TAV Airports

a member of
Groupe ADP

Annual Report 2023

Contents

We are preparing for the future with our Almaty, Antalya and Ankara (Triple A) investments.

We are now nearing the end of our investment projects, which we call "Triple A." These investments are projected to provide a significant contribution to our growth. The investment program of approximately 1.2 billion euros into these airports will begin to finalize with the opening of the new terminal at the Almaty Airport in June 2024. In 2025, we aim to complete the investments in Antalya and Ankara.

At the end of our program, we will reach a total investment amount of approximately 2.5 billion euros including the acquisition price of Almaty, the upfront rents paid for Ankara and Antalya and all the other investments we have made in our portfolio between 2021 and 2025.

As a global company operating in 33 countries and 110 airports, we are on a solid, new growth path.

THE 100TH ANNIVERSARY OF THE REPUBLIC OF TÜRKİYE

The future is in the skies...

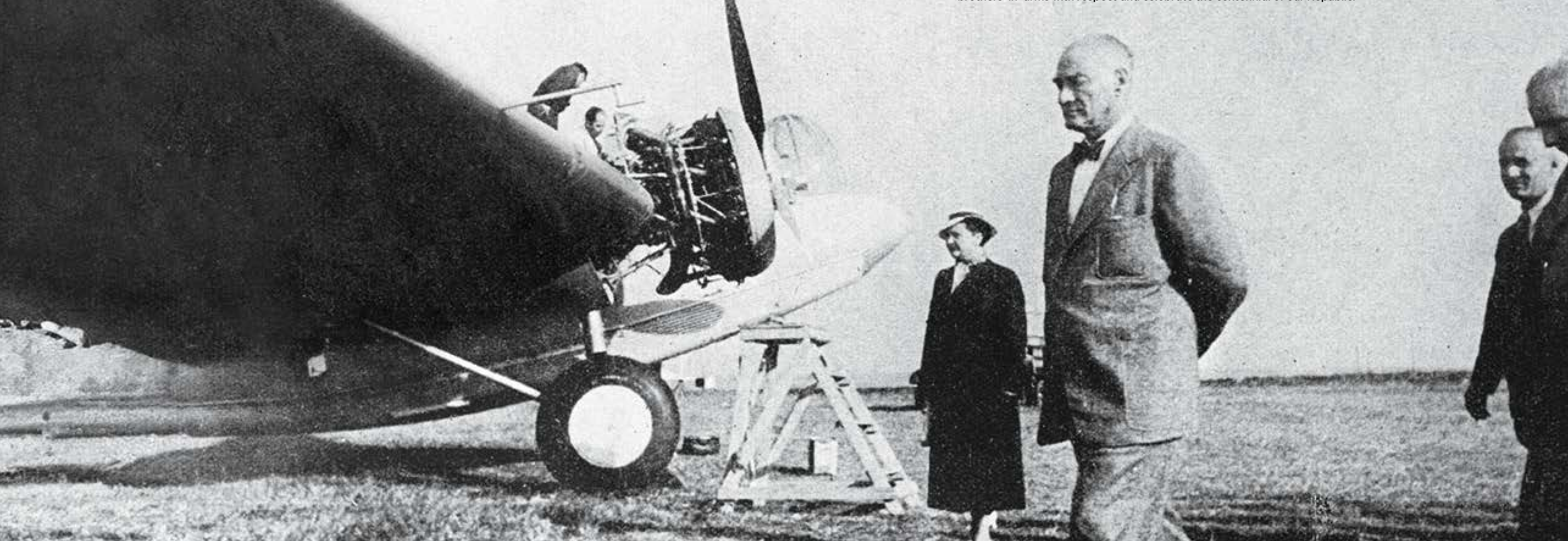
We are pleased and proud to celebrate the centennial of the Republic of Türkiye. This vital milestone demonstrates our country's commitment to modernity, science and progress.

Our nation was shaped by Mustafa Kemal Atatürk's principles of equality and independence. These principles have been the source of inspiration and energy for our country for one hundred years.

Atatürk and his brothers-in-arms designated that the Republic's goal is to attain the level of contemporary civilizations, emphasizing that this path led through science. Based on the Republic's principles, the aviation sector arose and expanded in the 20th century as a result of scientific and social progress. As TAV Airports, we embarked on this road as individuals raised by the Republic on the values of equality and independence. Guided by science and innovation, we have since become one of world's top airport operators.

We are staunchly committed to the values of the Republic and we work steadfastly towards the goals reflected by these values.

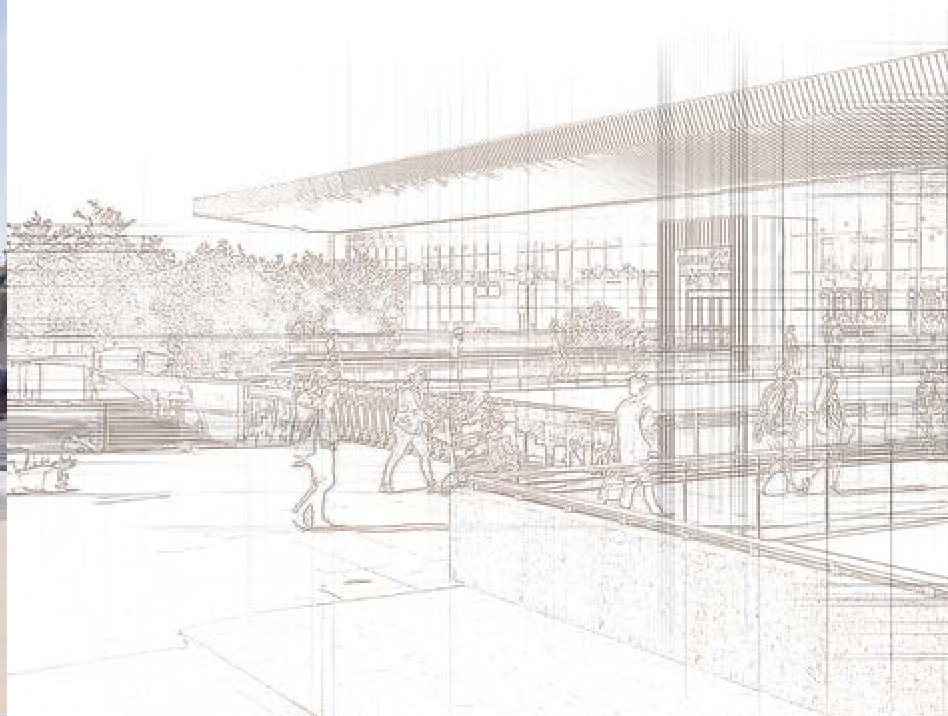
In reiterating our confidence that our achievements will be even greater in the coming years, we commemorate our leader Mustafa Kemal Atatürk and his brothers-in-arms with respect and celebrate the centennial of our Republic.

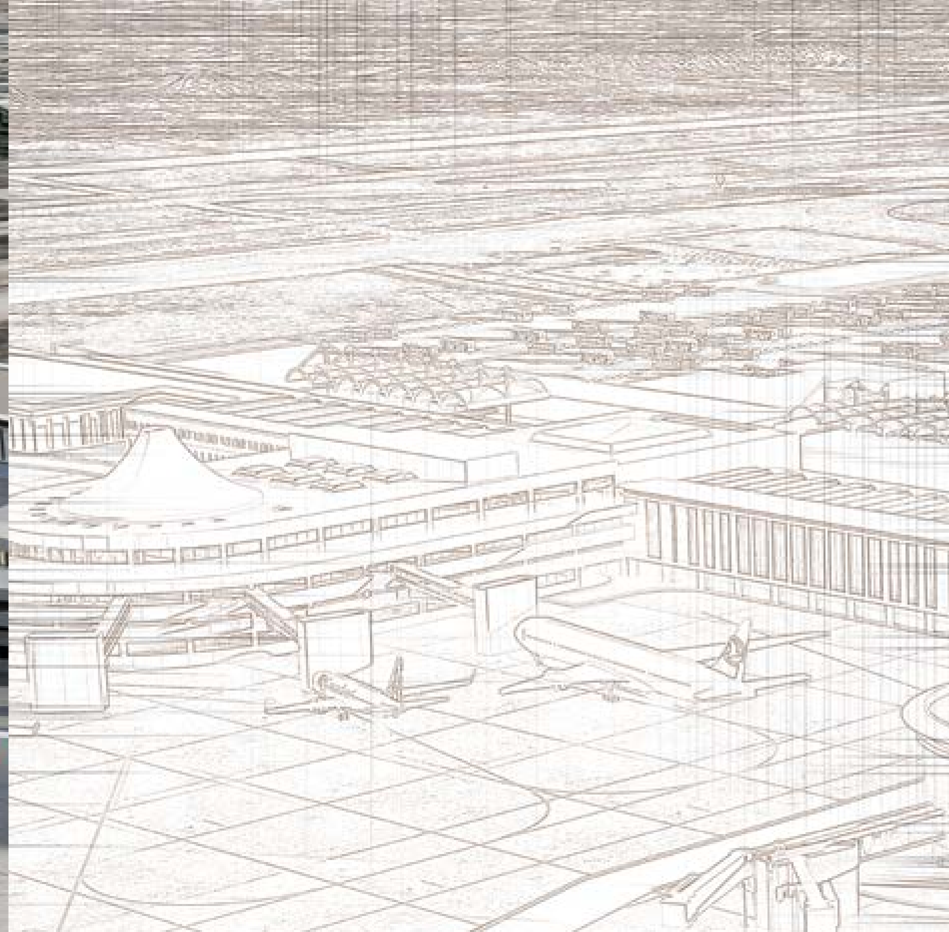


NEARING COMPLETION AT ALMATY AIRPORT

Almaty lies at an important point on the "Belt and Road" project, the "Modern Silk Road" between China and Europe. We expect the airport's strong growth to continue, with greater cargo and passenger traffic following the expected opening of the new terminal in June 2024.

We look forward to providing the highest standards of service to our guests with the opening of the new terminal.



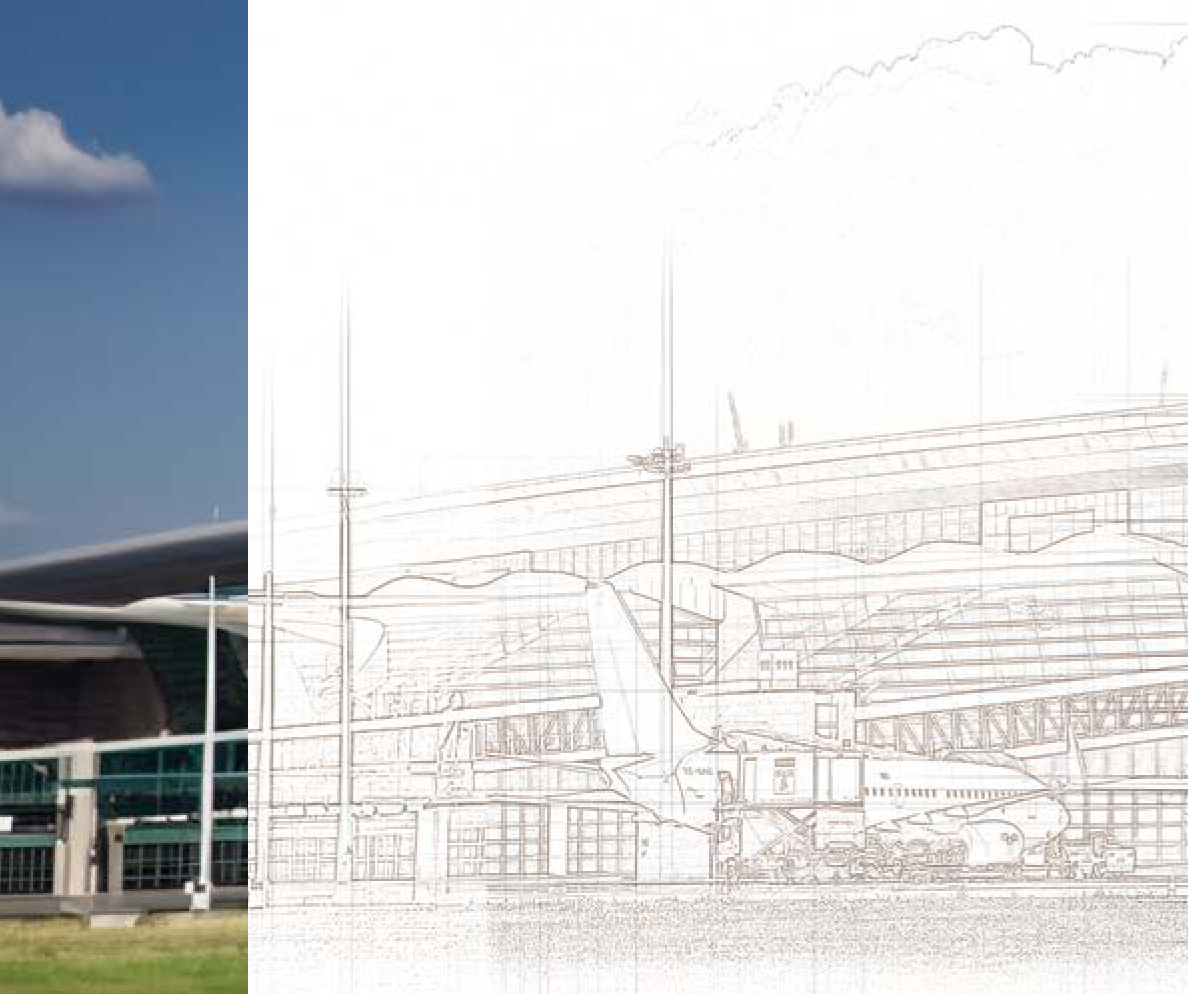


TERMINAL CAPACITY IS DOUBLING AND COMMERCIAL AREAS ARE TRIPLING AT ANTALYA AIRPORT.

At Antalya, the fourth most visited city in the world, we aim to expand the annual passenger capacity from 35 million to 65 million in the first phase and then to 80 million. The project, which will provide substantial growth in commercial areas and terminal expansion, is planned to be completed in the first quarter of 2025.

ANKARA ESENBOGA, JUST IN TIME...

We have taken a momentous step towards further growth by winning the tender for the airside capacity expansion and 25-year operating rights of Ankara Esenboga Airport, one of Türkiye's most important airports. In scope of the 25-year contract extension, the investments are planned to be completed by the end of 2025.



TAV Airports at a Glance

TAV Airports at a Glance

In 2023, TAV Airports served 661 thousand flights and 96 million passengers.

As one of the leading global airport operators, TAV Airports operates Antalya, Ankara Esenboga, Izmir Adnan Menderes, Milas Bodrum, and Gazipasa Alanya Airports in Türkiye. TAV Airports operates Almaty International Airport in Kazakhstan, Tbilisi and Batumi Airports in Georgia, Monastir and Enfidha-Hammamet Airports in Tunisia, Skopje and Ohrid Airports in North Macedonia, Madinah Airport in Saudi Arabia, and Zagreb Airport in Croatia.

TAV Airports is also active in other areas of airport operations such as duty-free sales, food and beverage services, ground handling services, information technology, security and private passenger lounge management. Duty-free sales, catering and other commercial areas are operated by TAV Airports at Riga Airport in Latvia.

In 2023, TAV Airports served 661 thousand flights and 96 million passengers.

Countries with Airports Operated by TAV Airports

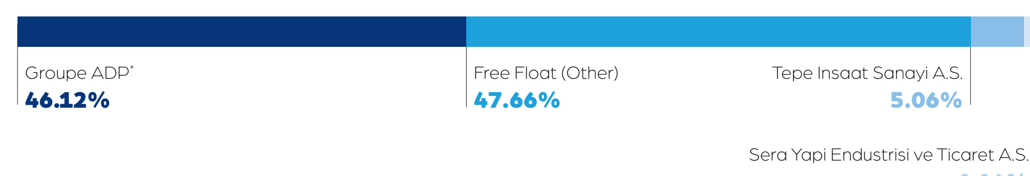
8

The number of countries with airports operated by TAV Airports

15

The number of airports operated by TAV Airports

Shareholding Structure of TAV Airports**



** Through TANK OWA Alpha GmbH, a wholly-owned subsidiary of Groupe ADP*
*** As of December 31, 2023*

Subsidiaries of TAV Airports

TAV Airports operates Antalya, Ankara Esenboga, Izmir Adnan Menderes, Milas Bodrum and Gazipasa Alanya Airports in Türkiye.

Airports

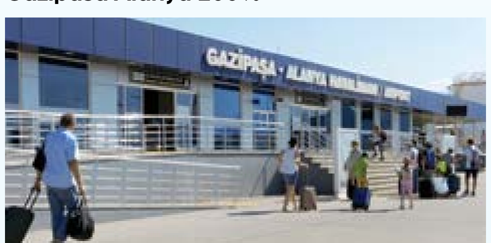
Antalya 50%

Ankara Esenboga 100%

Izmir Adnan Menderes 100%

Milas Bodrum 100%

Gazipasa Alanya 100%



Almaty 85%

Tbilisi 80%

Batumi 76%

Monastir 100%

Enfidha-Hammamet 100%

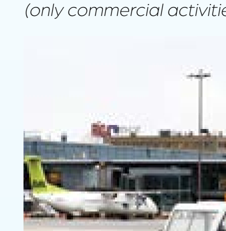
Skopje 100%

Ohrid 100%

Madinah 26%

Zagreb 15%

Latvia 100%
(only commercial activities)



Subsidiaries of TAV Airports

Through its service companies, TAV Airports maximizes the service quality in all parts of the airport.

Service Companies

Growth Strategy of TAV Airports

With its strong strategy, TAV Airports focuses on organic and inorganic growth opportunities.

Organic Growth

We emerged out of the pandemic even stronger. We operate 15 airports in eight countries on three continents. We served 96 million passengers in 2023. Our assets have grown significantly, as have our average concession duration. We plan to grow traffic at our existing airports by providing an excellent passenger experience with our high service quality. We now have a clear path for growth in front of us with significant passenger growth and a rapid reduction in debt levels.

Inorganic Growth

With our strong main shareholder and integrated business model, we focus on new and profitable business opportunities, particularly in our core geography. In 2021, we acquired Almaty airport and strengthened our portfolio. By winning the tender for Antalya airport, we extended the operation period of the airport until end of 2051. In 2022, we also won the tender for Esenboga Airport's operating rights, extending the operating period for Esenboga Airport until May 2050. Our investments in our new airport and new concessions continue.

Growth of Service Companies outside of the TAV Airports Ecosystem

We are vertically integrated with our service companies through which we are active in 33 countries, in a total of 110 airports in areas such as duty free, food & beverage, ground handling, passenger lounge operations and information technologies in addition to airport operations. Our financial results for passenger lounges, duty free and catering operations improved significantly in 2023. Our luxury brand shops at Istanbul Airport benefited from the airport's passenger growth.

Board of Directors' Message

We served 96 million passengers at the airports which we operate and surpassed the pre-pandemic traffic.

TAV Airports, which places employee satisfaction at the top of its priorities, was recognized as "A Great Place to Work" once again by the Great Place to Work Institute and was ranked in the top ten employer brands in Türkiye.

We were all deeply saddened by the devastation from the earthquake that struck southeastern Türkiye in early 2023. We have been working under the guidance of public authorities since the first day of the disaster to address the needs of our employees in the region as well as our citizens who have been affected by the earthquake. In Hatay, we built a campus, which we named "Aviation City," that houses 2,500 earthquake victims. We will continue our support to soothe the pains of the earthquake victims in the region and help them restart their lives.

Türkiye's aviation industry was pioneered by our founding father Mustafa Kemal Atatürk. Like our Republic, it emerged and developed as a consequence of humanity's scientific progress in the 20th century. As a company that is steadfastly committed to the Republic's values, we celebrated the 100th anniversary of our republic with colorful and meaningful activities here at TAV Airports. As TAV Airports, we are determined to undertake initiatives that will advance our country in the new century.

The aviation industry had a strong year in 2023 despite lingering geopolitical uncertainties. As TAV Airports, we managed to beat the passenger, revenue, and EBITDA guidance which we had issued at the beginning of the year. We served 96 million passengers at the airports which we operate and surpassed the pre-pandemic traffic.

We are anticipating that the aviation industry will continue to grow as a result of the growth of the global middle class and increase in urbanization. The global middle class and the urban populations are estimated to increase by 1.9 people and 1.6 billion people, respectively, by 2042. Over the same period, more than 40 thousand new aircraft are expected to be deployed and commence service in the aviation industry. As a global company operating in 33 countries and 110 airports in such a rapidly growing industry, we are at the cusp of a new and profitable future. We are nearing the completion of our investment projects that will make major contributions to our growth. Our airport expansion and capacity increase investments at Almaty, Antalya and Ankara will soon be finalized. Our 1.2 billion euros investment in these airports will begin to show up in our financials starting in 2024. Aided by the rising performance of our remaining airports, we will continue to raise our targets and contribute to the local economies in which we operate.

The 400 million US dollars inaugural Eurobond issuance by our Company at a yield of 8.50% (6.87% in euro terms) was completed in December. S&P and Fitch issued credit ratings of BB- and BB, respectively, for our Company. Our Eurobond offer was four times oversubscribed at a favorable yield under the prevailing market conditions. We are pleased with this development which demonstrates the confidence of foreign institutional investors in our Company and our country.

While continuing to grow TAV Airports, we also work on minimizing the environmental impact of our operations and supporting the development of the communities with which we are associated. We want to achieve carbon neutrality at all our airports by 2030. Further, we are pledging to attain "net zero" carbon emissions for our operations by 2050. TAV Airports, which places employee satisfaction at the top of its priorities, was recognized as "A Great Place to Work" once again by the Great Place to Work Institute and was ranked in the top ten best employer brands in Türkiye.

We are thankful to our shareholders for their unwavering support for and to our employees for their dedicated efforts and contributions to our global brand during a period marked by challenges, including the pandemic, which is now behind us completely.

Source: Airbus

Message from the Management

Our investment in Almaty will bolster tourism, business and cargo traffic while supporting the overall commercial growth of the country.

1.3

BILLION €

Revenue

In 2023, we served 96 million guests which was 22% above 2022 and 7% above 2019. Aided by a relatively warmer winter season, we continued to witness healthy traffic growth in the fourth quarter of 2023 and in 2024 to date. When we breakdown the growth into its components, we can see that international passenger traffic was even stronger with 13% growth versus 2019. Moreover, except for Russia and Ukraine, we have witnessed very high growth in most major source markets. Compared to 2019, our top market, Germany, saw a 24% increase in passenger numbers, the UK 58%, Poland 78%, and the UAE 65%. Outbound traffic from our non-Turkish airports to Türkiye is also 75% above 2019. Unfortunately, our Ukrainian traffic which was 2.5 million in 2019 is currently zero and Russian traffic which was 13 million in 2019 is 40% below this number.

With the lift of the Russian travel ban in May 2023, we have started to see a gradually increasing recovery in Georgia that reached 44% compared to 2018 in the fourth quarter.

We are also very happy to welcome 1.1 million Kazakh travelers into our Turkish and Georgian airports with a growth of 116% compared to 2019. The historical ties between Türkiye and Kazakhstan are very deep and we are working to make them even stronger through our investment in Almaty Airport. With the opening of the new terminal expected in June 2024, travelers will be able to enjoy a world class assortment of services and facilities in the airport. We will be able to welcome our passengers to Almaty with a best-in-class facility and showcase the incredible Kazakh hospitality from the moment they land. Our investment in Almaty will bolster tourism, business and cargo traffic while supporting the overall commercial growth of the country. Kazakhstan is also an up and coming market for outbound tourism with a 2023 GDP per capita of 13 thousand US dollars. In response to high demand for travel, the country expects to grow total commercial aircarft fleet size 45% by 2025. We are very proud to contribute to such a historical juncture in Kazakhstan's economic development.

Almaty is situated very strategically between Europe and China, making it an ideal hub for global cargo operations. Global cargo traffic which is a direct beneficiary of secular trends in increasing digitalization and growth of e-commerce, is expected to grow at a compound rate of 4.1% per year for the next fifteen years. This robust outlook is expected to provide long-term tailwinds for growth of cargo traffic in Almaty Airport.

We have completed 70% of our investment program in Antalya Airport and we are planning to open the new terminal in the first quarter of 2025. With the new terminal, the capacity of the airport will increase from 35 million to 65 million passengers per year and we will nearly triple the retail areas in the airport. Furthermore, with a wider and newer retail offering, we will enhance passenger experience significantly and improve the commercial performance of the airport.

Our airside investments in Ankara Esenboga Airport are also 34% complete and we expect to finalize these investments by end of 2025.

We have embarked upon a massive investment program in 2021 to build the future of TAV Airports and we will have completed 1.2 billion euros of committed infrastructure development to date in our new projects by 2025. The total sum of our investment program between 2021-2025 including the acquisition price and upfront rents paid for Almaty, Antalya and Ankara and other investments we are making elsewhere in our assets adds up to around 2.5 billion euros. This massive program shows our commitment to and confidence in the future of aviation in our core geography and especially in Türkiye. Growth of the global middle class, urbanization and e-commerce are secular mega trends that will continue to support aviation for the foreseeable future.

We completed our inaugural bond issue of 400 million US dollars on December 7, 2023 with a maturity of five years. The bond was sold at a coupon rate of 8.50% in US dollars which we immediately swapped to euros so the effective rate of the coupons became 6.87% in euros for us. Our bond offering was met with a high investor demand and was four times oversubscribed. The quick and flawless execution of the transaction amid challenging global financial conditions attests to the significant intellectual capital we have amassed in our Company over the years.

Message from the Management

As a part of our decarbonization efforts, we have applied for regulatory approval to build solar generation capacity in Ankara, Bodrum and Izmir, totaling a capacity of 18.4 MW.

We finished the year with very strong operational results. Revenue grew 25% versus 2022 and reached 1.3 billion euros. EBITDA grew 19% and reached 385 million euros. Net income for the year was 249 million euros with a growth of 104% over 2022. Net income was supported by 83 million euros of one-off income from Madinah share sale and 75 million euros of deferred tax gains 59 million euros of which are due to inflation accounting in statutory accounts.

For 2024, we expect total passenger traffic between 100 to 110 million, revenue between 1.50 to 1.57 billion euros and EBITDA between 430 to 490 million euros. Revenue growth is expected to be above passenger growth mostly due to significant growth in lounge and hospitality, IT and ground handling services. With increased shareholding in Paris lounges to 100% and more lounges, we expect a very strong year in lounge and hospitality operations. We are also upgrading our 2022 to 2025 compound growth expectations In revenue and EBITDA. Our revised compound growth expectations are between 14% to 18% in revenue and between 14% to 20% in EBITDA growth.

As a part of our decarbonization efforts, we have applied for regulatory approval to build solar generation capacity in Ankara, Bodrum and Izmir, totaling a capacity of 18.4 MW. At a cost of around 20 million US dollars, this investment is expected to provide 30% of the total electricity consumption of these airports after completion.

Since 2021, we have managed to build a very strong portfolio of assets to carry TAV Airports to the future. As we approach the end of our intensive investment program by 2025, the fruits of our efforts are becoming more and more visible. We would like to thank our employees, shareholders and business partners for their invaluable contributions to building our global brand and carrying it into the future very successfully.

Concessions at a Glance

Airport	Type/Operating Period	TAV Airports' Share	Scope	Fare/ Passenger International Flights	Fare/ Passenger Domestic Flights	Security Fee/ Passenger International Flights	Guaranteed Passenger	Concession/Lease Fee
Ankara Esenboga[8]	Build-Operate-Transfer (BOT) (May 2025)	100%	Terminal	€ 15 €2.5 (Transfer)	€ 3	€1.5	0.6 M. Dom., 0.75 Int'l (2007)+5% increase per annum	-
New Ankara Esenboga (from 2025)	Concession Lease (May 2050)	100%	Terminal	€ 17 €5 (Transfer)	€ 3	€3	-	€119m down payment + between 2025-2029 €10m and between 2030-2049 €15m +VAT[12]
İzmir A. Menderes[8]	BOT + Concession Lease (Dec. 2034)	100%	Terminal	€ 15 €2,5 (Transfer)	€ 3	€1.5	-	€29m starting as from 2013[1]
Alanya - Gazipasa[8]	Concession Lease (May 2036)	100%	Airport	€ 12	TL 24.8	€1	-	$50,000 + VAT+ 65% of net profit
Milas Bodrum [8]	Concession Lease (December 2037)	100%	Terminal	€15	€3	€1.5	-	€143.4 m down payment+ €28.7m+VAT[2]
Antalya[8]	Concession Lease (December 2026)	50% [5]	Terminal	€15 €2.5 (Transfer)	€3	€1.5	-	€100.5m +VAT
New Antalya (from 2027)	Concession Lease (December 2051)	50% [10]	Terminal	€17 €5.0 (Transfer)	€3	€3	-	€1,813m down payment + between 2027-2031 €145m and between 2032-2051 €236m +VAT[11]
Almaty	No Concession [9]	85%	Airport	$10.2 for non-Kazakh airlines	charges vary	-	-	-
Tbilisi	BOT (January 2027)	80%	Airport	$25	$6	-	-	10% of ground handling services and landing gross revenues
Batum	BOT (August 2027)	76%	Airport	$12	$7	-	-	0% of ground handling services and landing gross revenues (minimum 400k GEL annually)
Monastir & Enfidha	BOT+Concession (May 2047)	100%	Airport	€ 13	€ 1	€0.8	-	11-26% of turnover between 2010 and 2047[7]
Skopje & Ohrid	BOT+ Concession (June 2032)	100%	Airport	€13 in Skopje, €10.2 in Ohrid	-	€6.5 in Skopje, €6.5 in Ohrid	-	4% of the gross annual turnover [3]
Madinah	BOT+ Concession (May 2041)	26%	Airport	SAR 94.3 [4]	SAR 10,6	-	-	4.5% of turnover
Zagreb	BOT+Concession (April 2042)	15%	Airport	€19.7 €4.5 (transfer)	€ 8.4	€6.5 international, domestic and transfer	-	€2.0 - €11.5m fixed 0.5% (2016) - 61% (2042) variable

1) The depreciation expense in 2015 will be €13.5m, in 2032 €32.4m and financing expenses in 2015 will be €17.8m, in 2032 €0 on an accrual basis.
2) The depreciation expense in 2016 will be €11.1m, in 2032 €38.0m and financing expenses in 2016 will be €18.8m, in 2032 €0 on an accrual basis.
3) Concession lease fee shall decrease up to 2% depending on the increase in the passenger number for both airport.
4) From both departing and arriving passengers. Per-passenger charge will increase according to the cumulative Consumer Price Index every 3 years.
5) TAV Airports has 49% equity stake and 50% dividend and voting rights.
6) The airports in Türkiye began charging a "Security Fee" for International passengers in 2019.
7) Concession fees were restructured in November 2019. For detailed information: https://www.kap.org.tr/tr/Bildirim/796894
8) DHMI has extended the operating periods of Antalya, Ankara, Gazipasa-Alanya, Izmir and Milas-Bodrum for two years in February 2021. https://www.kap.org.tr/en/Bildirim/909767
9) The airport operation is not subject to a concession agreement. Airport facilities are property and leased.
10) TAV Airports has 51% equity stake and 50% dividend and voting rights.
11) VAT will be paid on an accrual basis from 2027 (€52.2 m per year).
12) VAT will be paid on accrual basis starting from 2025 (€3.4 m per year).

TAV Airports Operational Data

We surpassed the pre-pandemic traffic level.

Number of Passengers Served by TAV Airports

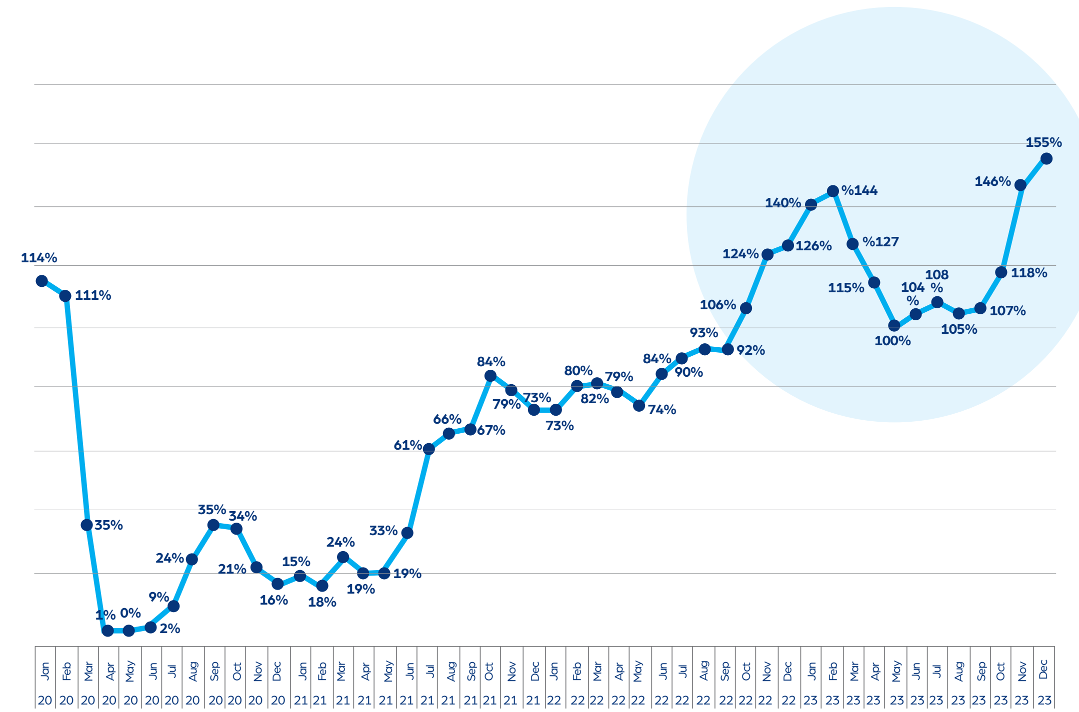
	2019	2022	2023	2023/19 Change %	2023/22 Change %
Antalya	**35,679,421**	**31,108,181**	**35,538,387**	**0**	**14**
International	28,720,491	25,266,645	29,204,383	2	16
Domestic	6,958,930	5,841,536	6,334,004	-9	8
İzmir A. Menderes	**12,365,256**	**9,834,578**	**10,691,522**	**-14**	**9**
International	3,333,332	3,760,522	4,173,874	25	11
Domestic	9,031,924	6,074,056	6,517,648	-28	7
Ankara Esenboga	**13,740,595**	**8,679,594**	**11,914,082**	**-13**	**37**
International	2,277,395	1,923,382	2,823,646	24	47
Domestic	11,463,200	6,756,212	9,090,436	-21	35
Milas-Bodrum	**4,337,733**	**3,898,527**	**4,056,447**	**-6**	**4**
International	1,873,335	1,852,895	1,787,639	-5	-4
Domestic	2,464,398	2,045,632	2,268,808	-8	11
Gazipasa – Alanya	**1,084,901**	**682,654**	**868,003**	**-20**	**27**
International	591,416	261,388	377,158	-36	44
Domestic	493,485	421,266	490,845	-1	17
Almaty	**6,422,829**	**7,230,156**	**9,547,136**	**49**	**32**
International	3,039,074	2,660,576	4,119,510	36	55
Domestic	3,383,755	4,569,580	5,427,626	60	19
Georgia (Tbilisi & Batumi)	**4,309,768**	**3,612,927**	**4,313,995**	**0**	**19**
Madinah	**8,383,973**	**6,340,684**	**9,423,410**	**12**	**49**
Tunisia (Monastir & Enfidha)	**3,040,723**	**1,476,131**	**2,312,992**	**-24**	**57**
N. Macedonia (Skopje & Ohrid)	**2,677,618**	**2,371,423**	**3,149,274**	**18**	**33**
Zagreb	**3,435,531**	**3,124,605**	**3,723,650**	**8**	**19**
TAV TOTAL	**89,055,519**	**78,359,460**	**95,538,898**	**7**	**22**
International	55,469,786	50,404,386	62,905,684	13	25
Domestic	33,585,733	27,955,074	32,633,214	-3	17

Note: 2023 data are subject to revision.
Total inbound and outbound passengers, including transfer passengers, only commercial flights.
Almaty passengers before May 2021 are not included in TAV total passenger number.

International passenger traffic has been above 2019 since October 2022, despite geopolitical challenges.

TAV Airports Total International Passengers Served Compared to the Same Month of 2019

International passengers are our major source of revenue.



Sectoral Data and Expectations

Eurocontrol expects a CAGR of 5.5% in Türkiye, 9.8% in Georgia and 5.6% in North Macedonia in terms of number of flights between 2023–2029.

Eurocontrol(*) expects a CAGR of 5.5% in Türkiye, 9.8% in Georgia and 5.6% in North Macedonia in terms of number of flights between 2023–2029.

Airbus(*) expects a 3.6% CAGR in global traffic between 2019 and 2042.

Turkish Airlines(*) plans to increase its number of aircraft from 441 in 2023 to over 800 in 2033.

Ajet(*) aims to increase its number of aircraft from 90 in 2023 to 200 in 2033.

Pegasus(*) plans to make 69 gross additions to its fleet (105 in 2023) by 2029.

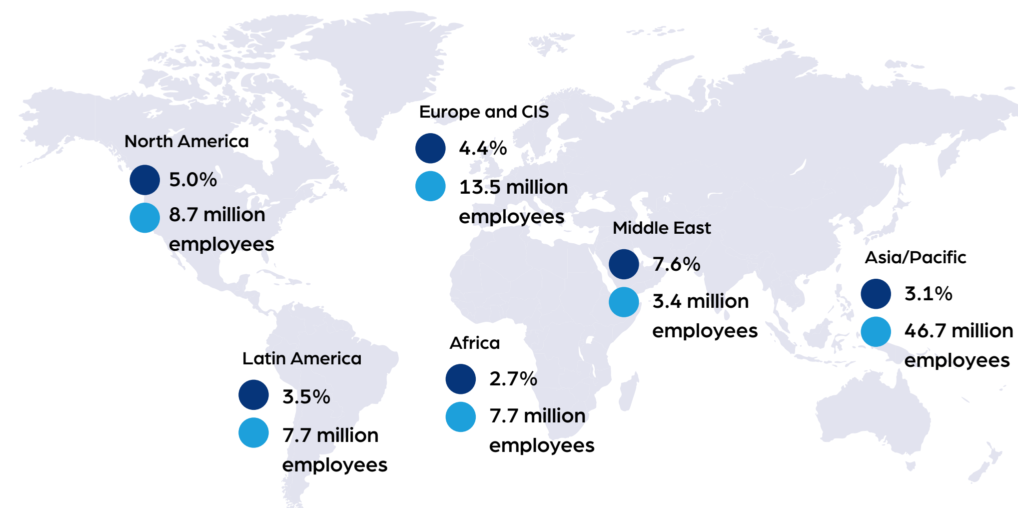
Sunexpress(*) (the leading airline for international traffic in Izmir and Antalya) plans to more than double its capacity to 150 aircraft by 2033.

Kazakh(*) total fleet is expected to grow from 100 in 2023 to 145 in 2025.

Source: (*) Eurocontrol forecast, October 2023, Airbus Global Market Forecast June 2023, Turkish Airlines and Pegasus Investor Presentations, Sunexpress CEO comment November 2023, Kazakhstan Minister of Transport comment November 2023

Air Transport and Employment

Air transport makes a significant contribution to GDP and employment.



World
4.1% of GDP
USD 3.5 trillion
87.7 million employees

Contribution of air transport to regional GDP 2018

Contribution of air transport to employment* 2018

Source: ATAG's Aviation Benefits Beyond Borders, September 2020, Oxford Economics, Airbus GMF
** Employment figures include direct, indirect, induced, and tourism catalytic jobs.*

Sectoral Data and Expectations

The number of aircraft, which was 22,880 in 2020, is expected to reach 46,560 in 2042.

Expectations for GDP, Trade, and Population Growth

Growth in the aviation sector will continue with an increasing middle class and urban population.

