149)	(98.399.323)
Motor vehicles	(31.448.598)	(2.877.795)	-	(1.866.097)	(36.192.490)
	(676.724.699)	(50.265.645)	-	(36.835.759)	(763.826.103)
Net book value	1.491.722.409				1.545.498.437

Depreciation expense for the period ended on 31 March 2023 amounting to TL 50.265.645 is included in cost of sales.

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NOTE 13 - INTANGIBLE ASSETS

Other Intangible Assets

Movements in other intangible assets for the interim period ended on 31 March 2024 are as follows:

	Opening 1 January 2024	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2024
Cost						
Rights	48.236.123	-	-	-	3.612.442	51.848.565
Software	164.308.572	2.127.200	-	-	10.898.785	177.334.557
Concession rights (*)	844.967.001	-	-	-	79.414.641	924.381.642
Build-operate-transfer investments (**)	1.768.629.775	-	-	-	166.215.709	1.934.845.484
	2.826.141.471	2.127.200	-	-	260.141.577	3.088.410.248
Accumulated depreciation						
Rights	(22.879.495)	(1.165.917)	-	-	(1.655.808)	(25.701.220)
Software	(131.790.196)	(4.554.322)	-	-	(7.464.350)	(143.808.868)
Concession rights (*)	(481.631.967)	-	-	-	(54.924.072)	(536.556.039)
Build-operate-transfer investments (**)	(664.021.992)	(41.214.100)	-	-	(54.438.458)	(759.674.550)
	(1.300.323.650)	(46.934.339)	-	-	(118.482.688)	(1.465.740.677)
Net book value	1.525.817.821					1.622.669.571

(*) Represents fixed asset expenditures made under the concession agreement signed by Celebi Delhi Cargo with DIAL and accounted for under TFRYK 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.

For the period ending on 31 March 2024, TL 42.874.686 of amortization was included in operating expenses and TL 4.059.653 was included in cost of sales.

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NOTE 13 - INTANGIBLE ASSETS (cont’d)

Other Intangible Assets (cont’d)

Movements in other intangible assets for the interim period ended on 31 March 2023 are as follows:

	Opening 1 January 2023	Additions	Foreign currency translation differences	Closing 31 March 2023
Cost				
Rights	23.312.907	-	1.064.259	24.377.166
Software	96.345.005	3.233.907	5.247.897	104.826.809
Concession rights (*)	540.520.369	-	15.358.267	555.878.636
Build-operate-transfer investments (**)	1.035.701.453	47.529.757	30.168.790	1.113.400.000
	1.695.879.734	50.763.664	51.839.213	1.798.482.611
Accumulated depreciation				
Rights	(15.774.894)	(654.834)	(740.118)	(17.169.846)
Software	(74.720.298)	(1.927.537)	(3.923.800)	(80.571.635)
Concession rights (*)	(285.446.461)	(10.883.019)	(2.971.497)	(299.300.977)
Build-operate-transfer investments (**)	(351.037.619)	(12.485.245)	(15.476.010)	(378.998.874)
	(726.979.272)	(25.950.635)	(23.111.425)	(776.041.332)
Net book value	968.900.462			1.022.441.279

(*) Represents fixed asset expenditures made under the concession agreement signed by Celebi Delhi Cargo with DIAL and accounted for under TFRYK 12.

For the period ending on 31 March 2023, TL 1.179.789 of amortization was included in operating expenses and TL 24.770.846 was included in cost of sales.

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NOTE 13 – INTANGIBLE ASSETS (cont’d)

Goodwill

Goodwill as of 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024	31 December 2023
Goodwill due to acquisition of CGHH	206.775.348	199.415.548
Goodwill due to acquisition of KSU	13.149.312	12.019.640
	219.924.660	211.435.188

As of 31 March 2024, movement of goodwill is as follows:

	31 March 2024	31 March 2023
As of 1 January	211.435.188	124.300.843
Foreign currency translation differences	8.489.472	11.830.600
Goodwill	219.924.660	136.131.443

NOTE 14 – PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term Provisions

Other short-term provisions

	31 March 2024	31 December 2023
Provision for litigation and obligation	32.963.913	35.830.909
	32.963.913	35.830.909

Movements of other short-term provisions for the period 1 January - 31 March 2024 are as follows:

