Çelebi Hava Servisi Anonim Şirketi

Consolidated financial statements for the period 1 January – 31 December 2023 and independent audit report

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

(Convenience translation of independent auditor's report originally issued in Turkish into English)

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

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

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

2) Basis for Opinion

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

3) Key Audit Matters

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

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

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

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

Additional paragraph for convenience translation to English

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

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

Cem Tovil
Partner

İstanbul, 11 March 2024

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023

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

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

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023

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

		Audited	*Audited*
	Notes	**31 December 2023**	**31 December 2022**
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	1.075.244.170	-
Short-term portion of long-term financial liabilities	7	650.477.065	692.168.864
Lease payables	7	625.034.676	317.667.889
Trade payables		980.101.930	446.286.492
-Trade payables to related parties	*31*	*60.009.778*	*3.291.944*
-Trade payables to third parties	*8*	*920.092.152*	*442.994.548*
Payables related to employee benefits	18	509.667.946	219.634.885
Other payables		178.121.458	28.420.155
-Other long-term payables to third parties	*9*	*178.121.458*	*28.420.155*
Deferred income	17	125.729.779	94.585.719
Current profit tax liability	29	327.129.782	47.980.681
Short-term provisions		122.442.111	57.192.656
-Provisions for employee benefits	*14*	*86.611.202*	*46.513.558*
-Other short-term provisions	*14*	*35.830.909*	*10.679.098*
Other current liabilities	15	258.896.400	235.610.233
Total current liabilities		**4.852.845.317**	**2.139.547.574**
Non-current liabilities			
Long-term financial liabilities	7	1.463.444.067	498.445.840
Lease liabilities	7	2.387.344.460	1.501.108.498
Other payables		54.600.101	54.166.153
-Other long-term payables to third parties	*9*	*54.600.101*	*54.166.153*
Deferred income	17	7.624.111	15.269.112
Long-term provisions		310.999.397	143.103.765
-Provisions related to employee benefits	*14*	*310.999.397*	*143.103.765*
Deferred tax liability	29	433.857.990	122.139.556
Other non-current liabilities	15	533.333.357	324.900.195
Total non-current liabilities		**5.191.203.483**	**2.659.133.119**
Total liabilities		**10.044.048.800**	**4.798.680.693**
EQUITY			
Equity attributable to equity holders of the parent		**4.635.940.926**	**2.792.439.059**
Paid-in capital	19	24.300.000	24.300.000
Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		819.326.670	340.290.526
- Foreign currency translation differences		*1.015.384.235*	*416.969.078*
- Loss on remeasurement of defined benefit plans		*(196.057.565)*	*(76.678.552)*
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		1.610.002.813	881.598.528
- Foreign currency translation differences		*1.610.002.813*	*881.598.528*
Restricted reserves appropriated from profit	19	195.490.565	91.996.776
Prior years' profit		319.097.790	374.299.405
Net profit for the period		1.667.723.088	1.079.953.824
Non-controlling interests		**579.028.166**	**459.467.272**
Total equity		**5.214.969.092**	**3.251.906.331**
Total liabilities and equity		**15.259.017.892**	**8.050.587.024**

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

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

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

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

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

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

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

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

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

		Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss		Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Call center				
	Share capital	**Gains/(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 / (loss) for the period**	**Equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
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)	-	-	-
Dividend payment	-	-	-	-	103.493.789	(1.133.813.789)	-	(1.030.320.000)	(275.116.481)	(1.305.436.481)
Additional capital contributions from non-controlling shareholders (*)	-	-	-	-	-	(1.341.650)	-	(1.341.650)	(14.028.906)	(15.370.556)
Other comprehensive income / (expense)										
- Foreign currency translation difference	-	-	598.415.157	728.404.285	-	-	-	1.326.819.442	250.493.879	1.577.313.321
Gains/(losses) on remeasurement of defined benefit plans	-	(119.379.013)	-	-	-	-	-	(119.379.013)	(125.395)	(119.504.408)
Total other comprehensive income	-	**(119.379.013)**	**598.415.157**	**728.404.285**	-	-	-	**1.207.440.429**	**250.368.484**	**1.457.808.913**
Net profit for the period	-	-	-	-	-	-	1.667.723.088	1.667.723.088	158.337.797	1.826.060.885
Total comprehensive income	-	**(119.379.013)**	**598.415.157**	**728.404.285**	-	-	**1.667.723.088**	**2.875.163.517**	**408.706.281**	**3.283.869.798**
As of 31 December 2023	**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**

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

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

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

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

		Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss		Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Retained earnings				
	Share capital	**Gains/(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 / (loss) for the period**	**Equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
As of 1 January 2022	**24.300.000**	**(34.956.456)**	**121.050.632**	**613.208.705**	**74.387.905**	**22.479.380**	**533.453.896**	**1.353.924.062**	**315.921.024**	**1.669.845.086**
Transfers	-	-	-	-	-	533.453.896	(533.453.896)	-	-	-
Dividend payment	-	-	-	-	17.608.871	(181.633.871)	-	(164.025.000)	(33.142.929)	(197.167.929)
Additional capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	3.440.700	3.440.700
Other comprehensive income / (expense)									-	
- Foreign currency translation difference	-	-	295.918.446	268.389.823	-	-	-	564.308.269	99.050.685	663.358.954
- Gains/(losses) on remeasurement of defined benefit plans	-	(41.722.096)	-	-	-	-	-	(41.722.096)	161.455	(41.560.641)
Total other comprehensive income	**-**	**(41.722.096)**	**295.918.446**	**268.389.823**	**-**	**-**	**-**	**522.586.173**	**99.212.140**	**621.798.313**
Net profit/(loss) for the period	-	-	-	-	-	-	1.079.953.824	1.079.953.824	74.036.337	1.153.990.161
Total comprehensive income / (expense)	**-**	**(41.722.096)**	**295.918.446**	**268.389.823**	**-**	**-**	**1.079.953.824**	**1.602.539.997**	**173.248.477**	**1.775.788.474**
As of 31 December 2022	**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**

