

Çelebi Hava Servisi Anonim Şirketi

Condensed consolidated financial statements for the interim period 1 January – 31 March 2023

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

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ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2023

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Audited</i>
	Notes	31 March 2023	31 December 2022
ASSETS			
Current assets			
Cash and cash equivalents	4	2.451.047.172	1.928.963.765
Financial investments	5	118.712.002	117.856.757
-Restricted bank balances		61.447.228	60.756.407
-Time deposits		57.264.774	57.100.350
Trade receivables	8	679.557.506	561.665.795
-Trade receivables from related parties		307.748	1.682.036
-Trade receivables from third parties		679.249.758	559.983.759
Other receivables	9	271.229.273	382.034.765
-Other receivables from related parties		90.437.746	84.869.838
-Other receivables from third parties		180.791.527	297.164.927
Inventories	10	82.846.978	64.668.039
Prepaid expenses	16	158.411.258	95.196.252
Other current assets	15	34.389.209	42.507.926
Total current assets		3.796.193.398	3.192.893.299
Non-current assets			
Financial investments	5	51.093.033	47.877.504
-Other financial assets at fair value through profit/loss		-	45.330
- Restricted bank balances		51.093.033	47.832.174
Other receivables	9	464.037.258	423.549.399
-Other receivables from related parties		464.037.258	423.549.399
-Other receivables from third parties	6	16.484.215	19.463.360
Investments accounted using equity method	11	1.294.198.690	1.265.612.918
Property, plant and equipment	12	1.545.498.437	1.491.722.409
Right-of-use assets	13	1.158.572.722	1.093.201.305
Intangible assets		136.131.443	124.300.843
-Goodwill		1.022.441.279	968.900.462
-Other intangible assets	16	118.503.250	84.120.073
Prepaid expenses	23	362.927.873	340.335.572
Deferred tax asset	15	96.373.958	91.811.185
Total non-current assets		5.107.689.436	4.857.693.725
Total assets		8.903.882.834	8.050.587.024

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2023

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

	Notes	Current Period	Prior Period
		Not Audited 31 March 2023	Audited 31 December 2022
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	583.665.875	-
Short-term portion of long-term financial liabilities	7	566.443.367	692.168.864
Short-term lease payables	7	346.516.138	317.667.889
Trade payables	8	434.748.642	446.286.492
- Trade payables to related parties		14.997.283	3.291.944
- Trade payables to third parties		419.751.359	442.994.548
Payables related to employee benefits	18	333.493.681	219.634.885
Other payables	9	40.109.512	28.420.155
- Other short-term payables to third parties		40.109.512	28.420.155
Deferred income	17	85.991.180	94.585.719
Current profit tax liability	23	99.555.882	47.980.681
Short-term provisions	14	80.189.347	57.192.656
- Provisions for employment termination benefits		69.630.376	46.513.558
- Other short-term provisions		10.558.971	10.679.098
Other current liabilities	15	298.083.460	235.610.233
Total current liabilities		2.868.797.084	2.139.547.574
Non-current liabilities			
Long-term financial liabilities	7	378.046.690	498.445.840
Long-term lease payables	7	1.539.597.790	1.501.108.498
Other payables	9	48.932.407	54.166.153
- Other long-term payables to third parties		48.932.407	54.166.153
Long-term provisions	14	88.724.574	143.103.765
- Provisions for employee benefits		88.724.574	143.103.765
Deferred tax liability	23	98.892.210	122.139.556
Other non-current liabilities	15	348.627.553	324.900.195
Deferred income	17	13.368.301	15.269.112
Total non-current liabilities		2.516.189.525	2.659.133.119
Total liabilities		5.384.986.609	4.798.680.693
EQUITY			
Equity attributable to equity holders of the parent		3.021.154.979	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		406.601.560	340.290.526
- Foreign currency translation differences		483.280.112	416.969.078
- Remeasurement losses of defined benefit plans		(76.678.552)	(76.678.552)
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		929.777.723	881.598.528
- Foreign currency translation differences		929.777.723	881.598.528
Restricted reserves appropriated from profit	19	91.996.776	91.996.776
Prior years' profit		1.454.253.229	374.299.405
Net profit / (loss) for the period		114.225.691	1.079.953.824
Non-controlling interests		497.741.246	459.467.272
Total equity		3.518.896.225	3.251.906.331
Total liabilities and equity		8.903.882.834	8.050.587.024

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Audited</i>
	Notes	1 January – 31 March 2023	1 January – 31 March 2022
CONTINUING OPERATIONS			
Revenue	20	1.746.217.197	1.094.758.659
Cost of sales (-)	20	(1.342.060.575)	(751.623.267)
GROSS PROFIT		404.156.622	343.135.392
General administrative expenses (-)		(205.713.112)	(121.804.654)
Other operating income		46.516.563	25.784.225
Other operating expenses (-)		(51.255.942)	(44.826.361)
OPERATING PROFIT		193.704.131	202.288.602
Income from investing activities		25.271	120.053
Expenses from investing activities (-)		(822.841)	(787)
Shares of profits from of investments valued by equity method	6	-	(1.910.106)
OPERATING PROFIT BEFORE FINANCE EXPENSE		192.906.561	200.497.762
Finance income	21	55.246.887	44.793.343
Finance expenses (-)	22	(37.142.765)	(57.987.881)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		211.010.683	187.303.224
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS		238.389	-
Tax expense		(72.179.901)	(45.674.407)
Current tax expense	23	(112.071.882)	(34.019.718)
Deferred tax income/(expense)	23	39.891.981	(11.654.689)
PROFIT FOR THE PERIOD		139.069.171	141.628.817
Profit for the Period Attributable to			
Non-controlling interests		24.843.480	12.906.734
Equity holder of the Parent		114.225.691	128.722.083
		139.069.171	141.628.817
Earnings/(loss) per share (Kr)	24	0,047	0,053

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ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

	<i>Current Period</i>	<i>Prior Period</i>
	<i>Not Audited</i>	<i>Not Audited</i>
	1 January- 31 March 2023	1 January- 31 March 2022
	Notes	
Net profit for the period	139.069.171	141.628.817
Items that will not be reclassified to profit or loss		
- Foreign currency translation differences	66.311.034	50.496.204
Items that will be reclassified to profit or loss		
- Foreign currency translation differences	61.494.263	140.486.566
Other comprehensive income / (expense)	127.805.297	190.982.770
Total comprehensive income	266.874.468	332.611.587
Total comprehensive income attributable to:		
Non-controlling interests	38.158.548	46.940.422
Equity holders of the parent	228.715.920	285.671.165
	266.874.468	332.611.587

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

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

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

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ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

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

	Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss			Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Retained earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share capital	Losses on remeasurement of defined benefit plans	Foreign currency translation differences	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit for the period			
As of 1 January 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)	-	-	-
Other comprehensive income / (expense)										
- Foreign currency translation difference	-	-	50.496.204	106.452.878	-	-	-	156.949.082	34.033.688	190.982.770
Total other comprehensive income / (expenses)	-	-	50.496.204	106.452.878	-	-	-	156.949.082	34.033.688	190.982.770
Net profit/(loss) for the period	-	-	-	-	-	-	128.722.083	128.722.083	12.906.734	141.628.817
Total comprehensive income / (expense)	-	-	50.496.204	106.452.878	-	-	128.722.083	285.671.165	46.940.422	332.611.587
As of 31 March 2022	24.300.000	(34.956.456)	171.546.836	719.661.583	74.387.905	555.933.276	128.722.083	1.639.595.227	362.861.446	2.002.456.673