	2024	2023
1 January	35.830.909	10.679.098
Increase over the period	1.050.387	-
Payments during the year	-	(191.107)
Provision reversal	(4.342.121)	-
Exchange differences	424.738	70.980
31 March	32.963.913	10.558.971

Short-term provision for employee benefits

	31 March 2024	31 December 2023
Provision for employment termination benefits (*)	24.335.741	20.797.399
Provision for unused vacation	85.643.798	65.813.803
	109.979.539	86.611.202

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

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NOTE 14 – PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

b) Long-term provisions:

Long-term provision for employee benefits:

	31 March 2024	31 December 2023
Provision for employment termination benefits	333.607.148	310.999.397
	333.607.148	310.999.397

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 Labor 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 at 31 March 2024 consists of one month's salary limited to a maximum of TL 35.058,58 (31 December 2023: TL 23.489,83) 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 year 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. Since 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 for employment termination benefits are as follows.

The provisions for employee benefits for the period 1 January 2024 - 31 March 2024 are as follows:

	31 March 2024	31 March 2023
As of 1 January	331.796.796	150.871.653
Payments of provisions during the period	(24.355.629)	(67.329.659)
Service cost	27.543.316	21.994.695
Interest cost	12.831.914	2.281.499
Foreign currency translation differences	8.806.944	1.849.079
Transfers	1.319.548	(967.667)
Balance at the end of the period	357.942.889	108.699.600

The provisions for unused vacation rights for the period 1 January 2024 - 31 March 2024 are as follows:

	31 March 2024	31 March 2023
As of 1 January	65.813.803	38.745.670
Payments of provisions during the period	(3.661.028)	(1.254.245)
Increase in unused vacation rights during the period	37.121.026	12.715.095
Usage of vacation rights during the year	(9.776.964)	(1.939.829)
Foreign currency translation differences	(3.853.039)	1.388.659
Balance at the end of the period	85.643.798	49.655.350

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NOTE 14 – PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

c) Contingent assets and liabilities of the Group

Guarantees received:	31 March 2024	31 December 2023
Guarantee letters	1.012.648.900	119.594.605
Guarantee notes	50.844.711	10.132.663
Guarantee cheques	480.644.101	4.991.949
	1.544.137.712	134.719.217
Guarantees given:	31 March 2024	31 December 2023
Guarantee letters	746.380.328	650.770.798
Collaterals (*)	647.113.900	591.557.780
Pledged shares (*)	159.425.543	145.729.120
	1.552.919.771	1.388.057.698

(*) Collaterals and pledged shares amounting to TL 806.539.443 consist of collaterals given to the Group's subsidiaries and joint venture partners (31 December 2023: TL 737.286.900) (Note 25).

The litigations and claims those generate contingent assets and liabilities to the Group as of 31 March 2024 are as follows:

As of 31 March 2023, the Group has contingent liabilities amounting to TL 95.615.736 (31 December 2023: TL 82.062.180) due to the legal cases and enforcement proceedings in progress against the Group).

The details of collaterals, pledges and mortgages of the Group as of 31 March 2024 and 31 December 2023 are as follows:

		31 March 2024		31 December 2023	
CPM given by the Group		TL		TL	
	Amount	Equivalent	Amount	Equivalent	
A. CPM given on behalf of the Group's legal personality		746.380.328		650.770.798	
TL	46.410.367	46.410.367	30.936.753	30.936.753	
EUR	7.056.899	246.038.784	6.040.632	197.121.528	
USD	2.210.500	71.495.528	2.210.500	65.190.519	
INR	849.497.430	329.273.699	864.362.431	306.252.253	
HUF	600.700.000	53.161.950	600.700.000	51.269.745	
B. CPM given on behalf of fully consolidated subsidiaries		806.539.443		737.286.900	
EUR	50.000	1.743.250	50.000	1.631.630	
INR	2.076.304.000	804.796.193	2.076.304.000	735.655.270	
C. CPM given for continuation of its economic activities on behalf of third parties			-	-	
D. Total amount of other CPM			-	-	
		1.552.919.771		1.388.057.698	

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NOTE 15 – OTHER ASSETS AND LIABILITIES**Other Current Assets**

	31 March 2024	31 December 2023
VAT and service tax receivables	94.724.977	110.697.509
Advances given to personnel	2.221.863	2.162.306
Other	15.689.974	1.389.978
	112.636.814	114.249.793

Other Non-Current Assets

	31 March 2024	31 December 2023
Prepaid taxes and funds (*)	124.419.556	132.212.407
VAT and service tax receivables	75.088	7.109.576
Other	483.694	480.676
	124.978.338	139.802.659

(*) As of 31 March 2024, the related amount consists of prepaid taxes and funds to be used with maturities longer than 1 year.