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

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

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

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

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

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

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

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

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

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

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

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

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

Tayakadın Mahallesi Nuri Demirağ Caddesi No: 39
Arnavutköy / İstanbul

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

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

Information on Subsidiaries, Joint Ventures, and Associate:

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

- **Subsidiaries of the Group are as below:**

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

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

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

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

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

Information on Subsidiaries, Joint Ventures, and Associate (cont'd):

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

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

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

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

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

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

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

Associate

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

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

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

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

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1 Accounting standards applied

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

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

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

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

Functional and Presentation Currency

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

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

Going Concern

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

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

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

2.1. Basis of Presentation (cont'd)

Restatement of financial statements during periods of high inflation

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

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

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

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

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

2.1.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to TAS 12	*International Tax Reform - Pillar Two Model Rules*

Amendments to TAS 1 *Disclosure of Accounting Policies*

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

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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)

a) Amendments that are mandatorily effective from 2023 (cont'd)

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

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

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

Amendments to TAS 12 *International Tax Reform — Pillar Two Model Rules*

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

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

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

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*
TSRS 2	*Climate-related Disclosures*

TFRS 17 *Insurance Contracts*

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

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

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

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)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 — Comparative Information (cont'd)*

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

Amendments are effective with the first application of TFRS 17.

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

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

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

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

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

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

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

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

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

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

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

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

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)

b) New and revised TFRSs in issue but not yet effective (cont'd)

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

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

TSRS 2 *Climate-related Disclosures*

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

2.1.3 Basis of Consolidation

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

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

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

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

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.

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

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 December 2023	31 December 2022
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
CASI	99,9	99,9
Celebi Nas	59,0	57,0
CGHI	61,0	61,0
CGSC	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9
KSU	58,7	58,7
Celebi Tanzania	65,0	65,0

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

e) It is accounted by using the equity method.

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

2.2. Change in Accounting Policies

2.2.1 Comparative Information and Restatement of Prior Period Financial Statements

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

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3. Changes in Significant Accounting Policies

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

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

2.4 Summary of Significant Accounting Policies

2.4.1 Accounting of Income

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

Dividend Income

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

2.4.2 Financial Assets

Classification

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

Recognition and Measurement

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.2 Financial Assets (cont'd)

Recognition and Measurement (cont'd)

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

Derecognition

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

Impairment

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

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

2.4.3 Cash and Cash Equivalents

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

2.4.4 Property, Plant and Equipment

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

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.2 Financial Assets (cont'd)

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

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

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

2.4.5 Intangible Assets

a) Goodwill

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

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

b) Computer software

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

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

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.5 Intangible Assets (cont'd)

c) Service Concession Arrangements and Build-operate-transfer investments (cont'd)

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

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

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

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

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

2.4.6 Inventories

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

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

2.4.7 Impairment of Assets

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.8 Financial Liabilities and Borrowing Costs

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

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

2.4.9 Leases

<u>The Group as lessee</u>

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

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

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

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

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

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.9 Leases (cont'd)

<u>The Group as lessee (cont'd)</u>

• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

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

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

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

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

The Group as lessor

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

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.9 Leases (cont'd)

The Group as lessor (cont'd)

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

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

2.4.10 Trade Payables

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

2.4.11 Business Combinations and Goodwill

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

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

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

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

2.4.12 Foreign Currency Transactions

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

2.4.13 Earnings per Share

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.14 Events After the Balance Sheet Date

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

2.4.15 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

2.4.16 Related Parties

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

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

If that person;

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.17 Segment Reporting

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

2.4.18 Taxes on Income

Current tax expense and deferred tax

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

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

Income tax

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

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

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.18 Taxes on Income (cont'd)

Deferred tax

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

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

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

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

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

2.4.19 Employee Benefits

Employment termination benefits

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

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

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

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

Provision for unused vacation

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.20 Statement of Cash Flows

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

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

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

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

2.4.21 Dividends

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

2.4.22 Paid-in Capital

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

2.4.23 Offsetting

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

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

2.5 Significant Accounting Judgments, Estimates and Assumptions

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

(a) Goodwill impairment

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant Accounting Judgments, Estimates and Assumptions (cont'd)

(b) Impairment of intangible assets

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

(c) Provisions

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant Accounting Judgments, Estimates and Assumptions (cont'd)

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

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

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

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

Note 11 – Property, plant and equipment
Note 12 – Right-of-use assets
Note 13 – Intangible assets
Note 14 – Provision for employee benefits
Note 29 – Tax assets and liabilities
Note 31 – Related party disclosures

NOTE 3 - SEGMENT REPORTING

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

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

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

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

NOTE 3 – SEGMENT REPORTING (cont'd)

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

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

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

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

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

As of 31 December 2023, effective interest rates on TL, EUR, USD and INR denominated time deposits are 33,00-41,00%, 0,1-1,75%, 0,01-2,25 % and 4,75-7,25% (31 December 2022: TL 15,21%, EUR 1,46%, USD 1,33%, INR 5,38%). As of 31 December 2023, the maturity of denominated time deposits are 1 day for EUR, USD and TL, 30-365 days for INR, respectively (31 December 2022: TL, EUR and USD 1 day, INR 45 days).