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Not Audited</i>
		1 January –	1 January –
	Notes	31 March	31 March
		2023	2022
A. Cash flows from operating activities		292.444.188	102.253.829
Net (loss) / profit for the period		139.069.171	141.628.817
Adjustments for reconciliation of net profit/loss for the period		229.899.386	155.992.607
Adjustments related to depreciation and amortization expenses	11, 12, 13	114.923.222	78.504.231
Adjustments related to impairment (reversal)		65.064	167.629
Adjustments related to provisions		35.051.460	13.312.873
- Adjustments related to provisions for employee benefits		35.051.460	13.312.873
Adjustments related to interest income and expenses	21,22	8.038.514	31.889.561
- Adjustments related to interest income		(19.849.063)	(11.423.897)
- Adjustments related to interest expenses		27.887.577	43.313.458
Adjustments related to unrealized foreign currency translation differences		(917.956)	(15.169.887)
Adjustments related to tax (income) expenses		72.179.901	45.674.407
Adjustments related to undistributed profit of investments that are accounted by the equity method	6	(238.389)	1.910.106
Adjustments related to gains/losses on disposal of non-current assets		797.570	(296.313)
Changes in working capital		52.747.323	(166.747.705)
Adjustments related to increase/decrease in trade receivables		(121.646.915)	(109.166.130)
-Decrease/increase in trade receivables from related parties		1.374.288	(3.208.200)
-Decrease/increase in trade receivables from third parties		(123.021.203)	(105.957.930)
Adjustments related to increase/decrease in other receivables related to operations		106.586.255	(96.703.698)
Adjustments related to increase/decrease in inventories		(18.178.939)	2.950.311
Decrease (increase) in prepaid expenses		(97.598.183)	(20.137.377)
Adjustments related to increase/decrease in trade payables		(11.537.850)	(47.392.609)
- Increase (decrease) in trade payables to related parties		11.705.339	(6.969.429)
- Increase (decrease) in trade payables to third parties		(23.243.189)	(40.423.180)
Increase (decrease) in payables related to employee benefits		112.891.129	43.550.782
Adjustments related to increase/decrease in other payables related to operations		82.231.826	60.151.016
Cash flows generated from operations		421.715.880	130.873.719
Payments related to provisions for employee benefits	14	(68.583.904)	(3.896.496)
Payments related to other provisions		(191.107)	(1.568.708)
Tax returns (payments)		(60.496.681)	(23.154.686)

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Not Audited</i>
		1 January –	1 January –
		31 March	31 March
	Notes	2023	2022
B. Cash flows from investing activities		(94.755.982)	(47.560.327)
Cash inflows from sale of property, plant and equipment and intangible assets		-	10.978.284
-Cash inflows from sale of property, plant and equipment	11,13	-	10.978.284
-Cash inflows from sale of intangible assets		-	-
Cash outflows from purchase of property, plant and equipment and intangible assets		(87.787.515)	(63.381.959)
-Cash outflows from purchase of property, plant and equipment		(37.023.851)	(63.153.807)
-Cash outflows from purchase of intangible assets		(50.763.664)	(228.152)
Cash inflows from cash advances and debts given to related parties		(1.693.460)	(1.329.707)
Other cash inflows		(5.275.007)	6.173.055
C. Cash flows from financing activities		193.499.459	(151.860.770)
Lease payments		(59.235.107)	(36.604.513)
Cash inflows from financial liabilities		571.570.999	200.528.649
Cash outflows due to debt payments		(328.286.795)	(323.554.713)
Interest paid		(10.398.701)	(3.654.090)
Interest received		19.849.063	11.423.897
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		391.187.665	(97.167.268)
Foreign currency translation differences		129.691.509	128.769.292
Net increase/decrease in cash and cash equivalents		520.879.174	31.602.024
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	2.448.409.737	1.125.176.856

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

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

The Company is registered in Capital Markets Board (“CMB”) and has been listed in Borsa İstanbul (“BIST”) since 18 November 1996. As of 31 March 2023, 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 working for the Group as of the period ended on 31 March 2023 is 12.891 (31 December 2022: 11.838).

Information on Subsidiaries and Investments Valued with Equity Method:

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

- Subsidiaries of the Group are as follows:

<u>Subsidiary</u>	<u>Registered country</u>	<u>Geographic region</u>	<u>Nature of business</u>
CGHH	Hungary	Hungary	Ground handling services
Celebi Delhi Cargo	India	India	Warehouse and cargo services
CASI	India	India	Ground handling services
Celebi Nas	India	India	Ground handling services
Çelebi Kargo	Turkey	Turkey	Warehouse and cargo services
Celebi Cargo	Germany	Germany	Warehouse and cargo services
Celebi Tanzania	Tanzania	Tanzania	Ground handling 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

(*) As of 31 March 2023, they are inactive since there are no activities.

In 2006, the Company acquired the shares of Budapest Airport Handling, which provides airport ground handling services at Budapest Airport, and its trade name was changed to Celebi Ground Handling Hungary (“CGHH”). The Company currently owns 100% of the capital of CGHH and as of 31 December 2022, the paid-in capital of CGHH is 200,000,000 Hungarian Forints.

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

- Subsidiaries of the Group are as follows (cont'd)

The Company participated as a co-founder in the Company with capital of 100,000 Indian Rupee under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernization and 25-year operation of the existing cargo terminal in the airport ("Brownfield") in New Delhi in India on 6 May 2009 with a shareholding rate of 74%. The paid capital of the Celebi Delhi Cargo is Indian Rupee 1.120.000.000.

As a result of the winning the tender for providing ground handling services at Delhi International Airport for a 10-year period, the Company has made legal and premium capital payment amounting to Indian Rupee 2.320.846.830 on its subsidiary of Çelebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), which was established on 18 November 2009 with a shareholding rate of 99,9%. The Company currently operates ground handling services in New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India as part of the ongoing concession agreements. On 15 March 2018, the Company's title was changed to Celebi Airport Services India Private Limited ("CASI"). CASI will continue to deliver ground handling services at Delhi International Airport for 10 years subsequent to the termination of the existing concession agreement with the authority given on 9 December 2019.

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

The Company has a 58,70% share in KSU Aviation Private Limited ("KSU") located in India, which was established on 8 May 2019 to provide "taxiing" services to aircraft at airports in India. For this purpose, a premium capital payment of Indian Rupee 450.675.770 was made by the Company.

Celebi Nas Airport Services India Private Limited ("Celebi Nas") was established on 12 December 2008 to provide ground handling services for 10 years at Mumbai Chhatrapati Shivaji International Airport (CSIA) in India. The Company has 57% shareholding where the share capital of Çelebi Nas is Indian Rupee 552.000.000. In addition, a premium capital increase of Indian Rupee 228,000,000 has been paid by the shareholders of Celebi Nas. Celebi Nas has obtained a concession right until May 2036 for the provision of ventilation and generator services installed on the passenger bridges at the airport passenger terminal. Within the scope of the concession agreement signed between Celebi Nas and MIAL, Celebi Nas will continue to provide ground handling services for an additional 10 (ten) years from 1 January 2020 to 31 December 2029, following the expiration of the current concession period at CSIA airport on 31 December 2019.