Other Current Liabilities

	31 March 2024	31 December 2023
Airline tax (*)	130.890.605	124.961.846
Taxes and funds payable	122.678.508	109.729.800
Renovation investments liability	26.454.382	24.181.658
Other miscellaneous payables and liabilities	7.194.821	23.096
	287.218.316	258.896.400

(*) As of 1 July 2023, it is related to the airline tax that entered into force in Hungary.

Other Non-Current Liabilities

	31 March 2024	31 December 2023
Renovation investments liability	591.201.324	533.333.357
	591.201.324	533.333.357

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NOTE 16 – PREPAID EXPENSES**Short-term prepaid expenses**

	31 March 2024	31 December 2023
Prepaid expenses	156.433.243	164.588.824
Order advances given	98.051.715	94.304.906
	254.484.958	258.893.730

Long-term prepaid expenses

	31 March 2024	31 December 2023
Prepaid expenses	173.215.649	156.823.282
Advances given for fixed assets	142.913.375	45.699.326
	316.129.024	202.522.608

NOTE 17 – DEFERRED INCOME**Short-term deferred income**

	31 March 2024	31 December 2023
Order advances received	147.428.463	117.641.269
Short term deferred income	6.317.847	8.088.510
	153.746.310	125.729.779

Long-term deferred income

	31 March 2024	31 December 2023
Long term deferred income	7.624.111	7.624.111
	7.624.111	7.624.111

NOTE 18 – LIABILITIES FOR EMPLOYEE BENEFITS

	31 March 2024	31 December 2023
Bonus payable accruals	175.211.973	210.156.270
Wages and salaries payable	255.885.394	176.315.602
Social security withholdings payable	180.944.187	123.196.074
	612.041.554	509.667.946

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NOTE 19 - EQUITY

Share Capital

As of 31 March 2024, 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 2023: 2.430.000.000 shares).

At 31 March 2024 and 31 December 2023, the shareholding structure of the Group is stated in historical amounts below:

Shareholders	31 March 2024		31 December 2023	
	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 March 2024, the amount of restricted reserves is TL 195.490.565 (31 December 2023: TL 195.490.565).

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.

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.

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NOTE 20 – REVENUE AND COST OF SALES

	1 January - 31 March 2024	1 January - 31 March 2023
Ground handling services	2.306.941.355	1.122.335.561
Revenue from cargo and warehouse services	1.324.603.297	641.468.196
Rental revenue not related to aviation	69.971.892	40.641.783
Less: Returns and discounts	(175.890.468)	(58.228.343)
Revenue	3.525.626.076	1.746.217.197
Cost of sales	(2.684.658.054)	(1.342.060.575)
Gross profit	840.968.022	404.156.622

NOTE 21 - FINANCIAL INCOME

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange gains	52.133.561	13.341.433
Interest income	50.357.224	19.849.063
Other financial income	61.438.644	22.056.391
	163.929.429	55.246.887

NOTE 22 - FINANCIAL EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange losses	(30.809.845)	(2.079.719)
Interest expenses	(60.760.535)	(21.168.198)
Financial expenses incurred within the scope of TFRS 16 (*)	(54.656.208)	(4.708.344)
Other financial expenses	(37.242.258)	(9.186.504)
	(183.468.846)	(37.142.765)

(*) It consists of expenses that do not generate cash outflow within the scope of TFRS 16.

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NOTE 23 - TAX ASSETS AND LIABILITIES

	31 March 2024	31 December 2023
Current period corporate tax liability	303.862.896	327.129.782
Current tax liability, net	303.862.896	327.129.782
Deferred tax assets	696.603.446	641.945.756
Deferred tax liabilities	(340.560.449)	(433.857.990)
Deferred tax assets, net	356.042.997	208.087.766

Income Tax

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 Turkey, the corporate tax rate is 25% (31 December 2023: 25%). 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.