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

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

NOTE 5 - FINANCIAL INVESTMENTS

Restricted bank balances:

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

Time deposits:

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

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

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

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

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

NOTE 6 - INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD

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

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

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

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

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

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

Summary information of DASPL is as follows:

	31 December 2023	31 December 2022
Total Assets	115.038.960	69.559.096
Total Liabilities	8.161.470	4.866.078

	1 January-31 December 2023	1 January-31 December 2022
Total Sales Income	-	26.281.810
Profit / (Loss) for the Period (*)	3.607.500	(25.328.921)

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

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

NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS

Short-term borrowings:

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

Short-term finance lease obligations:

			31 December 2023
	Effective interest rate (%)	**Original amount**	**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 amount**	**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 amount**	**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 finance lease obligations:			
INR finance lease obligation		790.659.098	302.681.940
EUR finance lease obligation		61.946.696	2.021.481.751
TL finance lease obligation		57.170.726	57.170.726
HUR finance lease obligation		70.416.438	6.010.043
Total long-term finance lease obligations			**2.387.344.460**
Total long-term borrowings			**3.850.788.527**
Total financial liabilities			**6.201.544.438**

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

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

Short-term finance lease obligations:

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

Short-term portion of long-term borrowings:

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

Long-term borrowings:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Short-term trade payables

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables

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

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

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

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

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

Other long-term receivables

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

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

Other short-term payables

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

Other long-term payables

	31 December 2023	31 December 2022
Deposits and guarantees received	54.600.101	54.166.153
	54.600.101	**54.166.153**

NOTE 10 – INVENTORIES

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

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

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

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

NOTE 12 – RIGHT-OF-USE ASSETS

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

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

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

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

NOTE 12 - RIGHT-OF-USE ASSETS (cont'd)

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

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

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

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

NOTE 13 - INTANGIBLE ASSETS

Other Intangible Assets

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

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

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

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

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

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

NOTE 13 - INTANGIBLE ASSETS (cont'd)

Other Intangible Assets (cont'd)

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

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

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

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

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

NOTE 13 – INTANGIBLE ASSETS (cont'd)

Goodwill

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

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

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

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

Goodwill impairment test

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

	31 December 2023	31 December 2022
Ground handling services – CGHH	199.415.548	116.611.951

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

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

Discount rate	**11,2%**

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

	31 December 2023	31 December 2022
Ground handling services – KSU	12.019.640	7.688.892

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

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

Discount rate	**17,6%**

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

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short-Term Provisions

Other short-term provisions

	31 December 2023	31 December 2022
Provision for litigation and indemnity	35.830.909	10.679.098
	35.830.909	**10.679.098**

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

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

Short-term provision for employee benefits

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

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

b) Long-term provisions

Long-term provisions for employee benefits:

	31 December 2023	31 December 2022
Provision for employment termination benefits	310.999.397	143.103.765
	310.999.397	**143.103.765**

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

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

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

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

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

b) Long-term provisions (cont'd)

Long-term provisions for employee benefits: (cont'd)

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

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

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

Turkish Financial Reporting Standards require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

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

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

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

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

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

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

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

c) Contingent assets and liabilities

Guarantees received	31 December 2023	31 December 2022
Guarantee letters	119.594.605	69.992.103
Guarantee cheques	10.132.663	4.872.917
Guarantee notes	4.991.949	4.746.045
	134.719.217	**79.611.065**

Guarantees given	31 December 2023	31 December 2022
Guarantee letters	650.770.798	383.465.116
Collaterals (*)	591.557.780	607.519.810
Pledged shares (*)	145.729.120	92.471.387
	1.388.057.698	**1.083.456.313**

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

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

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

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

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

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

NOTE 15 - OTHER ASSETS AND LIABILITIES

Other current assets

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

Other non-current assets

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

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

Other current liabilities

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

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

Other non-current liabilities

	31 December 2023	31 December 2022
Renewal investments obligation	533.333.357	324.900.195
	533.333.357	**324.900.195**

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

NOTE 16 – PREPAID EXPENSES

Short-term prepaid expenses

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

Long-term prepaid expenses

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

NOTE 17 - DEFERRED INCOME

Short-term deferred income

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

Long-term deferred income

	31 December 2023	31 December 2022
Deferred income	7.624.111	15.269.112
	7.624.111	**15.269.112**

NOTE 18 - PAYABLES RELATED TO EMPLOYEE BENEFITS

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

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

NOTE 19 – EQUITY

Share Capital

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

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

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

Restricted reserves appropriated from profit (legal reserves)

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. Under the Turkish Commercial Code, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

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

Listed companies distribute dividend in accordance with the Communique 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 communique 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.