In order to participate in ground handling concession tenders to be opened at airports in Tanzania, the Company has a 65% stake in Celebi Tanzania Aviation Services Limited ("Celebi Tanzania"), located in Dar es Salaam, Tanzania, with a total capital of 100 million Tanzania Shillings (approximately 40 thousand USD). The Company has already started its activities as of 1 February 2021, in line with the contract signed with the Tanzania Airport authority.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

- **Subsidiaries of the Group are as follows (cont’d)**
- *Associate*

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

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

Çelebi GH Delhi, a subsidiary of the Group, has participated in establishment of Delhi Aviation Services Private Limited ("DASPL") with a shareholding of 16,66%, DASPL is resident in New Delhi, India and operating in rendering services of air conditioners, water providing systems and generators mounted on passenger boarding bridges with international standards established with a share capital is Indian Rupee 250.000.000. On 14 November 2016, Çelebi GH Delhi, has acquired 8.33% of additional shares of DASPL and reached to a shareholding rate of 2499%. The Group accounts DASPL by using the equity method in its consolidated financial statements. DASPL's operations ended as of 1 April 2022, and the net loss for the period after 31 March 2022 is shown under "Profit / (loss) for the period / from discontinued operations".

As of 31 March 2023, the consolidated financial statements of the Group contains the Company, Celebi Nas, CGHH, Celebi Delhi Cargo, CASI, Çelebi Kargo, DASPL, Celebi Cargo and KSU and Celebi Tanzania, CGHI and CGSC (all together will be referred to as “the Group”).

Approval of Consolidated Financial Statements

The consolidated financial statements for the period 1 January – 31 March 2023 has been approved for the issuance by the Board of Directors on 10 May 2023, and signed by Osman Yılmaz, the General Manager, and Deniz Bal, the Director of Financial Affairs, on behalf of Board of Directors.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1 Accounting Standards Applied

The Group’s consolidated financial statements have been prepared in accordance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting in Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013, which is published on Official Gazette numbered 28676, and according to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS/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 15 April 2019 and the Financial Statement Examples and User Guide published by the CMB.

The Company and its Subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the principles and standards issued by POA, Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of Turkey (“Ministry of Finance”). Foreign subsidiaries, joint venture and associate maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. Adjustments and restatements, required for the fair presentation of the consolidated financial statements in conformity with the Turkish Financial Reporting Standards have been accounted in the statutory financial statements the Company, its subsidiaries, joint venture and associate, adjusted by reflecting the necessary adjustments and classifications for accurate presentation

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.1. Basis of Presentation (cont’d)

2.1.1 Accounting Standards Applied (cont’d)

in accordance with Turkish Financial Reporting Standards. Assets and liabilities of the joint ventures within the scope of consolidation are translated into Turkish Lira using the exchange rate, income and expenses are translated by using the average exchange rate on the date of the consolidated statement of financial position. Exchange differences resulting from the use of closing and average exchange rates are followed under the foreign currency translation differences account in shareholders' equity.

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

Functional and Reporting Currency

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

<u>Company</u>	<u>Currency</u>
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	Turkish Lira (TL)
Celebi Cargo	Euro (EUR)
DASPL	Indian Rupee (INR)
Celebi GH India Private Limited	Indian Rupee (INR)
KSU	Indian Rupee (INR)
CGHI	Indian Rupee (INR)
CGSC	Indian Rupee (INR)
Celebi Tanzania	Tanzanian Shilling (TZS)

Restatement of financial statements during periods of high inflation

POA made an announcement on 20 January 2022 regarding the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements as of 31 March 2023 in accordance with TAS 29.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.1. Basis of Presentation (cont’d)

2.1.2 New and Amended Turkish Financial Reporting Standards

The accounting policies used in the preparation of the condensed consolidated financial statements for the interim period ending as of 31 March 2023 have been applied consistently with those used in the prior year, except for the new and revised TFRS standards and TFRIC interpretations effective as of 1 January 2023, which are summarized below. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the relevant paragraphs.

a) Amendments that are mandatorily effective from 2023

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

Amendments to TAS 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.

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

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.

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.1. Basis of Presentation (cont’d)

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

a) Amendments that are mandatorily effective from 2023

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

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

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

Amendments are effective with the first application of TFRS 17.

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

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

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 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

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

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

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.1. Basis of Presentation (cont’d)

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

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

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.

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

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.

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

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 financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.1.3 Financial Statements of Joint Ventures Operating in Foreign Countries

Financial statements of joint ventures operating in foreign countries are prepared according to the legislation of the country in which they operate, and adjusted to the Turkish Financial Reporting Standards to reflect the proper presentation and content. Foreign joint ventures’ assets and liabilities are translated into TL with the foreign exchange rate at the statement of financial position date. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and statement of financial position date rates are included in the currency translation differences under the shareholders’ equity.

2.1.4 Basis of Consolidation

- a) The consolidated financial statements include the accounts of the parent company. Çelebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the “Group”) on the basis set out in sections (b), to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries and Joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.
- b) The consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfillment of the following conditions:
 - having power over the invested company/asset;
 - being open to or entitled to variable returns from the invested company/asset and
 - ability to use power to have an impact on returns.

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

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

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

Consolidation of a subsidiary begins when the Company has control over the subsidiary and ends when it loses control. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.1.4 Basis of Consolidation (cont’d)

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

Subsidiary	Ownership interest (%)	
	31 March 2023	31 December 2022
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
CASI	99,9	99,9
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9
KSU	58,7	58,7
Celebi Tanzania	65,0	65,0
Celebi Nas	57,0	57,0
Celebi GH India Private Limited	61,0	61,0
Celebi GS Chennai Private Limited	100,0	100,0

- 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.

The capital share of the Group, directly or indirectly, in its subsidiary is shown below, the said capital share is equal to the Group’s effective ratio in the related companies:

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

2.2. Change in Accounting Policies

2.2.1 Comparative Information

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

2.2. Change in Accounting Policies (cont’d)

2.2.1 Comparative Information (cont’d)

Income accruals amounting to TL 9.011.527, which were shown under other receivables in the consolidated statement of financial position as of 31 December 2022, were reclassified to trade receivables.

Other tax liabilities amounting to TL 117.874.307, which were shown under the current income tax liability in the consolidated statement of financial position as of 31 December 2022, were reclassified to other short-term liabilities.

2.3.1 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.

NOTE 3 – SEGMENT REPORTING

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

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

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 3 – SEGMENT REPORTING (cont’d)

1 January - 31 March 2022	Operation Groups			Consolidated
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	
Revenue	638.258.221	462.398.030	(5.897.592)	1.094.758.659
Cost of sales	(432.442.265)	(321.001.040)	1.820.038	(751.623.267)
Gross profit	205.815.956	141.396.990	(4.077.554)	343.135.392
General administrative expenses	(92.907.929)	(32.929.901)	4.033.176	(121.804.654)
Addition: Depreciation and amortization	49.690.942	28.813.289	-	78.504.231
Addition: TFRIC 12 effect shares	-	3.458.547	-	3.458.547
Addition: Retirement pay liability and unused vacation provisions	10.546.495	2.766.378	-	13.312.873
EBITDA effect of investments accounted by using equity method	2.767.767	-	-	2.767.767
EBITDA	175.913.231	143.505.303	(44.378)	319.374.156
Lease expenses under TFRS 16	(27.189.957)	(9.292.579)	-	(36.482.536)
EBITDA (Except for effect of new and revised accounting policies)	148.723.274	134.212.724	(44.378)	282.891.620