1 Effective from 1 January 2018, the corporate tax rate in Hungarian will be implemented as 9%.

In India, the corporate tax rate is 25,17% for fiscal year 2024 (2023: 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 2024 (2023: 31,83%). 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 March 2024 ve 31 March 2023, tax expenses are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
- Current period corporate tax	(115.410.133)	(112.071.882)
- Deferred tax income/(expense)	125.646.896	39.891.981
Current tax expense - net	10.236.763	(72.179.901)

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NOTE 23 - TAX ASSETS AND LIABILITIES (cont'd)

Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 25, %9, %31,83% and 25,17% for Turkey, Hungary, Germany and India respectively.

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 March 2024 and 31 December 2023 using the enacted tax rates are as follows:

	Total temporary differences		Deferred tax assets (liabilities)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Deferred tax assets				
Personnel bonus accrual	(38.135.336)	(90.337.480)	9.533.835	22.584.370
Accrued sales commissions	(228.273.952)	(137.157.492)	57.068.488	34.289.373
Provision for employment termination benefits	(222.947.275)	(214.975.933)	55.743.760	53.749.864
TFRS 16 adjustments	(734.867.522)	(670.680.660)	169.077.755	156.033.552
Provision for unused vacation liability	(58.302.368)	(37.119.124)	14.575.592	9.279.781
Provision for litigation and indemnity	(25.850.760)	(25.850.764)	6.462.690	6.462.691
Adjustments related to property, plant and equipment and intangible assets	(763.833.946)	(709.412.585)	200.785.309	186.324.921
Deferred tax income calculated over unused prior years' losses	(240.440.501)	(224.508.292)	77.202.982	72.073.897
Other	(396.001.739)	(371.222.681)	106.153.035	101.147.307
Deferred tax assets			696.603.446	641.945.756
Deferred tax liabilities				
Adjustments related to property, plant and equipment and intangible assets	1.086.521.513	1.597.404.539	(260.056.982)	(388.270.446)
Other	322.013.880	182.350.188	(80.503.467)	(45.587.544)
Deferred tax liabilities			(340.560.449)	(433.857.990)
Deferred tax assets, net			356.042.997	208.087.766

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NOTE 23 - TAX ASSETS AND LIABILITIES (cont’d)

Deferred tax movement table is as follows:

	31 March 2024	31 March 2023
1 January	208.087.766	218.196.016
Foreign currency translation differences	22.308.335	5.947.666
Deferred tax income / (expenses) for the current period	125.646.896	39.891.981
31 March	356.042.997	264.035.663

NOTE 24 - 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 year.

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 March 2024	1 January - 31 March 2023
Net profit / (loss) attributable to the parent company	510.658.947	114.225.691
Weighted average number of shares with 1 KR face value each	2.430.000.000	2.430.000.000
Earnings / (loss) per share (Kr)	0,210	0,047

NOTE 25 - RELATED PARTY DISCLOSURES

Details of amounts due from and due to related parties as of reporting periods and a summary of transactions with related parties during the period are as follows:

i) Balances with related parties

Short-term receivables from related parties

	31 March 2024	31 December 2023
Çelebi Havacılık Holding ⁽¹⁾	9.787.143	1.431.694
Other	-	2.782.203
	9.787.143	4.213.897

Other short- term receivables from related parties

	31 March 2024	31 December 2023
Çelebi Havacılık Holding ^{(1)*}	163.340.241	134.574.137
	163.340.241	134.574.137

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NOTE 25 - RELATED PARTY DISCLOSURES (cont'd)

Other long-term receivables from related parties

	31 March 2024	31 December 2023
Çelebi Havacılık Holding ^{(1)*}	906.490.000	848.447.600
	906.490.000	848.447.600

Payables to related parties

	31 March 2024	31 December 2023
Çelebi Havacılık Holding ^{(1)(*)}	41.265.255	55.191.043
Celebi Shared Services India Pvt Ltd ⁽⁴⁾	4.233.036	4.780.042
DASPL ⁽⁵⁾	-	38.693
	45.498.291	60.009.778

- (1) Parent company
- (2) Subsidiary of the Group
- (3) Joint venture of the Group
- (4) Associate of the Group
- (5) Other related party

(*) The related amount is comprised of the CHH's group loan receivable from CGHH amounting to EUR 30.000.000.