World GDP
+2.5%
CAGR 2019-2042

World trade
+2.9%
CAGR 2019-2042

World population
+1.5 Billion
From 2019 to 2042

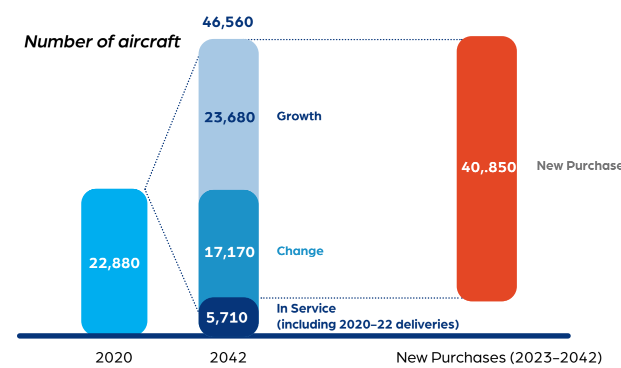
Middle class*
+1.9 Billion
From 2019 to 2042

Urbanization
+1.6 Billion
From 2019 to 2042

Airbus 2023 Global Market Forecast
Source: IHS Markit, Airbus GMF
** Households with annual income between 20,000 US dollars and 150,000 US dollars PPP at constant 2015 prices*

Aircraft Demand

The number of aircraft, which was 22,880 in 2020, is expected to reach 46,560 in 2042.

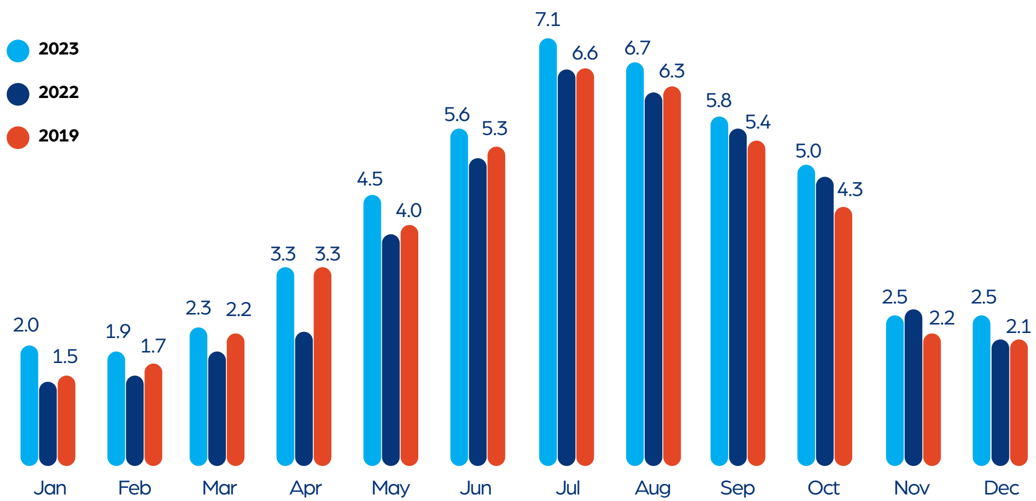


- **22,880 aircraft in service at the beginning of 2020:**
  - 25% will remain in service.
  - 75% will be renewed.
- **40,850 new purchases between 2023 and 2042:**
  - 58% for growth
  - 42% for renewal

Source: Airbus GMF
Note: Passenger aircraft over 100 seats and cargo aircraft with a payload capacity of over 10 tons

Sectoral Data and Expectations

Monthly Tourists Visiting Türkiye (Million)



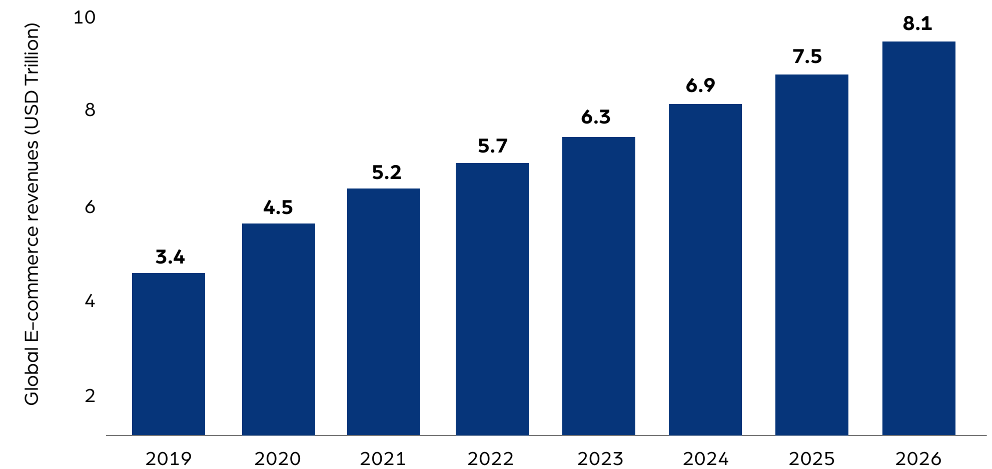
Distribution of Foreign Visitors by Nationality Visiting Türkiye During January-December 2021-2023

Countries	2023	2023 share %	2022	2022 share %	2021	2021 share %
Russian Federation	6,313,675	12.83	5,232,611	11.74	4,694,422	19.00
Germany	6,193,259	12.59	5,679,194	12.74	3,085,215	12.48
UK	3,800,922	7.72	3,370,739	7.56	392,746	1.59
Bulgaria	2,893,092	5.88	2,882,512	6.47	1,402,795	5.68
Iran	2,504,494	5.09	2,331,076	5.23	1,153,092	4.67
Other	27,503,738	55.89	25,068,263	56.25	13,983,996	56.59
GRAND TOTAL	**49,209,180**	**100.00**	**44,564,395**	**100.00**	**24,712,266**	**100.00**

Source: Ministry of Culture and Tourism
** 2023 figures are subject to revision.*

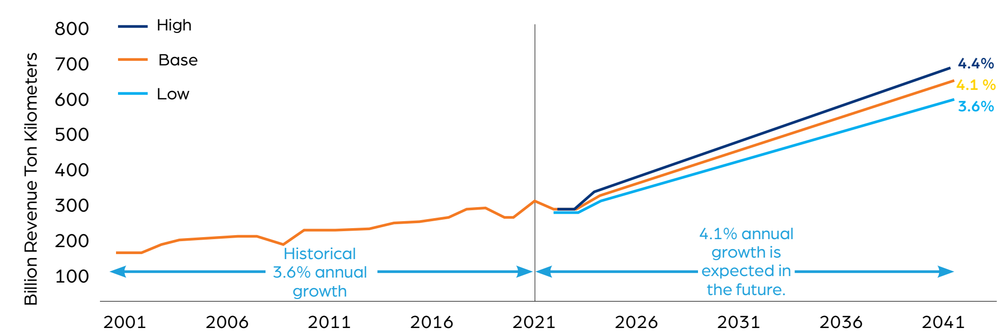
Expectations for Global E-Commerce Revenues

In 2024, global e-commerce revenues are expected to reach more than double the pre-pandemic level.



Expectations for Air Cargo Growth (2022-2041)

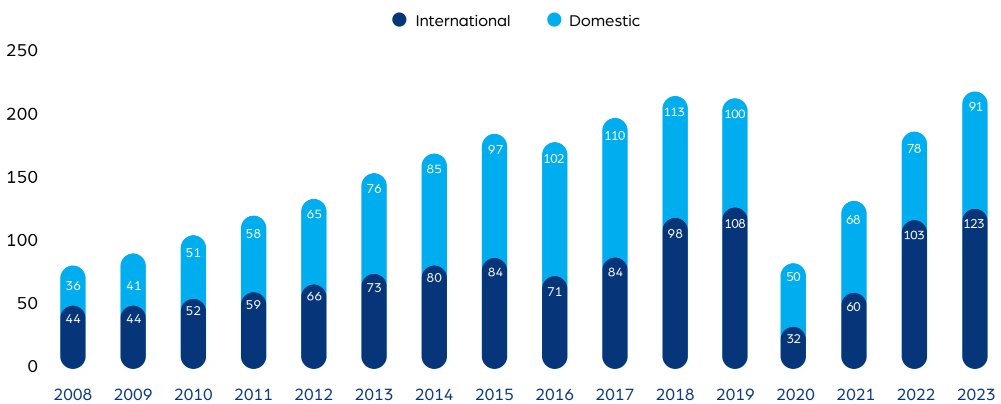
Rapid growth is expected for air cargo volume.



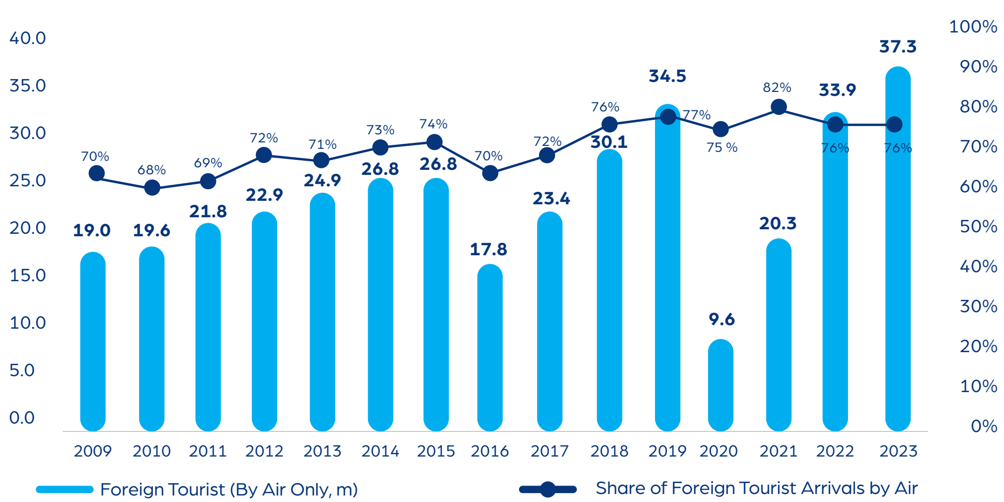
Sectoral Data and Expectations

In 2023, total passenger numbers at Turkish airports increased by 18% compared to the previous year and reached approximately 214 million.

Total Number of Air Travel Passengers in Türkiye (m)



Number of Foreign Tourists Arriving in Türkiye by Air (annual)



Passenger Market Share

According to State Airports Authority (DHMI) 2023 data, total passenger numbers at Turkish airports increased by 18% compared to the previous year and reached approximately 214 million. The airports operated by TAV Airports in Türkiye (Ankara Esenboga, Izmir Adnan Menderes, Milas Bodrum, Gazipasa Alanya, and Antalya) accounted for 29% of total passenger traffic at Turkish airports in 2023. Last year, this ratio was 30%.

Commercial Flights Market Share

According to State Airports Authority (DHMI) data, total commercial flight traffic at Türkiye's airports increased by 16% and reached approximately 1.35 million in 2023. Airport facilities operated by TAV Airports in Türkiye (Ankara Esenboga, Izmir Adnan Menderes, Milas-Bodrum, Gazipasa Alanya and Antalya) accounted for 29% of total commercial flights at Turkish airports in 2023. The ratio was 29% in 2022 as well.

Major Developments in 2023

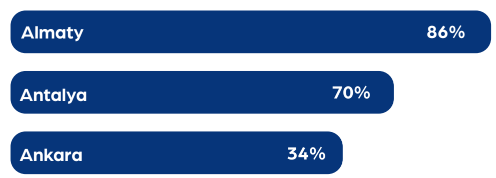
We Are Building the Future of TAV Airports.

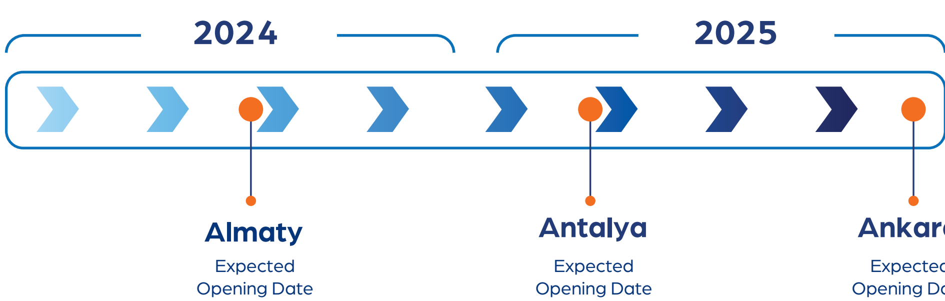
TAV Airports' capacity expansion investments in Almaty, Antalya and Ankara are progressing on schedule.

TAV Airports continues the largest investment program in its history, spanning four years from 2021 to 2025, and amounting to nearly 2.5 billion euros which includes the acquisition of Almaty Airport and related investments, Antalya Airport upfront lease payment and investments, Ankara Esenboga Airport upfront lease payment and investments and other investments in our airports and service companies. The capacity expansion investments in Almaty, Antalya and Ankara, which are the cornerstones of this investment program, are progressing on schedule.

Almaty Airport is expected to be completed by June 2024, while Antalya Airport and Ankara Esenboga Airport are expected to be completed by the first quarter and the end of 2025, respectively.

Construction Completion
(as of December 31, 2023)





Almaty Airport's capacity is doubling.

TAV Airports is doubling the capacity of Almaty Airport with an investment of 200 million US dollars. The airport is located in Almaty, the commercial capital of Kazakhstan, and has the highest traffic in the country.

The airport's old terminal building will be dedicated to domestic flights, while the new terminal building will serve international flights.

The new terminal building will significantly increase passenger traffic, expand the flight geography and provide passengers with a high level of comfort.

The new international terminal will expand capacity from 7 million to more than 14 million passengers.

Expected to contribute extensively to the commercial and touristic development of Almaty, a key stop on the Modern Silk Road, the new terminal building is planned to be put into service in June 2024.

We Are Building the Future of TAV Airports.

Antalya Airport's existing 142 thousand m^2 Terminal 2 building, serving international flights, will be transformed into a new 267 thousand m^2 terminal building.

80

MILLION

Antalya Airport planned passenger capacity

Antalya Airport's annual capacity will rise in the first phase to 65 million passengers and then to 80 million passengers

The first phase expansion investment in Antalya Airport continues.

The joint venture between TAV Airports and Fraport won the tender to operate Antalya Airport for 25 years and increase its capacity with a bid of 7.25 billion euros. The joint venture will increase the airport's annual capacity in the first phase to 65 million passengers and then to 80 million passengers, through an investment of 750 million euros.

As part of Antalya Airport expansion and enlargement project investments, the existing 142 thousand m^2 Terminal 2 building, serving international flights, will be transformed into a new 267 thousand m^2 terminal building.

At the same time, the domestic terminal building, currently 38 thousand m^2, will be enlarged to 75 thousand m^2. In 2038, a new 70 thousand m^2 international terminal will be built.

Approximately 1 million m^2 of airside areas (apron, taxiway, service road) will be added. The number of aircraft parking positions will increase from 108 to 176 and the number of passenger bridges in the terminals will increase from 20 to 38. A heliport area will be located above the newly constructed parking area.

A new state guest house and VIP building is also being built at the airport. The new general aviation and cargo terminals will be situated in the southern region within the airport boundaries, with separate entrances from the airport's main entrance.

This investment, which is planned to be completed in the first quarter of 2025 (except the T3 international terminal), will be conducted without affecting current operations and facilities completed within the investment period will be put into service as they are completed. In addition, a new 10 thousand m^2 technical block and an air traffic control tower will be built by 2030.

Within the project, an aircraft fuel farm with a capacity of 80 thousand m^3 will be built in the first phase for storage and distribution of incoming fuel at the airport. With the commissioning of the T3 international terminal, this capacity will increase to 150 thousand m^3. In addition to the existing energy generation facilities at the airport, a 4 MW solar power plant (SPP) will be installed. Moreover, LEED Gold certification based on energy efficiency in the new terminal buildings is planned.

Investments have been planned across three phases. In the first phase, the expansion of all terminals will be completed, along with the state guest house, hangar, VIP and CIP terminals, general aviation terminal, cargo terminals, multi-story parking area, heliport, additional apron, fuel supply facilities, lodging, general directorate building, solar energy systems and mosque projects.

These investments are anticipated to completely transform Antalya Airport, facilitating both interior and exterior traffic and accessibility.

210

MILLION €

Ankara Esenboga Airport first phase investment amount

Airside capacity expansion investments started in Ankara.

TAV Airports won the tender to operate Ankara Esenboga Airport for 25-years, with a bid of 475 million euros of rent (+VAT) and a capacity expansion investment of 210 million euros in the first phase.

TAV Airports will initially undertake first phase investments that comprise a new runway, an air traffic control tower and cargo service units.

TAV Ankara Yatirim Yapim ve İsletme Anonim Sirketi (TAV Ankara), fully owned by TAV Airports, was established to make additional investments to increase the capacity of Esenboga Airport and to operate the airport for 25 years starting from 2025. TAV Ankara made an upfront rent payment of 119 million euros to the State Airports Authority, corresponding to 25% of the total rent amount, in accordance with the tender specifications and is undertaking the required investments.

Within the engineering, procurement and construction contract a first phase investment of about 210 million euros for a new runway, parking lot, 5 MW solar panels and various other investments began in 2023. These projects are expected to be completed in the fourth quarter of 2025.

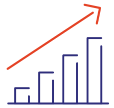
The second phase, which includes terminal expansion and airside investments in the amount of approximately 90 million euros, will start in 2038 at the latest. The second phase is planned to be completed within two to three years. There are no capacity bottlenecks anticipated for the duration of the concession.

Since 2006, TAV Airports has successfully operated Esenboga Airport, the global gateway to Türkiye's capital. Featuring a modern design that pairs the domestic and international terminals under one roof, Esenboga embodies the progressive face of the Turkish Republic. During the first concession period, passenger traffic nearly quadrupled. Moreover, efforts are underway to increase direct international flights to further boost traffic and connectivity.

In 2009, Ankara Esenboga was voted the "Best Airport in Europe", by Airports Council International (ACI). In 2020, Ankara Esenboga ranked first in its category at the ACI Airport Service Quality (ASQ) awards. Moreover, due to its energy efficiency efforts, Esenboga became Türkiye's first carbon-neutral airport in 2014, with a 3+ level certificate from the ACI Airport Carbon Accreditation program.

Our Inaugural Bond Issuance

TAV Airports completed its inaugural bond issuance in 2023. The size of the 5-year Eurobond issued was 400 million US dollars.



400

MILLION $

Size of the inaugural Eurobond issuance

In 2023, TAV Airports realized its inaugural bond issuance. The nominal value of the five-year Eurobond issued was 400 million US dollars and the coupon interest rate was set at 8.50%. Taking into account the cross-currency swap, the coupon interest rate of the instrument was reduced from 8.50% in US dollars to 6.87% in euros.

A demand of 1.5 billion US dollars was received from more than 100 foreign institutional investors around the world, mainly located in the US, Europe and Asia.

TAV Airports has deployed this funding for the partial refinancing of the loans used at TAV Holding level for the financing of the investment program mostly focused on Antalya, Almaty and Ankara and undertaken to increase the profitability and duration of our portfolio. The new investments are planned to be operational in Almaty in 2024, and in Antalya and Ankara in 2025.

As part of the bond issuance process, the international rating agencies S&P Global Ratings Europe Limited ("S&P") and Fitch Ratings Limited ("Fitch") assigned credit ratings to TAV Airports and the debt instrument issued by the Company.

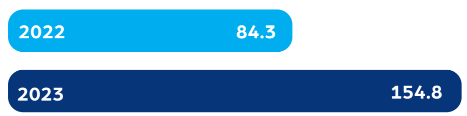
S&P assigned TAV Airports a credit rating of BB- with a stable outlook, while Fitch assigned the Company a credit rating of BB and a stable outlook.

The credit rating of the debt instrument issued by TAV Airports was determined as B+ by S&P and BB by Fitch.

Financial Summary

TAV Airports had a robust financial performance in 2023.

Total Assets (Billion TL)



Total assets increased by 84% and reached 154.8 billion Turkish liras.

Revenue (Billion TL)

Revenue increased by 88% and reached 34.4 billion Turkish liras.

Summary Balance Sheet (Thousand TL)	31.12.2023	31.12.2022	Change
Current Assets	33,605,578	14,985,806	124%
Non-Current Assets	121,221,367	69,349,629	75%
Total Assets	154,826,945	84,335,435	84%
Short-Term Liabilities	28,932,753	14,575,384	99%
Long-Term Liabilities	79,429,490	46,195,064	72%
Total Liabilities	108,362,243	60,770,448	78%
Equity	46,464,702	23,564,987	97%

Summary Income Statement (Thousand TL)	Jan-Dec 2023	Jan-Dec 2022	Change
Revenue	34,433,068	18,308,307	88%
Gross Profit	13,289,634	7,705,233	72%
Operating Profit	6,502,355	3,954,880	64%
Operating Profit before Financial Expenses	11,914,124	5,080,777	134%
Net Financial Expense	-3,579,443	-2,656,741	35%
Profit/(Loss) before Tax	8,458,818	2,424,036	249%
Period Profit/(Loss)	7,783,273	2,062,573	277%
Discontinued Operations	-5,854	-15,911	-63%
Period Profit (Loss) after Disc. Oper.	7,777,419	2,046,662	280%
Net Profit after Minority	7,530,074	1,899,087	297%

Other Financial Figures (Thousand TL)	Jan-Dec 2023	Jan-Dec 2022	Change
Capital Expenditures	-5,514,864	-2,340,908	136%

Summary Cash Flow Statement (Thousand TL)	Jan-Dec 2023	Jan-Dec 2022	Change
Cash & Cash Equivalents at the Beginning of the Period	5,135,969	1,395,745	268%
Cash Flow from Operating Activities	1,439,974	4,836,894	-70%
Cash Flow from Investing Activities	-772,809	-9,137,193	-92%
Cash Flow from Financing Activities	6,558,345	7,169,704	-9%
Effect of Foreign Currency Translation Adjustments	5,181,801	870,819	495%
Cash Balance at the End of the Period	17,543,280	5,135,969	242%

Financial Ratios	31.12.2023	31.12.2022
Current Ratio	1.16	1.03
Liquidity Ratio	1.12	0.96
Current Assets/Total Assets	0.22	0.18
Short-Term Liabilities/Total Liabilities	0.27	0.24
Total Liabilities/Total Assets	0.70	0.72

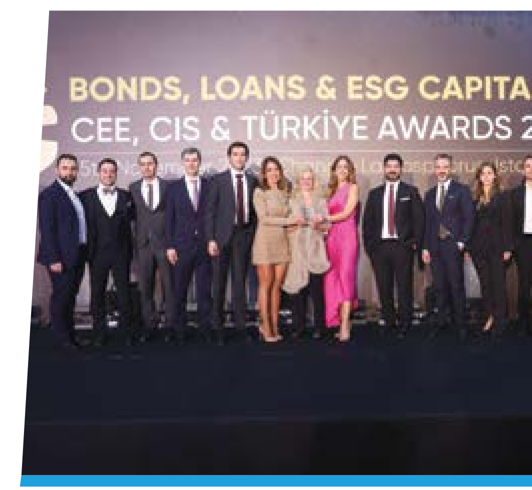
Awards and Accomplishments

TAV Airports ranked among the Top 50 Employer Brands in Türkiye, announced by Harvard Business Review.

- Ankara Esenboga, Skopje, and Zagreb Airports have been recognized as the best airports in their respective categories in the Airport Service Quality (ASQ) Awards by the Airports Council International (ACI World). The awards, determined by passenger evaluations, were presented to the winners at a ceremony held in Incheon, South Korea.
- Almaty Airport received ACI Public Health & Safety Readiness Accreditation and Madinah Prince Mohammed Bin Abdulaziz Airport became Airport Customer Experience accredited.
- TAV Airports ranked 93rd in Capital's list of "Türkiye's Top 500 Private Companies."
- TAV Airports was recognized as "A Great Place to Work" again by the Great Place to Work Institute and as one of the top ten best employer brands in Türkiye.
- TAV Airports was awarded at the IT For Accessibility Awards thanks to its collaboration with the Danis mobile application developed by WeWalk, which enables passengers with visual impairment independent access to airport services and navigation at airports.
- TAV Airports ranked among the Top 50 Employer Brands in Türkiye, announced by Harvard Business Review.
- Operated by TAV Airports, Almaty, Antalya, Batumi, Madinah, Tbilisi and Zagreb airports were rated among the best in the World Airport Awards 2023, organized by Skytrax and determined by passenger's choices.
- TAV Airports ranked 27th among companies with the best corporate culture in the "Corporate Culture 100" survey conducted by Fast Company Türkiye in cooperation with ERA Research & Consultancy.
- Tbilisi International Airport received ACI Europe's Airport Carbon Accreditation Level 2 Certificate, while Batumi International Airport achieved Level 1 Airport Carbon Accreditation.
- TAV Airports secured awards in three categories at the Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards, including Infrastructure Finance Deal of the Year, Corporate Treasury & Funding Team of the Year and Project Sponsor of the Year.

TAV Airports, together with its five subsidiaries, was recognized as an export champion in their respective categories at the fifth Service Exporters Association Awards ceremony.

- TAV Airports, together with its five subsidiaries, was recognized as an export champion in their respective categories at the fifth Service Exporters Association Awards ceremony.
- ATU Duty Free, a subsidiary of TAV Airports, was honored with the ETİKA 2022 Türkiye Ethics Award, presented annually by the Ethical Values Center Association (EDMER).
- TAV Technologies, a subsidiary of TAV Airports, proudly secured a position among the top 250 R&D centers in Türkiye list published by Turkishtime magazine.



Highlights of 2023

A concession lease contract was signed between TAV Ankara Yatırım Yapım ve İsletme A.S. and DHMI on February 1, 2023.

FEBRUARY

Ankara Esenboga Airport Tender

A concession lease contract was signed on February 1, 2023 between DHMI and TAV Ankara Yatırım Yapım ve İsletme A.S., a wholly owned subsidiary of our Company, which was established to carry out the tendered investments in Ankara Esenboga Airport and to operate the airport from 2025 until 2050 (25 years).

Dividend Distribution Resolution

Our Company is presently in an extensive investment program. As part of this program, we have acquired Almaty Airport for 422 million US dollars in 2021 and we are investing a total of another 200 million US dollars in the airport. Then, together with our partner Fraport, we made an advance lease payment of 1,813 million euros to DHMI for the new concession of Antalya Airport. We also launched an investment of 600 million euros for capacity increase in Antalya Airport. Besides, we will pay a down payment of 119 million euros to DHMI for the new concession of Ankara Esenboga Airport and make an investment of 210 million euros in the airport. We plan to complete all the investments outlined above within the next three years.

Considering the extensive amount of cash required for the investment program described above and also considering the fact that the cost of financing this cash has increased significantly in the last two years, our Board of Directors has unanimously resolved that in accordance with the Dividend Policy of our Company, a dividend distribution proposal will not be made to the approval of the General Assembly to convene for the fiscal year of 2022.

Independent Auditor Selection

As per the recommendation of our Audit Committee and in accordance with the principles determined by the Turkish Commercial Code No. 6102 and Capital Markets Law No. 6362 and their relevant legislation, in order to audit the financial reports of our Company for the fiscal year 2023 and to carry out other activities within the scope of the relevant regulations in these laws, it was decided to select DRT Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik A.S. (member company of Deloitte Touche Tohmatsu Limited) and submit this selection for approval at the next General Assembly.

Guidance (Announced in February 2023)

	2022 Results	2023 Guidance	2025 Previous Guidance	2025 New Guidance (includes New Ankara (2025+) Esenboga concession)
Revenue (million €)	1,051	1,230 – 1,290		10-14% CAGR (2022-2025) expected.
Total Passengers (million)	78	81 - 91	102- 107	10-14% CAGR (2022-2025) expected.
International Passengers (million)	50	52 - 59		
EBITDA Margin (%)	31		42 - 45	above 2022 margin [1]
Net Debt/EBITDA	5.0	5- 6	2.5 - 3.0	2.5 - 3.0
EBITDA (million €)	322	330-380		12-18% CAGR (2022-2025) expected
Capex [2] (million €)	175	220-260		

[1] Due to significant growth in low-margin businesses such as Almaty and service companies in 2022 and beyond, margin expansion between 2022 and 2025 will be lower and EBITDA in 2025 will be higher than originally planned.
[2] New Ankara about 35%, Almaty about 30% and N. Macedonia 15%

- *Our 2023 to 2025 outlook is based on an assumption of continuation of recovery from pandemic related mobility restrictions, normal business conditions, no other force majeure or security related events and no unexpected volatility or other abnormal conditions in foreign exchange markets.*
- *Deviations from these assumptions could have material effects on our expected passenger volume and financial results for 2023 through 2025.*
- *Passenger outlook includes Antalya. Due to equity accounting, revenue and EBITDA outlook does not include Antalya.*

Highlights of 2023

TAV Airports' Corporate Governance Principles Compliance Rating was confirmed as 9.69 on August 11, 2023.

MARCH

Ordinary General Assembly Meeting
The ordinary general assembly meeting for 2022 was held on March 31, 2023. The meeting minutes including the decisions taken can be accessed from the link (https://ir.tav.aero/uploads/documents/Documents31032023151443_.pdf).

APRIL

Esenboga Airport Upfront Rent Payment
TAV Ankara Yatırım Yapım ve İşletme Anonim Şirketi (TAV Ankara), which is fully owned by our Company and was established to make additional investments to increase the capacity of Esenboga Airport and to operate the airport for 25 years starting from 2025, made an upfront payment of 118.75 million euros, corresponding to 25% of the total rent amount, to the State Airports Authority in accordance with the tender specifications and started the investments specified in the tender.

JULY

Madinah (TIBAH) Share Sale
An agreement was reached for the transfer of 24% of shares of TIBAH Development, in which we hold a 50% stake through our subsidiaries, for 135 million US dollars to our partner Mada International Holding (Mada), which holds the other 50% of the shares.

AUGUST

Corporate Governance Principles Compliance Rating
Our Company's rating was confirmed as 9.69 on August 11, 2023.

SEPTEMBER

Closing of TIBAH (Madinah) Share Sale Transaction
The sale of 24% of shares of TIBAH to our partner Mada International Holding, which holds the other 50% of shares of Tibah Airports Development Company (TIBAH), was completed.

Decision on Issuance of Debt Securities to be Sold Abroad and Application for CMB Issuance Ceiling
Our Board of Directors has decided to apply to the CMB for the issuance of debt instruments to be sold outside Türkiye up to a total amount of 750 million US dollars or equivalent foreign currency, with fixed and/or variable interest rates to be determined according to the market conditions on the issue dates, to be realized through an issuance of one or more times in various orders and terms within a one-year period.

Highlights of 2023

S&P assigned TAV Airports a credit rating of BB- with a stable outlook, and Fitch assigned TAV Airports a credit rating of BB with a stable outlook.

OCTOBER

Management Liability Insurance
In compliance with article 4.2.8 of the appendix to Capital Markets Board Corporate Governance Communique, the existing "Management Liability Insurance" policy covering the board members and senior executives of our Company was renewed for a period of one year at a coverage exceeding 25% of our Company's capital.

NOVEMBER

JCR Avrasya Credit Rating
Credit rating agency JCR Avrasya Derecelendirme A.S. revised TAV Airports Holding's Long-Term National Corporate Credit Rating upwards from "A+ (tr)" to "AA- (tr)" and Short-Term National Corporate Credit Rating from "J1 (tr)" to "J1+ (tr)".

Fitch and S&P Credit Ratings
S&P assigned our Company a credit rating of BB- with a stable outlook, and Fitch assigned our Company a credit rating of BB and a stable outlook.

The credit rating of the debt instrument planned to be issued by our Company was determined as B+ by S&P and BB by Fitch.

DECEMBER

Debt Instrument Issuance – Completion of Sale
The issuance of bonds with a nominal value of 400 million US dollars and an interest rate of 8.50% (6.87% in euros) issued by our Company for sale abroad was completed on December 7, 2023.

The issuance of bonds with a nominal value of 400 million US dollars and an interest rate of 8.50% (6.87% in euros) issued by our Company for sale abroad was completed on December 7, 2023.

Investor Relations and BIST Performance

6

Number of conferences attended

The main duty of TAV Investor Relations (TAV IR) is to make sure that capital markets instruments issued by TAV Airports are fairly valued. In order to attain this goal, TAV IR uses an arsenal of investor relations tools to provide thorough and accurate information about TAV Airports to various market participants.

TAV IR also makes sure that the Company is in full compliance vis-a-vis its obligations arising from capital markets legislation. TAV IR also coordinates all relevant stakeholders to ensure that the Company adheres to the highest corporate governance standards.

There are four main principles TAV Investor Relations abides by in its day to day activities: accuracy, fairness, speed and proactivity.

Accuracy

TAV IR pays special attention to making sure that all information shared with capital markets participants is well researched, accurate and thorough. TAV IR believes that the flow of accurate and thorough information is paramount to establishing trust between the Company and capital markets participants.

Fairness

TAV IR is keen on making sure that all constituents of capital markets receive the same information regardless of function (buyside, sellside) or relative size.

Speed

TAV IR is highly aware that information also has a time dimension in capital markets, and that quick information is superior to slow information. With this awareness, TAV IR strives to respond to all requests for information promptly.

Proactiveness

TAV IR keeps a vigilant eye on the Company and its economic and legal ecosystem and identifies investor, legislative and corporate governance related issues before they are raised by capital markets participants and stakeholders. TAV IR then promptly and thoroughly addresses these issues.

In 2023, TAV Airports Investor Relations participated in a total of 6 conferences and conducted meetings with more than 200 investors and analysts to discuss the operations and financials of the Company.

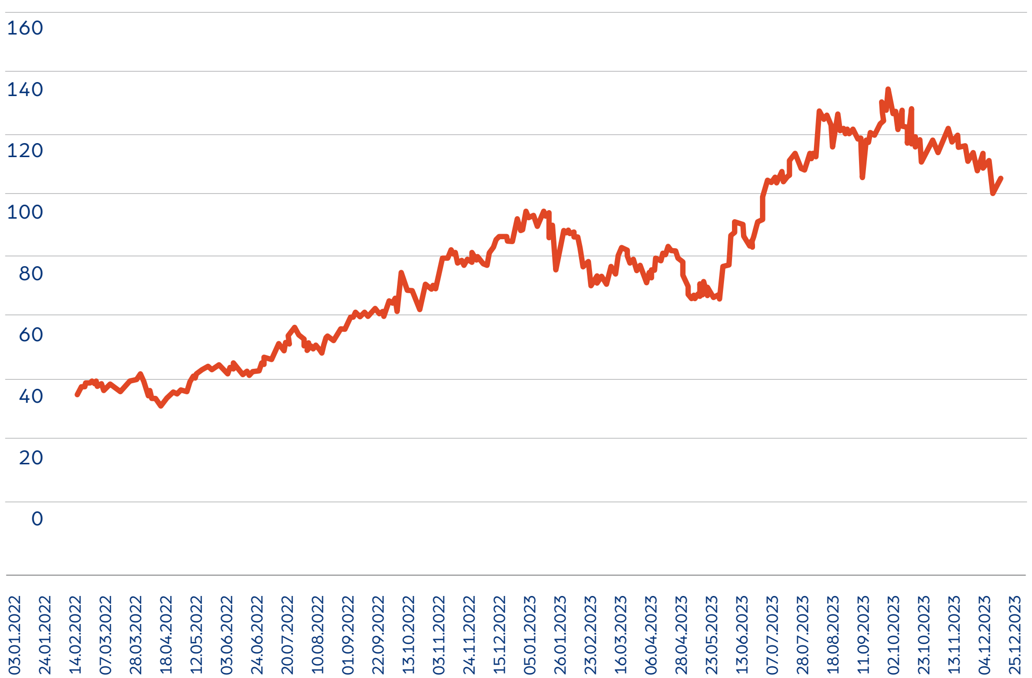
Share Performance

TAV Airports shares traded between a low of TL 66.00 and a high of TL 137.50 in 2023.

Investor Relations and BIST Performance

TAV Airports shares traded between a low of TL 66.00 and a high of TL 137.50 in 2023.

TAV Airports Share Price (TL)



Corporate Governance Rating

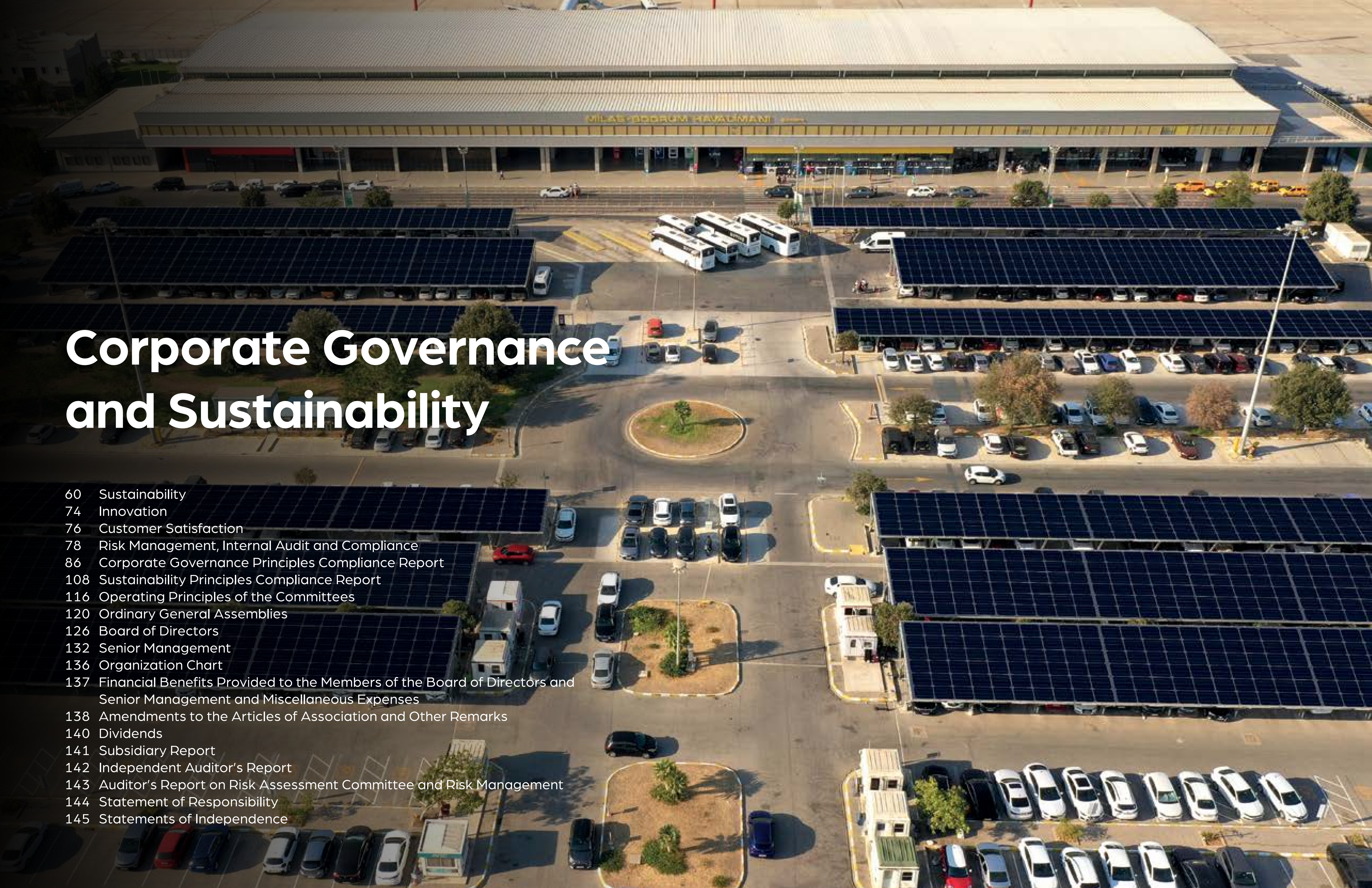
TAV Airports Periodic Revision Corporate Governance Rating Report prepared by SAHA Corporate Governance and Credit Rating Services, a corporate governance rating agency that is also licensed to conduct corporate governance rating activities in Türkiye, has been completed. The Corporate Governance Rating Score for our Company was confirmed as 9.69 on August 11, 2023.