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

	1 January – 31 March 2023	1 January – 31 March 2022
EBITDA for reported segments	388.413.628	319.374.156
Depreciation and amortization	(114.923.222)	(78.504.231)
TFRIC 12 effect	(40.057.011)	(3.458.547)
Other operating income	46.516.563	25.784.225
Other operating expenses (-)	(51.255.942)	(44.826.361)
Retirement pay liability and unused vacation provisions	(35.051.460)	(13.312.873)
EBITDA effect of investments accounted by using equity method	61.575	(2.767.767)
Operating profit	193.704.131	202.288.602
Income from investments accounted by equity method	-	(1.910.106)
Income from investment activities	25.271	120.053
Expenses from investment activities (-)	(822.841)	(787)
Financial income	55.246.887	44.793.343
Financial expenses (-)	(37.142.765)	(57.987.881)
Profit / (loss) before tax	211.010.683	187.303.224

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2023	31 December 2022
Cash	1.263.741	1.735.686
Banks	2.449.783.431	1.927.228.079
- time deposit	1.571.495.467	1.255.465.152
- demand deposit	878.287.964	671.762.927
	2.451.047.172	1.928.963.765

As of 31 March 2023, effective interest rates on TL, EUR, USD and INR denominated time deposits are 15,21%, 1,46%, 1,33% and 5,38% (31 December 2022: TL 15,21%, Euro 1,46%, USD 1,33%, INR 5,38%). As of 31 March 2023, the maturity of denominated time deposits are 1 day for TL, USD and EUR, respectively, 45 days for INR (31 December 2022: 45 days for INR, 1 day for TL, Euro and US Dollar).

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

	31 March 2023	31 March 2022
Cash on hand and cash at banks	2.451.047.172	1.126.032.436
Less: Interest accruals	(2.637.435)	(855.580)
	2.448.409.737	1.125.176.856

NOTE 5 - FINANCIAL INVESTMENTS

	31 March 2023	31 December 2022
Restricted bank balances (Less than 365 days) (*)	61.447.228	60.756.407
Restricted bank balances (Longer than 365 days) (**)	51.093.033	47.832.174
	112.540.261	108.588.581

Time deposits:

	31 March 2023	31 December 2022
Time deposits (3 months to 365 days)	57.264.774	57.100.350
	57.264.774	57.100.350

NOTE 6 - INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD

	Percentage of shares%	31 March 2023	Percentage of shares%	31 December 2022
DASPL	24,99	16.484.215	24,99	19.463.360
		16.484.215		19.463.360

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 6 - INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD (cont'd)

The movements of investments accounted using the equity method during the three-month periods ended on 31 March are as follows:

	31 March 2023	31 March 2022
As of 1 January	19.463.360	20.391.743
Shares of profit/loss	238.389	(1.910.106)
Foreign currency translation differences	(3.217.534)	2.122.096
As of 31 March	16.484.215	20.603.733

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

	1 January- 31 March 2023	1 January- 31 March 2022
DASPL	238.388	(1.910.106)
	238.388	(1.910.106)

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

Summary information of financial statements of DASPL is as follows:

	31 March 2023	31 December 2022
Total Assets	72.916.318	69.559.096
Total Liabilities	5.416.650	4.866.078
	1 January- 31 March 2023	1 January- 31 March 2022
Total Sales Income	-	23.146.480
Profit / (Loss) for the Period	953.557	(7.643.481)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS

Short-term borrowings:

			31 March 2023
<i>Short-term borrowings:</i>	Effective interest rate (%)	Original balance	TL
EUR borrowings	3,00-3,95	27.950.000	583.665.875
			583.665.875

			31 March 2023
<i>Short-term finance lease obligations:</i>			TL
	Original balance		TL
INR finance lease obligation	343.633.339		80.097.495
EUR finance lease obligation	11.234.323		234.600.759
TL finance lease obligation	31.427.997		31.427.997
HUF finance lease obligation	7.104.355		389.887
Total short-term finance lease obligations			346.516.138

			31 March 2023
<i>Short-term portion of long-term borrowings:</i>	Effective interest rate (%)	Original balance	TL
Interest expense accrual – EUR		485.915	10.147.121
Interest expense accrual –INR		2.670.110	622.376
INR borrowings	5,50-8,68	425.766.751	99.241.972
EUR borrowings	1,89-5,75	20.864.737	435.707.867
TL borrowings	9,95-21,00	20.724.031	20.724.031

Total short-term finance lease obligations: **566.443.367**

Total short-term borrowings: **1.496.625.380**

Long-term borrowings:

			31 March 2023
<i>Long-term borrowings:</i>	Effective interest rate (%)	Original balance	TL
INR borrowings	5,50-8,68	1.295.151.916	301.886.960
EUR borrowings	1,89-5,75	3.647.060	76.159.730
			378.046.690

<i>Long-term finance lease obligations:</i>	Original balance		TL
Long-term finance lease obligations – INR	693.710.940		161.697.083
Long-term finance lease obligations – EUR	64.508.999		1.347.109.163
Long-term finance lease obligations – TL	30.791.544		30.791.544

Total long-term finance lease obligations **1.539.597.790**

Total long-term borrowings **1.917.644.480**

Total financial liabilities **3.414.269.860**

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

Short-term borrowings:

<i>Short-term lease obligations:</i>	Original balance	TL
INR lease obligation	329.465.625	74.673.384
EUR lease obligation	10.653.137	212.751.662
TL lease obligation	29.552.607	29.552.607
HUF lease obligation	13.829.613	690.236
Total short-term lease obligations		317.667.889

31 December 2022			
<i>Short-term portion of long-term borrowings:</i>	Effective interest rate (%)	Original balance	TL
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			
<i>Long-term borrowings:</i>	Effective interest rate (%)	Original balance	TL
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

<i>Long-term lease obligations:</i>	Original balance	TL
INR lease obligations	720.997.079	163.409.455
EUR lease obligations	65.277.757	1.303.649.028
TL lease obligations	34.050.015	34.050.015

Total long-term lease obligations		1.501.108.498
Total long-term borrowings		1.999.554.338
Total borrowings		3.009.391.091

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

As of 31 March 2023 and 31 December 2022, repayment maturities of the Group’s borrowings are as follows:

	31 March 2023	31 December 2022
Less than 3 months	309.437.959	344.118.211
Between 3-12 months	1.187.187.421	665.718.542
Between 1-5 years	1.148.929.861	1.235.910.398
5 years and more	768.714.619	763.643.940
	3.414.269.860	3.009.391.091

As of 31 March 2023 and 31 December 2022, repayment maturities of long-term loans are as follows:

	31 March 2023	31 December 2022
Between 1-2 years	121.566.970	231.250.652
Between 2-3 years	169.578.087	161.789.233
Between 3-4 years	45.559.447	55.409.809
4 years and more	41.342.186	49.996.146
	378.046.690	498.445.840

The reconciliation of the Group’s liabilities arising from loans for the three-month interim period ended on 31 March 2023 and 31 March 2022 is as follows:

	2023	2022
Beginning of the period - 1 January	1.190.614.704	1.478.468.803
New borrowings received	571.570.999	199.629.714
Principal payments	(328.286.795)	(323.554.713)
Interest payments	(10.398.701)	(3.654.090)
Exchange differences	105.347.590	109.556.224
Interest accruals change	(691.865)	9.837.500
End of the period - 31 March	1.528.155.932	1.470.283.438