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

NOTE 20 - REVENUE AND COST OF SALES

	1 January - 31 December 2023	**1 January - 31 December 2022**
Ground handling services	7.465.634.645	3.871.797.432
Revenue from cargo and warehouse services	3.600.787.140	2.295.468.720
Rent and allocation revenue not related to aviation	198.735.061	125.944.129
Revenue in the context of TFRIC 12	-	7.801.842
Less: Returns and discounts	(400.339.439)	(229.003.582)
Revenue	**10.864.817.407**	**6.072.008.541**
Cost of sales	**(7.197.629.833)**	**(3.902.275.886)**
Gross profit	**3.667.187.574**	**2.169.732.655**

NOTE 21 - EXPENSES BY NATURE

	1 January - 31 December 2023	**1 January - 31 December 2022**
Personnel expenses	(3.861.748.057)	(1.973.209.773)
Concession expenses	(1.176.336.012)	(697.993.443)
Payments to authorities and terminal managements (*)	(785.293.054)	(365.423.921)
Depreciation and amortization expense	(626.898.399)	(366.282.358)
Technical maintenance of equipment, fuel and security expenses	(505.735.926)	(345.304.554)
Cost of sales (***)	(66.656.892)	(22.020.547)
Expenses within the scope of TFRIC 12 (**)	(50.001.922)	(27.717.570)
Insurance expense	(55.739.890)	(40.110.223)
Travel and transportation expense	(40.106.472)	(21.910.988)
Consultancy expense (****)	(470.075.519)	(253.414.398)
Other expenses	(573.449.149)	(379.526.412)
	(8.212.041.292)	**(4.492.914.187)**

(*) Payments to authorities and terminal managements are composed of royalty, rental facilities and check-in desks within the airport area, working licenses and similar expenses, office rental expenses and other miscellaneous expenses related to utilization of office area.

(**) Aforementioned expenses are composed of construction costs calculated in accordance with TFRIC 12 and provisions for other liabilities within the scope of concession agreement.

(***) Aforementioned expenses are composed of sales and utilization cost of de-icing and spare part inventories.

(****) TL 348.636.584 of the consultancy expenses are comprised of share of holding company expenses (1 January – 31 December 2022: TL 187.573.446).

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

NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2023	**1 January - 31 December 2022**
Consultancy expenses	(459.919.425)	(249.459.766)
Personnel expenses	(367.789.255)	(228.695.259)
Technical maintenance of equipment, fuel and security expenses	(49.976.122)	(30.476.137)
Travel and transportation expense	(22.144.112)	(15.619.175)
Payments to authorities and terminal managements	(8.460.943)	(9.209.826)
Depreciation and amortization expense	(15.550.375)	(9.131.204)
Insurance expense	(11.022.444)	(7.039.400)
Other expenses	(79.548.783)	(41.007.534)
	(1.014.411.459)	**(590.638.301)**

NOTE 23 - OTHER OPERATING INCOME

	1 January - 31 December 2023	**1 January - 31 December 2022**
Foreign exchange income	337.351.391	70.253.635
Maturity difference income	6.519.653	5.164.036
Provision reversal income	4.436.578	1.060.281
Income from insurance claim	3.216.735	699.490
Other income	93.622.313	60.574.465
	445.146.670	**137.751.907**

NOTE 24 - OTHER OPERATING EXPENSES

	1 January - 31 December 2023	**1 January - 31 December 2022**
Foreign exchange expenses	(87.427.189)	(62.371.667)
Donation and aid expenses	(57.814.758)	(12.818.491)
Litigation and indemnity provision expenses	(20.490.399)	(4.954.328)
Provision for doubtful receivables	(30.650.211)	(2.377.758)
Other expenses	(140.272.483)	(59.321.524)
	(336.655.040)	**(141.843.768)**

NOTE 25 - INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2023	**1 January - 31 December 2022**
Profit from the sale of fixed assets	30.269.535	813.475
	30.269.535	**813.475**

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

NOTE 26 - EXPENSES FROM INVESTING ACTIVITIES

	1 January - 31 December 2023	1 January - 31 December 2022
Impairment of goodwill	(7.525.997)	(425.742)
Loss from the sale of fixed assets and abandonment	-	(27.441.858)
	(7.525.997)	**(27.867.600)**

NOTE 27 - FINANCE INCOME

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange income	187.448.593	67.530.213
Interest income	119.302.896	63.492.929
Other financial income	99.562.103	69.016.181
	406.313.592	**200.039.323**

NOTE 28 – FINANCE EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
Interest expenses	(185.786.445)	(107.409.602)
Foreign exchange losses	(105.211.705)	(53.673.705)
Financial expenses incurred within the scope of TFRS 16 (*)	(104.571.098)	(93.067.969)
Other finance expenses	(73.990.726)	(30.779.854)
	(469.559.974)	**(284.931.130)**

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

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

NOTE 29 - TAX ASSETS AND LIABILITIES

	31 December 2023	**31 December 2022**
Current period corporate tax provision	327.129.782	47.980.681
Current income tax liability, net (*)	**327.129.782**	**47.980.681**
Deferred tax assets	641.945.756	340.335.572
Deferred tax liabilities	(433.857.990)	(122.139.556)
Deferred tax assets - net	**208.087.766**	**218.196.016**

(*) Current income tax assets and current income tax liabilities from the different subsidiaries of the Group have been separately presented as net in the balance sheet.