Distribution of Corporate Governance Rating with respect to the sub-categories is as follows:

Sub-Categories	Weight	Rating
Shareholders	0.25	95.90
Public Disclosures and Transparency	0.25	98.65
Stakeholders	0.15	98.82
Board of Directors	0.35	95.48
Total	1.00	96.88

TAV Airports Investor Relations Contact Information

E-mail	ir@tav.aero
Phone	+90 212 463 30 00/10545-10546
Fax:	+90 212 465 31 00
Investor Relations Website:	http://ir.tav.aero
Twitter	@irTAV
Address	Vadistanbul Bulvar, Ayazaga Mahallesi, Azerbaycan Caddesi, 2C Blok No: 3L/6 34485 Sariyer/Istanbul-TÜRKİYE



Corporate Governance and Sustainability

Sustainability

1. Introduction

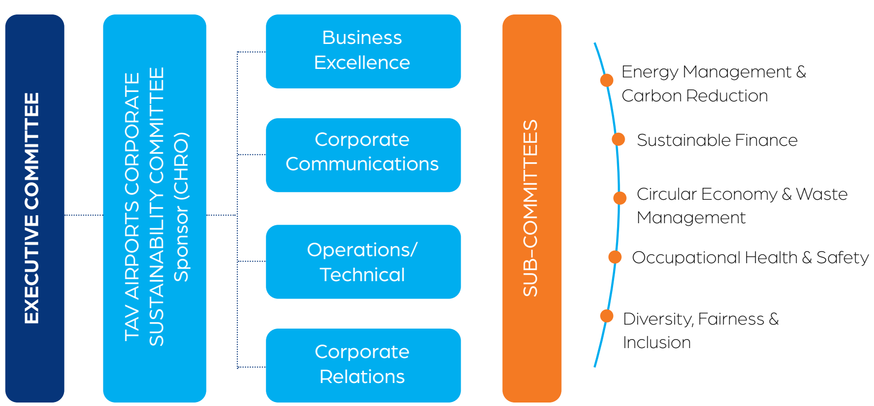
In addition to the economic performance of its operational activities, TAV Airports has also determined its main objectives as creating value for all stakeholders in target areas determined within the scope of the sustainability strategy such as climate change, energy management and carbon reduction, circular economy, sustainable finance, diversity, fairness, inclusion, and innovation. To minimize and improve environmental, social and communal impacts at all sites with the aid of international guides, value production processes designed in accordance with basic principles and global applications of the low carbon economy are adopted and applied by all airports and service companies. TAV Airports' goal is value-focused transformation and sustainable, measurable, globally comparable, dynamic and continuous development. The Company designs and implements cutting-edge technological and innovative infrastructure to measure the impact created and generate effective and meaningful data that will help the Company meet its corporate goals.

2. Sustainability Strategy

For the period 2022-2025, action plans for the sustainability strategy application, which are defined in accordance with Groupe ADP and integrated into the corporate strategy, are systematically tracked with processes within the Sustainability Management System. With the roadmaps comprising four main axes, the aim is to create a new airport model with a long-term perspective, to act around a common industrial approach, to strengthen with clear priorities and measurable targets and to include all subsidiaries at the Group level.

The governance structure within the scope of TAV Airports Sustainability Management System is as follows.

TAV Airports Corporate Sustainability Organization



Roles and Responsibilities of Sustainability Committees

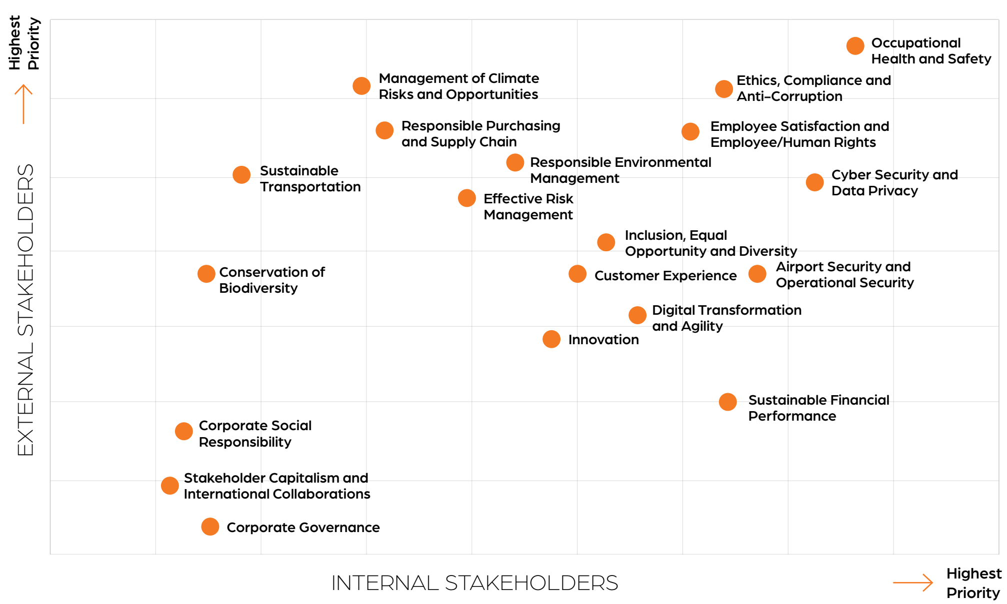
The implementation of all commitments of TAV Group and exhibiting a positive performance is ensured by a strong governance structure. The presence of the senior management and the commitment of the Executive Committee supports this structure. Sustainability activities are organized at the Company level through subcommittees.

TAV HOLDING Sustainability Sponsor (CHRO) Sustainability & Business Excellence Corporate Communications Airport Operations Corporate Relations	• Determination of corporate sustainability strategies and policies by the Holding in line with ADP strategies and their dissemination to companies • Determination of macro sustainability indicators and targets; monitoring of corporate sustainability performance and progress through companies' progress reports and directing them to companies • Consolidation and publication of corporate reports requested by stakeholders • Evaluation of progress by discussing common topics with sub-committees at group level • Providing an opportunity to learn and share trends on global standards regarding sustainability and current issues, legislative changes and critical developments in target areas
COMPANIES Sustainability Sponsor (General Manager) Sustainability Leader Working Groups	• Integration of TAV Holding corporate sustainability goals into company strategies • Preparation, implementation, and performance reporting of in-house action plans required to achieve TAV Holding's corporate sustainability goals • Regular monitoring of target sustainability areas determined by TAV Holding, content development and contribution to agenda setting

Sustainability

Sub-committees within the TAV Airports governance structure work to learn, share experiences, and develop projects on common issues in the Group's target sustainability areas. The sub-committees meet every two months and evaluate the developments, trends, and updated information about the relevant legislation on the determined topics. Working groups develop projects for dissemination, raising awareness, and process improvements throughout the group by determining common mechanisms within the framework of the sustainability programs that will be integrated into the strategies of the subsidiaries.

A "Stakeholder Engagement and Materiality Analysis" study was conducted in 2022 in the field of sustainability with the aim to determine the topics, on which TAV Airports focuses, from the Sustainable Development Goals (SDGs) established globally by the United Nations to eliminate poverty, protect the planet and ensure that all people live in peace and prosperity and the expectations of its stakeholders. The responses received were evaluated in a consolidated manner and the importance level of the topics was determined. With the study analyzed, the responses of internal stakeholders on the X axis and external stakeholders on the Y axis were evaluated and a prioritization matrix was created.



As a result of the survey study:

- Occupational Health and Safety
- Ethics, Compliance and Anti-Corruption
- Employee Satisfaction and Employee/ Human Rights
- Cyber Security and Data Privacy
- Responsible Environmental Management
- Effective Risk Management and
- Inclusion, Equal Opportunity and Diversity
- Management of Climate Risks and Opportunities
- Responsible Purchasing and Supply Chain

were rated as the material topics with the highest priority by both internal and external stakeholders.

With the "Stakeholder Engagement and Materiality Analysis" conducted to serve as a roadmap during its sustainability journey, TAV Airports focused on performance and sustainability in all its processes in line with Groupe ADP's 2022-2025 strategic roadmap "2025 Pioneers." By further expanding the scope of the material topics identified in this context, it built its strategy by focusing on the topics determined in parallel with this roadmap. Aiming to be carbon neutral by 2030 and to achieve net zero emissions by 2050, TAV Airports, with this setup, evaluates its material topics in a broader scope in line with three main axes, namely Digitalization, Hospitality, and Sustainability, and realizes the targets it set.

3. Target Sustainability Areas and Prioritized Sustainable Development Goals (SDGs)

TAV Airports, as a member of UN Global Compact (UNGC), participated in the "UN Global Compact 2022 SDG Accelerator Program" to integrate the UN Sustainable Development Goals regarding sustainability into its business strategy and processes, with the goal of leading the fair and sustainable transformation of the aviation industry.

The program, which encourages setting ambitious and realistic sustainable development goals and offers the opportunity to benchmark participating companies, was carried out for the first time in Türkiye. Within the program, realizing the targets in TAV Airports' 2030 agenda, designing new systems for integrating sustainability into all business processes, and strategically prioritizing the actions planned to accelerate progress towards the SDGs is supported.

The Sustainable Development Goals (SDGs) are described as the big picture that companies look at when defining their sustainability approach. The fact that companies evaluate their sustainability strategies on the basis of SDGs and align them with their targets supports also the global sustainability policy as a whole. Within this scope, an analysis of material topics identified by TAV Airports has been conducted in terms of SDGs as well.

Sustainability

Sustainable Development Goals Highlighted for TAV Airports

Sustainability Material Topics	Related SDG
Airport Security and Operational Safety	3
Employee Satisfaction and Employee/Human Rights	5, 8, 10
Inclusion, Equal Opportunity and Diversity	3, 5, 10
Customer Experience	9, 13, 14, 15, 16
Ethics, Legal Compliance and Anti-Corruption	8, 12, 16
Corporate Social Responsibility	4, 10
Effective Risk Management	8, 12
Management of Climate Risks and Opportunities	7, 8, 9, 11, 12, 13, 14, 15
Sustainable Financial Performance	8, 12
Stakeholder Capitalism and International Collaborations	13, 14, 15, 16
Corporate Governance	8, 12
Preserving Biodiversity	3, 11, 15
Responsible Purchasing and Supply Chain	8, 9, 10, 12, 13, 14, 15, 16
Digital Transformation and Agility	8, 9
Data Privacy and Cyber Security	9
Innovation	8, 9
Occupational Health and Safety	3, 8, 11, 12
Sustainable Transportation	3, 9, 10, 11, 12, 13, 14, 15
Responsible Environmental Management	3, 9, 10, 11, 12, 13, 14, 15

TAV Airports attaches importance to actively participate in all activities that will contribute to the SDGs. It has participated in the Business and Human Rights Program organized by UNGC in order to identify and evaluate its existing or potential negative impacts in human rights, to ensure integration into business processes, to monitor process follow-up and measure efficiency, to ensure communication of all activities with stakeholders and to reach a wide network for cooperation. It also participated in the Climate Action Experience Sharing Group organized by the UNGC to provide an opportunity to share best practices and experiences on critical sustainability topics.

The "Airports for Trust" Declaration, signed by the Chief Executive Officers of 23 ADP Group airports worldwide and which includes commitments for a sustainable and responsible future, is one of the cornerstones of the international integration of TAV Airports' sustainable development strategy. The Group's commitments in this area aim to contribute to achieving common goals in the aviation ecosystem.

The commitments found in the Declaration, which cover all critical environmental topics, especially climate and biodiversity, were reviewed and expanded by Groupe ADP in 2022 with all stakeholders and enhanced with the Stakeholder Engagement and Materiality Analysis conducted again in 2023. The current content of the declaration is as follows:

Protecting the Planet

Our commitments to be the industry leader in environmental protection:

- Working to transform our operations to have zero environmental impact, including by being carbon neutral by 2030 at the latest,
- Actively participating in the environmental transformation of the aviation industry,
- Increasing the integration of each airport into a local sourcing system by promoting the circular economy, on-site resource production, and process simplification,
- Building a greener future by reducing the environmental footprint of development projects for our operations (design, construction, renovation).

Developing with Local Communities

The harmonious and sustainable development of airport operations should be closely linked to creating value for local communities and investing in human development at the local level.

Our commitments to develop a permanent win-win relationship and a shared vision of the future:

- Actively contributing to improving the living conditions of local communities and reducing exposure to noise,
- Building long-term trust and harmony with local stakeholders,
- Strengthening the positive impact of airport operations on local communities, tracking the potential environmental and social impacts on the habitat of local communities, taking necessary precautions, and carrying out actions for improvement,
- Uniting the airport community and acting together to maximize the positive impact of airport operations and facilitate acceptability.

Sustainability

The Power of Our Network

- We are committed to measuring the environmental and socio-economic impacts of our airports and to ensure transparency.
- Our airports form a powerful network of skills, knowledge, and understanding related to the challenges of air transportation.
- This network should enhance awareness and commitment to maximize the positive impact of airport operations for all stakeholders.

Since 2014, TAV Airports has been included in the BIST Sustainability Index, which enables organizations to compare their corporate sustainability performance locally and globally, and to develop their risk management skills related to sustainability with the principles of corporate transparency and accountability.

The index provides an independent evaluation and confirmation of the activities and decisions taken by companies that demonstrate their approach to critical sustainability issues for Türkiye and the world, such as global warming, depleting natural resources and water sources, health, safety and employment.

As of November 2022, TAV Airports continues to share public data within the BIST Sustainability 25, a new index with a high sustainability performance that also includes large and liquid companies.

4. Environmental Sustainability

Aware of the need to respect the environment in order to leave a more livable world for future generations, TAV Airports takes action to prevent threats such as climate change, environmental pollution, and destruction of natural areas and carries out sustainability-oriented practices. With its Pioneers 2025 strategy, TAV Airports declares that it aims to operate airports around the world in a responsible manner. Within this context, TAV Airports recognizes that practices to mitigate the impacts of climate change have an important place for a livable world. TAV Airports attaches importance to minimizing the negative impacts in its fields of activity in order to protect biodiversity and reduce the consumption of natural resources and implements its strategy in this regard through renewable energy investments, emission reduction, and effective waste, water and energy management practices. TAV Airports has emphasized its sensitivity in this context in its Sustainability Policy, as well as its Environmental Policy established within the scope of its sustainability strategy to ensure environmental impact management. TAV Airports has signed the "Airports for Trust" declaration, which is one of the important building blocks of the international integration of its sustainability strategy, together with some of the global airports in the Groupe ADP network. The commitments in this declaration, which addresses other critical environmental issues, especially climate and biodiversity, were reassessed by Groupe ADP in 2022 with all stakeholders and their scope was expanded. The commitments made to be an industry leader in ensuring a more livable planet are set out below:

- Working to transform its operations to have zero environmental impact, including being carbon neutral by 2030 at the latest
- Actively participating in the environmental transformation of the aviation industry
- Increasing the integration of each airport into a local sourcing system by promoting the circular economy, on-site resource production, and process simplification
- Building a greener future by reducing the environmental footprint of development projects for operations (design, construction, renovation)
- Increasing the ratio of battery powered ground support equipment in the fleet to 20% by 2025
- Defining a carbon budget for new investment expenditures over 5 million euros
- Using 10% low-carbon energy in terminals and airside
- Defining a roadmap to improve the biodiversity index by 2030
- Following biodiversity commitments under the international Act4nature
- Including all airports in the scope of ACA by 2025

In order to achieve these commitments, Sustainability Management Systems were established to minimize, manage, and monitor the environmental risks arising during operations and the goal of spreading TAV Airports' experience in environmental management to all group companies was set. In addition, TAV Airports collaborates with various organizations for a more livable future and shapes its budget studies to improve its environmental, social, and communal practices.

Within the scope of combatting the climate crisis and achieving efficient energy management, TAV Airports applies the Greenhouse Gas Management System at the airports it operates in order to fulfill its commitments, including ground handling operations.

The greenhouse gas inventories prepared on the basis of airport and ground handling services are verified and registered annually by an independent audit company in accordance with the international ISO 14064-1 standard. TAV Airports' combustion emissions (Scope 1), energy-related emissions (Scope 2), and Scope 1 and Scope 2 emission calculations (Scope 3) of stakeholders across the airports are also evaluated for verification.

Management systems covering the stages of creating, measuring, monitoring, reducing, and neutralizing the greenhouse gas inventory are also certified under the ACI Europe Airport Carbon Accreditation program.

TAV Airports committed to and began activities in 2023 with the goal of including all airports it operates into the ACI Europe Airport Carbon Accreditation Program. For all airports, the process has already begun. All airports operated by TAV Airports in Türkiye have participated to the program. In 2023, new airports participated in the program in line with the targets set at international airports.

Sustainability

In order to transparently demonstrate its activities for carbon reduction, TAV Airports participated again in the CDP reporting program.

In addition to our collaboration with ACI for airport carbon accreditation, we also cooperate in various dimensions (circular economy, diversity, comprehensiveness, etc.) of sustainability with Sustainable Development Association (SKD) of which we are a member and the UN Global Compact (UNGC).

In order to build the bridge between businesses and sustainable development goals and to strengthen the role of businesses in sustainable development, TAV Airports is a member of the Business for Goals Platform established by TUSIAD, TURKONFED and UNDP.

In addition, TAV Airports is a member of the Green Transformation Commission, which was established to perform activities for increasing awareness in green transformation, developing a consensus, and designing projects in parallel with the EU Green Deal goal of "creating jobs and improving quality of life by reducing emissions," as stated by TURKONFED.

Supporting its environmental commitments with low-carbon technology and infrastructure investments, TAV Airports' ground handling services administration building and warehouse at Istanbul Airport were designed and commissioned with sustainable design, construction, and operation criteria and have a LEED Certificate (Leadership in Energy and Environmental Design). Additionally, the Company published its energy efficiency and decarbonization targets with its 2022-2025 Decarbonization Roadmap and "Energy Savings and Renewable Energy Supply with ISO 50001 Energy Management System, Solar Energy, LED Lighting Transformation, Battery-driven Vehicles, Building Management Systems."

At TAV Airports, Environmental Management Systems which include systematic processes to minimize, manage, and monitor environmental risks that arise during operations are operated. With the management system, which is the critical application tool for environmental sustainability, the aim is to share and calibrate TAV Airports' experience in environmental management with all Group companies.

With an increasing awareness on the impacts and dependencies regarding biodiversity in the operation areas and in compliance with Groupe ADP, TAV Airports disclosed its commitments for the protection of biodiversity through Act4nature International. The process design is aimed to assess the biodiversity footprint of its main activities and to incorporate biodiversity into operational decision-making processes. TAV Airports' biodiversity strategy is based on minimizing impact during operations. Combatting climate change is one of its main principles. The most visible and direct impact of climate change is on biodiversity. Focusing on biodiversity, national/international regulations/laws are followed in terms of protecting biodiversity. The primary goals are biodiversity protection, avoidance strategies, methods for minimizing negative impacts on biodiversity, and environmental impact reduction measures.

5. Social Sustainability

TAV Airports conducts studies to integrate the concept of "corporate sustainability," which requires that environmental and social issues be treated with the same care as financial results into all business processes and corporate culture.

TAV Airports is aware of the impacts it creates on the communities in all of its areas of operation, as well as on its own employees, employees in the value chain, and end users of its services. With this awareness, it implements international human rights standards related to the direct and indirect impacts it has on all these communities and determines the processes required to improve them.

In order to make visible its responsibility, sensitivity, and activities concerning human rights, which it supports and respects, as well as to make comparisons and share best practices, TAV Airports enrolled in the "Business World and Human Rights Program" in 2022, which was established for UN Global Compact member companies.

Simultaneously, TAV Airports is involved in the Business World and Human Rights Project, which is being carried out in collaboration with the UN Development Program, the Japanese Government, and the implementing partner TURKONFED.

In 2022, as per the French "Potier Law" on the duty of vigilance of parent companies and their affiliates regarding supply chains, the Groupe ADP's – "Human Rights Risk Mapping" study which includes "reasonable due diligence measures to identify risks and prevent serious human rights violations" – has been completed as of December 2022, which includes the operations of sub-contractors and suppliers of TAV Airports and/or Groupe ADP. In 2023, relevant actions were determined and implementation steps were started to be taken. Within this scope, the **Human Rights Policy** was updated and re-published, renewing commitments in compliance with all group companies.

Occupational health and safety at TAV Airports focuses on protecting and strengthening the health, performance, motivation, and productivity of employees in the long-term.

Occupational health and safety approach and policies in all Group companies are based on identifying risks, taking preventive measures, and aligning operational processes with these measures.

The minimum requirement in all fields of operation is to comply with national regulations. To go further, the main objective is to reach a zero accident frequency by applying good practices and international standards. TAV Airports' OHS approaches are supported by company-specific rules and in-house regulations.

OHS policies throughout the group are established by the OHS Committee, which is included in the sustainability governance structure and has been operating since 2019. The Committee consists of Occupational Safety Experts and Workplace Physicians to give advice and support all affiliates on the continuous improvement of occupational health and safety.

TAV Airports supports a wide variety of projects and initiatives in education, sports, and culture as part of its corporate social responsibility approach. Customer satisfaction and employee satisfaction form the basis of the Company's social impact in the regions where it operates.

Sustainability

TAV Airports organizes its human resources policy at international standards in order to ensure the happiness and loyalty of its employees. Striving to be the preferred employer in its markets, TAV's human resources policy is built on occupational safety, comprehensive opportunities for the professional and personal development of staff members and equal opportunity for all.

TAV Airports supports equality and diversity in all its activities and does not make discrimination based on race, color, gender, religion, language, marital status, sexual orientation, gender identity, political opinion, ethnic identity, health condition, family responsibilities, union activity or membership, physical disability or age during selection and placement. All employees are treated fairly as part of "equality of opportunity" principle and receive equal opportunity. Guidelines of Labor Law No. 4857 are followed and persons under age of 18 are not employed at TAV Airports (except for interns).

In addition to all these, equality, diversity, inclusion, and fairness are priorities in terms of the vision and values of the Holding and its Group companies. These are incorporated into the operational flow with a shared understanding across all businesses. TAV Airports supports intercultural interaction, the transfer and enrichment of cultures through cultural diversity as an organization whose operations span a large geographic area.

Within the sustainability governance structure, the Diversity, Inclusion and Fairness Sub-Committee, which is comprised of representatives from all companies, plays an important role in establishing and disseminating general policies and principles for the group. Gender equality has been identified as one of the committee's primary working topics.

Supporting women's employment in all functions, TAV Airports and its Group companies use an egalitarian and inclusive policy and language, prohibit any type of discrimination in the workplace and thus build a corporate culture focused on both increasing employee motivation and ensuring equality of opportunity.

We participate in the Civil Aviation General Directorate Gender Balance Development Commission (TCDGK) as TAV Airports Holding and Havas, which was established to monitor gender balance, develop proposals for improvement, conduct studies for the creation of equal opportunities for genders in selecting aviation professions, and especially encouraging women's training in areas of aviation.

In order to encourage female employment, TAV Airports Holding adopted the Equal Opportunities Model (FEM) developed under the leadership of KAGIDER with the technical support of the World Bank and the cooperation of PricewaterhouseCoopers and EY; and following an independent assessment, it was certified. TAV Airports Holding has registered its prioritization of gender equality and women's empowerment in employment with its structure, actions, and employment features in front of the national and international public with FEM since 2017.

As a signatory of the UN Global Compact, TAV Airports also supports Women's Empowerment Principles (WEPs) which is a joint initiative of the UN Women and UN Global Compact. The Women's Empowerment Principles, which are one of the sub-initiatives of the Global Compact Contract and were established on the basis of gender equality, aim to empower women on a global scale, particularly in the areas of health, security, education, and development. The principles were developed by UN Women and the UN Global Compact as a "social gender lens" to inspire individuals and institutions striving for women's inclusion in all areas and levels of economic life, as well as to empower studies in this area.

TAV Airports is a board member of the "Woman in Technology Association (Wtech)," which continues its efforts to help people discover their own potentials; to educate curious, inquisitive, productive and self-confident technology specialists and help them find their place in the business world. TAV Technology actively supports the Women Leaders in Technology Training Program, which aims to specialize and empower women who are underrepresented and have less opportunity to pursue a career in technology.

TAV Airports is a participant in the Women in Sales Network social project, which was launched by Sales Network in 2019 with the goal of raising awareness in companies and among women, developing ideas for increasing women's participation in the world of sales, and creating a qualified workforce pool.

TAV Airports Holding and TAV Operation Services is the spokesperson for the Mentors for a Million Women Program, which aims to connect young female students or female workers (aged 15-25) studying or working in STEM fields with sector leaders via a digital platform.

Committing to the goal of increasing the share of women on the Board of Directors to above 25%, the Company attained this goal in 2018.

At TAV Airports, for a job that has same or equal value, no different approach is taken based on gender. Moreover, applying special protective orders because of the gender of the employee (such as maternity leave, prohibition of working at night) cannot create a basis for paying a lower wage.

At TAV Airports, the same wages are given for the same jobs. Remuneration policy determines wage management principles, to be implemented at the Holding and its affiliates, that are fair, consistent, balanced with the responsibilities taken and competitive with the market.

Remunerations are managed by evaluating the value added to the corporation by the jobs regardless of the titles of the employees. In order to determine the wages for the positions in a balanced way according to the added-value provided by them, they are evaluated by looking at job definitions and organization structure. After the evaluations, positions are placed within the "Company Level" structure. Experience, seniority, performance and productivity are also effective for the process of determining the wages of the employees.

Sustainability

The Company gets involved in several wage researches every year in order to follow the developments in the markets and to maintain a competitive financial position in the market. Acquired market data are analyzed, and based on the value of the job, wage scales are created within the Company level structure by also considering internal balance.

During selection and placement process, before hiring from the outside of the Company for an open position, the job posting is first announced within the Group, if applicable. Intra-group transitions are supported by ensuring communication with the HR managers. By posting the announcement in "Open Positions at TAV Airports" section found in TAV Portal, internal applicant process is supported. In addition, internal promotion process is supported within the framework of rules and standards determined under the scope of talent management and development planning processes.

TAV Airports met the criteria for workplace with a high-trust culture in the program carried out by the Great Place to Work (GPTW) Türkiye Institute, evaluating employees' experiences about the corporate culture. Due to the Employee Satisfaction Survey conducted on March 21, 2023, with the participation of a total of 15,511 employees, nine companies of TAV Airports were entitled to receive the Great Place to Work Certificate in three categories: survey participation, certificate and list. Excluding the companies, the Group has GPTW Certificate for 26 locations in total.

BTA and TAV Operation Services, which are among the subsidiaries of TAV Airports, have been named one of the top 30 best companies in Türkiye in terms of female employee happiness, according to the Great Place To Work Institute, the leading research institution in the sector conducting studies on corporate culture and employee experience.

Ankara Esenboga Airport, operated by TAV Airports, was named one of the "Best Employers in Anatolia" by Great Place to Work. 13 companies were included in the list, which was compiled based on employee evaluations in 60 topics under five different titles.

In 2023, in the Extra Financial Rating study conducted for the companies within Groupe ADP, TAV Airports Holding received a score of AA+, with which it can take the lead in its sector, enabling a transparent evaluation of its ESG practices. The methodology followed in the study is as follows:

The methodology is a management structuring factor and serves the triple purpose of optimizing information flows, risk management, and setting performance targets. The ESG rating assesses the quality of the Company's responses to stakeholders' topics.

This rating report covers the Company's new social responsibilities in 6 areas, namely environment, social, civil society, customers, suppliers, and corporate governance. Based on the SustainBox© model, this assessment measures a company's performance against 7 management principles: leadership, organization, transparency, commitment, control, innovation, and vision.

The rating is based on information collected. This information comes from documents in the data room, interviews with managers, and the agency's databases. For each area of analysis and for all activities, gaps between standards and practices are identified.

The ESG Score analysis model is a matrix model that combines the principles of responsible engagement (7 management principles) with the Company's various areas of activity (6 areas of analysis). This cross-referencing identifies the challenges facing the Company.

The Company's position in terms of responsibility is assessed using a weighted scoring system with weights (average challenge: weight 1; significant challenge: weight 3; strategic challenge: weight 10) and scores are awarded for each of the identified risks.

The principles of responsible corporate performance are based on an LDR (Leadership, Delivery, Results) process and are divided into seven sequential, interconnected stages:

1- Discourse and leadership
2- Organization of responsibilities
3- Information transparency
4- Commitment to stakeholders
5- Independent monitoring
6- Innovation and adaptation
7- Long-term vision

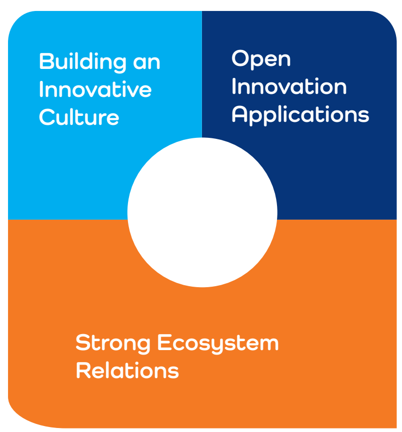
This entire study once again emphasized the strong quality of ESG practices.

Innovation

In the rapidly advancing technological age, TAV Airports accepts and embraces the importance of innovation as the main catalyst of progress in all industries. Among the ever-changing and developing dynamics of the aviation industry, innovation has become a fundamental factor of business strategy for TAV Airports, rather than simply providing an advantage. Within this context, by discussing in more detail how innovation plays a decisive role in our corporate strategy, we emphasize on public platforms how we respond to the need for change and innovation in the industry.

The "2023-2025 Pioneer" Groupe ADP strategy guides TAV Airports as part of Groupe ADP while highlighting our strong commitment to innovation. This strategy sharpens our targets with a clear indication of "realizing 120 'proof-of-concept' projects in social, environmental and operational areas by 2025 and implementing 30 of them." It also highlights our collaboration with Groupe ADP in the Innovation Pioneers Community, demonstrating our common targets in this area. This community, which today includes more than 50 members, has been empowered with the participation of more than 20 representatives from TAV Airports and all its subsidiaries. More than being just a collaboration platform, this structure embodies Groupe ADP's strategic vision and contributes to its goal of becoming an airport incubator on a global scale.

As a fundamental part of TAV Airports' organizational management structure, TAV Innovation Pioneers Community plays a central role in disseminating knowledge within TAV Airports companies. Also as an innovation hub at TAV Holding level, it aims to unite all services and group companies under this concept, ensuring continuous development and fluent communication. In parallel with Groupe ADP's strategic goals, an innovation strategy and roadmap specific to TAV Airports was prepared and approved by the Board of Directors. This strategy is for expanding innovation potential and growth opportunities, and it aims to build an innovative culture within the Company and develop open innovation practices and strong ecosystem relationships.



TAV Airports' Proactive Innovation Approach

At TAV Airports, where customer satisfaction and experience is taken as a strategic issue, innovation serves as a catalyst for the continuous improvement of operational processes and the development of creative solutions. Our approach is to identify innovative practices that will highlight not only the currentness but also the creativity of our services. This approach ensures that our services are contemporary and up-to-date while encouraging creativity and innovative thinking.

TAV Airports is moving towards a future shaped by a strategic framework based on four cornerstones: human resources, leadership, processes & practices and systems. These cornerstones that play a critical role in our innovation strategy also shape our vision for the future. Our special emphasis on people includes empowering a workforce that is creative and open to change. As TAV Airports, which adopts a determined leadership approach in promoting a culture where innovation thrives, we aim to continuously improve our operations in the field of processes and applications, encourage innovation at all levels, support our systems with creative initiatives and share information effectively.

Our strategy is a reflection of TAV Airports' innovative and sustainable future vision. The path we set with these core principles enables us to move towards our goals of innovation, sustainability, efficiency and impeccable customer experience. Our approach emphasizes our desire to not only adapt to future challenges but to actively shape those challenges.

Customer Satisfaction

TAV Airports places customer focus at the center of its customer experience strategy while aiming to provide a value-creating, and memorable experience to visitors. This strategy is supported by embracing technology and innovation through a customer-focused approach and benefiting from data analytics and personalization.

The customer experience strategy based on continuous improvement aims to encourage collaboration and partnerships, support employee training through effective communication, and offer a perfect passenger experience by keeping security and service quality at the highest level, while adhering to the sustainability principles. In line with the stated targets, a Customer Satisfaction Policy was established to shape Customer Relationship Management (CRM).

As TAV Airports Holding and Group Companies, we assume the responsibility of providing the best customer experience by positioning customer satisfaction at the center of our business model in all locations and related service areas we serve and continue to develop in line with the requirements of the age.

As part of our service responsibility for both stakeholders and all internal and external customers within the airports eco-system, offering innovative solutions to achieve and maintain the highest service levels is among our fundamental principles.

Within this scope, while reviewing all our practices as TAV Airports Holding and Group Companies, we benchmark all domestic and international sectoral markets, compare business models and base our policy on the following basic elements within the framework of our innovative vision:

- Giving importance to direct communication with customers and providing equal communication opportunities to all customers in accordance with the transparency, accessibility, responsiveness, objectivity, accountability, continuous improvement and customer focus factors
- Providing feedback and solutions to customer feedback with an open, transparent, fast and trustworthy approach
- Ensuring that all employees in direct or indirect contact with customers act with a common awareness and constructive approach while running customer experience business processes
- Using technologies and management systems that enable necessary analyses to be made to accurately measure, improve and monitor service levels
- Making efforts to ensure that the activities carried out in response to possible nonconformities related to customer feedback meet the expectations of customers
- Complying with the legal regulations of the country while operating customer business processes
- Always putting the customer experience first during the customer's service journey across all our sites

TAV Airports Contact Center Services continues to operate under the roof of Havas Contact Center.

Contact Center operations were upgraded for digitalization and integration into the AVAYA Call Center System. The analog telephone line has been converted to the digital 0850 222 9828 number. This enabled calls to be answered, monitored and screened in a centralized manner. With this transition, it became possible to collect and categorize data on customer calls, as well as measure and report monthly Contact Center performance and customer satisfaction processes.

Following the restructuring of the Contact Center, a Customer Relations Management system specific to TAV Airports Customer Satisfaction processes was developed. This system has been used to record and process customer satisfaction and complaint management requests received via info@tav.aero and cr@tav.aero e-mail addresses. With the customer satisfaction and complaint management processes developed, a head office was established.

A customer experience community was established to enable the customer experience strategy, which was determined to improve the customer experience at airports and provide a better service to all passengers, to be implemented across the businesses. In the long-term, it is aimed for all businesses to serve the customer experience journey with a single mission and a single consciousness within a single network.

Risk Management, Internal Audit and Compliance

Risks and Assessment by the Management Body

a) Information on Risk Management Policy

Corporate Risk Management Policy:
The objective of TAV Airports and the Group companies Enterprise Risk Management (ERM) Policy is to set forth the methods and principles for the execution of the responsibilities and functions that can be summarized as follows:

- Identifying risk factors that may have an impact on the processes carried out to attain TAV Airports' corporate objectives
- Assuring senior management and shareholders that the risks assumed are compatible with the Company's risk-taking appetite
- Assessing the risks that have the potential to create uncertainty and pose threats, formulating effective control and action plans commensurate with the levels of these risks
- Taking advantage of opportunities that arise, and working in cooperation with risk owners and enterprise risk management (ERM) officers to ensure the continuity of this cycle
- Ensuring that management decisions are made with full awareness of related risks by carrying out prompt reporting to facilitate the functioning of decision mechanisms
- Supporting the management of risks that are identified in different units and that have different impacts, but that can have an effect on each other in the most appropriate manner for the greater benefit of the Company rather than that of the individual unit, thus contributing to increased effectiveness and lower losses at the corporate level

Risk management activities are carried out by the Risk & Internal Audit Unit under the Internal Audit & Risk and Compliance Department of TAV Airports Holding, in coordination with the senior management, under the supervision of the Board of Directors and the Risk Assessment Committee.

b) Information on the Activities and Reports of the Risk Committee:

TAV Airports' Risk Committee was established and commenced activity in accordance with the Turkish Commercial Code (TCC), and the communiques and framework of the Corporate Governance Principles of the Capital Markets Board. The Committee was chartered to undertake activities related to the early detection and management of all types of financial, operational, strategic and regulatory risks that threaten the existence, development and continuity of TAV Airports and Group companies as well as to implement action plans for risks that need to be mitigated. In addition, the Committee reviews the operation of the Corporate Risk Management System and makes assessments by obtaining information from the Company's managers, lawyers, and relevant units on issues such as important lawsuits filed against the Company, provisions for possible risks, currency risk, and determination of the Company's strategy against possible threats. The Committee convenes regularly and, if necessary, separately for the activities to be effective. Related management staff may be invited to the meetings of the Committee based on the meeting agenda. 8 meetings were held in 2023. All activities and resolutions of the Risk Assessment Committee are documented as written meeting minutes and shared with the Senior Management in the form of official reports.

c) Information about Risk Types and Risk Management Policies Applied:

1. Financial Risk Management

The Company may be exposed to the following risks depending on its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit Risk
Credit risk is the risk that a customer or a counter party to a financial instrument fails to honor its contractual obligations. Essentially, the Group's customer receivables and financial losses that may arise from its bank balances constitute its credit risk. The Group's primary financial assets are cash and cash equivalents, and trade and other receivables. The credit risk on cash and cash equivalents is limited since the counter parties are banks with high creditworthiness.

Liquidity Risk
Liquidity risk is the risk that the Group is unable to meet its future cash payments or other financial obligations. The Group's liquidity risk is managed by securing adequate financing facilities from various financial institutions to fund existing and future borrowing requirements under normal circumstances or crisis conditions so as not to inflict damage on the Group or harm its reputation.

Market Risk
Market risk consists of all changes in exchange rates, interest rates and prices of securities market instruments that can directly impact the Group's revenues and the market value of its financial assets. TAV's market risk management aims to keep its risk exposure within acceptable parameters while optimizing potential returns.

2. Management of Strategic and Operational Risks

The Company continuously undertakes improvement and development related activities at all airports operated by TAV Airports in order to ensure efficient and safe operations amid the demands of growing passenger traffic. Medium and large-scale problems that the Group may be exposed to within the expanding and evolving aviation industry are assessed by the Risk Committee and senior management on an ongoing basis and long-term strategies are formulated promptly to counter potential risks. The main operational risks that may occur include unexpected business interruptions, worsening service delivery standards, and old terminal buildings failing to meet needs. In accordance with its high-quality service strategy, TAV Airports ensures that its service quality standard is maintained at the same high level by way of regular maintenance, repair, investment, renovation and extension related projects at the terminals. The Company constantly monitors, updates and practices emergency operations, plans against contingencies, preventing potential business interruptions and minimizing their impact on passengers. Infrastructure of the terminal buildings has been designed in accordance with specific standards against force majeure events; the Company is appropriately insured against losses from natural disasters and business interruptions. While it is impossible to fully eliminate risks, the Company takes these measures in order to minimize their consequences and impacts.

Risk Management, Internal Audit and Compliance

3. Management of Environmental Risks
Globally impactful and critical environmental risks identified by the World Economic Forum are summarized under the following headings. The management and mitigation of these risks requires global cooperation, sustainable policies, and technological innovations, as well as the participation and awareness of all segments of society.

- Climate change
- Depletion of natural resources
- Air and water pollution
- Biodiversity loss
- Natural and human-made activities

Aviation has been identified worldwide as an industry that will be significantly affected by global environmental risks. Temperatures and sudden weather events increasing with climate change affect flight routes and flight safety, and rising sea levels pose risks for airports in coastal areas. Under this pressure, the aviation industry, which is responsible for a significant portion of global carbon emissions, is turning to invest in technologies that emit less carbon. This requires the development of alternative energy sources such as biofuels and electric flight technologies. Fossil fuel dependency and costs affect operational costs in a sector that is heavily dependent on fossil fuels. Meanwhile, environmental regulations and carbon taxation policies at the international level increase the cost of fossil fuels. Air pollution from airplanes and impacts on local air quality are considered a significant risk for communities living around airports. Airport construction and expansion projects, on the other hand, are perceived as a threat to biodiversity conservation and ecosystem health, as they lead to the loss of natural habitats and wildlife.

In response to all these environmental risks, which are critical for both the future of the industry and the world, the aviation industry is developing strategies to make its operations more sustainable and adopt innovative and environmentally friendly technologies. While taking big steps to build airports for the future, TAV Airports acts with the awareness of its responsibility towards future generations and shapes all its activities around this focus. Within this context, it works to build a greener future by reducing the environmental footprint of its operations, create long-term trust and alignment with stakeholders, and actively contribute to improving the living conditions of local communities.

The "Airports for Trust" Declaration, signed by the Chief Executive Officers of Groupe ADP airports worldwide and that includes commitments for a sustainable and responsible future, is one of the cornerstones of the international integration of TAV Airports' corporate sustainability strategy. The Group's commitments in this area aim to contribute to achieving common goals in the aviation ecosystem. The commitments in the declaration, which covers all critical environmental issues, especially climate and biodiversity, include:

- working to transform our operations to have zero environmental impact, including by being carbon neutral by 2030 at the latest,
- actively participating in the environmental transformation of the aviation industry,
- increasing the integration of each airport into a local sourcing system by promoting the circular economy, on-site resource production, and process simplification,
- building a greener future by reducing the environmental footprint of development projects for our operations.