The reconciliation of the Group’s payables related to leases for the three-month interim periods ended on 31 March 2023 and 31 March 2022 is as follows:

	2023	2022
Beginning of the period - 1 January	1.818.776.387	1.262.208.003
Additions	29.431.858	(3.209.514)
Lease expense	6.719.379	14.823.317
Lease payments	(59.235.107)	(62.228.057)
Exchange and translation differences	90.421.411	134.227.664
End of the period - 31 March	1.886.113.928	1.345.821.413

(*) Transfers are related to full consolidation of Celebi Nas.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 March 2023	31 December 2022
Trade receivables from third parties	781.236.893	658.660.045
Less: Provision for impairment	(101.987.135)	(98.676.286)
Trade receivables from third parties (net)	679.249.758	559.983.759
Trade receivables from related parties	307.748	1.682.036
Total short-term trade receivables	679.557.506	561.665.795

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

	31 March 2023	31 March 2022
Opening balance	98.676.286	79.272.561
Additional provisions in current period	65.064	167.629
Foreign currency translation differences	3.690.140	5.085.075
Written-off of uncollectible receivables	(444.355)	-
Closing balance	101.987.135	84.525.265

Short-term trade payables

	31 March 2023	31 December 2022
Trade payables to third parties	320.664.254	290.011.726
Accrued liabilities	99.087.105	152.982.822
Total trade payables to third parties	419.751.359	442.994.548
Due to related parties (Note 25)	14.997.283	3.291.944
Total short-term trade payables	434.748.642	446.286.492

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 March 2023	31 December 2022
Receivables from tax office	28.994.233	11.700.900
Deposits and guarantees given	31.124.946	30.787.836
Other miscellaneous receivables (*)	93.236.000	213.051.000
Airline tax (**)	27.436.348	41.625.191
Other short-term receivables from third parties	180.791.527	297.164.927
Other receivables from related parties (Note 25)	90.437.746	84.869.838
Total short-term other receivables	271.229.273	382.034.765

(*) A large part of other miscellaneous receivables consist of short-term loans given by Delhi Cargo to GMR Group to its companies in the amount of INR 400.000.000 (31 December 2022: INR 940.000.000).

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

Other long-term receivables

	31 March 2023	31 December 2022
Deposits and guarantees given (*)	464.037.258	423.549.399
Other short-term receivables from third parties	464.037.258	423.549.399
Total long-term other receivables	464.037.258	423.549.399

(*) As of 31 March 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 66.488.922, (31 December 2022: TL 63.602.687), TL 130,804,080 (31 December 2022: TL 123.667.741) and TL 248,723,709 (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 March 2023	31 December 2022
Other short-term payables (*)	21.526.973	13.170.819
Deposits and guarantees received	18.582.539	15.249.336
	40.109.512	28.420.155

Other long-term payables

	31 March 2023	31 December 2022
Deposits and guarantees received	48.932.407	54.166.153
	48.932.407	54.166.153

NOTE 10 – INVENTORIES

	31 March 2023	31 December 2022
Trade goods	27.926.992	16.234.843
Other inventories (*)	54.919.986	48.433.196
	82.846.978	64.668.039

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

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

	Opening 1 January 2023	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2022
Cost						
Plant, machinery and equipment	1.489.198.096	27.213.866	(1.953.672)	1.714.627	60.489.227	1.576.662.144
Motor vehicles	323.134.741	4.932.052	(150.961)	-	18.546.299	346.462.131
Furniture and fixtures	161.464.516	2.705.297	(116.112)	-	8.176.443	172.230.144
Leasehold improvements	522.334.696	1.247.272	-	3.762.145	24.920.428	552.264.541
Construction in progress	120.831.028	608.971	-	(32.621.542)	3.461.031	92.279.488
	2.616.963.077	36.707.458	(2.220.745)	(27.144.770)	115.593.428	2.739.898.448
Accumulated depreciation						
Plant, machinery and equipment	(925.053.586)	(22.964.427)	1.606.734	758	(35.642.092)	(982.052.613)
Motor vehicles	(190.978.302)	(5.034.828)	37.740	-	(9.299.151)	(205.274.541)
Furniture and fixtures	(92.351.471)	(4.481.793)	95.094	-	(5.019.747)	(101.757.917)
Leasehold improvements	(142.966.800)	(6.225.894)	-	(758)	(7.421.235)	(156.614.687)
	(1.351.350.159)	(38.706.942)	1.739.568	-	(57.382.225)	(1.445.699.758)
Net book value	1.265.612.918					1.294.198.690

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

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

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

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

	Opening 1 January 2022	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2022
Cost						
Plant, machinery and equipment	1.057.610.398	42.038.684	(936.570)	6.179.148	103.980.581	1.208.872.241
Motor vehicles	216.485.771	16.948.280	(10.503.744)	-	24.084.923	247.015.230
Furniture and fixtures	111.376.561	3.571.768	(8.631)	-	9.865.541	124.805.239
Leasehold improvements	380.342.541	415.249	-	-	30.918.563	411.676.353
Construction in progress	61.419.347	179.826	-	(6.179.148)	6.209.892	61.629.917
	1.827.234.618	63.153.807	(11.448.945)	-	175.059.500	2.053.998.980
Accumulated depreciation						
Plant, machinery and equipment	(656.222.085)	(17.659.814)	731.455	-	(64.026.916)	(737.177.360)
Motor vehicles	(138.059.005)	(2.706.517)	31.779	-	(15.147.293)	(155.881.036)
Furniture and fixtures	(62.554.261)	(3.046.654)	3.740	-	(5.758.369)	(71.355.544)
Leasehold improvements	(95.597.428)	(4.504.687)	-	-	(8.140.373)	(108.242.488)
	(952.432.779)	(27.917.672)	766.974	-	(93.072.951)	(1.072.656.428)
Net book value	874.801.839					981.342.552

Depreciation cost amounting to TL 26.694.184 for the period ended on 31 March 2022 was included in cost of sales and TL 1.223.488 was included in operating expenses.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 12 – RIGHT-OF-USE ASSETS

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

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

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

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

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

Movements in right of use assets for the interim period ended on 31 March 2022 are as follows:

	Opening 1 January 2022	Additions	Modifications	Foreign currency translation differences	Closing 31 March 2022
Cost					
Buildings and land	1.338.033.236	-	(3.209.514)	123.534.027	1.458.357.749
Machinery, plant and equipment	71.217.129	-	-	5.658.965	76.876.094
Motor vehicles	31.825.926	-	-	2.707.473	34.533.399
	1.441.076.291	-	(3.209.514)	131.900.465	1.569.767.242
Accumulated depreciation					
Buildings and land	(289.166.353)	(30.848.393)	-	(27.843.336)	(347.858.082)
Machinery, plant and equipment	(71.217.129)	-	-	(5.658.965)	(76.876.094)
Motor vehicles	(17.085.769)	(1.622.043)	-	(1.562.580)	(20.270.392)
	(377.469.251)	(32.470.436)	-	(35.064.881)	(445.004.568)
Net book value	1.063.607.040				1.124.762.674

Depreciation expense for the period ended on 31 March 2022 amounting to TL 32.470.436 is included in cost of sales.