Income Taxes

Turkish tax legislation does not permit a parent company, its subsidiaries, to file a tax return on its consolidated financial statements. Therefore, the tax liabilities of the Group's consolidated financial statements are calculated separately for all companies included in the scope of consolidation.

In Türkiye, the corporate tax rate is 25% (31 December 2022: 23%). The corporate tax rate is applied to the net corporate income to be deducted from deduction of exemptions and reductions in tax laws and an addition of expenses not subject to deduction according to tax legislation.

The corporate tax rate in force in Hungary is 9% effective as of 1 January 2018.

In India, the corporate tax rate is 25,17% for fiscal year 2023 (2022: 25,17%). The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (such as research and development expenses).

In Germany, the corporate tax rate is 31,83% for fiscal year 2023 (2022: 31,925%). The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (such as research and development expenses).

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

NOTE 29 - TAX ASSETS AND LIABILITIES (cont'd)

Income Taxes (cont'd)

For the periods ended on 31 December 2023 and 2022, tax expenses are as follows:

	1 January - 31 December 2023	1 January - 31 December 2023
- Current period corporate tax	(752.485.943)	(300.775.570)
- Deferred tax income	(143.119.948)	(1.961.132)
Current period tax income (expense) - net	**(895.605.891)**	**(302.736.702)**

Reconciliation of tax expenses presented in consolidated statements of income for the periods ended 31 December 2023 and 2022 are as follows:

	2023	2022
Profit before tax in the financial statements	**2.720.764.901**	**1.456.726.864**
Expected tax expense according to parent company tax rate	(680.656.429)	(335.047.195)
Differences in tax rates of subsidiaries	(109.662.059)	(13.064.791)
Expected tax expense of the Group	**(790.318.488)**	**(348.111.986)**
Non-deductible expenses	(47.769.796)	(9.287.931)
Reductions	83.773.022	139.084
Effect of donations and aids	12.294.440	-
Offset prior year profit loss	5.268.936	15.453.227
Tax incentive effect	-	72.045.579
Deferred tax income / (expense) calculated over unused previous years' losses	(44.771.665)	3.219.679
Earthquake tax	(78.858.795)	-
Other	(35.223.545)	(36.194.354)
Current period tax expense of the Group	**(895.605.891)**	**(302.736.702)**

Deferred Taxes

The Group calculates deferred tax assets and liabilities on temporary differences on statement of financial position items arising from different evaluation of financial statements prepared in accordance with TAS and statutory accounting standards. In general, such temporary differences are resulted from accounting of income and expenses in different reporting periods in accordance with Tax laws and TAS accounting standards. Rates for deferred tax assets and liabilities calculated by liability method over temporary differences to be realized in future periods are 25%, 9%, 31,83% and 25,17% for Türkiye, Hungary, Germany and India, respectively.

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

NOTE 29 - TAX ASSETS AND LIABILITIES (cont'd)

Deferred Taxes (cont'd)

The details of cumulative temporary differences and the related deferred tax assets and liabilities calculated with currently enacted tax rates as at 31 December 2023 and 2022 are as follows:

	Total temporary differences		Deferred tax assets (liabilities)	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Deferred tax assets				
Personnel bonus accrual	(90.337.480)	(7.127.060)	22.584.370	1.425.412
Accrued sales commissions	(137.157.492)	(62.898.275)	34.289.373	12.579.655
Provision for employment termination benefits	(214.975.933)	(91.158.560)	53.749.864	18.319.742
Adjustments related with TFRS 16	(670.680.660)	(450.277.924)	156.033.552	85.157.166
Provision for unused vacation rights	(37.119.124)	(16.404.015)	9.279.781	3.280.803
Provision for litigation and indemnity	(25.850.764)	(8.995.985)	6.462.691	1.799.197
Adjustments related to property plant and equipment and intangible assets	(709.412.585)	(338.237.990)	186.324.921	86.680.356
Investment incentives	-	(120.194.455)	-	24.038.891
Deferred tax asset calculated over unused previous years' losses	(224.508.292)	(247.056.923)	72.073.897	79.025.120
Other	(371.222.681)	(127.587.624)	101.147.307	28.029.230
Deferred tax assets			**641.945.756**	**340.335.572**

	Total temporary differences		Deferred tax assets (liabilities)	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Deferred tax liabilities				
Adjustments related to property, plant and equipment and intangible assets	1.597.404.539	575.731.893	(388.270.446)	(113.448.241)
Other	182.350.188	43.456.585	(45.587.544)	(8.691.315)
Deferred tax liabilities			**(433.857.990)**	**(122.139.556)**
Deferred tax assets, net			**208.087.766**	**218.196.016**

The table of deferred tax movement is as follows:

	1 January – 31 December 2023	**1 January – 31 December 2022**
As of 1 January	**218.196.016**	**170.707.898**
Foreign currency translation differences	93.604.286	38.759.362
Deferred tax income/(expense) for the current year	(143.119.948)	(1.961.132)
Recognized in other comprehensive income	39.407.412	10.689.888
As of the end of the period	**208.087.766**	**218.196.016**

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

NOTE 30 – EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period.