TAV Airports, which focuses on energy management and fighting the climate crisis, operates Greenhouse Gas Management Systems, including ground handling operations. With greenhouse gas inventories verified in accordance with international standards, TAV Airports is committed to include all airports into the ACI Airport Carbon Accreditation (ACA) program by 2030.

4. Management of Security, Safety and Health Risks
Ensuring the physical security of airports and general aviation safety is a fundamental part of the operations of TAV Airports. To this end, the Group conducts security services through a private security subsidiary company that boasts ample experience and superior service quality. This security component can only be ensured through close collaboration with key stakeholders such as airlines, governmental authorities and the police. In accordance with this approach, TAV Group implemented Safety Management System practices indicating the minimization of occupational health and safety-related incidents as a key criterion of sustainability. Given the growing passenger traffic and the threats inherent in the nature of civil aviation, airport security issues will inevitably remain an ongoing concern. Nevertheless, it is possible to provide a high level of security service thanks to advanced safety and security measures, as well as effective equipment and system installations. Similarly, step-by step emergency response plans and preparations are ready to be implemented in conjunction with relevant stakeholders in the event of an epidemic risk at the airport facilities.

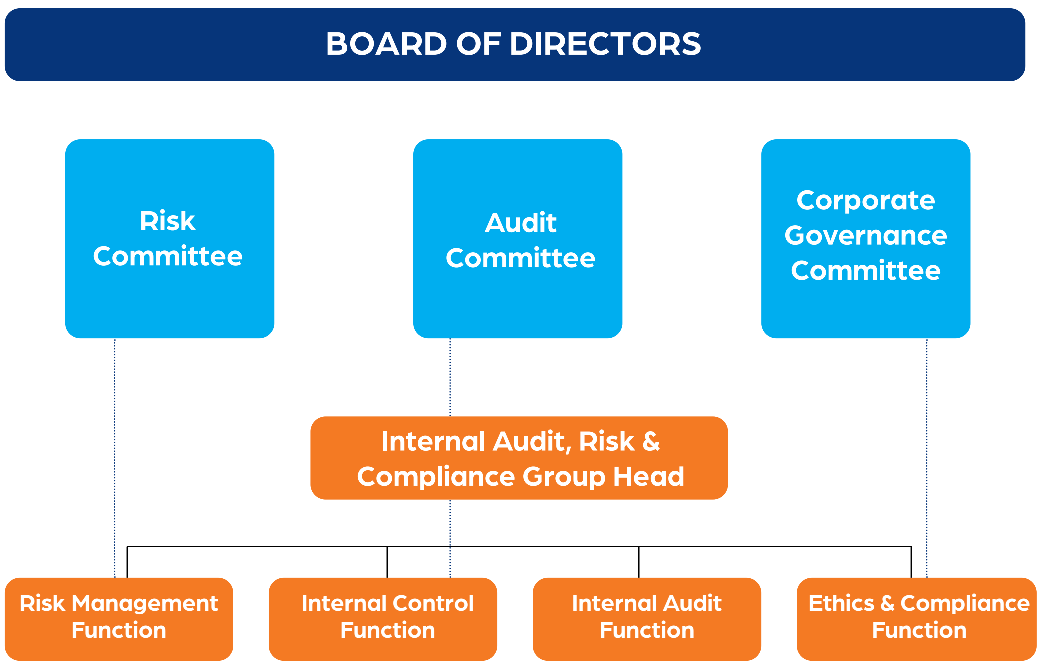
5. Management of Information Technology Risks
Effectiveness and security of information technology systems are a key component of uninterrupted high-quality service provision at the airports. To this end, TAV Group regularly reviews the course of its IT infrastructure and projects in keeping with the corporate strategy and objectives. Risks related to IT security, which have proliferated rapidly in recent years, are monitored closely and countered with proactive measures. Activities continue to manage the risks that may arise in terms of cyber security in collaboration with ADP Group in this regard. Even a minor interruption in IT systems can have major adverse consequences for the business continuity of airport operations. To mitigate this risk, TAV Group undertakes every possible preventive maintenance, improvement, protection and back-up initiative, thereby minimizing IT-based problems that pose a threat to business continuity.

6. Management of Legal, Regulatory, and Compliance Risks
The aviation industry is the most heavily regulated sector in Türkiye and across the globe. Even involuntary non-compliance with regulatory guidelines or breach of laws or contractual obligations may result in reputational damage, business interruption or financial losses for a company. While legal risk may appear to be a standalone risk type, it is in most cases linked with operational, financial, reputational or tax risks. The proactive and forward-looking approach of TAV Airports toward monitoring the legal and regulatory changes in the industry is preventive against such risks. The Company thoroughly assesses precedent-bearing resolutions, anticipated changes by regulatory authorities, and the impacts of operational changes on statutory liability; identifies the potentially risk-bearing areas; and takes action in a timely manner.

Risk Management, Internal Audit and Compliance

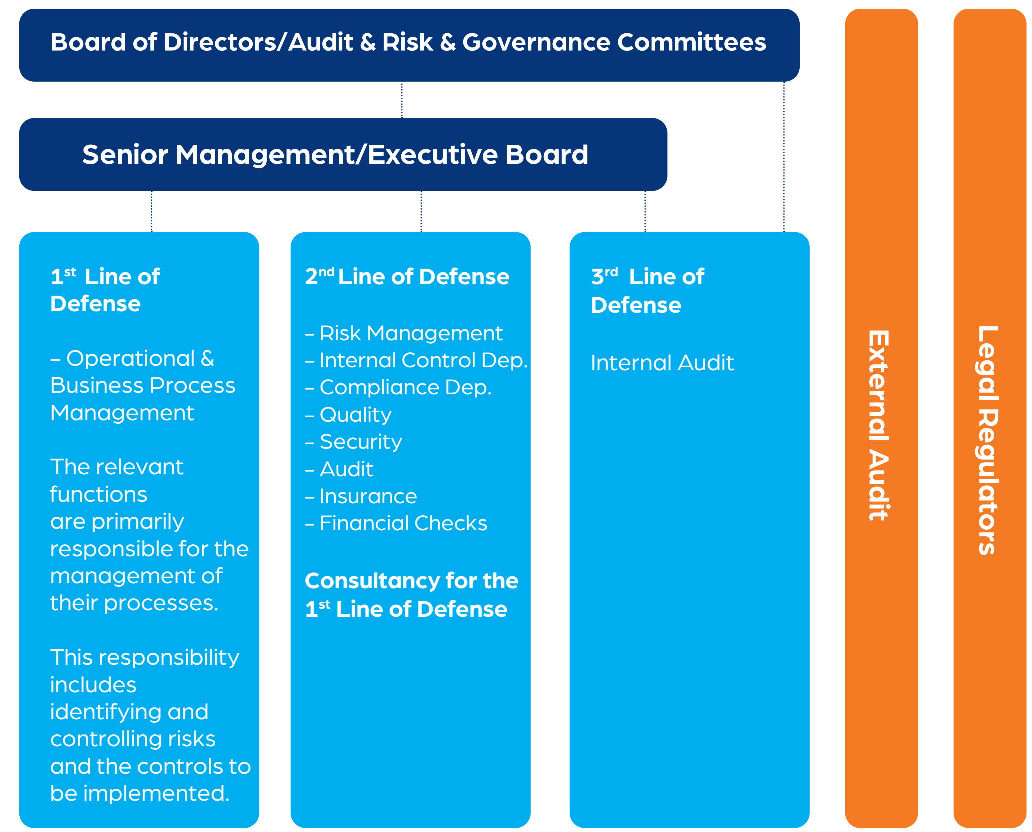
Information on Internal Control System and Internal Audit Activities

Internal control and internal audit activities are managed by the relevant units under the Internal Audit & Risk and Compliance Department of TAV Airports Holding.



The Risk & Internal Control Unit works to systematically establish and maintain the internal control system at TAV Airports and its subsidiaries. The unit contributes to the effective operation, monitoring, and evaluation of the internal control system and taking necessary measures. In processes and the internal control system, support is given for identification of the areas that need to be improved, and the implementation of the decided actions through "control self-assessment" studies and detailed field tests. Actions are regularly monitored and results are regularly shared with the Audit Committee.

Based on the three lines of defense model, authorities and responsibilities are clearly defined within the Company.



Risk Management, Internal Audit and Compliance

TAV Airports Internal Audit Unit performs the audit of the operational, financial, information systems and technical operation processes of TAV Airports and all of its subsidiaries. The Unit carries out its auditing activities in accordance with an annual audit plan, which is drawn up in line with the determinations that may interrupt the sustainability of the Company based on the results of the risk assessment and risk management processes performed annually and approved by the Audit Committee. The Internal Audit Unit shares its audit reports that summarize the audit results and ongoing findings with the Audit Committee and the CEO.

The Internal Audit Unit also contributes to the sustainability of the Company by identifying and reporting the deficiencies in risk management and corporate governance processes, and the practices that cause inefficiencies and result in waste of resources. The Unit collaborates with all audited units and provides support in implementing the recommended actions.

As part of its auditing activities, the Internal Audit Department also liaises with the independent auditor and examines the reports drafted by the independent audit team.

TAV Airports Internal Audit Unit perform audits in compliance with "International Internal Audit Standards."

Consolidation Process

All Group companies in consolidation fall under the auditing scope of the Internal Audit Unit of TAV Airports Holding. As a result, the Unit assesses the internal control system with respect to the operations that impact the financial statements and provides reasonable assurance to the management on the accuracy and reliability of the figures appearing in the financial statements.

Similarly, the Unit assesses the effectiveness and efficiency of the management of the risks inherent in the preparation process of standalone and consolidated financial statements as well as the information systems used in the process.

Ethics and Compliance Program

Our Group has made it a principle to respect people, local cultures and rules; therefore, our aim is to ensure that employees in all our Group companies serving internationally adopt the same principle and mindset. In consequence, the decision was made to establish a "Compliance and Ethics" department in order for Groupe ADP and TAV Airports to ensure compliance with ethical principles and laws. To this end, studies have been carried out on the following subjects:

1. International Code Of Conduct Policy
2. Training
3. Ethics Hotline
4. Ethics and Compliance Committee
5. Corruption Risk Mapping
6. Yearly Ethics Survey
7. Yearly Communication Plan
8. Control and Follow-up of Third Parties
9. Conflicts of Interest
10. System of Gifts and Hospitality
11. Donation and Sponsorship System
12. Ethics and Independence Provisions
13. Corporate Ethics and Compliance Specialists

1. International Code of Conduct Policy

In line with the works initiated in 2018, basic and main Principles of the Ethics and Compliance Program were established with the International Code of Conduct and Compliance & Ethics Policy and these were announced to the employees. By working with Groupe ADP, necessary notifications were provided to the employees with the purpose of transforming the Company principles which aim to protect the rights of all internal and external stakeholders into a common corporate culture. The International Code of Conduct Policy includes the basic and main principles that must be adopted by employees in all locations where TAV Holding operates, and it was reviewed and updated in 2023.

2. Trainings

Face-to-face and electronic trainings on the basic practices of all ethics and compliance policies and procedures were provided to the employees in order to inform them about making the right decisions on ethics and compliance issues. It is mandatory for every newly recruited employee to complete these trainings upon their employment. Employees working in risky positions were also provided with subject-specific training based on their positions. With a high number of blue-collar employees, electronic trainings are also mandatory for blue-collar employees at TAV Holding and Group Companies.

3. Ethics Hotline

Efforts were made to raise awareness for the use of the Ethics Hotline, to which all employees and third parties can anonymously report any inappropriate and illegal behavior.

4. Ethics and Compliance Committee

TAV Holding expects high standards in terms of behavior and good will from all of its employees. The Ethics and Compliance Committee was established to make the necessary independent evaluations based on our policies and procedures and to take the necessary precautions in cases where these behaviors are below expectations. The Ethics and Compliance Committee continues its efforts by evaluating the issues sent by the Ethics and Compliance Unit, making decisions and if necessary, forwarding these issues to the Disciplinary Committee.

5. Corruption Risk Mapping

All processes of the Company and main affiliates were reviewed to create risk maps and the existing control environment was strengthened.

6. Yearly Ethics Survey

A yearly ethics survey was completed by all employees in order to measure the functioning and efficiency of the ethics and compliance program, to identify the deficiencies, to determine the necessary action plans, and to make an internal assessment. The survey is repeated every year and action plans are created.

7. Yearly Communication Plan

With the aim of increasing awareness, an annual communication plan was created and necessary reminders were shared with employees through different channels.

8. Control and Follow-up of Third Parties

Business relationships established with third parties are controlled and monitored based on the ethics and compliance program. This process aims to know the relevant third party better before establishing a business relationship with third parties, to make the necessary risk assessment, to control compliance with ethics, and to ensure that the business relationship is in accordance with our Company policy procedures.

9. Conflicts of Interest

A "Conflict of Interest Statement" is obtained from all employees every year via an online system, stating that they did not have any conflict of interest during that year.

10. System of Gifts and Hospitality

The System of Gifts and Hospitality is an online system where incoming and outgoing gifts and hospitality of TAV Holding and its affiliates are recorded, and which includes predefined approval mechanisms.

11. Donation and Sponsorship System

The Donation and Sponsorship System is an online system where the donations and sponsorships that TAV Holding and its subsidiaries wish to realize are recorded and are ensured to pass through the approval processes with identified approval mechanisms.

12. Ethics and Independence Provisions

All contracts communicate ethical & compliance rules and include an article pointing out the International Code of Conduct Policy and point out our zero tolerance policy on bribery and corruption. This article was updated taking into account the international sanctions issued by the USA.

13. Corporate Ethics and Compliance Specialists

Ethics and Compliance Specialists are assigned to each Company and its main subsidiaries, who report to the Holding Compliance Department.

Corporate Governance Principles Compliance Report

Statement of Compliance with Corporate Governance Principles

TAV Airports ("the Company") makes every effort to comply with the Capital Markets Board's ("CMB") Corporate Governance Principles and all regulations. The Company has embraced the principles of equality, transparency, accountability and responsibility of the Corporate Governance Principles published by CMB.

The "Corporate Governance Principles" determined by the CMB are adopted and applied by the Company.

Corporate Governance Rating

TAV Airports Periodic Revision Corporate Governance Rating Report prepared by SAHA Corporate Governance and Credit Rating Services, a corporate governance rating agency that is also licensed to conduct corporate governance rating activities in Türkiye, has been completed. The Corporate Governance Rating Score for our Company was confirmed as 9.69 on August 11, 2023.

Distribution of corporate governance rating with respect to the sub-categories is as follows:

Sub-Categories	Weight	Rating
Shareholders	0.25	95.90
Public Disclosure and Transparency	0.25	98.65
Stakeholders	0.15	98.82
Board of Directors	0.35	95.48
Total	1.00	96.88

The Corporate Governance Rating Report can be accessed at the TAV Investor Relations website at https://ir.tav.aero/en-EN/

Reasons for the Corporate Governance Principles not Implemented

TAV Airports' Corporate Governance Committee continues to carry out initiatives to improve the Company's corporate governance practices. The Company has not yet achieved full compliance with the principles due to various reasons. These include the difficulties encountered in the implementation of some of the principles; ongoing debate on compliance with certain principles, both in Türkiye and in the international arena; and the imperfect fit of some of the principles with the Company's existing structure. The Company complies with all mandatory principles as per the CMB's Corporate Governance Communiqué, and the non-mandatory principles that have not yet been fully implemented are listed below. There is no conflict of interest in our Company due to not complying with these non-mandatory principles.

While not provided for in the Articles of Association, General Assembly meetings are open to the public as per the General Assembly Internal Directive. Pursuant to the new Turkish Commercial Code, the Ordinary General Assembly Meeting of Shareholders that has been held since 2013 was accommodative of electronic voting.

In the Articles of Association, minority rights are not granted to those who are in possession of less than one twentieth of the capital, and in parallel to the general practices in the country, rights were granted to the minority within the general legislative framework.

While not stipulated in the Articles of Association, the Chair of the Board of Directors has never been the same person as its Chief Executive Officer since the day the Company was established. No one in the Company is endowed with unilateral, unlimited decision-making authority. Several members of the Board of Directors were assigned to multiple committees. This is due to compliance with various legal and regulatory obligations, such as the Company's shareholding structure and the requirement for committee chairs to be selected from among independent Board members pursuant to the Capital Markets Board's Corporate Governance communiqué, as well as the requirement to create four committees.

As per Article no. 4.6.5 of the "Corporate Governance Principles," salaries paid, and all other benefits provided to the members of the Board of Directors and senior executives are disclosed to the public via the annual report. However, the disclosure is not made on an individual basis; it only provides a distinction between the Board of Directors and senior executives. Having been put into writing, the remuneration policy was presented to the shareholders as part of a separate agenda item, and stakeholders were requested to deliver opinions about the policy in the meeting.

Chair of the Corporate Governance Committee:
- Ebru Yonca Capa

Corporate Governance Committee Members:
- Fernando Echegaray
- Franck Mereyde
- Filiz Demiroz
- Besim Meric

	Compliance Status					Explanation
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					

Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	
1.3. GENERAL ASSEMBLY						
1.3.2 – The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 – Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 – Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 – The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 – The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					

	Compliance Status					Explanation
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	
1.4. VOTING RIGHTS						
1.4.1 – There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 – The company does not have shares that carry privileged voting rights.	X					
1.4.3 – The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1 – The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 – The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The Company's Articles of Association contain a provision which stipulates that minority rights can be exercised by shareholders holding at least 5% of the share capital.

Corporate Governance Principles Compliance Report

Corporate Governance Compliance Report	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
1.6. DIVIDEND RIGHT						
1.6.1 – The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 – The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 – The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 – The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 – There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. – The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 – The shareholding structure (names, privileges, number and ratio of shares of real person shareholders owning more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 – The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					

Corporate Governance Compliance Report	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
2.2. ANNUAL REPORT						
2.2.1 – The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 – The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 – The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 – Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 – A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 – The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 – The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.	X					
3.2.2 – Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

Corporate Governance Principles Compliance Report

	Compliance Status					
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	**Explanation**
3.3. HUMAN RESOURCES POLICY						
3.3.1 – The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 – Recruitment criteria are documented.	X					
3.3.3 – The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 – Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 – Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.					X	Since the employees of TAV group companies are generally not unionized, the matter of resorting to the opinion of the trade unions in decisions about the employees and collective bargaining agreements stipulated in the human resources policy is not applicable.
3.3.6 – Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration	X					
3.3.7 – Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 – The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 – A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 – The Company measured customer satisfaction, and operated to ensure unconditional customer satisfaction.	X					
3.4.2 – Customers are notified of any delays in handling their requests.	X					
3.4.3 – The company complied with the quality standards with respect to its products and services.	X					
3.4.4 – The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					

Corporate Governance Principles Compliance Report

	Compliance Status					
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	**Explanation**
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 – The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 – The company has been mindful of its social responsibility. Has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 – The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 – The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategic targets, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 – The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 – Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 – The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 – Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 – The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 – The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 – The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 – The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 – At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	
4.4. BOARD MEETING PROCEDURES						
4.4.1 – Each board member attended the majority of the board meetings in person.	X					
4.4.2 – The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 – The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 – Each member of the board has one vote.	X					
4.4.5 – The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 – Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 – There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Assembly Meeting.	X					
4.5. BOARD COMMITTEES						
4.5.5 – Board members serve in only one of the Board's committees.			X			Board Members serve on multiple committees due to the Company's ownership structure and due to the existence of 4 different committees.

	Compliance Status					Explanation
Corporate Governance Compliance Report	**Yes**	**Partial**	**No**	**Exempt**	**Not Applicable**	
4.5.6 – Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 – If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 – Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 – The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 – The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 – The individual remuneration of board members and executives is disclosed in the annual report.			X			Salaries paid and all other benefits provided to the members of the Board of Directors and senior executives are disclosed to the public via the annual report. The disclosure is not made on an individual basis; it encompasses the Board of Directors and senior executives.

Corporate Governance Principles Compliance Report

SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	TAV Airports participated in 6 conferences and met with 208 investors and analysts.
1.2. Right to Obtain and Examine Information	
The number of special auditor requests	0
The number of special auditor requests that were accepted at the general assembly meeting	0
1.3. General Assembly	
The link of the announcement made in the Public Disclosure Platform (KAP) that includes the information requested under the principle 1.3.1 (a-d)	https://www.kap.org.tr/tr/Bildirim/1119506
Whether the general assembly meeting documents were presented in Turkish and English languages simultaneously	Presented in Turkish and English languages simultaneously.
The links of the announcements made on PDP associated with the transactions that are not approved by the majority of independent members or by unanimous votes of present Board Members in the context of Principle 1.3.9.	-
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	-
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	-
The name of the section on the corporate website that demonstrates the donation policy of the company	ir.tav.aero/Corporate Governance/ Our Company's Policies
The link of the announcement made on KAP with the minutes of the General Assembly Meeting where the donation and aid policy has been approved	https://www.kap.org.tr/tr/Bildirim/1130203
The number of the article in the Articles of Association governing stakeholders' attendance at the general assembly	27.1
Information regarding the stakeholders who attend general assemblies	The General Assembly was held open to the public, including stakeholders and the media.
1.4. Voting Rights	
Whether there are any privileged voting rights	No
In case there are voting privileges, indicate the privileged shareholders and their voting percentages.	-
Shareholding rate of the majority shareholder	46.1%
1.5. Minority Rights	
Whether the scope of minority rights is expanded (in terms of content or percentage) in the Articles of the Association	No
If yes, specify the relevant provision of the articles of association.	-

1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	ir.tav.aero/Corporate Governance/ Our Company's Policies
Minutes of the relevant agenda item in case the Board of Directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Our Company is presently in an extensive investment program. As part of this program, we acquired Almaty Airport for 422 million US dollars in 2021 and we are investing a total of another 200 million US dollars in the airport. Then, together with our partner Fraport, we made an advance lease payment of 1,813 million euros to DHMI for the new concession of Antalya Airport. We also launched an investment of 600 million euros for capacity increase in Antalya Airport. Besides, we will pay a down payment of 119 million euros to DHMI for the new concession of Ankara Esenboga Airport and make an investment of 210 million euros in the airport. We plan to complete all the investments outlined above within the next three years. Considering the extensive amount of cash required for the investment program described above and also considering the fact that the cost of financing this cash has increased significantly in the last two years, our Board of Directors has unanimously resolved that in accordance with the Dividend Policy of our Company, a dividend distribution proposal will not be made to the approval of the General Assembly to convene for the fiscal year of 2022.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1130203

General Assembly Date		**31/03/2023**
General Assembly Meetings	The number of information requests received by the company regarding the clarification of the agenda of the general assembly	0
	Shareholder participation rate to the general assembly meeting	75%
	Percentage of shares directly present	0.02%
	Percentage of shares represented by proxy	99.98%
	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Corporate Governance/ General Assembly
	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Corporate Governance/ General Assembly
	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	Article 13
	The number of declarations by insiders received by the Board of Directors	94
	The PDP link of the general assembly notification	https://www.kap.org.tr/tr/Bildirim/1119506

Corporate Governance Principles Compliance Report

PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
The headings of the sections on the corporate website that include information required by the corporate governance principle numbered 2.1.1	www.tavyatirimciiliskileri.com
The heading of the section on the corporate website that includes the list of real person shareholders who own more than 5% of the Company's shares, directly or indirectly	Corporate and Shareholder Structure
Languages in which the corporate website is presented	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Board of Directors / Statement of Independence
b) Page number or heading of the section in the annual report that provides information on the committees established under the Board of Directors	Operating Principles of the Committees
c) Page number or heading of the section in the annual report that includes the number of board meetings held throughout the year, and the members' attendance status	Board of Directors
d) Page number or heading of the section in the annual report that provides information on regulatory changes that can have a material impact on the Company's activities	Other Disclosures
e)The page number or heading of the section that includes information regarding important lawsuits filed against the company and possible consequences thereof	Other Disclosures
f) Page number or heading of the section in the annual report that provides information on the conflicts of interest between the Company and entities providing investment advisory and rating services to the Company, and the precautions taken to prevent these	-
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Other Disclosures
h) Page number or heading of the section that provides information on employees' benefits and professional training, as well as other corporate social responsibility activities related to the Company's operations that have social and environmental impacts	Sustainability

STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The heading of the section on the corporate website that includes the policy on compensation	ir.tav.aero/Corporate Governance/Our Company's Policies
The number of final court verdicts against the Company that result from violation of employee rights	0
The title of the individual in charge of the whistleblowing programme	Internal Audit Risk and Compliance Director
Contact information of the Company's mechanism to report violations	https://alert.groupeadp.fr/
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
The heading of the section on the corporate website that includes internal regulations on employees' participation in the managerial bodies of the Company	Corporate Governance/Our Company's Policies
Corporate bodies where employees are represented	Occupational Health and Safety Committee
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Succession plan is determined in our Shareholders' Agreement.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	www.tavhavalimanlari.com.tr/Human Resources
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also, provide a summary of relevant parts of the human resource policy.	www.tavhavalimanlari.com.tr/Human Resources
The number of definitive convictions the company is subject to in relation to health and safety measures	0
.5. Ethical Rules and Social Responsibility	
The heading of the section on the corporate website that includes the policy on ethical principles	www.tavhavalimanlari.com.tr/Human Resources
The name of the section on the company website that demonstrates the corporate social responsibility report. If there is no report on corporate social responsibility, precautions taken with respect to the environmental, social and corporate governance issues	www.tavhavalimanlari.com.tr/Sustainability
Any measures combatting any kind of corruption including embezzlement and bribery	www.tavyatirimciiliskileri.com/Corporate Governance/Ethics & Compliance

Corporate Governance Principles Compliance Report

BOARD OF DIRECTORS	
4.2. Principles of Activity of the Board of Directors	
Date of the last board evaluation conducted	Latest board evaluation was conducted in February 2024.
Whether the board evaluation was externally facilitated	No
Whether all board members were released for their duties at the GSM	
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Edward Arkwright – Chair, Mustafa Sani Sener – Vice Chair, Ali Haydar Kurtdarcan – Vice Chair, Franck Mereyde – Executive Member of the Board of Directors
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management, Internal Audit and Compliance
Name of the Chairman	Edward Arkwright
Name of the CEO	Vehbi Serkan Kaptan
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/1199866
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	ir.tav.aero/Corporate Governance/Our Company's Policies
The number and ratio of woman directors within the Board of Directors	There are three woman directors and the ratio is 27%.

Composition of Board of Directors

Name/Surname	Person Acting on Behalf of a Legal Entity Member	Duty	Executive or Not	Duties Undertaken in the Company during the Last 5 Years	Share in Capital (%)	Board Member or Not	Whether the Independent Director Is Considered by the Nomination Committee	Whether a Member Ceased to Qualify as an Independent Member
EDWARD RODOLPHE PAUL ARKWRIGHT		Chair of the Board of Directors	Non-executive	Chair of the Board of Directors		Not an Independent Member		No
MUSTAFA SANI SENER		Vice Chair	Non-executive	CEO and Member of the Board of Directors		Not an Independent Member		No
TEPE INSAAT SANAYI ANONIM SIRKETI	ALI HAYDAR KURTDARCAN	Vice Chair	Non-executive	Vice Chair	5.06	Not an Independent Member		No
FERNANDO ECHEGARAY		Board Member	Non-executive	Vice Chair		Not an Independent Member		No
FRANCK MEREYDE		Executive Board Member	Executive	Board Member		Not an Independent Member		No
XAVIER MARIE MARTIN BENOIT HÜRSTEL		Board Member	Non-executive			Not an Independent Member		No
JEROME PAUL JACQUES CALVET		Board Member	Non-executive			Not an Independent Member		Yes
AYLIN SELEN		Board Member	Non-executive			Independent Member	Considered	No
EBRU YONCA CAPA		Board Member	Non-executive			Independent Member	Considered	No
FILIZ DEMIROZ		Board Member	Non-executive			Independent Member	Considered	No
JEAN-MICHEL VERNHES		Board Member	Non-executive			Independent Member	Considered	No

Corporate Governance Principles Compliance Report

BOARD OF DIRECTORS–II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	9
Director average attendance rate at board meetings	95%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	At least 7 days before the Meeting
The name of the section on the corporate website that demonstrates information about the board charter	www.tavyatirimciiliskileri.com/Corporate Governance/ Articles of Association/Board of Directors Meeting
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	The upper limit which is stipulated in section of Article 4.3.6 of the CMB Corporate Governance Principles is adopted.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Operating Principles of the Committees
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/1117616

Composition of Board Committees–I

Names of the Board Committees	Name–Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	Filiz Demiroz	Yes	Board member
Audit Committee	Aylin Selen	No	Board member
Corporate Governance Committee	Ebru Yonca Capa	Yes	Board member
Corporate Governance Committee	Fernando Echegaray	No	Board member
Corporate Governance Committee	Filiz Demiroz	No	Board member
Corporate Governance Committee	Franck Mereyde	No	Board member
Corporate Governance Committee	Besim Meric	No	Not a board member
Nomination Committee	Aylin Selen	Yes	Board member
Nomination Committee	Ebru Yonca Capa	No	Board member
Nomination Committee	Edward Arkwright	No	Board member
Nomination Committee	Xavier Hürstel	No	Board member
Risk Committee	Jean Michel Vernhes	Yes	Board member
Risk Committee	Ali Haydar Kurtdarcan	No	Board member
Risk Committee	Aylin Selen	No	Board member
Risk Committee	Jerome Calvet	No	Board member
Risk Committee	Xavier Hürstel	No	Board member

Corporate Governance Principles Compliance Report

BOARD OF DIRECTORS–III	
4.5. Committees Established under the Board of Directors–II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report, Operating Principles of the Committees
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report, Operating Principles of the Committees
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report, Operating Principles of the Committees
Specify where the activities of the risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report, Operating Principles of the Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The activities of the Remuneration Committee are carried out by the Corporate Governance Committee
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report, Guidance and Realization
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	www.ir.tav.aero/Corporate Governance/Our Company's Policy/ Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report, Financial Benefits Provided to the Members of the Board of Directors and Senior Management

Composition of Board Committees–II

Names of the Board Committees	Percentage of Non-executive Directors	Percentage of Independent Directors in the Committee	Number of Meetings Held in Person	Number of Reports on Its Activities Submitted to the Board
Audit Committee	100%	100%	5	5
Corporate Governance Committee	80%	40%	5	5
Nomination Committee	100%	50%	2	2
Risk Committee	100%	40%	8	8

Sustainability Principles Compliance Report

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
	A. General Principles						
	A1. Strategy, Policy and Targets						
A1.1	Material environmental, social and corporate governance (ESG) issues, risks, and opportunities were determined by the board of directors of the partnership.	✓				Material environmental, social and corporate governance (ESG) issues, risks, and opportunities have been determined in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 56-57-58
	ESG policies (such as Environmental Policy, Energy Policy, Human Rights and Employee Policy) were created and disclosed to the public by the board of directors.	✓				All Sustainability and ESG Policies were publicly disclosed on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
A1.2	Short- and long-term targets set within the scope of ESG policies were disclosed to the public.	✓				All targets were shared with the public in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Throughout the report.
	A2. Implementation/Monitoring						
A2.1	The committees and/or units responsible for the implementation of ESG policies as well as the highest-level person in charge of ESG issues and their duties were determined and publicly disclosed.	✓				The relevant committees and units were specified in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 51-52-53-54
	Activities carried out as part of policies by the responsible committee and/or unit were reported to the board of directors at least once a year.	✓				Activities carried out under policies are reported to the Board of Directors 6 times a year.	-
A2.2	Implementation and action plans in line with ESG policies were created and disclosed to the public.	✓				All targets were shared with the public in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Throughout the report.
A2.3	ESG Key Performance Indicators (KPIs) and the level of reaching these indicators on a yearly basis were disclosed to the public.	✓				In addition, CDP reporting is carried out with the public option.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133 It can be reviewed on its website on CDP's publication date..
A2.4	The activities that improve the sustainability performance for business processes or products and services were disclosed to the public.	✓				Activities to support Sustainability Performance were included in the Sustainability Report and Annual Report	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Throughout the report.

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
	A3. Reporting						
A3.1	Information regarding the performance of the Incorporation in terms of sustainability performance, targets and activities were included correctly and adequately in the annual report.	✓					On pages 60-73 of Annual Report 2023.
A3.2	Information on which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals were disclosed to the public by the partnership.	✓				In the Sustainability Report, information on which of the SDGs it was related to was publicly disclosed.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 60
A3.3	Information about the important lawsuits filed and/or concluded in ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, were disclosed to the public.	✓				There are no such lawsuits.	-
	A4. Verification						
A4.1	The Partnership's ESG Key Performance measurements were verified by an independent third party and publicly disclosed.	✓				ESG Key Performance measurements were verified and publicly disclosed by an independent third party. In addition, CDP reporting is carried out with the public option.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133 It can be reviewed on its website on CDP's publication date..
	B. Environmental Principles						
B1	The partnership publicly disclosed its policies and practices, action plans, environmental management systems (known as the ISO 14001 standard), and programs in the field of environmental management.	✓				Existing certificates were shared in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 43-46
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared to provide information on environmental management.		✓			Although the reporting period is not shared with the public, the results of the relevant reports are consolidated under the Sustainability Report and shared with the public.	
B3	Described in A2.1.						
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as members of the Board of Directors, managers and employees) were disclosed to the public.		✓				

Sustainability Principles Compliance Report

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
B5	How environmental issues are integrated into business targets and strategies was disclosed to the public.	✓				Long-term and short-term activities are shared in the Annual Report.	On pages 65, 66, 67 and 68 of Annual Report 2023.
B6	Described in A2.4.						
B7	How environmental issues were managed and integrated into business targets and strategies throughout the company's value chain, including the operational process, suppliers and customers was disclosed to the public.	✓					
B8	Whether the relevant organizations and non-governmental organizations were involved in the policy-making processes on the environment and the collaborations with these institutions and organizations were disclosed to the public.	✓				Whether relevant organizations and civil society organizations were involved in policy-making processes and the cooperation with these institutions and organizations were disclosed to the public.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 60-61-115
B9	Information on its environmental impacts in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) was periodically disclosed to the public in a comparable manner.	✓				CDP reporting is carried out with the public option. It can be reviewed on its website on CDP's publication date.	
B10	The standard, protocol, methodology and base year details used to collect and calculate its data were disclosed to the public.	✓				Related issues are explained in the "7-Respecting the Environment for the Future" section of the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 66 -88
B11	The increase or decrease of environmental indicators for the report year comparatively with previous years was disclosed to the public.	✓				Sustainability Reports are available on the website as of the date of publication and provide the opportunity for comparison.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf
B12	Short and long-term targets were determined to reduce its environmental impacts, and these targets together with their progress with respect to the targets determined in previous years were disclosed to the public.	✓				Information about the determined targets and progress status is included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 43-46, 130-133

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
B13	A strategy to combat the climate crisis was prepared and the planned actions were disclosed to the public.	✓				Energy and Climate Change Policy CDP Reporting ACI ACA Certification Program Each of them is a climate crisis application and is included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 15, 45, 64, 65, 72, 75, 76, 77, 130-133 https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar It can be reviewed on its website on CDP's publication date.
B14	Programs or procedures were established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.			✓		Emission data of airports and service companies are consolidated under operational emission values, consolidated after relevant verification services and shared on public platforms. In addition, emissions under Scope 3 are included in CDP reporting for certain airports.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133 It can be reviewed on its website on CDP's publication date.
B14	Actions were taken to reduce greenhouse gas emissions of third parties (such as suppliers, subcontractors, dealers) and these actions were disclosed to the public.			✓		Related issues are explained in the "7-Respecting the Environment for the Future" section of the Sustainability Report. In addition, emissions under Scope 3 are included in CDP reporting for certain airports.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 66 -88.
B15	The environmental benefits/gains and cost savings of initiatives and projects aimed at reducing environmental impacts were disclosed to the public.	✓				Cost details for TAV Airports' environmental and social projects were provided in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 66
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are disclosed to the public as Scope-1 and Scope-2.	✓				These indicators were included in the Sustainability Report. They were included in CDP reporting.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	✓				These indicators were included in the Sustainability Report, and included in CDP reporting.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133 It can be reviewed on its website on CDP's publication date

Sustainability Principles Compliance Report

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
B18	Studies on increasing the use of renewable energy and the transition to zero or low carbon electricity were made and publicly disclosed.	✓				They are included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133 Throughout the report
B19	Renewable energy production and usage data was disclosed to the public.	✓				They are included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133
B20	Energy efficiency projects were carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects was disclosed to the public.	✓				They are included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133
B21	Water consumption, if any, amounts of water drawn, recycled and discharged from underground or above ground, their sources and procedures were disclosed to the public.	✓				They are included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 130-133
B22	Whether its operations or activities were included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax) was disclosed to the public.	✓					https://www.aa.com.tr/tr/sirkethaberleri/finans/garanti-bbvanin-is-ortagi-erguvan-tav-havalimanlarinin-karbon-ayak-izini-notrledi/680984
B23	Information about carbon credits accumulated or purchased during the reporting period was disclosed to the public.	✓					https://www.aa.com.tr/tr/sirkethaberleri/finans/garanti-bbvanin-is-ortagi-erguvan-tav-havalimanlarinin-karbon-ayak-izini-notrledi/680984
B24	Details of the carbon pricing applied in the partnership, if any, was disclosed to the public.				✓	Information on neutralization levels in scope of the ACI-ACA is announced. Details were shared in the sustainability report	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 15, 45, 64, 65, 72, 75, 76, 77, 130-141
B25	The platforms where the partnership disclosed its environmental information were publicly disclosed.	✓				They are included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 55, 130-141

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
	C. Social Principles						
	C1. Human Rights and Employee Rights						
C1.1	The Corporate Human Rights and Employee Rights Policy was established as to cover the Universal Declaration on Human Rights, the ILO Conventions ratified by Türkiye and other relevant legislation, those responsible for the implementation of the policy were identified, and the policy and those responsible people were disclosed to the public.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
C1.2	Considering also the impacts of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusiveness issues (such as non-discrimination on issues of sex, race, religion, language, marital status, ethnic identity, sexual orientation, gender, family responsibilities, union activities, political views, disability, social and cultural differences, etc.) were included in its employee rights policy.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
C1.3	The measures taken in the value chain to protect the minority rights/equal opportunities of segments (low-income groups, women, etc.) sensitive to certain economic, environmental, and social factors were disclosed to the public.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labor, and child labor were disclosed to the public.	✓				Committee and UNGC practices were included in both the Policy and Sustainability Report.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 48, 52, 92, 93, 96, 98

Sustainability Principles Compliance Report

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
C1.5	Investments in employees (training, development policies), compensation, vested benefits, unionization rights, work/life balance solutions, and talent management topics were included in its employee rights policy.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
	Mechanisms for resolving employee complaints and disputes were established and dispute resolution processes were determined.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
	Activities carried out within the reporting period to ensure employee satisfaction were disclosed to the public.	✓				GPTW results were shared in both the Annual Report and Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 33-34-95 On page 72 of Annual Report 2023.
C1.6	Occupational health and safety policies were prepared and disclosed to the public.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
	The measures taken to prevent occupational accidents and protect health, as well as accident statistics were disclosed to the public.	✓				They are included in the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 132
C1.7	The policies for protection of personal data and data security were established and publicly disclosed.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
C1.8	Ethics Policy is established and disclosed to the public.	✓				The relevant Policy was published on the website.	https://tavhavalimanlari.com.tr/surdurulebilirlik/politikalar
C1.9	Studies within the scope of social investment, social responsibility, financial inclusion and access to finance are disclosed.	✓					
C1.10	Information meetings and training programs were organized for employees on ESG policies and practices.	✓					https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 132

		COMPLIANCE STATUS					
		YES	NO	PARTIALLY	NOT APPLICABLE	EXPLANATION	INFORMATION ON PUBLIC DISCLOSURES
	C2. Stakeholders, International Standards and Initiatives						
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints was set and publicly disclosed.	✓					https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Page No: 122
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) was publicly disclosed.	✓					https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf Throughout the report.
C2.3	International reporting standards adopted for the reporting were disclosed.	✓				They were explained in the bottom right corner on each page of the Sustainability Report.	https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf
C2.4	Principles, signatory and member international organizations, committees and principles on sustainability and adopted by the Company were disclosed to the public.	✓					https://gelecekicinhavalimanlari.org/pdf/2022-sustainability-tr.pdf
C2.5	Improvements were made and studies were carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.	✓				Reporting is done through Refinitiv.	https://www.lseg.com/en/data-analytics/sustainable-finance/esg-scores?esg=TAV+Havalimanlari+Holding+AS#terms-of-use
	D. Corporate Governance Principles						
D1	Stakeholders were consulted when determining measures and strategies regarding sustainability.	✓					
D2	Studies were made on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities, and training.	✓					

Operating Principles of the Committees

Board Committees
In accordance with the provisions of the Capital Markets Board's Communiqué on the Determination and Implementation of Corporate Governance Principles, the Company's Board of Directors reviewed the structure and activities of the existing committees and resolved to constitute them as follows:

Our Company's Committee Working Principles are available at **https://ir.tav.aero/Uploads/Documents/calisma_esaslari_2021.pdf**

Audit Committee

Chair of the Audit Committee	Filiz Demiroz
Audit Committee Member	Aylin Selen

Corporate Governance Committee

Chair of the Corporate Governance Committee	Ebru Yonca Capa
Corporate Governance Committee Members	Fernando Echegaray
	Filiz Demiroz
	Franck Mereyde
	Besim Meric

Nomination Committee

Chair of the Nomination Committee	Aylin Selen
Nomination Committee Members	Ebru Yonca Capa
	Edward Arkwright
	Xavier Hürstel

Risk Committee

Chair of the Risk Committee	Jean-Michel Vernhes
Risk Committee Members	Ali Haydar Kurtdarcan
	Aylin Selen
	Jerome Calvet
	Xavier Hürstel

Board of Directors' Assessment for the Committees
The committees shall convene prior to each meeting of the Board of Directors whose agenda incorporates a decision concerning matters that are of relevance to them. The committees shall convene at least one day prior to the meeting of the Board of Directors, barring an urgency or material impediment. The chair of each committee, or, in case the chair is unavailable, one of the committee members who is designated for that purpose, shall report on the committee's work to the meeting of the Board of Directors that is held following the committee's meeting; the reporting shall comprise a summary of the committee's proceedings and transactions.