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

NOTE 13 - INTANGIBLE ASSETS

Other Intangible Assets

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

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

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

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

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

NOTE 13 - INTANGIBLE ASSETS (cont’d)

Other Intangible Assets (cont’d)

Movements in other intangible assets for the interim period ended on 31 March 2022 are as follows:

	Opening 1 January 2022	Additions	Foreign currency translation differences	Closing 31 March 2022
Cost				
Rights	17.595.437	-	1.398.128	18.993.565
Software	69.214.586	228.152	6.415.282	75.858.020
Concession rights (*)	410.413.586	-	43.504.497	453.918.083
Build-operate-transfer investments (**)	689.286.987	-	73.054.436	762.341.423
	1.186.510.596	228.152	124.372.343	1.311.111.091
Accumulated depreciation				
Rights	(10.229.325)	(506.398)	(833.640)	(11.569.363)
Software	(52.133.841)	(1.545.718)	(4.869.843)	(58.549.402)
Concession rights (*)	(202.933.140)	(4.497.919)	(21.701.179)	(229.132.238)
Build-operate-transfer investments (**)	(219.911.048)	(11.566.088)	(23.788.536)	(255.265.672)
	(485.207.354)	(18.116.123)	(51.193.198)	(554.516.675)
Net book value	701.303.242			756.594.416

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

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

For the period ending on 31 March 2022, TL 1.179.191 of amortization was included in operating expenses and TL 16.936.932 was included in cost of sales.

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NOTE 13 – INTANGIBLE ASSETS (cont’d)

Goodwill

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

	31 March 2023	31 December 2022
Goodwill due to acquisition of CGHH	128.224.080	116.611.951
Goodwill due to acquisition of KSU	7.907.363	7.688.892
	136.131.443	124.300.843

As of 31 March 2023, movement of goodwill is as follows:

	31 March 2023	31 March 2022
As of 1 January	124.300.843	119.963.138
Foreign currency translation differences	11.830.600	13.476.508
Goodwill	136.131.443	133.439.646

As of 31 March 2023, no impairment was detected as a result of the analysis made by the Group.

NOTE 14 – PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term Provisions

Other short-term provisions

	31 March 2023	31 December 2022
Provision for litigation and obligation	10.558.971	10.679.098
	10.558.971	10.679.098

Movements of other short-term provisions for the period 1 January - 31 March 2023 are as follows:

	2023	2022
1 January	10,679,098	9,047,150
Addition during the year	-	560.141
Payments during the year	(191.107)	(1.568.708)
Foreign currency translation differences	70.980	1.480.788
31 March	10.558.971	9.519.371

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

a) Short-term Provisions (cont’d)

Short-term provision for employee benefits

	31 March 2023	31 December 2022
Provision for employment termination benefits (*)	19.975.026	7.767.888
Provision for unused vacation	49.655.350	38.745.670
	69.630.376	46.513.558

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

b) Long-term provisions:

Long-term provision for employee benefits:

	31 March 2023	31 December 2022
Provision for employment termination benefits	88.724.574	143.103.765
	88.724.574	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 Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has charged 25 years of services (20 years for women) and whose employment is terminated without due cause, is called up for military service or who dies.

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 31 March 2023 consists of one month’s salary limited to a maximum of TL 19.982,83 (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 year of service, who is called up for military service, who achieves the retirement age, who early retires, or who dies.

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 19.982,83 which is effective from 1 January 2023 (1 January 2022: TL 10.848,59) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows.

The provisions for employee benefits for the period 1 January 2023 - 31 March 2023 are as follows:

	31 March 2023	31 March 2022
As of 1 January	150.871.653	80.970.229
Payments of provisions during the period	(67.329.659)	(3.412.328)
Service cost	21.994.695	6.952.514
Interest cost	2.281.499	1.478.086
Foreign currency translation differences	1.849.079	5.252.752
Transfers	(967.667)	-
Balance at the end of the period	108.699.600	91.241.253

The provisions for unused vacation rights for the period 1 January 2023 - 31 March 2023 are as follows:

	31 March 2023	31 March 2022
As of 1 January	38.745.670	18.976.928
Payments of provisions during the period	(1.254.245)	(484.168)
Increase in unused vacation rights during the period	12.715.095	7.318.751
Usage of vacation rights during the year	(1.939.829)	(2.436.478)
Foreign currency translation differences	1.388.659	1.119.308
Balance at the end of the period	49.655.350	24.494.341

Contingent assets and liabilities of the Group

Guarantees received:	31 March 2023	31 December 2022
Guarantee letters	73.876.499	69.992.103
Guarantee cheques	4.857.604	4.872.917
Guarantee notes	4.870.297	4.746.045
	83.604.400	79.611.065

Guarantees given:	31 March 2023	31 December 2022
Guarantee letters	411.048.867	383.465.116
Collaterals (*)	625.487.507	607.519.810
Pledged shares (*)	95.098.855	92.471.387
	1.131.635.229	1.083.456.313

(*) Collaterals and pledged shares amounting to TL 720.586.362 consist of collaterals given to the Group's subsidiaries and joint venture partners (31 December 2022: TL 699.991.197) (Note 25).

The litigations and claims those generate contingent assets and liabilities to the Group as of 31 March 2023 are as follows:

As of 31 March 2023, the Group has contingent liabilities amounting to TL 54.841.557 (31 December 2022: TL 53.326.350) due to the legal cases and enforcement proceedings in progress against the Group).

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

The details of collaterals, pledges and mortgages of the Group as of 31 March 2023 and 31 December 2022 are as follows:

CPM given by the Group	31 March 2023		31 December 2022	
	Amount	TL Equivalent	Amount	TL Equivalent
A. CPM given on behalf of the Group’s legal personality		411,048,867		383,465,116
TL	29.874.459	29.874.459	22.702.874	22.702.874
EUR	5.856.106	122.290.134	5.772.771	115.286.855
USD	3.150.500	60.451.164	3.150.500	59.015.166
INR	709.883.281	165.466.694	712.421.284	161.470.284
HUF	600.700.000	32.966.416	500.700.000	24.989.937
B. CPM given on behalf of fully consolidated subsidiaries		720.586.362		699.991.197
EUR	2.050.000	42.809.125	2.050.000	40.940.140
INR	2.907.792.000	677.777.237	2.907.792.000	659.051.057
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM	-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third Parties which are not in scope of C	-	-	-	-
	-	1.131.635.229	-	1.083.456.313

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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NOTE 15 – OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 March 2023	31 December 2022
VAT and service tax receivables	30.557.774	37.576.262
Advances given to personnel	1.630.886	1.489.431
Other	2.200.549	3.442.233
	34.389.209	42.507.926

Other Non-Current Assets

	31 March 2023	31 December 2022
Prepaid taxes and funds (*)	77.229.285	73.360.108
VAT and service tax receivables	18.659.220	17.971.451
Other	485.453	479.626
	96.373.958	91.811.185

(*) As of 31 March 2023, the related amount consists of prepaid taxes and funds to be used with maturities longer than 1 year.

Other Current Liabilities

	31 March 2023	31 December 2022
Taxes and funds payable	186.721.211	144.508.417
Airline tax (*)	98.762.271	78.892.182
Renovation investments liability	12.528.588	12.182.438
Other miscellaneous payables and liabilities	71.390	27.196
	298.083.460	235.610.233

(*) As of 1 July 2022, it is related to the airline tax that entered into force in Hungary.