Companies can increase their capital by distributing shares ("Bonus Shares") to existing shareholders from retained earnings in proportion of their shares. When earnings per share are calculated, these bonus shares are considered as issued shares. Therefore, weighted average of shares used in earnings per share calculation are obtained by retrospective application of the issuance of the shares as free of charge.

Earnings per share are determined by dividing net profit attributable to shareholders by the weighted average number of issued ordinary shares as below:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Net profit attributable to the parent company	1.667.723.088	1.079.953.824
Weighted average number of shares with 1 KR face value each	2.430.000.000	2.430.000.000
Earnings per share (Kr)	**0,686**	**0,444**

NOTE 31 - RELATED PARTY DISCLOSURES

The balances of due from related parties, other receivables from related parties and payables to related parties as of the end of the period and a summary of transactions with related parties during the period are given below:

i) <u>Balances with related parties</u>

Short-term receivables from related parties

	31 December 2023	**31 December 2022**
Çelebi Havacılık Holding (1)	1.431.694	1.653.638
Other	2.782.203	28.398
	4.213.897	**1.682.036**

Other short-term receivables from related parties

	31 December 2023	**31 December 2022**
Çelebi Havacılık Holding (1) (*)	134.574.137	84.869.838
	134.574.137	**84.869.838**

Other receivables from related parties

	31 December 2023	**31 December 2022**
Çelebi Havacılık Holding (1) (*)	848.447.600	-
	848.447.600	**-**

Payables to related parties

	31 December 2023	**31 December 2022**
Çelebi Havacılık Holding (1) (**)	55.191.043	3.267.192
Celebi Shared Services India Pvt Ltd (4)	4.780.042	-
DASPL (4)	38.693	24.752
	60.009.778	**3.291.944**

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

NOTE 31 - RELATED PARTY DISCLOSURES (cont'd)

j) Balances with related parties (cont'd)

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

(*) The relevant amount consists of the intra-group loan receivable of EUR 30.000.000 granted by CGHH and Celebi Cargo to ÇHH.

(**) As of 31 December 2023, the relevant amount consists of legal, financial, human resources, management, corporate communication, purchasing, IT and business development services received by the Group from ÇHH, business development projects and expense reflections carried out by ÇHH on behalf of the Company.

ii) Significant transactions with related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Miscellaneous sales to related parties		
Çelebi Havacılık Holding (1)	48.748.880	9.669.028
Celebi Shared Services India (4)	1.139.235	-
Other	18.468	-
	49.906.583	**9.669.028**

	1 January - 31 December 2023	1 January - 31 December 2022
Contribution to holding expenses (*)		
Çelebi Havacılık Holding (1)	348.636.584	187.573.446
	348.636.584	**187.573.446**

(*) Holding expense participation shares paid to ÇHH include the legal, financial, human resources, management, business development, corporate communication, purchasing and IT consultancy services received by Çelebi Hava Hizmetleri A.Ş. from ÇHH.

	1 January - 31 December 2023	1 January - 31 December 2022
Other purchases from related parties		
Çelebi Havacılık Holding (1) (*)	58.646.087	33.476.125
Celebi Shared Services India (4)	3.520.194	-
Other	3.418	9.554.741
	62.169.699	**43.030.866**

(1) Parent company
(2) Subsidiary of the Group
(3) Associate of the Group
(4) Other related party
(*) Other purchases consist of vehicle rental, organization fees and other expenses. The purchases from ÇHH, which are classified under other purchases from related companies, consist of expenses reflected to the Company related to business development projects and tenders carried out by ÇHH on behalf and on behalf of the Company, directly related to the Company.

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

NOTE 31 - RELATED PARTY DISCLOSURES (cont'd)

As of 31 December 2023 and 2022, collaterals given in favour of the subsidiaries and joint venture of the Group for the loans borrowed by them are as follow:

31 December 2023	**EUR**	**INR**	**Total TL**
Celebi Nas (1)	-	97.704.000	34.617.504
Celebi Delhi Cargo (2)	-	313.600.000	111.111.616
CASI (3)	-	1.665.000.000	589.926.150
Celebi Cargo GmbH (4)	50.000	-	1.631.630
	50.000	**2.076.304.000**	**737.286.900**

31 December 2022	**EUR**	**INR**	**Total TL**
Celebi Nas (1)	-	94.392.000	21.393.947
Celebi Delhi Cargo (2)	-	313.600.000	71.077.440
CASI (3)	-	2.499.800.000	566.579.670
Celebi Cargo GmbH (4)	2.050.000	-	40.940.140
	2.050.000	**2.907.792.000**	**699.991.197**

(1) Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Nas and a bank resident in India amounting to INR 2.345.000.000 cash and INR 845.000.000 non-cash, 30% of the 59% shares of Celebi Nas owned by the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 31 December 2023, the risk of the cash loan in the respective bank is amounting to INR 394.851.167.

(2) Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Delhi Cargo and a bank resident in India amounting to INR 1.800.000.000 cash and INR 50.000.000 non-cash, 28% of the shares of the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 31 December 2023, the risk of the cash loan in the respective bank is amounting to INR 614.725.463.