The "Audit Committee" is responsible for the effective implementation of the internal control system as well as taking all necessary measures for the adequate and transparent execution of all kinds of internal and independent audits. The Committee convened five times a year, at least once every three months, the meeting results were recorded in the minutes, and the decisions taken were submitted to the Board of Directors.

Audit Committee
The Audit Committee convened five times in 2023, at least once every three months, the meeting results were recorded in the minutes, and the decisions taken were submitted to the Board of Directors. The participation rate of members in committee meetings is 100%.

The scope of work of the Audit Committee comprises the reports and studies prepared by the independent external audit, the Holding Internal Audit Department, and legal authority auditing bodies. The Audit Committee determines the nature and scope of the Holding's Internal Audit Department's relations with auditing bodies of public institutions and organizations, independent audit firms, and tax auditors.

The Committee is authorized to approve the annual plan of the Internal Audit Department, to compare the planned and actual activities, to request explanations from the Internal Audit Department, to demand changes in annual plans, and to make additional audit demands.

The Committee has absolute authority to appoint or change the independent external audit firm. However, while performing this duty, the Committee may also consider the opinions and requests of the Company's controlling shareholders.

The Committee is authorized to decide on changing the scope of work of the independent audit firm (consulting, etc.) when necessary.

Within the year, the Audit Committee successfully fulfilled its responsibilities, as detailed in the Working Principles of the Committee, regarding relations with the independent external audit firm, relations with the Internal Audit Department, responsibilities related to the Internal Control System, reports prepared by the Legal Authority Auditing Bodies.

Operating Principles of the Committees

Corporate Governance Committee

The Corporate Governance Committee convened five times during 2023. The participation rate of members in committee meetings is 92%. During the year, the committee:

- Identified whether corporate governance principles are implemented;
- Identified the root causes for any non-compliance and the conflicts of interest arising from such non-compliance;
- Made recommendations to the Board of Directors to improve corporate governance practices;
- Oversaw the activities of the Investor Relations Department;
- Made recommendations pursuant to the related laws, rules and regulations in Türkiye, as well as Corporate Governance Principles regarding general compensation of the Company's senior management and the scope of, and changes to, incentive packages, or alternative forms of remuneration where applicable;
- Set forth and oversaw the approach, principles and practices pertaining to the performance evaluation and career planning of the Members of the Board of Directors and the Company's executives;
- Recommended rules for the determination of the fixed and variable elements as well as the level of the compensation of the Company's senior management, oversaw the implementation of these rules, and ensured that the rules are consistent with the Company's annual performance assessment;
- Developed a proposal, to be submitted for the approval of the shareholders at the General Assembly meeting, for the rules governing the overall level of compensation to be awarded to the members of the Board of Directors by also taking into consideration the Board members' individual attendance records at Board of Directors meetings, their committee participation, and the duties and responsibilities they assumed. The Corporate Governance Committee also recommended to the Board of Directors a policy for the reimbursement of the expenses incurred by the members of the Board of Directors while carrying out their duties;
- Approved the information related to the compensation of the members of the Board of Directors that was disclosed to the shareholders and to the public at large;
- Oversaw compliance with Company regulations and policies that were designed to prevent the misuse of the Company's trade secrets and conflicts of interest among the Board of Directors, executives and other employees.

Nomination Committee

Nomination Committee convened three times during 2023. The participation rate of members in committee meetings is 100%. During the year, the committee:

- Identified suitable candidates for open positions on the Board of Directors and the management team;
- Undertook efforts to create a transparent system to identify suitable candidates for open positions on the Board of Directors and the management team;
- Assessed and trained the suitable candidates for open positions on the Board of Directors and the management team;
- Developed policies and strategies to identify suitable candidates for open positions on the Board of Directors and the management team;
- Procured the written declaration of candidates for Independent Board Membership stating that, as of the date of their nomination to the committee, they meet the independence criteria stipulated in the relevant regulation and in the Company's Articles of Association;
- Performed regular evaluations on the composition and effectiveness of the Board of Directors and reported recommendations for potential changes to the Board of Directors membership;
- Assessed whether the nominees for Independent Board Member positions, including the management and shareholders, met the independence criteria at the election process of independent members of the Board of Directors and submitted conclusions to the Board of Directors for approval, and received support from an independent consultancy company in the process of determining the new Independent Board of Directors candidates to be elected in 2024;
- Oversaw the public disclosure of the final list of nominees for Independent Board Member positions at the same time as the announcement for the General Assembly meeting.

Risk Committee

The Risk Committee convenes to enable reporting to the Board of Directors every two months, while considering the Company's risk conditions. The participation rate of members in committee meetings is 95%. During the year, the committee:

- Ensured that initiatives were carried out for early identification and management of all risks that could endanger the existence, development and continuity of TAV Airports and Group companies and for the implementation of necessary measures to mitigate the risks identified;
- Oversaw the functioning of Enterprise Risk Management (ERM) and made recommendations for its improvement;
- Supported the Board of Directors in identifying the opportunities that can enhance the profitability and the effectiveness of the operations of the Company, overseeing the undertaking of necessary actions to take advantage of these opportunities and sharing these with the Board of Directors in a timely manner, evaluating major investment and sale/divestiture decisions, and setting the proper strategy for the Company by prudently assessing potential risks and opportunities;
- Carried out other tasks that the committee is responsible for pursuant to applicable laws, rules and regulations and reviewed risk management systems at least once a year.

Ordinary General Assemblies

TAV HAVALİMANLARI HOLDİNG A. Ş. 2023 GENERAL ASSEMBLY AGENDA

The agenda of the Ordinary General Assembly Meeting of TAV HAVALİMANLARI HOLDİNG ANONİM ŞİRKETİ for the year 2023 to be held on March 29, 2024, Friday:

1. Opening and forming of the Presidential Board and to authorize the Presidential Board to sign the meeting minutes and its annexes
2. Review, discussion and approval of the Annual Report of the Board of Directors of the year 2023
3. Review, discussion and approval of the summary statement of the Independent Audit Report of the fiscal year 2023
4. Review, discussion and approval of the year-end Financial Statements for the fiscal year 2023
5. Releasing severally the Members of the Board from their activities for the year 2023
6. Approval, approval with amendment, or rejection of the Board of Directors' proposal to the General Assembly that there will not be a dividend distribution for the year 2023 in accordance with the Dividend Policy of our Company
7. Submitting for the approval of the General Assembly the Remuneration Policy pursuant to the regulations of the Capital Markets Board
8. Electing the Members of the Board of Directors, including independent members of the Board of Directors, instead of the Members of the Board of Directors whose terms of office have expired, and determining their terms of office
9. Determining the rights of the members of the Board of Directors regarding the wages and attendance fee, and rights such as bonus, premium
10. Discussion and approval of the nomination of the Independent Audit Company proposed by the Board of Directors pursuant to the Turkish Commercial Code and the regulations of the Capital Markets Board
11. Giving information to the General Assembly on the donations and aids which were provided by the Company in 2023 and determining the upper limit of donation to be made in the year 2024
12. Submitting for the approval of the General Assembly the establishment of a foundation by our Company
13. Giving information to the General Assembly regarding the transactions of the "Related Parties" as per third section of Corporate Governance Communique (II-17.1) of the Capital Markets Board
14. Giving information to the General Assembly regarding pledges, collaterals, and mortgages as per fourth section of Corporate Governance Communique (II-17.1) of the Capital Markets Board
15. Authorization of the shareholders that have management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree as per the provisions of articles 395 and 396 of the Turkish Commercial Code and presentation to the shareholders of the transactions carried out thereof in the year 2023 pursuant to the Corporate Governance Communique of the Capital Markets Board
16. Wishes and requests
17. Closing

MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING OF TAV AIRPORTS HOLDING REGARDING THE YEAR 2022 HELD ON MARCH 31, 2023

The Ordinary General Assembly meeting of TAV HAVALİMANLARI HOLDİNG ANONİM ŞİRKETİ regarding the year 2022 was held on the March 31, 2023 at 10.00 at the address of Vadistanbul Bulvar, Ayazaga Mahallesi Azerbaycan Cad. 2C Blok. No. 3L/6 Sariyer/Istanbul under the supervision of the Ministry representatives Mr. Emrah Gozeller and Mrs. Hatice Onder who were appointed with the letter dated 30.03.2023 and numbered 84133151 of the Turkish Governorship of Istanbul Provincial Directorate of Commerce.

The invitation for the meeting was published on March 03, 2023 at the Public Disclosure Platform and Electronic General Assembly System within the statuary period in the appropriate format that covered the agenda and that complied with the law and the articles of association – on pages 77 and 78 of the Turkish Trade Registry Gazette dated March 07, 2023 and numbered 10784, on daily Milliyet newspaper, and the Company website.

The list of attendees was examined, and it was seen that 273,264,520 shares equivalent to a total of TL 273,264,520 out of 363,281,250 shares equivalent to the company's total capital of TL 363,281,250 were represented at the meeting (with 7,391 shares acting as principal, 83,087,386 as assigned representatives, and 190,169,743 shares as other representatives), and that the minimum meeting quorum stipulated in the law and the articles of association was present. In addition, it was seen that the Deputy Chairman of the Board of Directors of the Company Mr. Mustafa Sani Sener, the Member of the Board of Directors Franck Mereyde, Ebru Yonca Capa, Filiz Demiroz, Aylin Selen and Mr. Burc Seven on behalf of the Independent Audit Company were present at the meeting, and following the opening speech of Vehbi Serkan Kaptan (CEO), the agenda was opened after the meeting was launched physically and electronically (simultaneously) by the Deputy Chairman of the Board of Directors Mr. Mustafa Sani Sener.

1. As per the first agenda item, the issue of electing Mr. Mehmet Erdoğan as the Chair of the Meeting Council, Mr. Besim Meriç as the Vote Collector and to use the electronic general assembly system, and Mr. Nihat Kamil Akkaya as the minutes clerk and, the issue of authorizing the Meeting Council to sign the General Assembly minutes were voted and decided by majority - by 273,264,510 affirmative votes vs 10 negative votes.
2. As per the second agenda item, the verbal proposal for the Company's Board of Directors Annual Report regarding 2022 to be deemed as read was submitted to the vote of the assembly, discussed and approved by majority, with 273,128,981 affirmative votes vs 135,539 negative votes. The Board of Directors' 2022 Annual Report was approved by majority, with 273,129,181 affirmative votes vs 135,339 negative votes.

Ordinary General Assemblies

3. As per the third agenda item, the verbal proposal for the Independent Audit Report given by the Independent Audit Company regarding the year 2022 to be deemed as read was submitted to the vote of the assembly, discussed and approved –by majority – by 273,128,981 affirmative votes vs 135,539 negative votes. The summary of the Independent Audit Report was read and discussed, and the Independent Audit Report for 2022 was approved – by majority – by 273,129,181 affirmative votes vs 135,339 negative votes.
4. As per the fourth agenda item, the verbal proposal for the financial statements of the Company regarding the accounting period of 2022 to be deemed as read was submitted to the vote of the assembly, discussed and approved by 273,129,171 affirmative votes vs 135,349 negative votes. The financial statements of the Company regarding the accounting period of 2022 were approved – by majority – with 273,129,181 affirmative votes vs 135,339 negative votes.
5. As per the fifth agenda item, separate acquittance of the Members of the Board of Directors (who held office in 2022) regarding their activities in 2022 was submitted to the vote of the assembly and they were separately acquitted – by majority – with 273,145,741 affirmative votes versus 118,779 negative votes. Members of the Board of Directors did not cast votes for their acquittances.
6. As per the sixth agenda item, due to the fund requirements of the acquisition of the Almaty Airport, the winning of the Antalya Airport in 2021 and Ankara Esenboga Airport in 2022, to enable our Company's long-term developments and the investments required thereof, it has been resolved that in accordance with the Dividend Policy of our Company, a dividend distribution proposal will not be made regarding the year 2022 by majority with 273,264,510 affirmative votes versus 10 negative votes.
7. Pursuant to the seventh agenda item, the verbal proposal for the Remuneration Policy to be deemed as read was submitted to the vote of the assembly, discussed and approved by a majority, with 273,216,975 affirmative votes versus 47,545 negative votes. In accordance with the Capital Markets Board regulations, the Company's updated "Remuneration Policy" was submitted to the vote and approved by majority with 273,216,985 affirmative votes versus 47,535 negative votes.
8. Pursuant to the eighth agenda item, the verbal proposal for the revised Disclosure Policy to be deemed as read was submitted to the vote of the assembly and unanimously approved. In accordance with the Capital Markets Board regulations, the Company's "Disclosure Policy" was unanimously approved.
9. As per the ninth agenda item, issues about remuneration, honorarium, premiums, and bonuses of the Members of the Board of Directors were discussed. In line with the corporate governance principles of the Capital Market Board and based on the remuneration principles of the members of the TAV Airports Holding A.S. Board of Directors for honorarium, it was a resolved to pay net 60,000 US dollars honorarium per annum to Independent Members of the Board and each Member of the Board with Foreign Nationality and who are not paid fees or honoraria from TAV Airports Holding A.S. or from TAV Airports Holding A.S. shareholders or the holding companies of the shareholders or partnerships/subsidiaries of the shareholders; to pay net TL 1,200,000 honorarium per annum to each Independent Member of the Board with Turkish Nationality; that this amount will be paid monthly in 12 installments and the amount paid monthly will be updated every month according to the increase in the Producer Price Index determined by TUIK; and in order to provide fairness among the Members of the Board regarding financial rights paid to members of the board, to make an additional payment of net TL 600.000 to each member of the board with Turkish Nationality in 2023 for one time only based on the 2022 honorarium; this resolution has been approved by majority with 273,223,293 affirmative votes vs. 41,227 negative votes.
10. As per the tenth agenda item, it was decided to appoint DRT Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik Anonim Sirketi registered at Istanbul Trade Registry Office with Registry No. 304099 for one year as an Independent Audit Company to audit the financial reports of the 2023 accounting period in accordance with the Turkish Code of Commerce and Capital Markets Board regulations and to carry out other tasks within the scope of the relevant regulations in these laws. The decision was approved by majority votes of the 272,378,883 affirmative votes against 885,637 negative votes.

Ordinary General Assemblies

11. As per the eleventh agenda item, around TL 433 thousand of aid and donation was made by our Company in 2022 while the General Assembly was informed about this issue. The upper limit for total donations to be made in 2023 was approved to be set at TL 10 million by majority - by 273,228,318 affirmative votes vs 36,202 negative votes.
12. As per the twelfth item on the agenda, General Assembly was informed regarding the transactions of the "Related Parties" as per the third section of Corporate Governance Communique (II-17.1) of the Capital Markets Board.
13. As per the thirteenth agenda item, General Assembly was informed regarding pledges, collaterals, and mortgages to the shareholders as per the fourth section of Corporate Governance Communique (II-17.1) of the Capital Markets Board.
14. As per the fourth agenda item, authorization was given by majority of the attendees with 271,864,709 affirmative votes versus 1,399,811 negative votes to authorize the shareholders holding the management control, Members of the Board of Directors, senior managers and their spouses and relatives by blood and marriage up to the second degree to exercise the transactions specified in the 395th and 396th Articles of the Turkish Commercial Code. In addition, in accordance with the CMB management communiqué, the General Assembly was informed about the transactions carried out accordingly in 2022.
15. As per the fifteenth agenda item, wishes & requests were listened to. The questions submitted by the shareholders who took the floor were answered by the Board of Directors. In addition, the questions posed by Mehmet Ercan Erkul and Sedat Mutlu Er, shareholders who participated electronically, were answered by the chairman of the meeting, Mr. Mehmet Erdoğan, and the chief executive officer, Mr. Vehbi Serkan Kaptan. (Questions and answers are attached to the minutes).
16. Since there were no other items to be discussed on the agenda, the meeting was adjourned by the chairman of the meeting.

ATTACHMENT OF THE MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING OF TAV AIRPORTS HOLDING HELD ON MARCH 31, 2023:

Mehmet Ercan Erkul

1. Why don't you establish an airline company in Türkiye and other countries?

   Chief Executive Officer Mr. Vehbi Serkan Kaptan stated that they focus only on the airport management business together with our service and terminal companies and that they have no plans to establish an airline company.

2. Who are the partners of Sera Insaat?

Mr. Mehmet Erdoğan, Chairman of the Council, stated that the partners of Sera Yapi are Ms. Damla Nur Akkaynak, Mr. Ozan Sener and Ms. Asuman Sener.

Sedat Mutluer

1. I would be grateful if you could provide information about the current situation regarding Lagos.

Mr. Vehbi Serkan KAPTAN, Chief Executive Officer, stated that the process for Nigeria Lagos Airport is ongoing and that the process is progressing slower than expected due to the elections in the country.

The minutes to the meeting (composed of four copies) and the List of Attendees were issued and signed by the Meeting Council and Ministry Representatives.

Chair of the Meeting	Scribe of the Minutes	Vote Collector
Mehmet Erdoğan	**Nihat Kamil Akkaya**	**Besim Meriç**

Ministry Representatives	Ministry Representatives
Hatice Önder	**Emrah Gözeller**

Board of Directors

Board of Directors Meetings

The Board of Directors convened nine times in 2023. The attendance rate of members of the Board of Directors to the meetings is 95%. The Chair of the Board of Directors sets the agenda of the Board meetings in consultation with other Board Members and the Chief Executive Officer. Members make every effort to attend every meeting and voice their opinions at the meetings. The Company also facilitates Board of Directors meetings to be held in an electronic environment.

Edward Arkwright
Chair

Mustafa Sani Şener
Deputy Chair

Ali Haydar Kurtdarcan
Deputy Chair

Franck Mereyde
Executive Member of the Board

Fernando Echegaray
Board Member

Xavier Hürstel
Board Member

Jerome Calvet
Board Member

Aylin Selen
Board Member (Independent)

Ebru Yonca Çapa
Board Member (Independent)

Filiz Demiröz
Board Member (Independent)

Jean-Michel Vernhes
Board Member (Independent)

Edward Arkwright
Chair
Edward Arkwright was born on April 26, 1974, is a graduate of the IEP in Paris and studied at the ESSEC Business School. Arkwright also holds a Master's of Advanced Studies in Modern History. In 1997, he became a civil servant appointed to the Senate, in the legislation department (1997-1999) and in the Finance Committee (1999-2002). From 2002 to 2007, Mr. Arkwright held several positions as Advisor to the Minister of Budget and the Minister of Finance in charge of the implementation of budgetary reform, State Reform and Public Finance. In 2007, he served as principal private Secretary to the General Director of the Caisse des Dépôts Group and Member of the Executive Committee. In 2010, Mr. Arkwright became Strategy Director for the Caisse des Dépôts Group. From 2007 to 2012, he was Member of the Board of companies of the Caisse des Dépôts Group, in real estate (as "Icade," a listed company), tourism and services for local government (chairman of SCET, a company dedicated to advisory for local government). When he joined Aéroports de Paris in December 2012, his first appointment was as Special Advisor to the Chairman & CEO of Aéroports de Paris, and Member of Executive Committee. On September 1, 2013, Edward Arkwright was appointed Chief Financial Officer, in charge of Finance, Strategy, Legal Department, Accountability and Purchasing. Arkwright has also been working as Deputy CEO since 2016. He is also Chairman of Hub One, an IT company of ADP Group; Chair of the Board of Directors of TAV Airports; Chair of the Board of Directors of ADP International. Mr. Arkwright serves as a Member of the Board of Trustees of ESSEC Business School as well as the President of the Board of Directors of Cercle de l'Harmonie Orchestra. He is also a member of the Board of Directors of the Paris innovation agency and the Paris Region tourism agency.

Mustafa Sani Şener
Deputy Chair
Mustafa Sani Sener served as Member of Board of Directors and CEO of TAV Airports, of which he is founding partner, during 1997-2022. As of May 1, 2022 he assumed the position of Deputy Chair.

After graduating from Karadeniz Technical University (KTU) Department of Mechanical Engineering in 1977, Sener earned his Master's degree (M. Phil) in fluid mechanics in 1979 from University of Sussex in the UK. He has been awarded an Honorary Doctorate in engineering from KTU for "his invaluable contributions to the development of Turkish engineering at the international level," as well as an Honorary Doctorate in Business Administration from the New Hampshire University "for his accomplishments in project and risk management throughout his tenure at TAV."

Prior to his career at TAV Airports Holding, Sener served in various positions, from Project Manager to General Manager, in national and international projects. He attended the executive education program on the management of complex systems at the Massachusetts Institute of Technology (MIT). Sani Sener was a Member of the Board of Directors of the Airports Council International (ACI World) and the President of Foreign Economic Relations Board's Turkish-French and Türkiye-Croatia Business Councils. He is continuing to chair the Foreign Economic Relations Board's Türkiye-Kazakhstan Business Council since January 2022. In 2016, Sener was awarded the "Legion d'honneur (Order of Chivalry)" by the President of the Republic of France Francois Hollande, due to his contributions to the relations between Türkiye and France. During the same year, he was also given the High Honor of Service by the Georgian state while in 2019, he was honored with Medal of Merit by the Government of the Republic of Macedonia. The "business model" created at TAV Airports became a "case study" three times and Sani Sener gave a lecture in Harvard Business School (HBS) MBA Program on the Case Study of TAV Airports' "business model."

In the voting carried out by Thomson Extel among national and international finance corporations, he was chosen first in the category of "The Best CEO" in Türkiye in 2010, 2011, 2014, 2015 and 2016, and third in the European Transport Sector in 2014.

Ali Haydar Kurtdarcan
Deputy Chair
Ali Haydar Kurtdarcan graduated from Middle East Technical University (METU), Department of Civil Engineering in 1973. After performing freelance engineering activities until 1987, he has served in different managerial positions for Bilkent Holding companies. He was the Chairman of IDO Board of Directors between 2011 and 2013. Kurtdarcan has been serving as the CEO of Bilkent Holding since 2016.

Board of Directors

Franck Mereyde
Executive Member of the Board
Franck Mereyde was born on April 6, 1972. He is a Civil Engineer and the holder of a postgraduate degree in Geophysics and Space Techniques. Commenced his professional career in Air Conditioning and Data Analysis with Environment Canada and then Météo France, Mr. Mereyde joined the Office of the Minister for Infrastructure in 2002 as Technical Advisor in the Research and Intermodal Transportation Department, then as Advisor for the Budget, Financial Affairs and Civil Aviation departments. Mereyde joined ADP in 2005 as Director of Operations at Paris-Charles de Gaulle Airport and later became Director of Operations. At the same time, he also served as the Head of ADP's Cargo Division. In 2007, Mr. Mereyde was appointed as the Director of Terminals 2A, 2B, 2C and 2D at Paris-Charles de Gaulle Airport and, in January 2010, Director of Terminals 2E, 2F and 2G, as well as of the TGV/RER connection at Paris-Charles de Gaulle Airport with high-speed rail. On March 1, 2011, he was appointed Director of Paris-Orly Airport. Mereyde also served as a Member of the Board of Directors at Aéroports de Paris Management and at Hub Safe.

Mr. Mereyde is Chair of the French-Turkish Chamber of Commerce, Türkiye Chair of French Commerce Advisors, Chair of the Board of the Institut du Bosphore and DEIK French Network

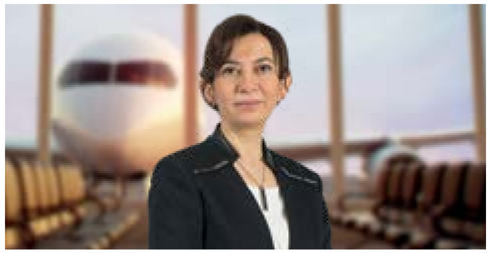
Fernando Echegaray
Board Member
Fernando Echegaray was born on November 25, 1959 in Spain. He holds an Industrial Engineering degree from the Universitat Politècnica de Catalunya (Polytechnic University of Catalonia) and a Computer Engineering degree from the Universitat de les Illes Balears (University of the Balearic Islands). Mr. Echegaray also obtained a degree in Business Management and Administration from IESE Business School. He has held several management positions within the Spanish airport operator AENA. From 1985 to 1999, Mr. Echegaray served as the Deputy Director of Palma de Mallorca Airport. In 2000, he became the Director of Operations at Grupo Aeroportuario del Pacifico (GAP) in Mexico. From 2003 to 2004, Mr. Echegaray was CEO at Tenerife South Airport, and from 2004 to 2006 he was CEO at Canary Islands Airports. Fernando Echegaray was CEO at Barcelona- El Prat Airport from 2006 to 2012. Between 2012 – 2017, he was the Airport Network Director of Aena in charge of 46 airports in Spain. He was appointed Director of International Operations at ADP as of July 1, 2017. Fernando Echegaray was appointed Chief International Officer, Member of the Executive Committee, starting May 1, 2018. Since January 2020, he is also General Director of Operations of Groupe ADP.

Xavier Hürstel
Board Member
Xavier Hürstel, born in 1969, is a graduate of SciencesPo Paris and the University of Paris-Dauphine, and a former student of the ENA (National School of Administration). He spent fifteen years of his career serving the French Government (Ministry of Finance, French Representation to the European Union in Brussels, advisor to several Ministers of Economy, Finance and Budget, advisor to the Prime Minister).

In 2008, he joined the PMU as Deputy Chief Executive Officer and, in 2014, became Chairman and Chief Executive Officer. He implemented a profound digital transformation of the company in the context of the opening of the online gaming market and supported the company's strong internationalization. In 2017, he joined the Sopra Steria consulting and technology group as Executive Director, where he led the Public Sector business for Europe and the transformation of the Marketing, Communication and CSR divisions. In January 2020, he joined Groupe ADP as Deputy CEO in charge of coordinating development operations across all the group's activities and entities. He sits on the Executive Committee. In addition to TAV Airports, listed at the Istanbul Stock Exchange, he is a Board Member of Flying Whales, ADPI and GMR Airport.

Jerome Calvet
Board Member
Jerome Calvet received his law degree in 1978 and graduated from Institut d'Etudes Politiques in 1979 and from Ecole Nationale d'Administration in 1983. Jerome Calvet received his law degree from Institut d'Etudes Politiques de Paris in 1983. He worked in the Finance Ministry of France between 1983 and 1997 and as Financial Secretary of the France Mission of EU between 1988 and 1990, while also serving on the Boards of Directors of many companies. From 1998 until 2004, he led the Corporate Finance (France) Department of Société Générale and later on became the Europe Head of the Mergers & Acquisitions Department of the same bank. Between 2004 and 2008, he directed the Investment Banking Department (France) of Lehman Brothers. He has also been the CEO of Nomura (France) since 2009. Mr. Calvet served as an Independent Board Member between 2012-2017 in TAV Airports Holding.

Board of Directors



Aylin Selen
Board Member (Independent)
Aylin Selen graduated from Middle East Technical University (METU) Department of Civil Engineering in 1991. After working in a number of companies, she joined Akfen Group in 1994. Selen served as Technical Manager during the construction phase of the Ataturk Airport, Türkiye's first build-operate-transfer airport project, as of 1997, and as Technical Services Director during the operation phase. Aylin Selen collaborated with METU faculty members to memorialize the accomplishments during the construction phase of the Ataturk Airport in a book titled "Beyond Construction." She also took part in presenting the preparations for and execution of this success story and the build-operate-transfer project in various universities and conferences. As TAV Insaat (TAV Construction) founding General Manager in 2003, Aylin Selen oversaw TAV Insaat's Türkiye, North Africa and Middle East airport and high-rise projects. Mrs. Selen provides consultation services since 2010, especially on Public Private Partnerships (PPP) and engineering, procurement, and construction contracts.

Ebru Yonca Çapa
Board Member (Independent)
Ebru Yonca Capa has an International Baccalaureate degree from United World College and a BBA degree in International Business and Economics from University of Bridgeport, USA. She has participated in various leadership and management programs at IMD, Kellogg's Graduate School and Harvard Business School. She started her career at Procter & Gamble as Product Manager and later undertook the role of Marketing & Communications Manager at Digital Equipment Corporation in 1993. In 1997, she joined Microsoft Türkiye as Marketing & Communications manager. In 2004, she was appointed as MSN Türkiye's Country Manager and led the launch of internet services and the creation of the digital services business unit. From 2005 to 2008, served as Middle East & Africa Regional Director of Online Services. Between 2008 and 2011, she served as General Manager of Consumer and Online Services at Microsoft Türkiye. She joined Monster.com in 2011 as Regional VP of developing markets. Since 2014, she has been providing keynote speeches and professional development services to local and international companies on digital and cultural transformation, new marketing, global trends and strategic management at her own consulting company. Being a Member of CTI CO-Active Coach, ICF and European Mentoring and Coaching Council (EMCC), Capa has been doing leadership coaching for many years, as well as serving as an Independent Board Member.

Filiz Demiröz
Board Member (Independent)
After graduating from Bogazici University, Department of Business Administration in 1995, Filiz Demiroz started her professional career at KPMG Türkiye Audit Department. At KPMG Türkiye, she has carried out a number of special assignments including mergers and acquisitions, valuations, and initial public offerings in addition to audit projects. Besides her role as Responsible Partner, chaired the Learning & Development Department and Department of Professional Practice. In 2016, Demiroz joined ACCA, the global professional accounting-finance body, as the Head of ACCA Türkiye and she continues to serve as the Regional Head of ACCA Türkiye, Azerbaijan, and Georgia. Filiz Demiroz also serves as a Member of the Supervisory Board at YenidenBiz Association, which aims to contribute to women's employment.

Jean-Michel Vernhes
Board Member (Independent)
Jean-Michel Vernhes graduated from the French Academy of Civil Aviation (ENAC) in 1974 with a Civil Aviation Enterprise and Research Engineering (IEEAC) degree and with a Civil Aviation Engineering degree in 1982. Jean-Michel Vernhes was appointed Aviation Concession Directorate at Toulouse-Blagnac Airport in January 1999. Prior to this, he had a long career at General Directorate of Civil Aviation. He served as assistant Navigation Director, Paris Human Resources Officer starting from 1993 until 1998. He was appointed General Manager of the Chamber of Commerce and Industry in Toulouse in June 2002. At the same time, he continued to work as Chairman of the Board of Directors of the Toulouse Blagnac Airport Company, which was established on 23 March 2007. In September 2009, Jean-Michel Vernhes left his position in the Chamber of Commerce and Industry of Toulouse, to serve as Chairman of the Board of Directors at the Toulouse-Blagnac Airport. Jean-Michel Vernhes carried out the French Airports Association Presidency (ALFA-ACI) from October 2008 until October 2011, in parallel with his role as Chairman of the Board of Directors of the Toulouse Blagnac Airport Company. He was elected President of the Union des Aeroports Francais starting from May 2011 to May 2017. He was elected Member of the Board of ACI-Europe in June 2017. He retired from Toulouse Blagnac airport company in September 2018.

He is President of the Supervisory Board of Strasbourg Airport and Member of the Supervisory Board of Fort de France Airport.

Senior Management

Serkan Kaptan
Chief Executive Officer

Franck Mereyde
Executive Member of the Board

Burcu Geris
Deputy Chief Executive Officer and Chief Financial Officer

Kursad Kocak
Chief Operating Officer, Airports

Murat Ornekol
Chief Purchasing & Logistics Officer

Hakan Oker
Chief Human Resources Officer

M. Kerem Ozturk
Chief Information Officer & TAV Technologies General Manager

Serkan Kaptan
Chief Executive Officer
Serkan Kaptan received his BA degree from Istanbul University, Department of Business Administration and his MBA from Marmara University in 2002. He joined TAV Airports in 1998 with the build-operate-transfer project of the Istanbul Ataturk Airport. Until 2001, he served as a consultant at Airport Consulting Vienna, a company owned by VIE which was a partner of TAV Airports. From 2002 on, he was responsible for business development, airline marketing, R&D and investments. Having 25 years of experience in airport and airline operations and public-private partnership infrastructure projects, Kaptan was appointed as Deputy CEO of TAV Airports in 2016 and served as a Board Member for all TAV Airports' subsidiaries. In May 2022, he was appointed as the CEO of TAV Airports. Kaptan is also a Member of ADP Executive Board in charge of Central Asia, Middle East, Africa, Eastern Europe and CIS. Serkan Kaptan, serves as a Board Member of the Service Exporters' Association (HIB) and the Chairman of DEIK Türkiye-Latvia Business Council. In 2021, he was elected to the Board of Directors of the European Region of the Airports Council International (ACI Europe). Kaptan is married with two daughters.

Franck Mereyde
Executive Member of the Board
Franck Mereyde was born on April 6, 1972. He is a Civil Engineer and the holder of a postgraduate degree in Geophysics and Space Techniques. Commenced his professional career in Air Conditioning and Data Analysis with Environment Canada and then Météo France, Mr. Mereyde joined the Office of the Minister for Infrastructure in 2002 as Technical Advisor in the Research and Intermodal Transportation Department, then as Advisor for the Budget, Financial Affairs and Civil Aviation departments. Mereyde joined ADP in 2005 as Director of Operations at Paris-Charles de Gaulle Airport and later became Director of Operations. At the same time, he also served as the Head of ADP's Cargo Division. In 2007, Mr. Mereyde was appointed as the Director of Terminals 2A, 2B, 2C and 2D at Paris-Charles de Gaulle Airport and, in January 2010, Director of Terminals 2E, 2F and 2G, as well as of the TGV/RER connection at Paris-Charles de Gaulle Airport with high-speed rail. On March 1, 2011, he was appointed Director of Paris-Orly Airport. Mereyde also served as a Member of the Board of Directors at Aéroports de Paris Management and at Hub Safe.

Mr. Mereyde is Chair of the French-Turkish Chamber of Commerce, Türkiye Chair of French Commerce Advisors, Chair of the Board of the Institut du Bosphore and DEIK French Network.

Burcu Geriş
Deputy Chief Executive Officer and Chief Financial Officer
Burcu Geris graduated from Bogazici University, Department of Business Administration in 1999 and subsequently received her MBA degree from London Business School and Columbia Business School. She began her professional career at Garanti Bank where she worked in Treasury and Project Finance departments from 1999 until 2005. Joining TAV Airports in 2005, Geris led the Project & Structured Finance Department of the Company. Burcu Geris was appointed CFO in 2012 and Vice President in 2014. She was named a "Young Global Leader" by the World Economic Forum in 2015 as well as a "Rising Talent" by the Women's Forum in 2013. She was named one of Türkiye's 50 Most Influential CFOs by the Fortune magazine for three straight years in 2016, 2017 and 2018. In addition to serving as a Member of the Boards of Directors of TAV Group Companies, Geris is also a Member of Women Corporate Directors (WCD), Professional Women's Network (PWN), Global Board Ready Women (GBRW), Global Relations Forum Young Professionals Program, and BUMED, CBS and LBS Alumni Associations. She is married with two children.

Senior Management

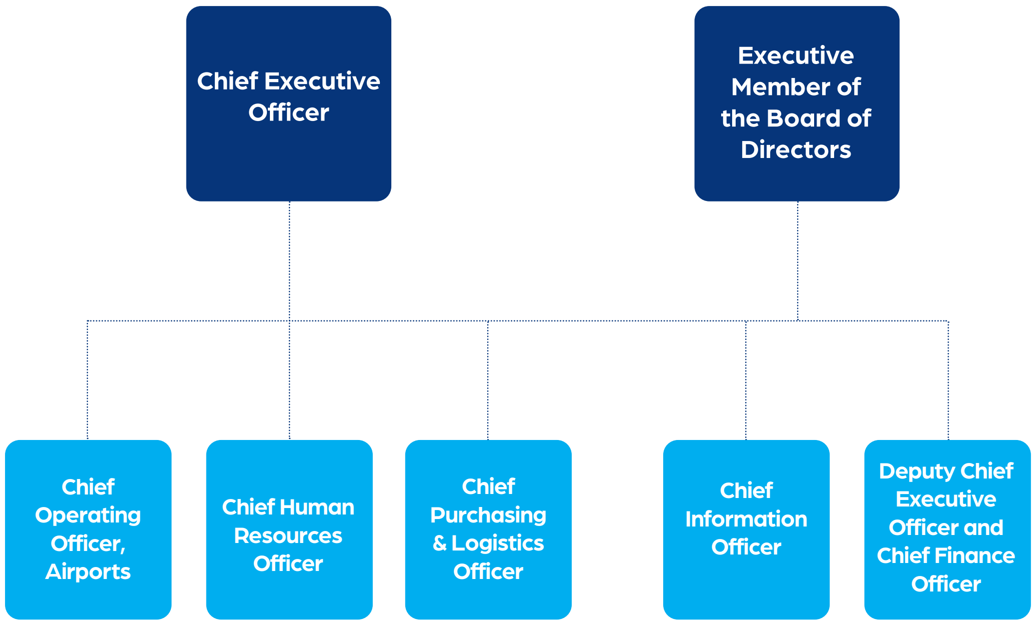
Kursad Kocak
Chief Operating Officer, Airports (COO)
Kursad Kocak graduated from Ankara University in 1990 and began his career in the aviation sector in 1996. After joining Havas in 1997, he worked in executive positions at Istanbul, Dalaman, Trabzon and Antalya airports. Besides serving as General Manager of Cyprus Airport Services (CAS), Mr. Kocak was appointed Deputy General Manager of Havas in 2009. Kocak was appointed as the General Manager of Havas in 2015. He has been serving as Chief Operating Officer, Airports (COO) of TAV Airports Holding since July 1, 2020. In addition, Mr. Kocak plays an active role at Union of Chambers and Commodity Exchanges of Türkiye's (TOBB) Turkish Civil Aviation Assembly and Member of the Board of the Foreign Economic Relations Board's (DEIK) Türkiye-Georgia Business Council.

Murat Ornekol
Chief Purchasing & Logistics Officer (CPO)
Murat Ornekol graduated from Middle East Technical University, Department of Industrial Engineering in 1980 and served as General Manager of TAV Esenboga between 2006 and 2008. Prior to joining TAV Airports he worked as Planning Engineer, IT Manager and Commerce Manager at Kutlutas Holding. Ornekol also served as General Manager at Bordata, an information technology services company; Beretta Holding's General Manager; and Logistics & Business Development Coordinator, Head of the Healthcare Group, Telecom Project Director and the Holding's Deputy CEO at Bayindir Group companies. Ornekol was appointed as Operations Director at TAV Airports Holding in 2008 and served as Vice President of Operations and Purchasing between 2013- 2019. Murat Ornekol has been serving as the Chief Purchasing & Logistics Officer (CPO) of TAV Airports Holding since January 2020.