Other Non-Current Liabilities

	31 March 2023	31 December 2022
Maintenance obligation liability	348.627.553	324.900.195
	348.627.553	324.900.195

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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NOTE 16 – PREPAID EXPENSES

Short-term prepaid expenses

	31 March 2023	31 December 2022
Prepaid expenses	73.650.492	55.232.004
Order advances given	84.760.766	39.964.248
	158.411.258	95.196.252

Long-term prepaid expenses

	31 March 2023	31 December 2022
Prepaid expenses	29.016.453	19.923.449
Advances given for fixed assets	73.478.116	64.196.624
Capital advances given (*)	16.008.681	-
	118.503.250	84.120.073

(*) The amount of advance given for the purchase of additional 2% shares from the capital of CNAS.

NOTE 17 – DEFERRED INCOME

Short-term deferred income

	31 March 2023	31 December 2022
Order advances received	77.379.302	85.728.516
Prepaid expenses	8.611.878	8.857.203
	85.991.180	94.585.719

Long-term deferred income

	31 March 2023	31 December 2022
Prepaid expenses	13.368.301	15.269.112
	13.368.301	15.269.112

NOTE 18 – LIABILITIES FOR EMPLOYEE BENEFITS

	31 March 2023	31 December 2022
Wages and salaries payable	191.922.048	90.538.189
Bonus payable accruals	85.263.048	82.627.848
Social security withholdings payable	56.308.585	46.468.848
	333.493.681	219.634.885

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 19 - EQUITY

Share Capital

As of 31 March 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 shares).

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

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

Restricted reserves appropriated from profit (legal reserves)

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

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

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

Remeasurement losses on defined benefit plans

Consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19.

Foreign currency translation differences

Accumulated foreign currency translation differences in other comprehensive income and expenses not to be reclassified to profit or loss: Consist of exchange differences arising from the translation of the consolidated financial statements from Euro, the functional currency of the parent, to TL, the presentation currency.

Accumulated foreign currency translation differences in other comprehensive income and expenses to be reclassified to profit or loss: Consist of exchange differences arising from the translation of the financial statements of subsidiaries and associates whose functional currency is different from TL to TL, which is the presentation currency.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 20 – REVENUE AND COST OF SALES

	1 January - 31 March 2023	1 January - 31 March 2022
Ground handling services	1.122.335.561	613.377.571
Revenue from cargo and warehouse services	641.468.196	480.441.117
Rental revenue not related to aviation	40.641.783	31.239.420
Less: Returns and discounts	(58.228.343)	(30.299.449)
Revenue	1.746.217.197	1.094.758.659
Cost of sales	(1.342.060.575)	(751.623.267)
Gross profit	404.156.622	343.135.392

NOTE 21 - FINANCIAL INCOME

	1 January - 31 March 2023	1 January - 31 March 2022
Foreign exchange gains	13.341.433	22.842.495
Interest income	19.849.063	11.423.897
Other financial income	22.056.391	10.526.951
	55.246.887	44.793.343

NOTE 22 - FINANCIAL EXPENSES

	1 January - 31 March 2023	1 January - 31 March 2022
Foreign exchange losses	(2.079.719)	(8.480.445)
Interest expenses	(21.168.198)	(28.490.141)
Financial expenses incurred within the scope of TFRS 16	(4.708.344)	(14.823.317)
Other financial expenses	(9.186.504)	(6.193.978)
	(37.142.765)	(57.987.881)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

NOTE 23 - TAX ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
Current period corporate tax liability (*)	99.555.882	47.980.681
Current tax liability, net (**)	99.555.882	47.980.681
Deferred tax assets	362.927.873	340.335.572
Deferred tax liabilities	(98.892.210)	(122.139.556)
Deferred tax assets, net	264.035.663	218.196.016

(*) As of 31 March 2023, TL 78.879.445 of the related amount is related to the earthquake tax calculated over the 2022 corporate tax.

(*) Current income tax assets and current income tax liabilities from the different subsidiaries of the Group have been separately presented in the consolidated statement of financial position.

Income Tax

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

In Turkey, the corporate tax rate is 20% (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.

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

In India, the corporate tax rate is 25,17% for fiscal year 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 31.925% for fiscal year 2023 (2022: 31.925%). The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (such as research and development expenses).

For the periods ended on 31 March 2023 ve 31 March 2022, tax expenses are as follows:

	1 January - 31 March 2023	1 January - 31 March 2022
- Current period corporate tax	(112.071.882)	(34.019.718)
- Deferred tax income/(expense)	39.891.981	(11.654.689)
Current tax expense - net	(72.179.901)	(45.674.407)

Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20%, 9%, 31.925% and 25.17% for Turkey, Hungary, Germany and India respectively.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

Deferred Taxes (cont’d)

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 March 2023 and 31 December 2022 using the enacted tax rates are as follows:

	Total temporary differences		Deferred tax assets (liabilities)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Deferred tax assets				
Personnel bonus accrual	(8.007.665)	(7.127.060)	1.601.533	1.425.412
Accrued sales commissions	(65.159.895)	(62.898.275)	13.031.979	12.579.655
Provision for employment termination benefits	(43.491.952)	(91.158.560)	8.711.011	18.319.742
Provision for unused vacation liability	(25.134.740)	(16.404.015)	5.026.948	3.280.803
Provision for litigation and indemnity	(8.995.970)	(8.995.985)	1.799.194	1.799.197
Adjustments related to property, plant and equipment and intangible assets	(384.915.231)	(338.237.990)	98.571.802	86.680.356
Investment incentives	(167.710.020)	(120.194.455)	33.542.004	24.038.891
Deferred tax income calculated over unused prior years’ losses	(258.088.181)	(247.056.923)	82.547.162	79.025.120
TFRS 16 adjustments	(455.485.008)	(450.277.924)	87.514.306	85.157.166
Other	(141.787.864)	(127.587.624)	30.581.934	28.029.230
Deferred tax assets			362.927.873	340.335.572
Deferred tax liabilities				
Adjustments related to property, plant and equipment and intangible assets	460.332.917	391.512.286	(89.649.490)	(113.448.241)
Other	46.213.615	27.636.357	(9.242.720)	(8.691.315)
Deferred tax liabilities			(98.892.210)	(122.139.556)
Deferred tax assets, net			264.035.663	218.196.016

Deferred tax movement table is as follows:

	31 March 2023	31 March 2022
1 January	218.196.016	170.707.898
Foreign currency translation differences	5.947.666	11.216.124
Deferred tax income / (expenses) for the current period	39.891.981	(11.654.689)
31 March	264.035.663	170.269.333

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NOTE 24 - EARNINGS PER SHARE

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

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

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

	1 January - 31 March 2023	1 January - 31 March 2022
Net profit / (loss) attributable to the parent company	114.225.691	128.722.083
Weighted average number of shares with 1 KR face value each	2.430.000.000	2.430.000.000
Earnings / (loss) per share (Kr)	0,047	0,053

NOTE 25 - RELATED PARTY DISCLOSURES

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

i) Balances with related parties

Short-term receivables from related parties

	31 March 2023	31 December 2022
Çelebi Havacılık Holding ⁽¹⁾	307.748	1.653.638
Other	-	28.398
	307.748	1.682.036

Other receivables from related parties

	31 March 2023	31 December 2022
Çelebi Havacılık Holding ^{(1)*}	90.437.746	84.869.838

Payables to related parties

	31 March 2023	31 December 2022
Çelebi Havacılık Holding ^{(1)*}	14.931.045	3.267.192
DASPL ⁽⁵⁾	66.238	24.752
	14.997.283	3.291.944

(1) Parent company

(2) Subsidiary of the Group

(3) Joint venture of the Group

(4) Associate of the Group

(5) Other related party

(*) The related amount is comprised of the CHH's group loan receivable from CGHH amounting to EUR 20.000.000 with 30 June 2023 maturity and 3,95% interest rate.