(3) Celebi Airport Services has a borrowing amounting to INR 1.215.000.000 cash and INR 600.000.000 non-cash within the scope of the long-term project finance and working capital loan agreement signed between the Company and a bank resident in India. As of 31 December 2023, the risk of the cash loan in the respective bank is amounting to INR 821.613.911.

(4) As of 31 December 2023, There is no cash credit risk amount in the relevant banks for financial liabilities arising from non-cash loan agreements amounting to EUR 50.000, signed between Celebi Cargo GmbH and banks residing in Germany.

Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers. Key management compensation includes salaries, bonuses, social security contributions and other benefits provided to key management of the Group:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Short-term key management compensation	115.096.882	70.983.015
	115.096.882	**70.983.015**

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group focused to manage miscellaneous financial risks including changes in foreign currency exchange rates and interest rates because of activities of the Group. The Group purposes to minimize potential adverse effects arising from fluctuations in financial markets with overall risk management program.

Risk management is carried out under policies approved by the Boards of Directors.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Interest rate positions of the Group as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Fixed interest rate financial instruments		
Financial Assets	2.347.727.034	1.312.565.502
- *Cash and cash equivalents*	*2.347.727.034*	*1.312.565.502*
Financial Liabilities	5.444.686.193	2.604.347.369
Floating interest rate financial instruments		
Financial Liabilities	756.858.245	405.043.722

If other variables are kept constant and the interest rates were 1% higher/lower, interest expense due to financial liabilities would have been TL 1.857.864 higher or lower for the period ended 31 December 2023 (2022: TL 1.074.096).

Expected repricing and maturity dates are not disclosed in an additional table because they are not different from contractual maturity dates for non-credit financial assets and liabilities.

Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Group management meets these risks by restricting the average risk for each counterparty (excluding related parties) and receiving collateral if necessary. Explanations for credit risk are disclosed in Note 8.

Liquidity risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities if necessary and on the other hand sufficient and reliable sources of high-quality loans are accessible. The Group has long-term financial liabilities with maturity more than one year amounting to TL 3.850.788.527 as at 31 December 2023 (31 December 2022: TL 1.999.554.338) (Note 7).

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

The table below demonstrates the Group's liquidity risk arising from financial liabilities:

			Contractual			
31 December 2023	**Book value**	**Total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Loans	3.189.165.302	3.652.370.073	1.280.145.347	583.266.639	1.555.078.075	233.880.012
Liabilities from leasing obligations	3.012.379.136	4.291.066.955	110.105.599	330.316.796	1.464.706.621	2.385.937.939
Trade payables						
-Related party	60.009.793	60.009.793	60.009.793	-	-	-
-Other	920.092.158	920.092.152	318.793.703	601.298.449	-	-
Other liabilities	232.721.559	232.721.559	22.312.585	155.808.873	54.600.101	-

			Contractual			
31 December 2022	**Book value**	**Total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Loans	1.190.614.704	1.278.856.927	306.070.981	464.261.582	502.244.362	6.280.002
Liabilities from leasing obligations	1.818.776.387	2.128.341.685	53.869.423	161.608.268	737.653.065	1.175.210.929
Trade payables						
-Related party	3.291.944	3.291.944	3.291.944	-	-	-
-Other	442.994.548	442.994.548	152.982.822	290.011.726	-	-
Other liabilities	82.586.308	82.586.308	17.595.667	10.824.488	54.166.153	-

Foreign currency risk

The Group is exposed to foreign exchange rate risk through operations done using multiple currencies. The main principle in the management of this foreign currency risk is maintaining foreign exchange position in a way to be affected least by the fluctuations in foreign exchange rates.

For this reason, the proportion of the positions of these currencies to total equity amount is aimed to be controlled under certain limits. Derivative financial instruments are also used, when necessary. In this context, the Group's primary method is utilizing forward foreign currency transactions. The Group is exposed to foreign exchange rate risk mainly for EUR, and USD.

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the USD, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 27.013.993 (31 December 2022: TL 21.325.183).

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the EUR, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 13.373.176 (31 December 2022: TL 4.170.738).

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the GBP, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 151.133 (31 December 2022: TL 160.309).

As of 31 December 2023, while other variables being constant, if the TL was to appreciate/depreciate by 10%, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 33.433.107 (31 December 2022: TL 22.152.406).

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency denominated assets and liabilities of the Group as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Assets denominated in foreign currency	1.955.348.389	768.816.458
Liabilities denominated in foreign currency (-)	2.045.386.560	(820.399.159)
Net foreign currency position	**(90.038.171)**	**(51.582.701)**

The table below summarizes TL equivalents of foreign currency denominated assets and liabilities of the Group as of 31 December 2023 and 2022:

31 December 2023	TL Equivalent	USD	Euro	GBP	TL
1. Trade Receivables	421.777.837	3.232.156	6.254.083	-	122.370.366
2. Monetary Financial Assets	718.331.300	8.866.806	7.139.824	2.265	223.761.396
3. Other	242.856.212	21.975	3.293.851	72.727	131.984.000
4. Current Assets (1+2+3)	**1.382.965.349**	**12.120.937**	**16.687.758**	**74.992**	**478.115.762**
5. Other	572.383.040	44.506	17.500.000	-	-
6. Non-Current Assets (5)	**572.383.040**	**44.506**	**17.500.000**	**-**	**-**
7. Total Assets (4+6)	**1.955.348.389**	**12.165.443**	**34.187.758**	**74.992**	**478.115.762**
8. Trade Payables	194.939.662	2.973.248	1.009.408	-	74.315.106
9. Financial Liabilities	270.129.804	-	7.399.112	-	28.677.542
10. Other Monetary Liabilities	428.574.411	414.218	285.355	81.243	403.988.973
11. Current liabilities (8+9+10)	**893.643.877**	**3.387.466**	**8.693.875**	**81.243**	**506.981.621**
12. Financial Liabilities	1.149.762.223	-	33.481.595	-	57.170.726
13. Other Monetary Liabilities	1.980.460	-	-	-	1.980.460
14. Non-Current Liabilities (12+13)	**1.151.742.683**	**-**	**33.481.595**	**-**	**59.151.186**
15. Total Liabilities (11+14)	**2.045.386.560**	**3.387.466**	**42.175.470**	**81.243**	**566.132.807**
16. Net Foreign Currency Asset/(Liability) Position (7-15)	**(90.038.171)**	**8.777.977**	**(7.987.712)**	**(6.251)**	**(88.017.045)**
17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)	**(90.038.171)**	**8.777.977**	**(7.987.712)**	**(6.251)**	**(88.017.045)**

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 December 2022	**TL Equivalent**	**USD**	**Euro**	**GBP**	**TL**
1. Trade Receivables	125.425.813	1.760.898	4.022.221	-	12.112.989
2. Monetary Financial Assets	507.522.484	10.941.560	12.076.609	9.300	61.175.399
3. Other	131.553.639	356.199	4.249.696	600	39.997.927
4. Current Assets (1+2+3)	**764.501.936**	**13.058.657**	**20.348.526**	**9.900**	**113.286.315**
5. Other	4.314.522	-	-	-	4.314.522
6. Non-Current Assets (5)	**4.314.522**	**-**	**-**	**-**	**4.314.522**
7. Total Assets (4+6)	**768.816.458**	**13.058.657**	**20.348.526**	**9.900**	**117.600.837**
8. Trade Payables	128.423.970	1.142.910	1.109.199	3.348	84.787.702
9. Financial Liabilities	217.012.869	-	7.864.137	-	59.959.762
10. Other Monetary Liabilities	170.799.423	531.425	-	77.465	159.093.557
11. Current liabilities (8+9+10)	**516.236.262**	**1.674.335**	**8.973.336**	**80.813**	**303.841.021**
12. Financial Liabilities	302.929.038	-	13.463.608	-	34.050.015
13. Other Monetary Liabilities	1.233.859	-	-	-	1.233.859
14. Non-Current Liabilities (12+13)	**304.162.897**	**-**	**13.463.608**	**-**	**35.283.874**
15. Total Liabilities (11+14)	**820.399.159**	**1.674.335**	**22.436.944**	**80.813**	**339.124.895**
16. Net Foreign Currency Asset/(Liability) Position (7-15)	**(51.582.701)**	**11.384.322**	**(2.088.418)**	**(70.913)**	**(221.524.058)**
17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)	**(51.582.701)**	**11.384.322**	**(2.088.418)**	**(70.913)**	**(221.524.058)**

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Capital risk management

The Group's objectives when managing capital is able to maintain operations of the Group for maintaining optimal capital structure in order to provide return for its shareholders, reduce capital cost and benefit for other shareholders.

The shareholders of the Company, in order to maintain or modify capital structure, can change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to decrease financing needs, in consistency with the regulations of the CMB.

Consistent with others in the industry, the Group monitors capital on the basis of the debt / equity ratio. This ratio is found by dividing net debt to total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital invested is calculated as equity, as shown in the balance sheet, plus net debt.

The net debt/(equity+net debt) ratio as of 31 December 2023 and 2022 is as follows:

	31 December 2023	**31 December 2022**
Total financial liabilities	6.201.544.438	3.009.391.091
Less: Cash and cash equivalents	(3.373.899.826)	(1.927.530.563)
Less: Time deposits	(274.398.311)	(57.100.350)
Less: Restricted bank balances	(160.562.753)	(108.588.581)
Net debt (*)	2.392.683.548	916.171.597
Net debt (Except for the impact of TFRS 16)	(619.695.588)	(902.604.790)
Shareholder's equity	5.214.969.092	3.251.906.331
Capital invested	7.607.652.640	4.168.077.928
Net debt/capital invested	0,31	0,22

(*) As of 31 December 2023, TL 3.012.379.136 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective as of 1 January 2019 (31 December 2022: TL (1.818.776.387)).

NOTE 33 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees for the services received by the Company from the Independent Audit Firm (IAF) in the periods of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows:

	2023			**2022**		
	IAF	**Other IAF**	**Total**	**Other IAF**	**Total**	**IAF**
Independent audit fee for the reporting period	6.623.074	-	6.623.074	4.780.002	-	4.780.002
Fee for other assurance services	1.918.929	-	1.918.929	1.470.994	-	1.470.994
Fees for services other than independent audit	75.000	-	75.000	347.910	-	347.910
	8.617.003	**-**	**8.617.003**	**6.598.906**	**-**	**6.598.906**

NOTE 34 - EVENTS AFTER THE BALANCE SHEET DATE

None.