Hakan Oker
Chief Human Resources Officer (CHRO)
He graduated from Hacettepe University Department of Sociology in 1986. He started his professional career in 1988 as a Personnel Specialist at Beksa, Bekaert- Sabanci Celik Kord Steel Cord Plc. After assuming various responsibilities in Beksa between 1988 and 1998, he continued his career as Human Resources Director at Kordsa Türkiye, Quality and Information Systems Joint Services Director and then Projects Director within the Tire, Tire Reinforcement Materials and Automotive Group of Sabanci Holding. In January 2007, he was appointed as Global Director of Human Resources at Kordsa Global. In January 2009, he was promoted to Vice President of Human Resources and Information Systems in the same company. Oker assumed the position of Vice President of Human Resources in January 2016 at TAV Airports Holding. Since January 2020 he is in charge of Human Resources, Sustainability, and Business Excellence as Chief Human Resources Officer (CHRO). In addition to his roles as Chair and Member of Board of Directors in TAV Group companies, Oker is a Founding Member of the Women in Technology Association and continues his duty as Chair of Ethics Committee.

M. Kerem Ozturk
Chief Information Officer (CIO) &
TAV Technologies General Manager
Mr. Ozturk has completed his Information Systems education at Marmara University and studied International Business Administration at the Vienna University; since 1996 he has worked at multinational firms like Mercedes Benz, KPMG, ALLIANZ Group, Vodafone, TUVTURK, and TUV-SUD, as Consultant, Project Manager, IT Policies Responsible, and CIO. Before joining TAV Technologies, he was working as CTO at Mars Cinema Group and senior roles in strategy, governance, IT policies, IT processes and procedures, digital transformation, business intelligence, web and mobile application development. Mr. Ozturk has experience in technology, IT security and digital transformation, and speaks English and German.

Organization Chart



As of 31.12.2023

Limits of Authority of Members of the Board of Directors

The Chairperson and Members of the Board of Directors have the powers and duties stipulated in the related articles of the Turkish Commerce Law and articles 17 and 18 of the Company's Articles of Association.

In the General Assembly held in 2022, the Chairperson and Members of the Board of Directors were authorized to carry out the actions stipulated in articles 395 and 396 of the Turkish Commerce Law.

An engineering, supply and construction agreement (EPC agreement) has been signed between TAV Construction and Almaty International Airport JSC for the construction of a new terminal, new general aviation building, and a new administrative VIP building in the amount of 196.5 US dollars million. The amount remaining from the EPC agreement is 18.5 million US dollars.

The Group has signed an EPC agreement in the amount of 657 million euros for the additional investments regarding the capacity increase for the Antalya Airport with the joint venture consisting of TAV Construction and Sera. There is a price correction mechanism up to 7.5% of the EPC amount in addition to the EPC amount. The remaining amount of the EPC agreement is 262.2 million euros.

The Group has signed an EPC agreement in the amount of 202.1 million euros for the additional investments regarding the capacity increase for the Ankara Esenboga Airport with the joint venture consisting of TAV Construction and Sera. There is a price correction mechanism up to 7.5% of the EPC amount in addition to the EPC amount. The remaining amount of the EPC agreement is 132.7 million euros.

Financial Benefits Provided to the Members of the Board of Directors and Senior Management and Miscellaneous Expenses

(TL Million)	2022	2023
Short-term Benefits (Salaries and Bonuses)	276	422
Travel and Accommodation Expenses	85	172
Representation Expenses	33	47

As of 2022 and 2023, the Group does not have any payable balances to the directors and senior management.

Information Regarding Expenses for Donation and Aid and for Social Responsibility Projects

In 2023, our Company made TL 3.3 million in aid and donation within the framework of its social responsibility approach. Within the scope of the donation policy accepted by the General Assembly, information about aid and donations that were made during the period is provided at the General Assembly with a separate agenda item.

Related Party Transactions

As cited in the footnote on the "related parties" in the footnote of the consolidated financial statements and independent audit report for the accounting period ending on December 31, 2023, the total amount of related transactions between our Company and ATU in 2023, 50% shares of which are owned by our Company, are below 10% of 2023 consolidated revenues. Note that TAV Airports adopted the IFRS 11 "Joint Venture" Standard starting from January 1, 2012, after which it changed the grounds for calculating the ratio of total amount of transactions performed to revenues.

Amendments to the Articles of Association and Other Remarks

In 2023, no amendments were made to the Articles of Association.

Other Remarks:

1. Information regarding research and development projects of the Company and the results of these:
TAV Technologies has gained the right to be an R&D Center as of May 2019 as per the Law No. 5746 Regarding Support to Research, Development and Design Activities and 13 projects conducted by engineers working for TAV Technologies were taken in scope of R&D and the works are continuing.

Upon becoming an R&D Center, other activities also swiftly increased within the Company and significant developments took place especially in the following subjects:

- Increasing collaborations with universities and global R&D centers
- Encouraging master or PhD degrees of employees
- 4 international/national fund and incentive program applications under EU fund clusters and TUBITAK
- 4 academic article publications and 2 conference participation
- 4 "Proof of Concept" and innovation studies
- 1 commercializable R&D product output
- Supporting works regarding intellectual and industrial property rights, and reward program
- Collaborations with start-up firms

2. Information on lawsuits filed against the Company and their possible outcomes that may affect the financial status and activities of the Company:
There are no major lawsuits filed against our Company that may affect our financial status and activities.

3. Information on administrative and legal sanctions imposed to the company and members of the management body as a result of violation of legislative provisions:
There are no administrative or legal sanctions imposed to the Company and members of the management body as a result of violation of legislative provisions.

4. Information on legislation changes having critical impact on company activities:
There are no legislation changes having critical impact on company activities.

5. Information on conflict of interests between the institutions that the Company is getting services on investment consultancy and rating and measures taken to prevent those conflict of interests by the Company:
There are no issues to result in conflict of interests between the institutions that the Company is getting services on investment consultancy and rating.

6. Organizational changes during the year:
The current organization structure of TAV Airports Holding is revealed on page 136 of the Annual Report. There are no significant organizational changes in 2023.

7. In the event of holding an Extraordinary General Assembly held within the year, information regarding the Extraordinary General Meeting, including date of the meeting, decisions taken in the meeting and actions taken regarding this:
No extraordinary general assembly was held throughout the year.

8. In the event of a subsidiary of the company group; legal actions taken with the holding company, a subsidiary of the holding company, for the benefit of that company or a subsidiary with the guidance of the holding company and all other measures taken or avoided for the benefit of the holding company or a subsidiary during the past year:
The relevant information is provided in the "Subsidiary Report" found in our Annual Report.

9. In the event of a precaution taken or not taken according to their best knowledge of situations and conditions, an appropriate counter-action was taken for each legal action and whether the Company was at a loss for the measure taken or not taken, if the Company was at a loss, whether this loss has been compensated:
The relevant information is provided in the "Subsidiary Report" found in our Annual Report.

10. Assessments of management body regarding whether company capital remained unpaid or whether the company is in debt:
Detailed information regarding Company's financial status can be found in the financial statement and its footnotes, reviewed during an independent audit, provided in the Annual Report, and the Company's capital is paid and not sunk in debt.

Dividends

Our Company has been executing an extensive investment program since 2021.

As part of this program, we have acquired Almaty Airport for $422 million in 2021 and we are investing another $200 million in the airport for a new terminal. We have already invested €1.813 million in upfront rent in Antalya Airport for the concession until 2052 and we are investing another €750 million with our partner Fraport. In addition, we paid an upfront rent of €119 million and we are investing another €210 million for our new concession in Ankara Esenboga Airport that will last until 2050. We are also making other investments in our airports and services and we are preparing for other new potential projects. Our consolidated capital expenditures, not including Antalya, for 2023 were €214 million and the same figure we expect for 2024 is between €230 million to €270 million.

We have financed this investment program through internally generated cash and financial debt.

Considering the extensive amount of cash required for the extensive investment program described above and also considering the fact that the cost of financing this cash has increased significantly in the last three years, our Board of Directors has unanimously resolved that in accordance with the Dividend Policy of our Company, a dividend distribution proposal will not be made to the approval of the General Assembly to convene for the fiscal year of 2023.

Subsidiary Report

The Subsidiary Company Report of TAV Airports Board of Directors for 2023 Prepared Pursuant to Article 199 of the Turkish Commercial Code:

Pursuant to Article 199 of the Turkish Commercial Code, Law No. 6102 that became effective on July 1, 2012, TAV Airports Board of Directors is obligated to issue a report within the first three months of the fiscal year regarding the Company's relationships with its controlling shareholder and the subsidiaries of its controlling shareholder during the previous fiscal year, and to include the conclusion section of this report in the annual report. Necessary explanations about the transactions made by TAV Airports with related parties are included in the footnote of the related financial report.

The report issued by the Board of Directors states: "It was concluded that in each and every transaction TAV Airports executed with its controlling shareholders and the subsidiaries of its controlling shareholders in 2023, based on the situation and conditions known to us at the time the transaction was executed, or the measure was taken, or the measure was refrained from being taken, the Company had a commensurate gain in return and there was no measure taken or refrained from being taken that will lead to losses for the Company and, within this framework, there are no transactions or measures that require compensation."

Independent Auditor's Report

Deloitte.

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of TAV Havalimanları Holding A.Ş.

1) Opinion

As we have audited the full set consolidated financial statements of TAV Havalimanları Holding A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2023–31/12/2023, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2023–31/12/2023 in our Auditor's Report dated 13 February 2024.

4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
b) Preparing the annual report with all the respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
c) The annual report also includes the matters stated below:
   - The significant events occurred in the Group's activities subsequent to the financial year ends,
   - The Group's research and development activities,
   - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulations of the Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit

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

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

Burç Seven, SMMM
Partner
İstanbul, 29 February 2024

Auditor's Report on Risk Assessment Committee and Risk Management

Deloitte.

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE RISK ASSESSMENT COMMITTEE AND RISK MANAGEMENT
ORIGINALLY ISSUED IN TURKISH)**

AUDITOR'S REPORT ON RISK ASSESMENT COMMITTEE AND RISK MANAGEMENT

To the Board of Directors of TAV Havalimanları Holding A.Ş.,

We have audited the Early Identification of the Risk System and Committee established by TAV Havalimanları Holding A.Ş. ("Company").

Responsibility of the Board of Directors

Pursuant to paragraph 1 of Article 378 of the Turkish Commercial Code 6102 ("TCC"), the board of directors is obliged to establish a committee of experts and operate and improve the system for the purposes of early identification of factors posing a threat on the company's existence, development and continuation; implementation of necessary measures and solutions in this regard; and management of the risk.

Responsibility of the Independent Auditor

Our responsibility is to express a conclusion on the Early Identification of the Risk System and Committee based on our audit. Our audit was conducted in accordance with TCC and the "Principles on the Independent Auditor's Report on Early Identification of the Risk System and Committee" and ethical requirements as announced by Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey. These Principles require us to determine whether the early identification of the risk system and committee has been established, and if established, to evaluate whether the system and committee operate in accordance with Article 378 of TCC. Our audit does not involve auditing the appropriateness of the solutions on the risks identified by the Early Identification of the Risk System and Committee and the practices performed by the management against the risks.

Information Regarding the Early Identification of the Risk System and Committee

The "Early Identification of Risk Committee" of the Company is chaired by the Independent Member of the Board of Directors, Mr. Jean Michel Vernhes, and consists of 4 members as follows; Member of the Board of Directors Mr. Ali Haydar Kurtdarcan, Ms. Jerome Calvet, Member of the Board of Ms. Aylin Selen and Mr. Xavier Hürstel.

The Committee met eight times on the following dates; 13 February 2023, 24 April 2023, 25 July 2023, 15 September 2023, 23 October 2023, 22 November 2023 and 18 December 2023.

Conclusion

Based on our audit, we have reached the conclusion that the early identification of the risk system and committee of TAV Havalimanları Holding A.Ş. is, in all material respects, in compliance with article 378 of the TCC.

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

Burç Seven, SMMM
Partner

İstanbul, 13 February 2024

Statement of Responsibility

Statement of Responsibility Pursuant to Article 9 of the Second Chapter of the Capital Markets Board's "Communiqué on the Principles of Financial Reporting in Capital Markets"

Within the framework of information available to us by virtue of our duties and responsibilities at the Company, we hereby declare that the Comprehensive Income Statement, Cash Flow Statement and Statement of Changes in Equity ("Financial Statements"), along with their footnotes, for the period between 01.01.2023 – 31.12.2023 prepared by the Company in compliance with the formats established by Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) and the Capital Markets Board pursuant to the "Communiqué on the Principles of Financial Reporting in Capital Markets" ("Communiqué") No. II.14.1. of the Capital Markets Board and audited by the independent audit firm DRT Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik A.S. (A member firm of Deloitte Touche Tohmatsu Limited);

- have been examined by us,
- contain no inaccurate statement insofar as material issues are concerned nor any omissions that might result in their being misleading as of the date on which such statements are made,
- honestly reflect the true picture of the Company's assets, liabilities, financial position, and profits and losses, including those of entities whose financial reports conforming to the Communique are subject to consolidation and that the annual report honestly reflects the conduct and performance of business as well as the financial position of and the material risks and uncertainties confronting the Company along with any entities subject to consolidation with it.

We hereby acknowledge our responsibility for the foregoing statements.

Regards,

Chair of the Audit Committee	Audit Committee Member	Deputy Chief Executive Officer & CFO
Filiz DEMIROZ	**Aylin SELEN**	**Burcu GERIS**

Statements of Independence

To TAV Airports Holding Board of Directors,

I hereby declare that I am a candidate for assuming the role of an "Independent Member" on the Board of Directors of TAV Airports Holding (Company), within the scope of the criteria stipulated in the legislations, the Articles of Association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) Between the company, partnerships where the company has managerial control or significant influence, partners or legal entities that hold managerial control or significant influence over the company; and myself, my spouse, and blood or in-law relatives to the second degree, there was no relationship of employment as a manager with major duties and responsibilities; I did not hold 5% or above of their shares, voting rights or preferred shares either singlehandedly or collectively; I did not establish significant commercial relations with them,
b) In the last five years, I did not serve as a partner (with a stake of 5% and above), a manager with major duties and responsibilities, or a board member, particularly in the audit (including tax audit, statutory audit, internal audit), rating and consultancy functions, at any company with which the company has traded significant amounts of products or services, in periods when such products and services were sold or purchased in line with business agreements,
c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I shall assume as a result of my independent Membership on the Board,
d) In accordance with the legislations, I will not be working fulltime in public institutions and organizations (except working as an academician at the university) after being elected as a member,
e) I am considered a resident in Türkiye according to the Income Tax Law (n.193) dated 31/12/1960,
f) I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
g) I will be able to spare the sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,
h) I have not been a board member of the company for more than six years in total within the last 10 years,
i) I did not serve as an independent board member in more than three of the companies where the company or its ultimate controlling partners have managerial control, nor in more than five companies traded in the stock exchange,
j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors.

Yours sincerely,

Aylin Selen **Ebru Yonca Capa** **Filiz Demiroz**

Statements of Independence

To TAV Airports Holding Board of Directors,

I hereby declare that I am a candidate for assuming the role of an "Independent Member" on the Board of Directors of TAV Airports Holding (Company), within the scope of the criteria stipulated in the legislations, the Articles of Association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) Between the company, partnerships where the company has managerial control or significant influence, partners or legal entities that hold managerial control or significant influence over the company; and myself, my spouse, and blood or in-law relatives to the second degree, there was no relationship of employment as a manager with major duties and responsibilities; I did not hold 5% or above of their shares, voting rights or preferred shares either singlehandedly or collectively; I did not establish significant commercial relations with them,
b) In the last five years, I did not serve as a partner (with a stake of 5% and above), a manager with major duties and responsibilities, or a board member, particularly in the audit (including tax audit, statutory audit, internal audit), rating and consultancy functions, at any company with which the company has traded significant amounts of products or services, in periods when such products and services were sold or purchased in line with business agreements,
c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I shall assume as a result of my independent Membership on the Board,
d) In accordance with the legislations, I will not be working fulltime in public institutions and organizations (except working as an academician at the university) after being elected as a member,
e) I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
f) I will be able to spare the sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,
g) I have not been a board member of the company for more than six years in total within the last 10 years,
h) I did not serve as an independent board member in more than three of the companies where the company or its ultimate controlling partners have managerial control, nor in more than five companies traded in the stock exchange,
i) I have not been registered and announced on behalf of the juridical person elected as Member of the Board of Directors.

Yours sincerely,

Jean-Michel Vernhes

Operational and Financial Figures

Euro Based Financials

(in m€, unless stated otherwise)	FY22	FY23	Chg %
Revenue	**1,051.4**	**1,309.7**	**25%**
Cash Opex(*)	**–729.2**	**–925.0**	**27%**
EBITDA	**322.1**	**384.7**	**19%**
EBITDA Margin (%)	**30.6%**	**29.4%**	**–1.3 ppt**
FX Gain /(Loss)	(10.1)	(22.7)	124%
Deferred Tax Income / (Expense)	8.2	23.6	186%
Equity Accounted Investments	**52.9**	**151.0**	**185%**
Net Monetary Position Gain	15.6	4.8	–69%
Net Profit after Minority	**122.2**	**249.1**	**104%**
Capital Expenditures	**175.3**	**214.3**	**22%**
Net Debt (includes Sh. Loan)	**1,604**	**1,670**	**4%**
Shareholders' Equity	**1,224.7**	**1,426.4**	**16%**
Number of employees (av.)	17,633	19,327	10%
Number of passengers (m)	**78.4**	**95.5**	**22%**
– International	50.4	62.9	25%
– Domestic	28.0	32.6	17%
Duty free spend per pax (€)	**8.9**	**8.9**	**0%**

(*) Cash Opex = Opex before EBITDA (Revenue – Cash Opex = EBITDA)

TAV Airports in Figures

Revenue +25%

There was significant revenue growth year over year across nearly all revenue sources.

2023 revenue was 75% above 2019 (Like-for-like without Almaty was 21% above 2019 and 26% above 2022).

Cash Opex +27%

In 2023, like for like cash opex without Almaty was 29% above 2019 and 26% above 2022.

Almaty's cash opex in 2023 was €318m.

EBITDA +19%

2023 EBITDA reached 19% above 2022 and 37% above 2019 EBITDA.

FX Gain /(Loss) +124%

There was foreign exchange loss mostly due to appreciation of EUR vs USD and TL (TL loss was mostly due to VAT recoverable and TGS dividend).

Net Profit +104%

There was a net total p&l effect of + €82.7m due to TIBAH share sale in the third quarter of 2023 (+ €37.8m of the effect was in equity accounted investments and + €44.9m was in finance income).

There was + €75.4m of total deferred tax gain (+ €51.9m of which was in equity accounted investments) There was + €20.0m of consolidated deferred tax gain in the fourth quarter of 2023 due to inflation accounting in statutory accounts.

There were higher finance expenses due to higher market rates (68% of rates are fixed), higher gross debt and fx loss. There was + €10m of impairment reversal in 2022 vs €9.5m impairment in 2023 in Tunisia and €10.8m drop in monetary gain year over year.

There were one-off earthquake taxes (€-6.4m of which was in current tax, - €5.4m of which was in equity accounted investments with €-11.7m of total effect), higher D&A and €5.0m of current tax in New Antalya due to revaluation of net monetary assets in statutory accounts.

Net Debt +4%

Net debt increased year over year with heavy capex cycle and upfront rent payment of €119m for Ankara in 2Q23 versus significant operational cash generation. Net debt was improved significantly by close of TIBAH share sale for 135m US dollars in the third quarter of 2023 and improvement in working capital in Almaty in the fourth quarter of 2023.

Equity Accounted Investments +185%

Equity accounted investments were impacted by + €51.9m of total deferred tax gains, €39m of which was due to inflation accounting in statutory accounts. There was new Antalya deferred tax gain is €52.0m of which €30.8m was due to inflation accounting.

There was + €37.8m of TIBAH share sale p&l effect classified here.

There were earthquake taxes (€-5.4m) and €-5.0m in current tax in new Antalya due to revaluation of net foreign exchange monetary assets in statutory accounts. €348 m of net foreign exchange monetary assets (for 50% of New Antalya) in 2023 were subject to revaluation due to EURTL. Expected net foreign exchange monetary assets in 2024 is €125m and is €0-50m in 2025. ½ of current tax due is canceled due to investment incentives. New Antalya records deferred tax gain as additional capex is made.

Number of passengers +22%

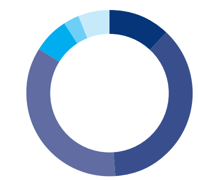
2023 total passengers served is 22% above 2022 and 7% above 2019.

Duty free spend per passenger +0%

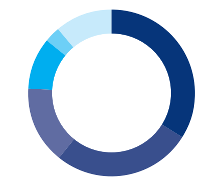
Duty free spend per passenger was flat vs. last year at €8.9 per passenger.

FX Exposure of Operations (EUR million)

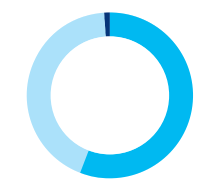
Revenue



Expenses [1] [2]



Loans & Borrowings [3]



[1] Combined figures, before elimination and consolidation adjustments
[2] Does not include concession rent expenses & depreciation
[3] Bond (shown as USD) is swapped to EUR, and thus has no EUR/USD fx risk.

Guidance and Realization

	2023 Guidance	2023 Results	Comments
Revenue (€m)	1,230 – 1,290	1,309.7	better than guidance ✓
Total Passengers (m)	81 – 91	95.5	better than guidance ✓
International Passengers (m)	52 – 59	62.9	better than guidance ✓
EBITDA Margin (%)			
Net Debt / EBITDA	5 - 6	4.3	better than guidance ✓
EBITDA (€m)	330 – 380	384.7	better than guidance ✓
Capex (€m)	220-260	214.3	better than guidance ✓

- Our 2023 to 2025 outlook is based on an assumption of continuation of recovery from pandemic related mobility restrictions, normal business conditions, no other force majeure or security related events and no unexpected volatility or other abnormal conditions in foreign exchange markets.
- Deviations from these assumptions could have material effects on our expected passenger volume and financial results for 2023 through 2025.
- Passenger outlook includes Antalya and Medinah. Due to equity accounting, revenue and EBITDA outlook does not include Antalya and Medinah.

Guidance for 2024 and 2025

	2023 Results	2024 Guidance	2025 New Guidance (Includes New Ankara 2025+)	2025 Previous Guidance (Includes New Ankara 2025+)
Revenue (€m)	1,309.7	1,500 – 1,570	14-18% CAGR (2022-2025) expected	10-14% CAGR (2022-2025) expected
Total Passengers (m)	95.5	100 – 110	10-14% CAGR (2022-2025) expected	10-14% CAGR (2022-2025) expected
International Passengers (m)	62.9	67 – 73		
EBITDA Margin (%)			above 2022 margin (>30.6%)	above 2022 margin (>30.6%)
Net Debt / EBITDA	4.3	3.5 – 4.5	2.5 – 3.0	2.5 – 3.0
EBITDA (€m)	384.7	430 – 490	14-20% CAGR (2022-2025) expected	12-18% CAGR (2022-2025) expected
Capex (€m)	214.3	230 – 270	90 – 110	

- Our 2024 to 2025 outlook is based on an assumption of no mobility restrictions, normal business conditions, no other force majeure or security related events and no unexpected volatility or other abnormal conditions in foreign exchange markets.
- Deviations from these assumptions could have material effects on our expected passenger volume and financial results for 2024 through 2025.
- Passenger outlook includes Antalya and Medinah. Due to equity accounting, revenue, EBITDA and Capex outlook does not include Antalya and Medinah.
- CAGR = Compound Average Growth Rate

TAV Havalimanları Holding A.Ş.
and its Subsidiaries

Consolidated Financial Statements
As at and for the Year Ended 31 December 2023

Deloitte.

DRT Bağımsız Denetim
ve Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No: 0291001097600016
Ticari Sicil No : 304099

To the Board of Directors of TAV Havalimanları Holding A.Ş.

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants (*IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	How the matter was addressed during audit
Recoverability of Airport Operation Rights and Goodwill The consolidated statement of financial position as of 31 December 2023 includes airport operation right of 1,573,369 thousand EUR and goodwill of 216,411 thousand EUR that comprises 38% of total consolidated assets. Details of airport operation right for each concession agreement and goodwill is disclosed in Note 13 and Note14. Since management's assessment of value in use (VIU) and impairment of airport operation rights and goodwill requires estimations and judgements, which are disclosed in Note 1 and Note 2.d, this matter is considered as a key audit matter.	We performed the following auditing procedures in relation to the impairment tests of recoverability of airport operation rights and goodwill: • Evaluating management forecasts and future plans based on macroeconomic information, • Evaluating the reasonableness of cash flow estimates for each CGU, • Through involvement of valuation specialists, testing the reasonableness of the discount rates, estimations, assumptions and the mathematical accuracy of the models used, • Testing of the setup of the discounted cash flow models and their mathematical accuracy, • Assessing management’s sensitivity analysis for key assumptions, • Evaluating whether there is a significant indicator of impairment in the recoverable value of the rights and goodwill arising from concession agreements, • Understanding and evaluating accounting policies for airport operation rights and goodwill, We also evaluated the correctness and compliance with IFRS of the related disclosures in the consolidated financial statements.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

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

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

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

Deloitte.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

Deloitte.

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

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

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

T.C.

Burç Seven
Partner

İstanbul, 13 February 2024

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position as at 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

	Notes	31 December 2023	31 December 2022
ASSETS			
Property and equipment	12	677,686	487,345
Intangible assets	13	21,603	19,888
Airport operation right	14	1,573,369	1,652,220
Right of use assets	15	68,356	56,754
Equity-accounted investments	36	754,398	755,853
Goodwill	13	216,411	219,206
Derivative financial instruments	32	42,191	53,613
Non-current due from related parties	35	86,039	144,016
Other non-current assets	19	237,186	107,913
Deferred tax assets	17	44,187	28,593
Total non-current assets		**3,721,426**	**3,525,401**
Current assets			
Inventories	18	33,805	50,169
Financial assets	16	80,888	45,466
Trade receivables	20	114,256	113,771
Due from related parties	35	16,256	20,078
Other receivables and current assets	19	146,823	159,264
Cash and cash equivalents	21	538,911	258,015
Restricted bank balances	22	99,768	105,569
		1,030,707	**752,332**
Assets classified as held for sale		965	-
Total current assets		**1,031,672**	**752,332**
TOTAL ASSETS		**4,753,098**	**4,277,733**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position as at 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

EQUITY	Notes	31 December 2023	31 December 2022
Share capital	23	162,384	162,384
Share premium		220,286	220,286
Legal reserve	23	121,975	121,975
Other reserves		(74,304)	(74,341)
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		40,387	46,885
Translation reserves		(85,924)	(38,431)
Retained earnings		986,349	725,838
Total equity attributable to equity holders of the Company		**1,411,217**	**1,204,660**
Non-controlling interests	23, 36	15,223	19,998
Total Equity		**1,426,440**	**1,224,658**
LIABILITIES			
Loans and borrowings	25	1,254,486	1,007,692
Reserve for employee severence indemnity	26	23,253	24,029
Due to related parties	35	465,375	465,279
Derivative financial instruments	32	10,511	-
Deferred income	29	14,563	11,724
Other payables	27	589,016	709,987
Liabilities from equity-accounted investments	28	4,093	9,542
Deferred tax liabilities	17	77,140	93,595
Total non-current liabilities		**2,438,437**	**2,321,848**
Bank overdrafts	21	342	378
Loans and borrowings	25	532,033	387,677
Trade payables	31	55,059	70,415
Due to related parties	35	319	735
Derivative financial instruments	32	-	173
Current tax liabilities	11	12,106	10,820
Other payables	27	263,824	208,231
Provisions	30	9,631	6,936
Deferred income	29	14,538	45,862
		887,852	**731,227**
Liabilities classified as held for sale		369	-
Total current liabilities		**888,221**	**731,227**
Total Liabilities		**3,326,658**	**3,053,075**
TOTAL EQUITY AND LIABILITIES		**4,753,098**	**4,277,733**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Profit or Loss and Comprehensive Income for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

	Notes	2023	2022
Operating revenue	6	1,309,687	1,051,358
Other operating income		2,066	7,319
Cost of catering inventory sold		(45,019)	(34,385)
Cost of fuel sold		(221,937)	(176,595)
Cost of services rendered		(126,074)	(104,903)
Personnel expenses	7	(333,982)	(242,414)
Concession and rent expenses		(1,855)	(1,292)
Depreciation, amortisation and impairment expenses	9	(137,673)	(95,568)
Other operating expenses	8	(198,177)	(176,953)
Share of profit of equity-accounted investments, net of tax	36	150,951	52,880
Operating profit		**397,987**	**279,447**
Finance income		86,787	26,001
Finance costs		(199,063)	(163,729)
Net finance cost	10	**(112,276)**	**(137,728)**
Net monetary position gains		**4,811**	**15,599**
Profit before income tax		**290,522**	**157,318**
Tax expense	11	(31,788)	(25,770)
Profit for the year		**258,734**	**131,548**
Net results from discontinued activities		(230)	(941)
Profit for the period after discontinued operations		**258,504**	**130,607**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit obligation actuarial differences	11, 26	(5,826)	(13,198)
Defined benefit obligation actuarial differences from equity accounted investees		(14,090)	(5,563)
Tax on defined benefit obligation actuarial differences	11, 17	2,472	2,641
Tax on defined benefit obligation actuarial differences from equity accounted investees	11	3,570	27
Total items that will not be reclassified to profit or loss		**(13,874)**	**(16,093)**
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges	10	(24,696)	85,372
Effective portion of changes in fair value of cash flow hedges from equity accounted investees	10	511	1,316
Portion of cash flow hedges charged to profit or loss	10	13,419	(6,410)
Foreign currency translation differences for foreign operations	10	(25,125)	40,492
Foreign currency translation differences for foreign operations from equity accounted investees		(22,820)	(10,538)
Tax on cash flow hedge reserves	10,11,17	4,268	(15,498)
Total items that are or may be reclassified subsequently to profit or loss		**(54,443)**	**94,734**
Other comprehensive income for the year, net of tax		**(68,317)**	**78,641**
Total comprehensive income for the year		**190,187**	**209,248**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Profit or Loss and Comprehensive Income for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

	Notes	2023	2022
Profit attributable to:			
Owners of the Company		249,149	122,201
Non-controlling interest	36	9,355	8,406
Profit for the period after discontinued operations		**258,504**	**130,607**
Total comprehensive income attributable to:			
Owners of the Company		181,284	197,432
Non-controlling interest	23	8,903	11,816
Total comprehensive income for the year		**190,187**	**209,248**
Weighted average number of shares outstanding		**363,281,250**	**361,576,076**
Basic and diluted gain per share for continued operations	24	**0.69**	**0.34**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

	Attributtable to the owners of the Company											
	Share Capital	Share Premium	Legal Reserves	Other Reserves	Treasury Reserves	Purchase of Shares of Entities Under Common Control	Cash flow Hedge Reserve	Translation Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2022	**162,384**	**220,286**	**121,975**	**(52,523)**	**(4,282)**	**40,064**	**(17,895)**	**(64,975)**	**590,668**	**995,702**	**14,951**	**1,010,653**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	122,201	122,201	8,406	130,607
Other comprehensive income												
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	-	64,780	-	-	64,780	-	64,780
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(16,093)	(16,093)	-	(16,093)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	26,544	-	26,544	3,410	29,954
Total other comprehensive income	-	-	-	-	-	-	64,780	26,544	(16,093)	75,231	3,410	78,641
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**64,780**	**26,544**	**106,108**	**197,432**	**11,816**	**209,248**
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Dividend distributions (Note 23, 36)	-	-	-	-	-	-	-	-	-	-	(6,830)	(6,830)
Effect of IAS 29 indexation	-	-	-	-	-	-	-	-	25,727	25,727	-	25,727
Other changes in equity	-	-	-	(21,818)	-	-	-	-	-	(21,818)	-	(21,818)
Share buyback transactions	-	-	-	-	4,282	-	-	-	3,335	7,617	-	7,617
Purchase of non-controlling interest	-	-	-	-	-	-	-	-	-	-	61	61
Total transactions with owners of the Company	**-**	**-**	**-**	**(21,818)**	**4,282**	**-**	**-**	**-**	**29,062**	**11,526**	**(6,769)**	**4,757**
Balance at 31 December 2022	**162,384**	**220,286**	**121,975**	**(74,341)**	**-**	**40,064**	**46,885**	**(38,431)**	**725,838**	**1,204,660**	**19,998**	**1,224,658**
Balance at 1 January 2023	**162,384**	**220,286**	**121,975**	**(74,341)**	**-**	**40,064**	**46,885**	**(38,431)**	**725,838**	**1,204,660**	**19,998**	**1,224,658**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	249,149	249,149	9,355	258,504
Other comprehensive income												
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	-	(6,498)	-	-	(6,498)	-	(6,498)
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(13,874)	(13,874)	-	(13,874)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(47,493)	-	(47,493)	(452)	(47,945)
Total other comprehensive income	-	-	-	-	-	-	(6,498)	(47,493)	(13,874)	(67,865)	(452)	(68,317)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(6,498)**	**(47,493)**	**235,275**	**181,284**	**8,903**	**190,187**
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Dividend distributions (Note 23, 36)	-	-	-	-	-	-	-	-	-	-	(13,678)	(13,678)
Effect of IAS 29 indexation	-	-	-	-	-	-	-	-	25,236	25,236	-	25,236
Other changes in equity	-	-	-	37	-	-	-	-	-	37	-	37
Total transactions with owners of the Company	**-**	**-**	**-**	**37**	**-**	**-**	**-**	**-**	**25,236**	**25,273**	**(13,678)**	**11,595**
Balance at 31 December 2023	**162,384**	**220,286**	**121,975**	**(74,304)**	**-**	**40,064**	**40,387**	**(85,924)**	**986,349**	**1,411,217**	**15,223**	**1,426,440**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**258,734**	**131,548**
Profit from discontinued operations		**(230)**	**(941)**
Adjustments for:			
Amortisation and impairment of airport operation right	14	79,816	44,129
Depreciation and impairment of property and equipment and right of use assets	12, 15	54,469	48,389
Amortisation of intangible assets	13	3,388	3,050
Concession and rent expenses		1,855	1,292
Provision for employee severance indemnity	26	4,467	2,579
Provision set for doubtful receivables	33	6,253	10,425
Provision set for unused vacation		2,648	1,029
Other finance income		(35,477)	-
Discount on receivables, payables and financial liabilities, net		(5,475)	(1,092)
Loss on sale of property and equipment		119	320
Interest income		(35,369)	(17,589)
Interest expense on financial liabilities		118,328	83,503
Tax expense		31,788	25,735
Unwinding of discount from concession receivable and payable		37,813	37,775
Share of profit of equity-accounted investments, net of tax	36	(150,951)	(52,880)
Unrealised foreign exchange differences on statement of financial position items		(30,581)	(18,329)
Net monetary position gains		(7,406)	(15,770)
Cash flows from operating activities		**334,189**	**283,173**
Change in current trade receivables		(2,658)	(32,240)
Change in non-current trade receivables		-	9,683
Change in inventories		(3,773)	(24,419)
Change in due from related parties		3,888	935
Change in other receivables and other assets		(104,975)	(23,449)
Change in trade payables		(15,356)	24,206
Change in due to related parties		(416)	205
Change in other payables and provisions		(95,975)	67,535
Cash provided from operations		**114,924**	**305,629**
Income taxes paid	11	(54,052)	(26,446)
Retirement benefits paid	26	(2,272)	(805)
Net cash provided from operating activities		**58,600**	**278,378**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, equipment and intangible assets		1,976	4,493
Acquisition of property and equipment	12	(212,429)	(132,574)
Additions to airport operation right	14	-	(454)
Sale of joint venture		124,617	-
Purchase of exchange rate protected deposit		(85,872)	(45,000)
Proceeds from exchange rate protected deposit		50,261	-
Purchase of investment funds		-	(466)
Acquisition of intangible assets	13	(1,992)	(1,681)
Change in due from related parties		25,901	3,426
Acquisition of non-consolidated investments		(433)	(372,657)
Dividends from equity-accounted investments	36	65,311	19,072
Net cash used in investing activities		**(32,660)**	**(525,841)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	25	730,238	455,435
Repayment of borrowings	25	(349,946)	(248,536)
Lease payments	25	(11,702)	(11,370)
Dividends paid	36	(13,678)	(6,830)
Interest received		23,934	6,949
Interest paid	25	(106,847)	(61,888)
Change in due to related parties		(22,808)	294,570
Disposal of treasury shares		-	7,617
Change in restricted bank balances		5,801	(23,362)
Net cash provided from financing activities		**254,992**	**412,585**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**280,932**	**165,122**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	21	**257,637**	**92,515**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	21	**538,569**	**257,637**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

Notes to the consolidated financial statements

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY

TAV Havalimanları Holding A.Ş. ("TAV", "TAV Holding" or "the Company") was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. in Türkiye for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a limited period of 66 months. On 7 August 2006, the Company's name has been changed to TAV Havalimanları Holding A.Ş.. The address of the Company's registered office is Vadi İstanbul Bulvar, Ayazağa Mah. Azerbaycan Cad. Sarıyer, İstanbul, Türkiye.

The Company is listed in Borsa İstanbul since 23 February 2007 and the Company's shares are traded as "TAVHL".