(**) As of 31 March 2021, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, information technologies and business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.

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NOTE 25 - RELATED PARTY DISCLOSURES (cont’d)

ii) Significant transactions with related parties

	1 January - 31 March 2023	1 January - 31 March 2022
Miscellaneous sales to related parties		
Çelebi Havacılık Holding (1)	-	1.254.080
Other	-	49.168
	-	1.303.248
Contribution to holding expenses (*)		
	72.143.028	40.312.018
	72.143.028	40.312.018
Other purchases from related parties (*)		
Çelebi Havacılık Holding (1)	6.184.882	2.793.032
DASPL (3)	-	5.102.840
	6.184.882	7.895.872

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

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NOTE 25 - RELATED PARTY DISCLOSURES (cont’d)

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

	EUR	INR	Total TL
31 March 2023			
Celebi Nas (1)	-	94.392.000	22.001.831
Celebi Delhi Cargo (2)	-	313.600.000	73.097.024
CASI (3)	-	2.499.800.000	582.678.382
Celebi Cargo GmbH(4)	2.050.000	-	42.809.125
	2.050.000	2.907.792.000	720.586.362
31 December 2022			
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 57% shares of Celebi Nas owned by the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 31 March 2023, the risk of the cash loan in the respective bank is amounting INR 544.941.025.
- (2) Guarantee at an equivalent amount to the loan amount is given to aforementioned banks for the financial liabilities sourcing from agreements concluded with related banks regarding long term cash project loan at an amount of cash INR 1.800.000.000 and non-cash INR 100.000.000 concluded between Celebi Delhi Cargo and an India resident bank and 28% portion of the owned by the Company are pledged on behalf of the bank. As of 31 March 2023, the risk of the cash loan in the respective bank is amounting INR 435.314.560.
- (3) Celebi Airport Services has a borrowing amounting to INR 2.049.800.000 cash and INR 600.000.000 non-cash within the scope of the long-term project finance and working capital loan agreement signed between The Company and a bank resident in India. As of 31 March 2023, the risk of the cash loan in the respective bank is amounting to INR 747.871.986.
- (4) As of 31 March 2023, the cash credit risk amount at the relevant banks for the financial liabilities arising from the EUR 2.000.000 cash and EUR 50.000 non-cash loan agreements signed between Celebi Cargo GmbH and the banks residing in Germany is EUR 2.000.000.

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NOTE 25 - RELATED PARTY DISCLOSURES (cont'd)

Key management compensation:

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

	1 January - 31 March 2023	1 January - 31 March 2022
Short-term employee benefits to key management	26.453.766	17.156.287
	26.453.766	17.156.287

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

Foreign currency risk

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

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

As of 31 March 2023, other things being constant, if the TL was to depreciate/appreciate by 10% against the USD, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would decrease/increase net income by TL 6.940.118 (31 December 2022: TL 16.727.347).

As of 31 March 2023, other things being constant, if the TL was to depreciate / appreciate by 10% against the Euro, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would increase/decrease net income by TL 15.233.938 (31 December 2022: TL 8.636.497).

As of 31 March 2023, other things being constant, if the TL was to depreciate / appreciate by 10% against the GBP, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would increase/decrease by TL 168.659 (31 December 2022: TL 128.207).

As of 31 March 2023, other things being constant, if the TL was to depreciate / appreciate by 10% against the TL, the net profit as a result of foreign exchange gain/loss on the net foreign currency position in this currency would increase/decrease by TL 24.767.337 (31 December 2022: TL 17.068.002).

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

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

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

	31 March 2023	31 December 2022
Assets denominated in foreign currency	661.441.453	768.816.458
Liabilities denominated in foreign currency (-)	993.739.619	820.399.159
Net balance sheet position	(332.298.166)	(51.582.701)

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

31 March 2023	TL Equivalent	USD	EUR	GBP	TL
1. Trade Receivables	203.831.991	2.899.546	4.636.302	-	51.378.506
2. Monetary Financial Assets	237.414.118	2.074.415	6.169.692	9.477	68.547.837
3. Other	215.615.720	344.313	4.330.791	603	118.557.101
4. Current Assets (1+2+3)	656.861.829	5.318.274	15.136.785	10.080	238.483.444
5. Other	4.579.624	-	-	-	4.579.624
6. Non-Current Assets (5)	4.579.624	-	-	-	4.579.624
7. Total Assets (4+6)	661.441.453	5.318.274	15.136.785	10.080	243.063.068
8. Trade Payables	127.590.382	1.187.471	602.066	3.495	92.150.090
9. Financial Liabilities	215.984.733	-	7.845.539	-	52.150.265
10. Other Monetary Liabilities	326.070.945	513.860	-	77.869	314.368.706
11. Current Liabilities (8+9+10)	669.646.060	1.701.331	8.447.605	81.364	458.669.061
12. Financial Liabilities	322.133.095	-	13.951.469	-	30.791.544
13. Other Monetary Liabilities	1.960.464	-	32.785	-	1.275.831
14. Non-Current Liabilities (12+13)	324.093.559	-	13.984.254	-	32.067.375
15. Total Liabilities (11+14)	993.739.619	1.701.331	22.431.859	81.364	490.736.436
16. Net Foreign Currency Asset/(Liability) Position (7-15)	(332.298.166)	3.616.943	(7.295.074)	(71.284)	(247.673.368)
17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)	(332.298.166)	3.616.943	(7.295.074)	(71.284)	(247.673.368)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

31 December 2022	TL Equivalent	USD	EUR	GBP	TL
1. Trade Receivables	125.425.813	1.760.898	4.022.221	-	12.112.989
2. Monetary Financial Assets	507.522.484			9.300	61.175.399
		10.941.560	12.076.609		
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)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2023

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

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

Capital risk management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the debt / equity ratio, this ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents and deferred tax liability, Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

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

	31 March 2023	31 December 2022
Total financial liabilities (*)	3.414.269.860	3.009.391.091
Less: Cash and cash equivalents	(2.448.409.737)	(1.927.530.563)
Less: Time deposits	(57.264.774)	(57.100.350)
Less: Restricted cash	(112.540.261)	(108.588.581)
Net debt	796.055.088	916.171.597
Net debt (Excluding the effect of TFRS 16)	(1.090.058.840)	(902.604.790)
Equity	3.518.896.225	3.251.906.331
Capital invested	4.314.951.313	4.168.077.928
Net debt / capital invested	0,18	0,22

(*) TL 1.886.113.928 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective (31 December 2022: TL 1.818.776.387).

NOTE 27 - SUBSEQUENT EVENTS

Within the scope of the regulations of the CMB on profit distribution, for the 01.01.2022- 31.12.2022 accounting period;

- the distribution of TL 42.4000 Gross=net cash dividend to each share with a nominal value of TL 1,00 at the rate of 4240.00% to the full taxpayer corporations and the limited taxpayer institution shareholders obtaining dividends through a permanent representative and a workplace in Turkey,
- the distribution of a gross cash dividend of TL 42,4000 for each share with a nominal value of TL 1,00 at a rate of 4240.00% and a net cash dividend of TL 38,1600 for each share with a nominal value of TL 1,00 at a rate of 3816.00% to other shareholders,
- and the dividend distribution date has been decided as 17 April 2023.

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