(**) As of 31 March 2024, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, information technologies and business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.

ii) Significant transactions with related parties

	1 January - 31 March 2024	1 January - 31 March 2023
Miscellaneous sales to related parties		
Çelebi Havacılık Holding (1)	15.701.797	-
Celebi Shared Services India Pvt Ltd ⁽⁴⁾	5.112.343	-
	20.814.140	-
	1 January - 31 March 2024	1 January - 31 March 2023
Contribution to holding expenses (*)	127.519.089	72.143.028
	127.519.089	72.143.028

(*) Contribution paid to ÇHH includes services received from ÇHH to Group such as legal, financial, human resource, management, business development, corporate communication, procurement, and IT consultancy.

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25 - RELATED PARTY DISCLOSURES (cont'd)

	1 January - 31 March 2024	1 January - 31 March 2023
Other purchases from related parties (*)		
Çelebi Havacılık Holding (1)	19.123.635	6.184.882
	19.123.635	6.184.882

- (1) Parent company
(2) Subsidiary of the Group
(3) Associate of the Group
(4) Other related party

(*) Other purchases consist of vehicle rental, organization costs and other expenses. Purchases from ÇHH classified under other purchases from associated companies consist of expenses reflected to the Company regarding business development projects and tenders carried out by ÇHH directly related to the Company and on behalf of the Company.

As of 31 March 2024 and 31 December 2023, collaterals given in favor of the subsidiaries and joint venture of the Group for the loans borrowed by them are as follows:

31 March 2024	EUR	INR	Total TL
Celebi Nas (1)	-	97.704.000	37.871.047
Celebi Delhi Cargo (2)	-	313.600.000	121.554.496
CASI (3)	-	1.665.000.000	645.370.650
Celebi Cargo GmbH(4)	50.000	-	1.743.250
	50.000	2.076.304.000	806.539.443
31 December 2024	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

- (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 March 2024, the risk of the cash loan in the respective bank is amounting INR 366.613.402.
- (2) Guarantee at an equivalent amount to the loan amount is given to aforementioned banks for the financial liabilities sourcing from agreements concluded with related banks regarding long term cash project loan at an amount of cash INR 1.800.000.000 and non-cash INR 50.000.000 concluded between Celebi Delhi Cargo and an India resident bank and 28% portion of the owned by the Company are pledged on behalf of the bank. As of 31 March 2024, the risk of the cash loan in the respective bank is amounting INR 564.307.270.
- (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 March 2024, the risk of the cash loan in the respective bank is amounting to INR 961.785.000.
- (4) As of March 31, 2024, there is no cash credit risk amount in the relevant banks for the financial obligations arising from the EUR 50.000.-non-cash loan agreements signed between Çelebi Cargo GmbH and banks resident in Germany.

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NOTE 25 - RELATED PARTY DISCLOSURES (cont’d)

Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers. Compensation amounts have been classified as follow:

	1 January - 31 March 2024	1 January - 31 March 2023
Short-term employee benefits to key management	55.768.225	26.453.766
	55.768.225	26.453.766

NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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 among each other or against Turkish Lira to shareholders' equity 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 March 2024, other things being constant, if the TL was to depreciate/appreciate by 10% against the USD, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would decrease/increase net income by TL 18.363.930 (31 December 2023: TL 27.013.993).

As of 31 March 2024, other things being constant, if the TL was to depreciate / appreciate by 10% against the Euro, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would increase/decrease net income by TL 22.143.595 (31 December 2023: TL 13.373.176).

As of 31 March 2024, other things being constant, if the TL was to depreciate / appreciate by 10% against the GBP, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would increase/decrease by TL 1.609.464 (31 December 2023: TL 151.133).

As of 31 March 2024, other things being constant, if the TL was to depreciate / appreciate by 10% against the TL, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would increase/decrease by TL 14.131.151 (31 December 2023: TL 33.433.107).