The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in joint ventures. The Company's subsidiaries as at 31 December 2023 and 2022 are as follows:

			31 December 2023		31 December 2022	
Name of Subsidiary	Principal Activity	Place of operation	Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
TAV İstanbul Terminal İşletmeciliği A.Ş ("TAV İstanbul")	İstanbul Airport Terminal Services	Türkiye	100.00	100.00	100.00	100.00
TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. ("TAV Esenboğa")	Ankara Airport Terminal Services	Türkiye	100.00	100.00	100.00	100.00
TAV Ankara Yatırım Yapım ve İşletme A.Ş. ("TAV Ankara") (*)	Ankara Airport Terminal Services	Türkiye	100.00	100.00	-	-
TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş. ("TAV Ege")	İzmir Airport Terminal Services	Türkiye	100.00	100.00	100.00	100.00
TAV Milas Bodrum Terminal İşletmeciliği A.Ş. ("TAV Milas Bodrum")	Bodrum Airport Terminal Services	Türkiye	100.00	100.00	100.00	100.00
TAV Tunisie SA (" TAV Tunisia")	Airport Operator	Tunisia	100.00	100.00	100.00	100.00
TAV Urban Georgia LLC ("TAV Tbilisi")	Airport Operator	Georgia	80.00	80.00	80.00	80.00
TAV Batumi Operations LLC ("TAV Batumi")	Airport Management Service Provider	Georgia	76.00	100.00	76.00	100.00
Batumi Airport LLC	Airport Operator	Georgia	76.00	100.00	76.00	100.00
TAV Macedonia Dooel Petrovec ("TAV Macedonia")	Airport Operator	Macedonia	100.00	100.00	100.00	100.00
TAV Gazipaşa Alanya Havalimanı İşletmeciliği A.Ş. ("TAV Gazipaşa")	Airport Operator	Türkiye	100.00	100.00	100.00	100.00
SIA TAV Latvia ("TAV Latvia")	Commercial Area Operator	Latvia	100.00	100.00	100.00	100.00
Almaty International Airport JSC ("AIA")	Airport Operator	Kazakhstan	85.00	85.00	85.00	85.00
Venus Trading LLP ("VT")	Fuel Services	Kazakhstan	85.00	85.00	85.00	85.00
Almaty Catering Services LLP ("ACS")	Food and Beverage Services	Kazakhstan	85.00	85.00	85.00	85.00
Almaty FBO LLP ("FBO")	Fuel Services	Kazakhstan	85.00	85.00	85.00	85.00
TAV Kazakhstan LLP ("TAV Kazakhstan")	Holding	Kazakhstan	85.00	85.00	85.00	85.00
TAV Holdco B.V. ("Holdco")	Holding	Netherlands	100.00	100.00	100.00	100.00
Almaty Airport Investment Holding B.V. ("AAIH")	Holding	Netherlands	85.00	85.00	85.00	85.00

(*) Established in 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

			31 December 2023		31 December 2022	
Name of Subsidiary	Principal Activity	Place of operation	Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
Havaş Havaalanları Yer Hizmetleri A.Ş. ("HAVAŞ")	Ground Handling Services	Türkiye	100.00	100.00	100.00	100.00
Havaş Georgia LLC ("HAVAŞ Georgia")	Ground Handling Services	Georgia	100.00	100.00	100.00	100.00
Havaş Macedonia LLC ("HAVAŞ Macedonia")	Ground Handling Services	Macedonia	100.00	100.00	100.00	100.00
Havaş Latvia SIA ("HAVAŞ Latvia")	Ground Handling Services	Latvia	100.00	100.00	100.00	100.00
Havas Adriatic D.O.O. ("HAVAŞ Adriatic")	Ground Handling Services	Croatia	100.00	100.00	100.00	100.00
Havaş Kazakhstan L.L.P. ("Havaş Kazakhstan")	Ground Handling Services	Kazakhstan	100.00	100.00	100.00	100.00
MZLZ-Zemaljske usluge d.o.o ("HAVAŞ MZLZ")	Group Handling Services	Croatia	100.00	100.00	100.00	100.00
BTA Havalimanları Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Food and Beverage Services	Türkiye	100.00	100.00	100.00	100.00
BTA Georgia LLC ("BTA Georgia")	Food and Beverage Services	Georgia	100.00	100.00	100.00	100.00
BTA Tunisie SARL ("BTA Tunisia")	Food and Beverage Services	Tunisia	100.00	100.00	100.00	100.00
BTA Macedonia Dooel Petrovec ("BTA Macedonia")	Food and Beverage Services	Macedonia	100.00	100.00	100.00	100.00
BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San. ve Tic. A.Ş. ("Cakes & Bakes")	Food and Beverage Services	Türkiye	100.00	100.00	100.00	100.00
BTA Tedarik Dağıtım ve Ticaret A.Ş. ("BTA Tedarik")	Food and Beverage Services	Türkiye	100.00	100.00	100.00	100.00
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Tic. A.Ş. ("BTA Denizyolları")	Food and Beverage Services	Türkiye	100.00	100.00	100.00	100.00
SIA Cakes and Bakes Latvia ("BTA Latvia")	Food and Beverage Services	Latvia	100.00	100.00	100.00	100.00
BTA Uluslararası Yiyecek İçecek Hizmetleri Sanayi ve Ticaret A.Ş ("BTA Uluslararası Yiyecek")	Food and Beverage Services	Türkiye	100.00	100.00	100.00	100.00
MZLZ-Ugostiteljstvo D.o.o ("BTA MZLZ")	Food and Beverage Services	Croatia	100.00	100.00	100.00	100.00
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	Operations & Maintenance ("O&M"), Lounge Services	Türkiye	100.00	100.00	100.00	100.00
TAV Georgia Operation Services LLC ("TAV İşletme Georgia")	Lounge Services	Georgia	99.99	99.99	99.99	99.99
TAV Tunisie Operation Services SARL ("TAV İşletme Tunisia")	Lounge Services	Tunisia	99.99	99.99	99.99	99.99
TAV Tunisie Operation Services Plus SARL ("TAV İşletme Tunisia Plus")	Lounge Services	Tunisia	99.99	99.99	99.99	99.99
TAV Macedonia Operation Services Dooel ("TAV İşletme Macedonia")	Lounge Services	Macedonia	99.99	99.99	99.99	99.99
TAV Germany Operation Services GmbH ("TAV İşletme Germany")	Lounge Services	Germany	100.00	100.00	100.00	100.00
TAV Operation Services Saudi Arabia LLC. ("TAV İşletme Saudi") (*)	Lounge Services	Saudi Arabia	100.00	100.00	66.66	66.66

(*) Additional shares have been purchased in 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

Name of Subsidiary	Principal Activity	Place of operation	31 December 2023 Ownership interest %	31 December 2023 Voting power held %	31 December 2022 Ownership interest %	31 December 2022 Voting power held %
TAV Latvia Operation Services SIA (“TAV İşletme Latvia”)	Lounge Services	Latvia	100.00	100.00	100.00	100.00
TAV Gayrimenkul A.Ş. ("TAV Real Estate") (*)	Real Estate	Türkiye	100.00	100.00	-	-
Kazakhstan Operation Services LLP (“TAV İşletme Kazakistan”) (*)	Lounge Services	Kazakhstan	100.00	100.00	-	-
TAV Africa Operation Services Ltd. (“TAV İşletme Kenya”)	Lounge Services	Kenya	100.00	100.00	100.00	100.00
TAV USA Operation Services Co. (“TAV İşletme America”)	Holding	United States	100.00	100.00	100.00	100.00
TAV Washington Operation Services Ltd. (“TAV İşletme Washington”)	Lounge Services	United States	100.00	100.00	100.00	100.00
TAV Madagascar Operation Services S.A (“TAV İşletme Madagascar”)	Lounge Services	Madagascar	100.00	100.00	100.00	100.00
TAV New York Operation Services (“TAV İşletme New York”)	Lounge Services	United States	100.00	100.00	100.00	100.00
Gestio I Servies Trade Center S.A. (“GIS Spain”)	Lounge Services	Spain	100.00	100.00	100.00	100.00
GIS Premium France SAS (“GIS France”)	Lounge Services	France	100.00	100.00	100.00	100.00
GIS Premium Deutschland Gmbh (“GIS Germany”)	Lounge Services	Germany	100.00	100.00	100.00	100.00
GIS Premium Italy SRL (“GIS Italy”)	Lounge Services	Italy	100.00	100.00	100.00	100.00
GIS Premium Mexico SAdCV (“GIS Mexico”)	Lounge Services	Mexico	100.00	100.00	100.00	100.00
TAV OS Dulles Operations LLC (“TAV İşletme Dulles”) (*)	Lounge Services	United States	100.00	100.00	-	-
TAV Havacılık A.Ş. (“TAV Havacılık”)	Airline Taxi Services	Türkiye	100.00	100.00	100.00	100.00
TAV Bilişim Hizmetleri A.Ş. (“TAV Bilişim”)	Software and System Services	Türkiye	100.00	100.00	100.00	100.00
TAV Information and Technologies Saudi Ltd. Company (“TAV IT Saudi”)	Software and System Services	Saudi Arabia	100.00	100.00	100.00	100.00
Avito Technologies B.V. (“TAV IT Netherlands”)	Software and System Services	Netherlands	100.00	100.00	100.00	100.00
Avito Technologies W.L.L. (“TAV IT Qatar”)	Software and System Services	Qatar	49.00	100.00	49.00	100.00
TAV Technologies FZ-LLC (“TAV IT Dubai”) (*)	Software and System Services	United Arab Emirates	100.00	100.00	-	-
TAV Özel Güvenlik Hizmetleri A.Ş. (“TAV Güvenlik”)	Security Services	Türkiye	100.00	100.00	100.00	100.00
TAV Akademi Eğitim ve Danışmanlık Hizmetleri A.Ş. (“TAV Akademi”)	Education Services	Türkiye	100.00	100.00	100.00	100.00
Aviator Netherlands B.V. (“Aviator Netherlands”)	Holding	Netherlands	100.00	100.00	100.00	100.00
PMIA Aviator B.V. (“PMIA Aviator BV”)	Holding	Netherlands	99.99	99.99	99.99	99.99
TAV Uluslararası Yatırım A.Ş. (“TAV Uluslararası Yatırım”)	Airport Operator	Türkiye	100.00	100.00	100.00	100.00
Aerosec Özel Güvenlik Hizmetleri A.Ş. (“Aerosec Security”)	Security Services	Türkiye	100.00	100.00	100.00	100.00

(*) Established in 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

The joint ventures of the Company as at 31 December 2023 and 2022 are as follows:

Name of joint venture	Principal activity	Place of operation	31 December 2023 Ownership interest %	31 December 2023 Voting power held %	31 December 2022 Ownership interest %	31 December 2022 Voting power held %
ATU Turizm İşletmeciliği A.Ş. (“ATU”)	Duty Free Services	Türkiye	50.00	50.00	50.00	50.00
ATU Georgia Operation Services LLC (“ATU Georgia”)	Duty Free Services	Georgia	50.00	50.00	50.00	50.00
ATU Tunisie SARL (“ATU Tunisia”)	Duty Free Services	Tunisia	50.00	50.00	50.00	50.00
ATU Macedonia Dooel (“ATU Macedonia“)	Duty Free Services	Macedonia	50.00	50.00	50.00	50.00
AS Riga Airport Commercial Development (“ATU Latvia”)	Duty Free Services	Latvia	50.00	50.00	50.00	50.00
Tunisia Duty Free S.A. (“ATU Tunisia Duty Free”)	Duty Free Services	Tunisia	14.98	39.98	14.98	39.98
Saudi ATU Trading Limited Co. (“ATU Medinah”) (*)	Duty Free Services	Saudi Arabia	50.00	50.00	50.00	50.00
ATU Mağazacılık İşletmeleri A.Ş. (“ATU Mağazacılık”)	Duty Free Services	Türkiye	50.00	50.00	50.00	50.00
ATU Uluslararası Mağaza Yiyecek ve İçecek İşletmeciliği A.Ş. (“ATU Uluslararası Mağazacılık”)	Duty Free Services	Türkiye	50.07	50.07	51.15	51.17
TAV Gözen Havacılık İşletme ve Ticaret A.Ş. (“TAV Gözen”)	Operating Special Hangar	Türkiye	32.40	32.40	32.40	32.40
TGS Yer Hizmetleri A.Ş. (“TGS”)	Ground Handling	Türkiye	50.00	50.00	50.00	50.00
Saudi HAVAŞ Ground Handling Services Limited (“Saudi HAVAŞ”) (*)	Ground Handling	Saudi Arabia	66.66	66.66	66.66	66.66
Saudi BTA Airports Food and Beverages Serv.Ltd. (“BTA Medinah”) (*)	Food and Beverage Services	Saudi Arabia	66.66	66.66	66.66	66.66
Tibah Airports Development Company CJSC (“Tibah Development”)	Airport Operator	Saudi Arabia	26.00	26.00	50.00	50.00
Tibah Airports Operation Limited (“Tibah Operation”)	Airport Operator	Saudi Arabia	51.00	51.00	51.00	51.00
Primeclass Pasifico JSV. (“TAV İşletme Chile”)	Lounge Services	Chile	50.00	50.00	50.00	50.00
TAV-GD Bermuda Operation Services (“TAV OS Bermuda”)	Lounge Services	Bermuda	40.00	40.00	40.00	40.00
Paris Lounge Network SAS (“Paris Lounge Network”)	Lounge Services	France	51.00	51.00	51.00	51.00
Madinah Airport Hotel Company (“Medinah Hotel”)	Hotel Management	Saudi Arabia	33.33	33.33	33.33	33.33
Fraport TAV Antalya Terminal İşletmeciliği A.Ş. (“TAV Antalya”)	Antalya Airport Terminal Services	Türkiye	49.00	50.00	49.00	50.00
Primeclass Santiago SPA (“TAV İşletme SASA”) (**)	Lounge Services	Chile	50.00	50.00	-	-
Fraport TAV Antalya Yatırım Yapım ve İşletme A.Ş. (“TAV Antalya Yatırım”)	Antalya Airport Terminal Services	Türkiye	51.00	50.00	51.00	50.00

(*) The mentioned entities are consolidated using the equity method as the Board decisions of these entities are taken with the joint agreement of all three shareholders.

(**) Established in 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

The associates of the Company as at 31 December 2023 and 2022 are as follows:

			31 December 2023		31 December 2022	
Name of associates	**Principal activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
ZAIC-A Limited ("ZAIC-A") (*)	Holding	United Kingdom	15.00	15.00	15.00	15.00
Medunarodna Zračna Luka Zagreb d.d. ("MZLZ") (*)	Airport Operator	Croatia	15.00	15.00	15.00	15.00
Upraviteli Zračne Luke Zagreb d.o.o ("MZLZ Operation") (*)	Airport Operator	Croatia	15.00	15.00	15.00	15.00
AMS Airport Management Services d.o.o ("AMS") (*)	Airport Operator	Croatia	40.00	40.00	40.00	40.00

(*) TAV Holding has significant influence in the management of the mentioned entities, thus these entities are consolidated using the equity method.

Description of Operations

The Group and its joint ventures' core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. TAV Esenboğa entered into Build-Operate-Transfer ("BOT") agreements with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMİ"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisia with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA"), Ministry of Transportation ("MOT"), TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC"). Tibah Development entered into Build-Transfer-Operate ("BTO") agreement with General Authority of Civil Aviation ("GACA"). TAV Ege, TAV Milas Bodrum, TAV Gazipaşa, TAV Ankara, TAV Antalya and TAV Antalya Yatırım entered into concession agreement with DHMİ and Medunarodna Zracna Luka Zagreb D.D. ("MZLZ") with Ministry of Maritime Affairs, Transport and Infrastructure of The Republic of Croatia ("MMTI"). Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a pre-established period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMİ, JSC, GMED, OACA, MOT, MOTC, GACA and MMTI accordingly. Group also signs separate contracts related with the airport operations. On 3 June 2005, TAV İstanbul signed a rent agreement to operate Atatürk International Airport Terminal ("AIAT") and Atatürk Domestic Airport Terminal ("ADAT") for 15.5 years until year 2021. According to the concession agreement dated 16 December 2011, TAV Ege started renting and operating the international terminal of İzmir Adnan Menderes Airport at 10 January 2015. The Group indirectly acquired %85 of AIA through its holding companies in 2021.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

BOT, BTO and Concession Agreements

The airport terminals operated by the Group and its joint ventures are as follows:

Ankara Esenboğa International Airport

A BOT agreement was executed between TAV Esenboğa and DHMİ on 18 August 2004 for regulating the reconstruction, investment and operations of the Ankara Esenboğa International Airport (international and domestic terminals) for the period until May 2023. According to the Agreement, TAV Esenboğa was required to complete the construction within 36 months after the agreement date and would then have the right to operate the facilities of the Ankara Esenboğa International Airport Terminal for a period of 15 years and 8 months. TAV Esenboğa is providing terminal, car park and passenger boarding services since the beginning of operations on 16 October 2006.

State Airports Authority (DHMI) has declared to the Group in its formal letter that, the applications that the Group had made as per Group's operating contracts due to the Force Majeure conditions created by pandemic related travel restrictions have been evaluated and the operating period of TAV Esenboğa has been extended for two years.

The Group has won the tender on 20 December 2022, held by State Airports Authority (DHMI) for additional investments to increase capacity of Ankara Esenboga Airport and concessioning of the operating rights of the existing international terminal, CIP terminal, general aviation terminal, domestic terminal and their auxiliaries.

As per tender specifications, the Group has the concession right to operate Ankara Esenboga Airport for 25 years between the dates 24 May 2025 and 23 May 2050. EUR 475,000 (VAT excluded) will be paid as total concession rent to DHMI. 25% of the total concession (EUR 118,750) has been fully paid on 27 April 2023.

İzmir Adnan Menderes International Airport

A BOT agreement was executed between TAV İzmir Terminal İşletmeciliği A.Ş. ("TAV İzmir") and DHMİ on 20 May 2005 for regulating the reconstruction, investment and operations of İzmir Adnan Menderes Airport International Terminal. According to the Agreement, TAV İzmir was required to complete the construction within 24 months after the agreement date and would then have the right to operate the facilities of İzmir Adnan Menderes Airport International Terminal for a period of 6 years, 7 months and 29 days. An addendum to the Agreement was signed on 21 August 2006. Under the terms of the addendum, in return for additional works, the operation period of TAV İzmir was extended by 11 months 17 days through January 2015. TAV İzmir has been providing terminal, car park and passenger boarding services since the beginning of operations on 13 September 2006.

A concession agreement was executed between TAV Ege and DHMİ with an effective date of 16 December 2011 for taking-over the operation of the domestic terminal of İzmir Adnan Menderes Airport until 31 December 2032 and renting the international terminal on January 2015 and operating it until 31 December 2032. TAV Ege is obliged to construct a new domestic terminal with its ancillary buildings and to pay EUR 610,000 plus VAT (18%) to DHMİ in yearly equal installments, of which EUR 30,500 plus VAT has been prepaid at the beginning of the concession period under the terms of the concession agreement.

According to the concession agreement dated 16 December 2011, TAV Ege started renting and operating İzmir Adnan Menderes Airport International Terminal at 10 January 2015. As at 23 November 2015 TAV İzmir was closed as a legal entity and all assets and liabilities were transferred to TAV Ege.

State Airports Authority (DHMI) has declared to the Group in its formal letter that, the applications that the Group had made as per Group's operating contracts due to the Force Majeure conditions created by pandemic related travel restrictions have been evaluated and the operating period of TAV Ege has been extended for two years.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

BOT, BTO and Concession Agreements (continued)

Milas Bodrum Airport

On 21 March 2014, the Company has been awarded the tender held by DHMİ for the operation rights of the Milas Bodrum Airport whose scope includes operation of existing Domestic and International Terminals with ancillary facilities, until 31 December 2035. While Domestic Terminal is handed over within signing of the Concession Agreement, operation of International Terminal commenced on 22 October 2015 following the expiry of the existing contract. The total concession amount is EUR 717,000 plus VAT.

State Airports Authority (DHMI) has declared to the Group in its formal letter that, the applications that the Group had made as per Group's operating contracts due to the Force Majeure conditions created by pandemic related travel restrictions have been evaluated and the operating period of TAV Bodrum has been extended for two years.

Tbilisi International Airport

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of Tbilisi International Airport (both international, domestic terminals and parking-apron-taxi ways). The BOT agreement undertakes the design, engineering, financing, construction, testing, commissioning and maintenance of the new terminal for Tbilisi International Airport, for an initially agreed term of 10 years and 6 months from the commencement date of the new terminal operations. Subsequently, this period was extended by another 9.5 years until February 2027, in exchange for an obligation by TAV Tbilisi to invest an additional amount for the construction of the terminal (including construction of additional runways, extension of apron etc.) for Batumi Airport, TAV Tbilisi is providing a wide range of airport activities such as terminal, car-park, cargo, ground handling, aircraft parking, apron and runway services – excluding air traffic control – in New Tbilisi International Airport since the beginning of operations on 8 February 2007.

Batumi International Airport

On 9 August 2007, TAV Batumi Operations signed an agreement with the Georgian Ministry of Economic Development to transfer the management rights of all shares of the Batumi Airport LLC to TAV Batumi for 20 years. According to such share management agreement, all airport operations (excluding only the air traffic control and aviation security services) of the Batumi International Airport will be carried out by TAV Batumi until August 2027. Georgian Government is responsible for providing air traffic control and security services.

Tunisia Monastir and Enfidha International Airports

A BOT agreement was executed between TAV Tunisia and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways). Through the BOT agreement TAV Tunisia undertakes the operation of the existing Monastir Habib Bourguiba Airport and design, engineering, financing, construction, testing, commissioning and maintenance of the new Enfidha Airport. The operations of Monastir Habib Bourguiba Airport and Enfidha Airport were undertaken in January 2008 and December 2009, respectively. The concession periods of both airports will end in May 2047. The operations of the Monastir and Enfidha Airports cover a wide range of airport activities such as terminal, car-park, cargo, ground handling, aircraft parking, apron and runway services excluding air traffic control services.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

BOT, BTO and Concession Agreements (continued)

Alanya-Gazipaşa Airport

Relating to the transfer of the operational rights of Alanya-Gazipaşa Airport via a lease, the concession agreement between TAV Gazipaşa and DHMİ was signed on 4 January 2008. The operation period of Alanya-Gazipaşa Airport, which currently has 1,500,000 annual passenger capacity, is 25 years until May 2034, and the operation of the airport covers activities within airside and landside facilities and area of runway, apron and taxiway. TAV Gazipaşa shall make an annual rent payment of USD 50 plus VAT as a fixed amount, until the end of the operation period; as well as a share of 65% of the net profit for the period to DHMİ.

State Airports Authority (DHMI) has declared to the Group in its formal letter that, the applications that the Group had made as per Group's operating contracts due to the Force Majeure conditions created by pandemic related travel restrictions have been evaluated and the operating period of TAV Gazipaşa has been extended for two years.

Macedonia Skopje, Ohrid and Shtip Airports

On 24 September 2008, the 20-year BOT agreement for the construction and operation of Alexander the Great Airport in Skopje, renovation and operation of the St. Paul the Apostle Airport in Ohrid, and the construction and optional operation of the New Cargo Airport in Shtip airports was signed between TAV Macedonia and MOTC. The operation of the airports shall cover all airport activities with the exception of air traffic control, and modernization activities are contemplated to include the technical infrastructure. The effective date of the concession contract for Alexander the Great Airport and St. Paul the Apostle Airport is 1 March 2010 and final date of Concession Agreement is 1 March 2030. The renovation of the St. Paul the Apostle Airport in Ohrid and the construction of Alexander the Great Airport in Skopje were completed and the airports started their operations in March 2011 and September 2011, respectively.

In 2020, an amendment was signed between TAV Macedonia and the Government of the Republic of North Macedonia regarding cancelation of concession payments of 2020 and 2021 and approval of an investment schedule to be undertaken by TAV Macedonia. Additionally, the Government of the Republic of North Macedonia extended the concession period of Alexander the Great Airport in Skopje by 104 days and St. Paul the Apostle Airport in Ohrid by 107 days. Construction of the New Cargo Airport in Shtip was also canceled in the signed amendment. The Group has successfully completed force majeure compensation discussions with the Ministry of Transport and Communication of North Macedonia, to compensate for the negative effects of the COVID-19 pandemic. TAV Macedonia DOOEL and the Ministry of Transport and Communication of North Macedonia have signed an agreement in regards to these discussions.

As per this agreement, the concession periods of Skopje and Ohrid airports that Group operates in North Macedonia have each been extended for two years and thus the concession expiry date for these airports which was June 2030, has been updated to June 2032.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

BOT, BTO and Concession Agreements (continued)

Medinah International Airport

A BTO agreement was executed between Tibah Development and GACA on 29 October 2011, for the operation and development of existing Medinah International Airport. Through the BTO agreement Tibah Development undertook the operation of the existing Medinah International Airport as well as the design, engineering, financing, construction, testing, commissioning and maintenance of a new passenger Terminal and the required additional infrastructure. TAV Holding owns 26.00% of Tibah Development. The operations were undertaken in June 2012. The concession period will end in June 2037. The operations of the Medinah International Airport cover a wide range of airport activities such as terminal, car-park, cargo, ground handling, aircraft parking, apron and runway services and slot allocation. Tibah Development has subcontracted the operation of Medinah International Airport to Tibah Operation, of which 51% belongs to TAV Holding. The construction of Medinah International Airport were completed and the airport started its operations in April 2015.

As a result of discussions held between Tibah Development and GACA, the time that will pass between February 2020 and the end of the calendar year during which Madinah Airport reaches 8.1 million passengers, has been defined as the force majeure period which will be added to the operating period of Madinah Airport. The concession rent payments due to GACA during the force majeure period have been deferred and will be paid mostly after the end of the force majeure period. Madinah Airport reached 8.1 million passengers in 2023. Consequently, concession period has been extended until 2041.

Zagreb International Airport

A Concession Agreement was executed between ZAIC-A limited and Republic of Croatia on 11 April 2012 for the financing, design and construction and operation of a new passenger terminal and related infrastructure at Zagreb Airport. TAV Holding signed a letter of intent to become 15% shareholder in the “Consortium” for the concession of Zagreb International Airport. Aviator Netherland B.V. has been established as a 15% shareholder of ZAIC-A. TAV Holding owns 100% of Aviator Netherlands B.V. Handover Date occurred in 6 December 2013 and the consortium that TAV Holding is a 15% partner took over the operations and construction site. The concession period will end in April 2042.

Antalya Airport

Fraport IC İçtas Antalya Havalimanı Terminal Yatırım ve İşletmeciliği A.Ş, was established in Türkiye on 18 May 2007. The Company’s main activity is the operation of the terminal building at Antalya Airport, Southern Türkiye in accordance with the Lease Agreement made with Devlet Hava Meydanları İşletmesi (“DHMI”). The terms of the lease agreement gives the Company the right to operate the present Domestic Terminal and parking lot, International Terminal I and parking lot and CIP terminal and parking lot and all the complementary units as well as the present heating center starting from 14 September 2007, and International Terminal II, Parking Lot and all the complementary units starting from 23 September 2009. The Lease Agreement between the Company and DHMI will expire on 31 December 2024 and all terminals together with their correspondent units explained above will be transferred to DHMI by then. The rent payable under the present lease is EUR 2,010,000 plus Value Added Tax (“VAT”). The Company shall pay this total sum of the rent to DHMI in cash; 3% on the date of the signature of the contract, 15% within 5 business days from 14 September 2007, 7% within 5 business days from 14 September 2008 and 5% within 5 business days.

State Airports Authority (DHMI) has declared to the Group in its formal letter that, the applications that the Group had made as per Group’s operating contracts due to the Force Majeure conditions created by pandemic related travel restrictions have been evaluated and the operating period of TAV Antalya has been extended for two years.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

BOT, BTO and Concession Agreements (continued)

Antalya Airport (continued)

A joint-venture formed by the Group and Fraport (49%) has won the tender for the renewal of Antalya Airport concession. This success results from the auction held by the Turkish State Airports Authority (DHMI) on December 1st, 2021, in which the joint-venture was the highest bidder. The object of the tender is the realization of additional investments to increase capacity of the airport in return for the right to operate the airport for 25 years, between January 1st, 2027 and December 31st, 2051.

The total concession rent to DHMI is of 7.25 billion euros (VAT excluded), of which 25% (1.8 billion euros) are to be paid within 90 days after the signing of the concession agreement. Concession lease contract with DHMI has been signed on December 28, 2021. The Group is 51% shareholder of TAV Antalya Yatırım. The current concession right held by the Group and Fraport AG partnership is valid until December 31, 2026.

The investment for the capacity increase of Antalya Airport, to 80 million passengers annually, more than the double that the current capacity, is planned at around 765 million euros on EPC basis, of which 600 million euros will be conducted between 2022 and 2025, Approximately 165 million euros of additional investment will be conducted in 2038 and is planned to take 2 years.

Upfront concession fee of 1.8 billion euros has been fully paid to DHMI on 28 March 2022.

The results of the joint-venture will be accounted for under the equity method.

Almaty Airport

Almaty airport, located in the economic capital of Kazakhstan, is the largest airport in Central Asia: it handled around 6.4 million passengers in 2019, just under half of them on international routes. Kazakhstan, the largest landlocked country in the world with 2.7 million km2, is the engine of economic growth in the region and accounts for 60% of Central Asia's GDP.

The Group indirectly acquired through holding companies, 85% of Almaty International Airport JSC, its subsidiaries (Almaty Catering Services LLP and Almaty FBO LLP) and fuel related businesses carried on by Venus Trading LLP. The partner holding the remaining 15%, KIF Warehouses Coöperatief U.A. (investment fund held by VPE Capital and Kazina Capital Management), has a put option on the shares it holds and the Group benefits from a call option that can be exercised in the event of disagreement. At closing date, the debt relating to the put option is estimated at EUR 56,096 as at 31 December 2023. (31 December 2022: EUR 58,146).

Lagos Airport

The consortium formed by the Group, Nahco Management Services Ltd and Planet Project Limited (the Consortium), submitted a bid for the tender to operate and develop the international passenger & cargo terminals of Lagos Airport in Nigeria for a period of 20 years on 19 September 2022.

According to the announcement made by the Federal Airports Authority of Nigeria (FAAN) on 17 October 2022, the Consortium has been selected as the "preferred bidder". This selection is subject to the necessary official approvals.

After the necessary approvals are obtained, the next step in the tender process is a negotiation stage between FAAN and the Consortium. The result of this negotiation stage will be disclosed through the Public Disclosure Platform and if the negotiations conclude affirmatively then detailed operating conditions will also be shared with the public.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

1. REPORTING ENTITY (continued)

BOT, BTO and Concession Agreements (continued)

Operations Contracts

BOT and BTO operations and management contracts include the following:

Terminal and airport services – The Group has the right to operate the terminals and airports as mentioned in the preceding paragraphs. This includes passenger, ramp and check-in counter services and services for parking-apron-taxi ways (for airport operations). A fee is charged to each airline based on the number of passengers that utilize

the airport, based on the number of aircrafts that utilize ramps and runways and based on the number of check-in counters utilized by the airlines.

Duty free goods – The Group has the right to manage duty free operations within the terminals which the Group operates. Duty free shopping is available to both arriving and departing passengers. The duty free shops are subcontracted either to Group's joint ventures or to other companies in exchange for a commission based on sales.

Catering and airport hotel services – The Group has the right to manage all food and beverage operations within the terminals both for the passengers and the terminal personnel. The Group subcontracts certain food and beverage operations in exchange for a commission based on sales.

Area allocation services – As a lessor, the Group leases office space in the airport terminal including the offices leased to the airlines for ticket office and banks.

Ground handling – The Group has the right to provide all ground handling operations. Ground handling involves providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License ("SHY 22").

Lounge services – The Group has the right to operate or rent the lounges to provide CIP services to the passengers who have the membership.

Bus and car parking services – The Group has the right to operate the car park and render valet parking services. Revenues from bus operations include shuttle services running from airports to city centers.

Software and system services – The Group develops software and systems on operational and financial optimization in aviation, particularly terminal, flight management system and software programs and to meet the information systems requirements of group companies and certain third parties.

Security services – The Group operates the security services within the domestic terminals.

Airline taxi services – The Group renders airline taxi services.

Fuel services – The Group renders fuel services.

Seasonality in Operations

Due to the seasonality of the operations, it is expected revenue and operational profit of second half of the year to be higher compared to first half of the year. Higher sales between June and August is mainly due to increase of passenger numbers during the busy season.

The Group employs 18,929 in subsidiaries (average: 19,327) and 9,978 in joint ventures (average: 10,040) excluding TAV İstanbul (31 December 2022: 17,840 in subsidiaries (average: 17,630) and 9,062 in joint ventures (average: 9,095) excluding TAV İstanbul).

TAV İstanbul employs no personnel (31 December 2022: 3 (average: 4)) as at 31 December 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The consolidated financial statements were authorized for issue by the Board of Directors on 13 February 2024. The power to change the consolidated financial statements after the issuing of the consolidated financial statements is held by the General Assembly.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial liabilities at fair value through profit or loss and derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

c) Functional and presentation currency

TAV Holding and its subsidiaries operating in Türkiye maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TRL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and tax legislation.

Functional currency of most of the Group companies operating in Türkiye and other countries are determined to be Euro, different from their country's currency according to IAS 21. Accordingly functional currency of TAV Holding as a parent company has been determined as Euro.

The accompanying consolidated financial statements are presented in EUR, which is the functional currency of TAV Group.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

2. BASIS OF PREPARATION (continued)

c) Functional and presentation currency (continued)

The table below summarizes the functional currencies of the Group entities:

Company	Functional Currency
TAV Holding	EUR
TAV İstanbul	EUR
TAV Esenboğa	EUR
TAV Ankara	EUR
TAV Ege	EUR
TAV Milas Bodrum	EUR
TAV Tunisia	EUR
TAV Tbilisi	Georgian Lari (“GEL”)
TAV Batumi	GEL
Batumi Airport LLC	GEL
TAV Macedonia	EUR
TAV Gazipaşa	EUR
TAV Latvia	EUR
HAVAŞ	EUR
HAVAŞ Latvia	EUR
HAVAŞ Kazakhstan	Kazakhstani Tenge (“KZT”)
HAVAŞ Georgia	GEL
HAVAŞ Adriatic	EUR
HAVAŞ Macedonia	EUR
HAVAŞ MZLZ	EUR
BTA	TRL
BTA Georgia	GEL
BTA Tunisia	Tunisian Dinar (“TND”)
BTA Macedonia	Macedonian Denar (“MKD”)
Cakes & Bakes	TRL
BTA Tedarik	TRL
BTA Denizyolları	TRL
BTA Latvia	EUR
BTA Uluslararası Yiyecek	TRL
BTA MZLZ	EUR
TAV İşletme Georgia	GEL
TAV İşletme Tunisia	TND
TAV İşletme Tunisia Plus	TND
TAV İşletme Macedonia	MKD
TAV İşletme Germany	EUR
TAV İşletme Latvia	EUR
TAV İşletme Kenya	Kenyan Shilling (“KES”)
TAV İşletme America	American Dollar (“USD”)
TAV İşletme Washington	USD
TAV İşletme New York	USD
TAV İşletme Madagascar	Malagasy Ariary (“MDG”)
GIS Spain	EUR
Holdco	EUR
Almaty Airport Investment Holding	EUR
TAV Kazakhstan	USD
AIA	USD
VT	KZT
ACS	KZT
FBO	KZT
TAV Real Estate	TRY

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

2. BASIS OF PREPARATION (continued)

c) Functional and presentation currency (continued)

Company	Functional Currency
Paris Lounge Network	EUR
GIS France	EUR
GIS Germany	EUR
GIS Italy	EUR
GIS Mexico	Mexican Peso (“MEX”)
TAV Havacılık	USD
TAV Bilişim	USD
TAV IT Saudi	Saudi Arabian Riyal (“SAR”)
TAV IT Qatar	Qatari Riyal (“QAR”)
TAV IT Netherlands	EUR
TAV IT Dubai	Arab Emirates Dirham ("AED")
TAV Güvenlik	TRL
Aerosec Security	TRL
TAV Akademi	TRL
TAV Aviation Minds	USD
Aviator Netherlands	EUR
PMIA Aviator BV	USD
TAV Uluslararası Yatırım	EUR
ATU	EUR
ATU Georgia	GEL
ATU Tunisia	EUR
ATU Macedonia	EUR
ATU Latvia	EUR
ATU Tunisia Duty Free	EUR
ATU Medinah	USD
ATU Mağazacılık	TRL
ATU Uluslararası Mağazacılık	EUR
ATU Holdings	USD
TAV Gözen	USD
TGS	TRL
Saudi HAVAŞ	SAR
BTA Medinah	SAR
Tibah Development	SAR
Tibah Operation	SAR
TAV İşletme Chile	Chilean Peso (“CLP”)
TAV İşletme Saudi	SAR
TAV İşletme SASA	CLP
Tav İşletme Kazakhstan	KZT
TAV İşletme Bermuda	USD
TAV İşletme Dulles	USD
TAV Antalya Yatırım	EUR
TAV Antalya	EUR
ZAIC-A	EUR
MZLZ	EUR
MZLZ Operation	EUR
AMS	EUR
Medinah Hotel	SAR

All financial information presented in EUR has been rounded to the nearest thousands, except when otherwise indicated.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

2. BASIS OF PREPARATION (continued)

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 3(e) – mark-up applied to construction cost incurred under IFRIC 12 "Service Concession Arrangements".

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period are included in the following notes:

Note 3, 12 and 13 – useful lives of property and equipment and intangible assets

Note 13 – key assumptions used in discounted cash flow projections

Note 17 – utilisation of tax losses and tax incentives

Note 26 – measurement of reserve for employee severance indemnity

Note 32 and 33 – valuation of financial instruments

A valuation for the fair values of TAV Tunisia as a separate cash-generating unit ("CGU") was performed by the Company management. The income approach (discounted cash flow method) was used to determine the fair value of TAV Tunisia.

A business plan with a duration until end of concession term (May 2047) prepared by the management of TAV Tunisia and it was used in the valuation of company. The growth in business plan of TAV Tunisia is driven by passenger and aircraft related projections as well as growth in commercial products related demand in the airports. The discount rates used in EUR discounted cash flows are the weighted average cost of capitals ("WACC") of the company, with average post-tax discount rate of 15.49% during the projection period (between 2024 and 2047). Since TAV Tunisia has a limited life, terminal growth rate is not used in the valuation.

As a result of the impairment testing performed on CGU basis, EUR 9,500 impairment loss is recognized for TAV Tunisia as of 31 December 2023 (EUR 10,000 impairment loss is reversed in 31 December 2022) (Note 14).

A valuation for the fair values of TAV Milas Bodrum as a separate CGU was performed by the Company management. The income approach (discounted cash flow method) was used to determine the fair value of TAV Milas Bodrum.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

2. BASIS OF PREPARATION (continued)

d) Use of estimates and judgements (continued)

A business plan with a duration until end of concession term (December 2037) prepared by the management of TAV Milas Bodrum and it was used in the valuation of company. The growth in business plan of TAV Milas Bodrum is driven by passenger and aircraft related projections as well as growth in commercial products related demand in the airports. The discount rates used in EUR discounted cash flows are the WACC of the company, with average post-tax discount rate of 10.5% during the projection period (between 2024 and 2037). Since TAV Milas Bodrum has a limited life, terminal growth rate is not used in the valuation.

As a result of the impairment testing performed on CGU basis, no impairment loss is recognized for TAV Milas Bodrum as of 31 December 2023 (31 December 2022: None) (Note 14).

The Group has also performed impairment tests for the rest of airport operation rights and concluded as no further impairment is required. In impairment tests, WACC, passenger forecast and recovery dates are evaluated as significant estimates and judgements.

e) Restatement of financial statements during periods of high inflation

In accordance with the CMB's decision dated 17 March 2005 and numbered 11/367, for companies operating in Türkiye and preparing financial statements in accordance with Turkish Financial Reporting Standards, the application of inflation accounting has been terminated as of 1 January 2005. Accordingly, as of 1 January 2005, the Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in High Inflation Economies".

IAS 29 requires the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy to be restated for changes in the general purchasing power of that currency, so that the financial information provided is more meaningful. The Standard lists factors that indicate an economy is hyperinflationary. One of the indicators of hyperinflation is if cumulative inflation over a three-year period approaches, or is in excess of, 100 per cent. Currently, Türkiye has economic conditions that will now require reporting entities to follow the requirements set out in IAS 29 'Financial Reporting in Hyperinflationary Economies'.

Cumulative change in Consumer Price Index (CPI) for the last 3 years exceeded 100% in 2022. Although Group's hard currency is EUR, Group applied IAS 29 for the group companies which have TRL as their functional currency starting from 1 January 2022. Indexation of all non-monetary assets, non-monetary liabilities and income statement has been done by using Consumer Price Index. Effect of IAS 29 indexation until 31 December 2021 is accounted under equity. Effect of IAS 29 indexation from 1 January 2022 until 31 December 2022 is accounted under consolidated statement of profit or loss and other comprehensive income.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities and their joint ventures.

a) <u>Basis of consolidation</u>

Each entity is consolidated based on the following methods:

- TAV İstanbul, TAV Esenboğa, TAV Ankara, TAV Ege, TAV Milas Bodrum, TAV Macedonia, TAV Gazipaşa, TAV Tunisia, TAV Latvia, HAVAŞ, HAVAŞ Latvia, Havaş Kazakhstan, HAVAŞ Adriatic, HAVAŞ Macedonia, HAVAŞ Georgia, HAVAŞ MZLZ, BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, Cakes & Bakes, BTA Tedarik, BTA Denizyolları, BTA Latvia, BTA Uluslararası Yiyecek, BTA MZLZ, TAV İşletme, TAV İşletme Germany, TAV İşletme Latvia, TAV İşletme Kenya, TAV İşletme Kazakhstan, TAV İşletme America, TAV İşletme Washington, TAV İşletme New York, TAV İşletme Saudi, TAV İşletme Madagascar, GIS Spain, GIS France, GIS Germany, GIS Italy, GIS Mexico, TAV Havacılık, TAV Bilişim, TAV IT Saudi, TAV IT Qatar, TAV IT Netherlands, TAV Güvenlik, Aerosec Security, TAV Akademi, Aviator Netherlands, PMIA Aviator BV, TAV Uluslararası Yatırım, Holdco, TAV Real Estate, AAIH, TAV Kazakhstan, AIA, VT, ACS and FBO are fully consolidated without non-controlling interest's ownership.

- TAV Tbilisi, TAV Batumi, Batumi Airport LLC, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus and TAV İşletme Macedonia, are fully consolidated with the non-controlling interest's ownership reflected as a non-controlling interest.