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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency denominated assets and liabilities of the Group as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Assets denominated in foreign currency	2.680.620.509	1.955.348.389
Liabilities denominated in foreign currency (-)	3.352.224.132	2.045.386.560
Net balance sheet position	(671.603.623)	(90.038.171)

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 March 2024 and 31 December 2023:

31 March 2024	TL Equivalent	USD	EUR	GBP	TL
1. Trade Receivables	600.809.693	3.074.740	7.638.446	-	235.047.113
2. Monetary Financial Assets	517.097.091	324.702	7.354.873	2.174	250.078.542
3. Other	299.211.301	34.503	3.185.136	495.287	166.798.944
4. Current Assets (1+2+3)	1.417.118.085	3.433.945	18.178.455	497.461	651.924.599
5. Other	611.577.825	44.532	17.500.000	-	-
6. Non-Current Assets (5)	611.577.825	44.532	17.500.000	-	-
7. Total Assets (4+6)	2.028.695.910	3.478.477	35.678.455	497.461	651.924.599
8. Trade Payables	545.912.632	8.881.884	1.457.400	22.500	206.908.509
9. Financial Liabilities	305.234.995	-	7.857.981	-	31.266.487
10. Other Monetary Liabilities	521.973.542	274.356	279.605	81.243	500.030.353
11. Current Liabilities (8+9+10)	1.373.121.169	9.156.240	9.594.986	103.743	738.205.349
12. Financial Liabilities	1.183.724.243	-	32.434.708	-	52.888.149
13. Other Monetary Liabilities	2.142.611	-	-	-	2.142.611
14. Non-Current Liabilities (12+13)	1.185.866.854	-	32.434.708	-	55.030.760
15. Total Liabilities (11+14)	2.558.988.023	9.156.240	42.029.694	103.743	793.236.109
16. Net Foreign Currency Asset/(Liability) Position (7-15)	(530.292.113)	(5.677.763)	(6.351.239)	393.718	(141.311.510)
17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)	(530.292.113)	(5.677.763)	(6.351.239)	393.718	(141.311.510)

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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 December 2023	TL Equivalent	USD	EUR	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)

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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 consistent 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 calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents and deferred tax liability, Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The ratio of net debt / (equity+net debt) at 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024	31 December 2023
Total financial liabilities (*)	6.390.566.657	6.201.544.438
Less: Cash and cash equivalents	(3.276.081.952)	(3.373.899.826)
Less: Time deposits	(395.681.460)	(274.398.311)
Less: Restricted cash	(228.549.313)	(160.562.753)
Net debt	2.490.253.932	2.392.683.548
Net debt (Excluding the effect of TFRS 16)	(681.738.945)	(619.695.588)
Equity	6.139.924.083	5.214.969.092
Capital invested	8.630.178.015	7.607.652.640
Net debt / capital invested	0,29	0,31

(*) As of 31 March 2024, TL 3.171.992.877 of the net debt consists of lease prices discounted in accordance with TFRS 16, which entered into force as of 1 January 2019 (31 December 2023: TL 3.012.379.136).

NOTE 27 - SUBSEQUENT EVENTS

Within the scope of the regulations of the CMB on profit distribution, for the 01.01.2023- 31.12.2023 accounting period;

- the distribution of TL 63,0000 Gross=net cash dividend to each share with a nominal value of TL 1,00 at the rate of 6300,00 % 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 a gross cash dividend of TL 63,0000 for each share with a nominal value of TL 1,00 at a rate of 6300,00 % and a net cash dividend of TL 56,7000 for each share with a nominal value of TL 1,00 at a rate of 5670,00 % to other shareholders,

- and the dividend distribution date was set as 24 April 2024, and the dividend payments were completed on 26 April 2024.

A capital increase of 9.256.500.000 Indonesian Rupees (approximately 570 thousand USD) was paid on 19.04.2024 in line with the 99% partnership share owned by PTN, a 99,00% subsidiary of the Company residing in the Republic of Indonesia.

In order to increase the registered capital ceiling of the Company from 100.000.000 TL to 1.500.000.000 TL and to remain in the Registered Capital System until the end of 2028, Article 6 of the Company's Articles of Association titled "Capital and Shares Nevi" was amended and published in the Trade Registry Gazette.

The credit rating of the Company has been assessed by JCR Eurasia and the long-term national corporate credit rating has been confirmed at 'AA (tr)' level.