- ATU, ATU Georgia, ATU Tunisia, ATU Macedonia, ATU Latvia, ATU Tunisia Duty Free, ATU Medinah, ATU Mağazacılık, ATU Uluslararası Mağazacılık, TAV Gözen, TGS, Saudi HAVAŞ, BTA Medinah, Tibah Development, Tibah Operation, TAV İşletme Chile, TAV İşletme Bermuda, TAV İşletme SASA, Paris Lounge Network, TAV Antalya, TAV Antalya Yatırım, ZAIC-A, MZLZ, MZLZ Operation, AMS and Medinah Hotel are consolidated using the equity method.

i) *<u>Business combinations:</u>*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) <u>Basis of consolidation (continued)</u>

ii) *<u>Subsidiaries:</u>*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

iii) *<u>Non-controlling interests:</u>*

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

iv) *<u>Acquisitions from entities under common control:</u>*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain / loss arising is recognised directly in equity.

v) *<u>Loss of control:</u>*

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of consolidation (continued)

vi) *Joint arrangements and associates:*

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

Associates

Joint ventures and associates are accounted for equity method in the consolidated financial statements. Joint ventures and associates initially recognised at fair value. After initial recognition, Group's share of the profit or loss of the investee, is recorded to financial statements by increasing or decreasing the net book value. Group's share of the profit or loss and other comprehensive income of equity-accounted investments, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

vii) *Transactions eliminated on consolidation:*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency

i) *Foreign currency transactions:*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Foreign currency (continued)

ii) *Foreign operations:*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Euro at monthly average exchange rates.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The Group entities and their joint ventures use either EUR, TRL, USD, TND, MKD, GEL, SAR, CLP, KES, MXN, KZT, QAR, AED and MDG as functional currencies since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities or their joint ventures and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies. The Group uses EUR as the reporting currency. Assets and liabilities are translated by using year end foreign exchange rates. Income and expenses which are recorded to financial statements during the period are translated by using yearly average rates. Share capital and legal reserves are classified to financial statements by using their face value in the statutory financial statements. "Foreign currency translation differences" resulted by their translations are classified in the total items that will not be reclassified to profit or loss under equity.

The financial statements of subsidiaries that report in the currency of an economy formerly accepted as hyperinflationary (Türkiye) are restated in terms of the measuring unit current at the reporting dates until 31 December 2005 before they are translated into EUR as the reporting currency. Türkiye came off highly inflationary status for the period beginning after 15 December 2005, therefore restatement for IAS 29 ("Financial Reporting in Hyperinflationary Economies") has not been applied since 1 January 2006.

The financial statements of subsidiaries, namely BTA, TAV İşletme and TAV Güvenlik, which have the TRL as their functional currency, were restated to compensate for the effect of changes in the general purchasing power of the TRL until 31 December 2005, in accordance with IAS 29 as TRL was the currency of a hyperinflationary economy. Financial statements of such subsidiaries are then translated into Euro, the main reporting currency of the Group, by the exchange rate ruling at reporting date.

Cumulative change in Consumer Price Index (CPI) for the last 3 years exceeded 100% in 2022. Although Group's hard currency is EUR, Group applied IAS 29 for the group companies which have TRL as their functional currency starting from 1 January 2022. Indexation of all non-monetary assets, non-monetary liabilities and income statement has been done by using Consumer Price Index. Effect of IAS 29 indexation until 31 December 2021 is accounted under equity. Effect of IAS 29 indexation from 1 January 2022 until 31 December 2022 is accounted under consolidated statement of profit or loss and other comprehensive income.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments

i) *Non-derivative financial assets:*

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets of the Group comprise loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses (see Note 3(h)(i)).

Loans and receivables comprise cash and cash equivalents, restricted bank balances, trade receivables, due from related parties and guaranteed passenger fee receivable from DHMİ (Concession receivables) (see Note 20).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group management of its short-term commitments.

The Group's use of Project Accounts Reserve Accounts or Funding Accounts is based on certain conditions as defined in respective loan agreements. Therefore, bank balances included in these accounts are presented as restricted bank balances in the consolidated statement of financial position.

Service concession arrangements

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration (see also accounting policy note on intangible assets below).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

ii) *Non-derivative financial liabilities:*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group has the following other financial liabilities: loans and borrowings, bank overdrafts, trade payables and due to related parties.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a negative component of cash and cash equivalents for the purpose of the statement of cash flows.

When measuring the fair value of a liability, the Company takes into account the effect of its own credit risk and the effect of other factors that will probably affect the settlement of the liability.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

iii) *Share capital:*

Ordinary shares are classified as equity.

iv) *Derivative financial instruments, including hedge accounting:*

Derivative instruments are initially recognised at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The derivative instruments of the Group consist of cross currency/interest rate swap instruments.

The hedging transactions of the Group that qualify for hedge accounting are accounted for as follows:

Cash flow hedge

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

iv) *Derivative financial instruments, including hedge accounting (continued):*

Cash flow hedges (continued)

Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognised in equity as "gains/(losses) on cash flow hedges". Where the forecasted transaction or firm commitment results in the recognition of an asset or of a liability, the gains and losses previously recognised under equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts recognised under equity are transferred to the consolidated income statement in the period in which the hedged firm commitment or forecasted transaction affects the consolidated income statement.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Foreign currency hedge of net investments in foreign operations

Gains or losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in foreign operations are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

d) Property and equipment

i) *Recognition and measurement:*

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are calculated as the difference between the net proceeds from disposal and the carrying amount of the item and are recognised net within "other operating income / (expense)" in profit or loss.

ii) *Subsequent costs:*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Property and equipment (continued)

iii) *Depreciation:*

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Machinery and equipment	4-18 years
Vehicles	5-18 years
Furniture and fixtures	2-18 years
Leasehold improvements	1-15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Intangible assets

i) *Goodwill:*

Goodwill that arises upon the acquisition of subsidiaries and joint ventures is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3(a)(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii) *Intangible assets recognised in a business combination:*

Customer relationships are the intangible assets recognised during the purchase of HAVAŞ shares in years 2005 and 2007 and purchase of HAVAŞ Latvia shares in 2010 and 2011. DHMİ license is the intangible asset recognised during the purchase of HAVAŞ shares in years 2005 and 2007. In a business combination or acquisition, the acquirer recognises separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset and its fair value can be measured reliably.

The fair values of DHMİ licence and customer relationship were determined by an independent external third party expert.

The Group applied proportionate consolidation method to account for its 60% ownership interest in HAVAŞ until 30 September 2007. Therefore, intangible assets arising from the initial acquisition of HAVAŞ were reflected by 60%, being the shareholding of the Group, in the consolidated financial statements. In accordance with IFRS 3 Business Combinations, the Group applied step acquisition during the purchase of the remaining 40% shareholding in HAVAŞ. Customer relationship and DHMİ licence were remeasured to their fair values. The fair value change attributable to 60% portion was recorded to the revaluation reserve under equity. This figure reflected the change in fair value of intangible assets which were already carried in the consolidated financial statements prior to the acquisition of the additional 40% shareholding.

Due to acquisition of Almaty Airport in 2021, an airport operation right which is determined by an independent consulting firm has been accounted for intangible asset. This intangible asset will be amortized for a period of 49 years.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Intangible assets (continued)

iii) *Internally generated software:*

Internally generated software consists of airport software developed by TAV Bilişim. Internally generated software with finite useful lives is measured at cost less accumulated amortisation and impairment losses.

iv) *Other intangible assets:*

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

v) *Subsequent expenditure:*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

vi) *Amortisation:*

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Purchased software is amortised over estimated useful lives, which is between 3-5 years. Intangible assets recognised during acquisitions of HAVAŞ and HAVAŞ Latvia are customer relationships and DHMİ licence. Customer relationships have 5-10 years useful life and DHMİ licence has indefinite useful life since the duration of net cash inflow arising from DHMİ licence to the Company does not have any foreseeable limit. DHMİ licence is tested for impairment annually.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Airport operation right which is accounted related with the acquisition of Almaty Airport will be amortized for a period of 49 years. In practice, duration of this right is indefinite. In order to define a useful life for this right, duration of land lease agreements of the company is determined as amortization period.

vii) *Service concession arrangements*

IFRIC 12 Interpretation – According to service concession arrangements, entity recognize proceeds received for the construction, renovation works performed and other service lines rendered under non-current intangible asset or financial asset in the financial statements.

TAV Esenboğa is bound by the terms of the BOT Agreements made with DHMİ. According to the BOT agreements, TAV Esenboğa has guaranteed passenger fee to be received from DHMİ. The agreement covers a period up to May 2023 for TAV Esenboğa. In 2021, operating period has been extended for 2 years due to Force Majeure conditions.

The Group has won the tender on 20 December 2022, held by State Airports Authority (DHMI) for additional investments to increase capacity of Ankara Esenboga Airport and concessioning of the operating rights of the existing international terminal, CIP terminal, general aviation terminal, domestic terminal and their auxiliaries.

As per tender specifications, the Group has the concession right to operate Ankara Esenboga Airport for 25 years between the dates 24 May 2025 and 23 May 2050. EUR 475,000 (VAT excluded) will be paid as total concession rent to DHMI. %25 of total concession (EUR 118,750) has been fully paid on 27 April 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Intangible assets (continued)

vii) *Service concession arrangements (continued)*

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of airport (both international, domestic terminals and parking-apron-taxi ways). The agreement covers a period up to February 2027.

A BOT agreement was executed between TAV Tunisia and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways). The concession periods of both airports will end in May 2047.

A concession agreement was executed between TAV Gazipaşa and DHMİ on 4 January 2008 for the operation of Alanya Gazipaşa Airport (air side, land side, parking-apron-taxi ways). The agreement covers a period up to May 2034. In 2021, operating period has been extended for 2 years due to Force Majeure conditions

On 24 September 2008, a BOT agreement for the construction and operation of Alexander the Great Airport in Skopje, renovation and operation of the St. Paul the Apostle Airport in Ohrid, and the construction and optional operation of the New Cargo Airport in Shtip airports was signed between TAV Macedonia and the Ministry of Transport and Communication of Macedonia. The agreement covers a period up to March 2030.

In 2020, an amendment was signed between TAV Macedonia and the Government of the Republic of North Macedonia regarding cancelation of concession payments of 2020 and 2021 and approval of an investment schedule to be undertaken by TAV Macedonia. Additionally, the Government of the Republic of North Macedonia extended the concession period of Alexander the Great Airport in Skopje by 104 days and St. Paul the Apostle Airport in Ohrid by 107 days. Construction of the New Cargo Airport in Shtip was also canceled in the signed amendment.

A concession agreement was executed between TAV Ege and DHMİ on 16 December 2011 for the construction and operation of the domestic terminal of İzmir Adnan Menderes Airport and for taking-over the international terminal on January 2015. The agreement covers a period up to December 2032. In 2021, operating period has been extended for 2 years due to Force Majeure conditions.

A concession agreement was executed between TAV Milas Bodrum and DHMİ on 11 July 2014 for the leasing of the operating rights of the Milas Bodrum Airport's existing international terminal, CIP, general aviation terminal, domestic terminal and its auxiliaries. The agreement covers the operation right of the international terminal starting from October 2015 to December 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from July 2015 to December 2035. In 2021, operating period has been extended for 2 years due to Force Majeure conditions

A concession agreement was executed between TAV Antalya and DHMİ on 14 September 2007 for the operation the present Domestic Terminal and parking lot, International Terminal I and parking lot and CIP terminal and parking lot and all the complementary units as well as the present heating center and on 23 September 2009 for International Terminal II, Parking Lot and all the complementary units. The Lease Agreement between the Company and DHMİ will expire on 31 December 2024 and all terminals together with their correspondent units explained above will be transferred to DHMI by then. In 2021, operating period has been extended for 2 years due to Force Majeure conditions

A concession agreement was executed between TAV Antalya Yatırım and DHMİ on 28 December 2021 for the additional investments to increase capacity of Antalya Airport and concessioning of the operating rights of the existing international terminal, CIP terminal, general aviation terminal, domestic terminal and their auxiliaries. The Lease Agreement between the Company and DHMİ will expire on 31 December 2051 and all terminals together with their correspondent units explained above will be transferred to DHMI by then.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Intangible assets (continued)

vii) *Service concession arrangements (continued)*

i) Intangible assets:

The Group recognises an intangible asset arising from a service concession agreement when it has a right to charge for usage of concession infrastructure. Intangible assets received as consideration for providing construction or upgrade services in a service concession agreement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV Esenboğa, TAV Gazipaşa, TAV Macedonia and TAV Ege are 0%, TAV Tbilisi and TAV Tunisia are 15% and 5% respectively.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period. Amortisation of airport operation right is calculated based on units of production method over estimated passenger figures.

ii) Financial assets:

The Group recognises the guaranteed passenger fee amount due from DHMİ as financial asset which is determined by the agreements with TAV Esenboğa. Financial assets are initially recognised at fair value and carried at discounted fair value for the subsequent periods.

f) Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make sale.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment

i) *Non-derivative financial assets:*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets measured at amortised cost

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) *Non-financial assets:*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that one not yet available for use, the recoverable amount is estimated each period at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (the "CGU"). Goodwill acquired in a business combination is allocated to groups of CGU's that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Reserve for employee severance indemnity

In accordance with the existing labour law in Türkiye, the Group entities operating in Türkiye are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum full TRL 35,059 which is applicable starting from 1 January 2024 as at 31 December 2023 (equivalent to full EUR 1,076 as at 31 December 2023) (31 December 2022: full TRL 19,983 (equivalent to full EUR 1,001 as at 31 December 2022)) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the accompanying consolidated financial statements on a current basis. The management of the Group used some assumptions (detailed in Note 26) in the calculation of the retirement pay provision. The calculation was based upon the retirement pay ceiling announced by the Government.

All actuarial differences are recognised immediately in other comprehensive income.

j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money where appropriate and the risks specific to the liability.

k) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Construction revenue and expenditure: Construction revenue and expenditure are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Service concession agreements: Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered.

Aviation income: Aviation income is recognised based on the daily reports obtained from related airline companies for terminal service income charged to passengers, as well as for ramps utilised by aircraft and check-in counters utilised by the airlines.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Revenue (continued)

Area allocation income: Area allocation income is recognised by the issuance of monthly invoices based on the contracts made for allocated areas in the terminal.

Catering services income: Catering services income is recognised when services are provided. The Group defers revenue for collections from long-term contracts until the services are provided. There are no deferred costs related to these revenues since these are related with the selling rights given to food and beverage companies to sell their products at domestic and international lines terminals as well as third parties out of the terminals where the subsidiaries operate.

Ground handling income: Ground handling income is recognised when the services are provided.

Commission: The Group subcontracts the right to operate certain duty free operations and the catering services to third parties. The third parties pay the Group a specified percentage of their sales for the right to operate these concessions. The commission revenue is recognised based on the sales reports provided from the subcontractor entities in every 2 to 3 days.

Software and system sales: Software and system sales are recognised when goods are delivered and title has passed or when services are provided.

Income from lounge services: Income from lounge services is recognised when services are provided.

Bus and car parking operations: Income from bus and car parking operations is recognised when services are provided.

Income from airline taxi services: Income from airline taxi services is recognised when services are provided.

l) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, impairment losses recognised on financial assets, (other than trade receivables) and ineffective portion of hedging instruments. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) *Current Tax:*

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

ii) *Deferred Tax:*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

iii) *Tax exposures:*

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

n) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic and diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the owners of the company by the weighted average number of ordinary shares outstanding during the period. There are no dilutive potential shares.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Segment reporting

An operating segment is a component of the Group and its joint ventures that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

p) The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new and revised IFRS Standards that are effective for the current year

Amendments to IAS 1	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)*
Amendments to IAS 12	*International Tax Reform — Pillar Two Model Rules*

Amendments to IAS 1 *Disclosure of Accounting Policies*

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

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

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) The new standards, amendments and interpretations (continued)

i) The new and revised IFRS Standards that are effective for the current year (continued)

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

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

Amendments have been made in IFRS 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 IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of IFRS 17.

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

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

ii) New and revised IFRSs in issue but not yet effective

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

IFRS 17	*Insurance Contracts*
Amendments to IFRS 4	*Extension of the Temporary Exemption from Applying IFRS 9*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*
ISRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*
ISRS 2	*Climate-related Disclosures*

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) The new standards, amendments and interpretations (continued)

ii) New and revised IFRSs in issue but not yet effective (continued)

IFRS 17 *Insurance Contracts*

IFRS 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. T-IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

Amendments to IFRS 4 *Extension of the Temporary Exemption from Applying IFRS 9*

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

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

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

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

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

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

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

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

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) The new standards, amendments and interpretations (continued)

ii) New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*

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

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

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

ISRS 2 *Climate-related Disclosures*

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

4. DETERMINATION OF FAIR VALUES

Fair value determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) *Property and equipment:*

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

ii) *Intangible assets:*

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

The fair values of customer relationship and DHMİ licence acquired in a business combination are determined according to the excess earnings method and depreciated replacement cost approach, respectively.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered less any financial asset recognised. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV Esenboğa, TAV Gazipaşa, TAV Macedonia and TAV Ege are 0%, TAV Tbilisi and TAV Tunisia are 15% and 5% respectively.

iii) *Trade and other receivables:*

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined for disclosure purposes or when acquired in a business combination.

iv) *Derivatives:*

The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

4. DETERMINATION OF FAIR VALUES (continued)

v) *Other non-derivative financial liabilities:*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

31 December 2023	**Level 1**	**Level 2**	**Level 3**
Financial assets	-	80,888	-
Interest rate swap	-	42,191	-
Financial liabilities at fair value through profit or loss	-	(23,159)	-
Cross currency swap	-	(10,511)	-

31 December 2022	**Level 1**	**Level 2**	**Level 3**
Financial assets	-	45,466	-
Interest rate swap	-	53,613	-
Financial liabilities at fair value through profit or loss	-	(25,390)	-
Forward	-	(173)	-

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

5. OPERATING SEGMENTS

Operating Segments:

For management purposes, the Group and its joint ventures are currently organised into four reportable segments regarding to their activities; such as Terminal Operations, Catering Operations, Duty Free Operations, Ground Handling and Bus Operations. These reportable segments are the basis on which the Group reports its primary segment information, the principal activities of each are as follows:

- ***Terminal operations:*** Operating terminal buildings, the car park and the general aviation terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV Ankara, TAV Ege, TAV Milas Bodrum, TAV Tunisia, TAV Tbilisi, TAV Batumi, Batumi Airport LLC, TAV Macedonia, TAV Gazipaşa, TAV Uluslararası Yatırım, Tibah Development, Tibah Operation, MZLZ, MZLZ Operation, AMS; TAV Antalya and AIA. TAV Tbilisi, TAV Batumi, TAV Tunisia, TAV Macedonia, TAV Gazipaşa, TAV Antalya, TAV Antalya Yatırım, MZLZ and AIA also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.

- ***Catering operations:*** Managing all food and beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, Cakes & Bakes, BTA Tedarik, BTA Latvia, BTA Denizyolları, BTA Medinah, BTA Uluslararası Yiyecek, BTA MZLZ and ACS.

- ***Duty free operations:*** Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATU, ATU Georgia, ATU Tunisia, ATU Macedonia, ATU Latvia, ATU Tunisia Duty Free, ATU Medinah, ATU Mağazacılık and ATU Uluslararası Mağazacılık.

- ***Ground handling and bus operations:*** Providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License. The Group operates the ground handling services through HAVAŞ, HAVAŞ Latvia, TAV Gözen, TGS, Saudi HAVAŞ, HAVAŞ Adriatic, HAVAŞ Kazakhstan, HAVAŞ MZLZ, HAVAŞ Macedonia and Havaş Georgia. HAVAŞ provides bus operations.

- ***Other:*** Providing lounge services, IT, security and education services, airline taxi services, the Group companies included in this segment are TAV Holding, TAV Latvia, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus, TAV İşletme Macedonia, TAV İşletme Germany, TAV İşletme Latvia, TAV İşletme Kenya, TAV İşletme America, TAV İşletme Washington, TAV İşletme New York, TAV İşletme Kazakhstan, TAV İşletme SASA, TAV İşletme Madagascar, TAV İşletme Bermuda, TAV İşletme Dulles, GIS Spain, GIS France, GIS Germany, GIS Italy, GIS Mexico, TAV İşletme Saudi, Paris Lounge Network, TAV İşletme Chile, TAV Havacılık, TAV Bilişim, TAV IT Saudi, TAV IT Netherlands, TAV IT Qatar, TAV IT Dubai, TAV Güvenlik, Aerosec Security, TAV Akademi, Aviator Netherlands, PMIA Aviator BV, ZAIC-A, ATU Holdings, Medinah Hotel, Holdco, TAV Real Estate, AAIH, TAV Kazakhstan, VT and FBO.

While preparing the results of the reported segments, joint ventures are included in the consolidation according to the proportional consolidation method.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

5. OPERATING SEGMENTS (continued)

Operating Segments (continued)

	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total external revenues	995,520	857,308	154,681	126,532	228,648	170,807	399,877	322,212	209,493	184,791	1,988,219	1,661,650
Inter-segment revenue	64,400	46,881	15,290	10,965	50	80	1,176	1,200	51,012	46,979	131,928	106,105
Construction revenue	2,250	54,660	-	-	-	-	-	-	-	-	2,250	54,660
Construction expenditure	(2,250)	(54,660)	-	-	-	-	-	-	-	-	(2,250)	(54,660)
Interest income	36,633	44,165	786	461	1,552	1,977	986	1,949	48,037	26,536	87,994	75,088
Interest expense	(91,932)	(72,899)	(3,997)	(2,724)	(797)	(1,383)	(8,530)	(5,584)	(83,558)	(78,106)	(188,814)	(160,696)
Depreciation and amortisation	(223,343)	(175,035)	(7,477)	(7,047)	(5,399)	(10,672)	(18,506)	(17,160)	(11,789)	(10,538)	(266,514)	(220,452)
Reportable segment operating profit	266,161	240,864	14,302	8,708	27,906	18,389	61,809	57,755	40,427	7,382	410,605	333,098
Capital expenditure	414,591	239,697	5,701	6,058	3,327	8,469	13,154	9,159	33,393	12,867	470,166	276,250

	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Reportable segment assets	4,768,636	4,663,529	48,747	33,891	147,483	154,257	253,659	263,389	1,565,134	1,265,705	6,783,659	6,380,771
Reportable segment liabilities	3,837,360	3,715,781	83,535	74,245	66,189	96,895	113,876	145,990	886,723	758,317	4,987,683	4,791,228

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

5. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenues, profit before tax, assets and liabilities and other material items

	2023	2022
Revenues		
Total revenue for reportable segments	1,861,892	1,590,645
Other revenue	260,505	231,770
Elimination of inter-segment revenue	(131,928)	(106,105)
	1,990,469	**1,716,310**
Effect of using the equity method for joint ventures	(680,782)	(664,952)
Consolidated revenue	**1,309,687**	**1,051,358**

	2023	2022
Operating profit		
Segment operating profit	370,178	325,716
Other operating profit	40,427	7,382
	410,605	**333,098**
Effect of using the equity method for joint ventures	(12,618)	(53,651)
Consolidated operating profit	**397,987**	**279,447**
Finance income	86,787	26,001
Finance expense	(199,063)	(163,729)
Net monetary position gain	4,811	15,599
Consolidated profit before tax	**290,522**	**157,318**

	31 December 2023	31 December 2022
Assets		
Total assets for reportable segments	5,218,525	5,115,066
Other assets	1,565,134	1,265,705
	6,783,659	**6,380,771**
Effect of using the equity method for joint ventures	(2,030,561)	(2,103,038)
Consolidated total assets	**4,753,098**	**4,277,733**

	31 December 2023	31 December 2022
Liabilities		
Total liabilities for reportable segments	4,100,960	4,032,911
Other liabilities	886,723	758,317
	4,987,683	**4,791,228**
Effect of using the equity method for joint ventures	(1,661,025)	(1,738,153)
Consolidated total liabilities	**3,326,658**	**3,053,075**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

5. OPERATING SEGMENTS (continued)

	2023	2022
Interest income		
Total interest income for reportable segments	39,957	48,552
Other interest income	48,037	26,536
Elimination of inter-segment interest income	(48,816)	(53,469)
	39,178	**21,619**
Effect of using the equity method for joint ventures	(3,809)	(4,036)
Consolidated interest income	**35,369**	**17,583**

	2023	2022
Interest expense		
Total interest expense for reportable segments	(105,256)	(82,590)
Other interest expense	(83,558)	(78,106)
Elimination of inter-segment interest expense	48,655	51,645
	(140,159)	**(109,051)**
Effect of using the equity method for joint ventures	21,831	25,548
Consolidated interest expense	**(118,328)**	**(83,503)**

Geographical information

The main geographical segments of the Group and its joint ventures are comprised of Türkiye, Georgia, Kazakhstan, Macedonia, Tunisia, Croatia, Oman, Latvia, Spain, Qatar and Saudi Arabia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of revenue. Segment assets are based on the geographical location of the assets.

	2023	2022
Revenue		
Türkiye	511,840	387,140
Georgia	115,190	97,842
Kazakhstan	414,265	333,865
Macedonia	49,853	37,890
Tunisia	41,185	26,469
Crotia	32,634	26,019
Oman	27,407	20,539
Latvia	26,213	19,732
Spain	18,293	11,089
Qatar	12,468	49,428
Saudi Arabia	10,540	11,323
Other	49,799	30,022
Consolidated revenue	**1,309,687**	**1,051,358**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

5. OPERATING SEGMENTS (continued)

Geographical information (continued)

	31 December 2023	31 December 2022
Non-current assets		
Türkiye	2,416,519	2,333,428
Kazakhstan	596,129	501,915
Tunisia	423,582	432,628
Macedonia	94,838	98,376
Georgia	72,346	82,984
Crotia	10,246	10,729
Oman	8,857	10,879
Qatar	5,296	4,515
Spain	4,072	4,653
Latvia	1,946	2,618
Saudi Arabia	994	2,239
Other	86,601	40,437
Consolidated non-current asset	**3,721,426**	**3,525,401**

6. OPERATING REVENUE

An analysis of the Group's operating revenue for the year ended 31 December is as follows:

	2023	2022
Aviation income	543,248	434,368
Ground handling income	283,757	216,362
Catering services income	145,674	109,460
Prime class income	85,661	49,306
Commission from sales of duty free goods	60,521	50,766
Area allocation income	34,379	28,590
Income from car parking operations and valet service income	20,848	15,667
Security services income	20,067	12,302
Hardware sales income	18,463	62,639
Software sales income	17,339	9,358
Bus services income	11,285	7,319
Advertising income	7,803	3,739
Rent income from sublease	7,277	4,554
Hotel and reservation income	4,726	3,861
Utility and general participation income	3,880	4,232
Loyalty card income	1,637	669
Operating financial revenue	548	3,435
Other operating revenue	42,574	34,731
Total operating revenue	**1,309,687**	**1,051,358**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

7. PERSONNEL EXPENSES

An analysis of the Group's personnel expenses for the years ended 31 December is as follows:

	2023	2022
Wages and salaries	262,033	192,895
Compulsory social security contributions	28,539	21,234
Employment termination benefit expenses	910	1,119
Other personnel expenses	42,500	27,166
Total personnel expenses	**333,982**	**242,414**

8. OTHER OPERATING EXPENSES

An analysis of the Group's other operating expenses for the years ended 31 December is as follows:

	2023	2022
Rent expense	26,269	19,726
Utility cost	23,534	28,491
Maintenance expenditures	23,156	17,969
Consultancy expense	22,787	29,980
VAT non-recoverable	16,372	13,272
Cleaning expense	11,431	8,186
Insurance expenses	10,208	7,434
Taxes	8,643	10,992
Outsource staff expenses	7,205	4,240
Traveling and transportation expenses	6,508	4,889
Provision expenses	6,253	10,382
Advertisement and marketing expenses	3,773	1,637
Security cost	3,360	3,093
Communication and stationary expenses	2,837	2,962
Representation expenses	1,742	1,917
Commission and license expense	819	605
Other operating expenses	23,280	11,178
Total other operating expenses	**198,177**	**176,953**

9. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

An analysis of the Group's accumulated depreciation, amortisation and impairment for the years ended 31 December is as follows:

	2023	2022
Airport operation right	70,316	54,129
Property and equipment	42,666	40,935
Right of use asset	11,715	8,043
Impairment / (reversal) of impairment of airport operation right	9,500	(10,000)
Other intangible assets	3,388	3,050
Impairment / (reversal) of impairment of property and equipment	88	(589)
Total depreciation, amortization and impairment expenses	**137,673**	**95,568**

10. FINANCE INCOME AND FINANCE COSTS

Recognised in profit or loss

An analysis of the Group's finance income and finance costs for the years ended 31 December is as follows:

	2023	2022
Interest income on bank deposits and intercompany loans	35,369	17,583
Other financial assets income (*)	5,711	5,965
Discount income	5,475	1,092
Fair value of derivatives	106	-
Other finance income (**)	40,126	1,361
Finance income	**86,787**	**26,001**
Interest expense on financial liabilities and intercompany loans	(118,328)	(83,503)
Discount expense (***)	(38,361)	(41,210)
Foreign exchange loss, net	(22,661)	(10,095)
Bank charges	(9,092)	(9,104)
Commission expense	(6,708)	(4,231)
Interest expense provision on employee benefit obligation	(3,557)	(1,450)
Other finance costs (**)	(356)	(14,136)
Finance costs	**(199,063)**	**(163,729)**
Net finance costs	**(112,276)**	**(137,728)**

(*) Other financial assets income is related with ground handling contract between HAVAŞ and Türk Hava Yolları ("THY"), which is the shareholder of TGS, in order to resume the current ownership of THY and HAVAŞ.

(**) Other finance costs and incomes include financial expenses and gains due to the application of IAS 28. Financial expense which is occurred due to the application of IAS 28 as of 31 December 2023, turns into financial income due to the share sale of Tibah Development as of 31 December 2023.

(***) Discount expense is mainly related with the unwinding of discount on concession payables amounting to EUR 38,361 as of 31 December 2023 (31 December 2022: EUR 41,210).

Recognised in other comprehensive income

	2023	2022
Effective portion of changes in fair value of cash flow hedges	(24,185)	86,688
Foreign currency translation differences for foreign operations	(25,125)	40,492
Tax on cash flow hedge reserves	4,268	(15,498)
Portion of cash flow hedges charged to profit or loss	13,419	(6,410)
Finance costs recognised in other comprehensive income, net of tax	**(31,623)**	**105,272**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

11. TAX EXPENSE

An analysis of the Group's tax expense for the years ended 31 December is as follows:

Tax recognised in profit or loss

	2023	2022
Current tax expense		
Current year tax expense	49,650	30,785
Adjustments for prior periods (*)	5,688	3,214
	55,338	33,999
Deferred tax benefit		
Origination and reversal of temporary differences	(16,108)	(2,984)
Change in previously recognised investment incentives	(9,189)	(4,483)
Recognition of current period tax losses	1,747	(762)
	(23,550)	(8,229)
Total tax expense	**31,788**	**25,770**

(*) The amount in 2023 is mainly related with the earthquake tax.

Tax recognised in other comprehensive income

	2023			2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Foreign currency translation differences for foreign operations	(25,125)	-	(25,125)	40,492	-	40,492
Effective portion of changes in fair value of cash flow hedges	(11,277)	4,268	(7,009)	78,962	(15,498)	63,464
Defined benefit obligation actuarial differences	(5,826)	2,472	(3,354)	(13,198)	2,641	(10,557)
Other comprehensive income from equity accounted investments	(36,399)	3,570	(32,829)	(14,785)	27	(14,758)
	(78,627)	**10,310**	**(68,317)**	**91,471**	**(12,830)**	**78,641**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

11. TAX EXPENSE (continued)

Reconciliation of effective tax rate

The reported tax expenses for the years ended 31 December 2023 and 2022 are different than the amounts computed by applying the statutory tax rate to profit before tax of the Group, as shown in the following reconciliation:

	%	2023	%	2022
Profit before tax from continuing operations		290,522		157,318
Profit before tax from discontinued operations		(233)		(976)
Profit before income tax		**290,289**		**156,342**
Tax using the Company's domestic tax rate	25%	72,572	23%	35,959
Tax effects of:				
- non-deductible expenses	7%	21,200	8%	12,565
- translation effect on recognized tax losses	(3%)	(9,608)	(4%)	(6,434)
- change in previously recognised investment incentives	(3%)	(9,189)	(3%)	(4,483)
- tax exempt income	(13%)	(37,070)	(10%	(16,230)
- used tax loss carry forwards which no deferred tax asset is recognised	0%	536	(1%)	(2,247)
- current year losses which no deferred tax asset is recognised	17%	50,452	16%	24,272
- effect of different tax rates for foreign jurisdictions	(4%)	(10,484)	(2%)	(3,333)
- under / (over) provided in prior years	2%	5,688	2%	3,214
- effect of hyperinflation	(7%)	(20,315)	0%	-
- adjustment for equity accounted investments	(13%)	(37,738)	(8%)	(12,162)
- effect of different tax rates applied	1%	3,616	(1%)	(1,311)
- adjustments related to tax legislation of subsidiaries which is in foreign countries	1%	2,973	(1%)	(1,722)
- other consolidation adjustments	(0%)	(848)	(2%)	(2,353)
Tax expense	**11%**	**31,785**	**16%**	**25,735**
Total tax expense from continuing operations		**31,788**		**25,770**
Total tax expense from discontinued operations		**(3)**		**(35)**

Corporate tax:

	2023	2022
Corporate tax provision from continuing operations	49,650	30,785
Corporate tax provision from discontinued operations	-	(29)
Corporate tax provision	49,650	30,756
Adjustments for prior periods	5,688	3,214
Add / (less): taxes payable from previous period	10,820	3,296
Less: corporation taxes paid during the period	(54,052)	(26,446)
Current tax liabilities	**12,106**	**10,820**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

11. TAX EXPENSE (continued)

Corporate tax (continued):

Türkiye

The Turkish entities within the Group are subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities' results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Türkiye, advance tax returns are filed on a quarterly basis – there are three advance tax return periods. The corporate income tax (CIT) rate at 31 December 2023 is 25% (The previous 2022 CIT rate was 23%) Losses can be carried forward to offset from future taxable income for up to 5 years. Losses cannot be carried back.

In Türkiye, companies are subject to a standard corporate income tax rate of 20%. However, the rate was temporarily increased to 25% for the income generated in 2021 and to 23% for the income generated in 2022. The applicable rate as of 2023 is 25%. The tax legislation provides for a temporary tax to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until 30th April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Georgia

Georgian corporate income tax is levied at a rate of 15% on income less deductible expenses. As of 1 January 2017 the corporate tax liability arises when the profit is distributed. There is no change on the corporate tax rate.

Tunisia

Tunisian corporate income tax is levied at a rate of 15% on income less deductible expenses (31 December 2022: 15%).

Macedonia

Macedonian corporate income tax is levied at a rate of 10% on income less deductible expenses as from 2014 onwards (including determination of 2014 CIT). Losses can be carried forward for 3 years provided that the accumulated accounting losses are covered by the accumulated profits (31 December 2022: 10%).

Latvia

Latvian corporate income is levied at a rate of 20% on income less deductible expenses as of 2019. (As the taxable base must be divided by a coefficient of 0.8, the effective tax rate is 25%). According to the new rule, the corporate tax liability will raise when the profit is distributed.

Germany

German federal income tax is levied at a rate of 15% on income less deductible expenses. However municipalities impose a trade tax on income. Taking into account the various municipality multipliers, the combined average tax rate for corporations ranges from approximately 23% to 33%.

Kenya

Effective from January 1, 2021 the corporate income tax is levied at a rate of 30% for resident companies on income less deductible expenses. The corporate income tax rate was applied as 25% for 2020 over 2020 taxable income as a temporary measure in response to Covid-19 (31 December 2022: 30%).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

11. TAX EXPENSE (continued)

Corporate tax (continued):

United States

American federal corporate income tax is levied at a rate of 21% on income less deductible expenses.

Croatia

Corporate income tax (CIT) is generally paid at a rate of 18%. For taxpayers with revenues in the tax period lower than EUR 995,421.06 the rate of 10% is applied. (31 December 2022: 18%).

Saudi Arabia

Under the Saudi Arabian tax and zakat regulations, tax / zakat status of a resident company is determined based on the nationality of its shareholders. TAV IT Saudi's all shareholders are incorporated outside GCC. So, it is subject to income tax at 20% over the gross income less allowable expenses under the law (the adjusted net profit for the year). Tax losses can be carried forward indefinitely in Saudi Arabia. However, maximum limit of the brought forward loss that can be deducted from the taxable profit for the year is 25% of the taxable profit.

Oman

Omani corporate income tax is levied at a rate of 15% on income less deductible expenses.

Chile

In 2024, Chile corporate income tax is levied at a rate of 27% for large companies and 25% for small and medium companies.

France

As of 2024, the standard corporate tax rate is 25% for all companies (31 December 2022: 25%).

Spain

Spain corporate income tax is levied at a rate of 25% on income less deductible expenses. For taxpayers with revenues in the tax period lower than EUR 1M the rate of 23% is applied. (31 December 2022: 25%).

Italy

Italy corporate income tax is levied at a rate of 24% on income less deductible expenses (31 December 2022: 24%).

Mexico

Mexico corporate income tax is levied at a rate of 30% on income less deductible expenses (31 December 2022: 30%)

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

11. TAX EXPENSE (continued)

Corporate tax (continued):

UAE

With effect from 1 June 2023, corporate rate at standard tax rate of 9% will be applied to all business and commercial activities on taxable profits above AED 375,000 (approximately USD 100,000). Extractive industries will remain subject to the Emirates level corporate taxation.

Kazakhstan

Kazakhstan corporate income tax is levied at a rate of 20% on income less deductible expenses.

Bermuda

Corporate income tax is not applicable in Bermuda.

Investment allowance:

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no. 26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three year time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other hand, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no. 5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no. 2 of the Article 15 of the Law no. 5479 and the expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no. 27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

11. TAX EXPENSE (continued)

Investment allowance (continued):

The Article 5 of the Law no. 6009 “Law on the Amendment of the Income Tax Law and Certain Laws and Decree Laws” which was promulgated in the Official Gazette on 1 August 2010 regulated the amount of investment incentive to be benefited in computing the corporate tax base after the cancellation of the Article no.2 of the Law no. 5479. According to the Law no. 6009, the taxpayers were allowed to benefit from the investment incentive stemming from the periods before the promulgation of the Law no. 5479, up to 25% of the taxable income of the respective tax period. Such change is effective including the fiscal year ending on 31 December 2011.

However, on 9 February 2012, the Turkish Constitutional Court decided to cancel the Article 5 of the Law no. 6009 and stay of execution of the article was promulgated in the Official Gazette no. 28208 dated 18 February 2012. Accordingly, taxpayers are allowed to benefit from the investment incentive without any limitation. The annulment of the article was promulgated in the Official Gazette no. 28719 dated 26 July 2013.

Income withholding tax:

According to Corporate Tax Law code numbered 5520 article 15, companies who are resident in Türkiye, should calculate 10% income withholding tax on dividends distributed to non-resident companies, individuals and resident individuals. Where there is a tax treaty between Türkiye and the country of the dividend recipient is a resident taxpayer, the applicable rate might be less than the local rate. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Transfer pricing regulations:

In Türkiye, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

12. PROPERTY AND EQUIPMENT

Cost	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds improvements	Construction in progress	Total
Balance at 1 January 2022	**2,453**	**191,355**	**148,262**	**54,296**	**47,668**	**129,949**	**9,616**	**583,599**
Effect of movements in exchange rates	182	11,542	4,283	2,458	185	3,057	(615)	21,092
Additions (*)	-	108	10,123	4,559	4,805	14,328	98,651	132,574
Disposals	-	(202)	(1,612)	(4,167)	(793)	(404)	(309)	(7,487)
Transfers (**)	-	-	(3,259)	-	297	4,871	(9,200)	(7,291)
Effect of acquisition of a subsidiary (***)	-	-	4,815	-	-	-	-	4,815
Effect of IAS 29 indexation	-	8,530	2,524	300	15,885	24,976	65	52,280
Balance at 31 December 2022	**2,635**	**211,333**	**165,136**	**57,446**	**68,047**	**176,777**	**98,208**	**779,582**
Balance at 1 January 2023	**2,635**	**211,333**	**165,136**	**57,446**	**68,047**	**176,777**	**98,208**	**779,582**
Effect of movements in exchange rates	(91)	(7,958)	(6,926)	(1,397)	(9,006)	(14,176)	(5,832)	(45,386)
Additions (*)	-	1,962	18,540	7,822	5,616	12,212	166,277	212,429
Disposals	-	(577)	(4,534)	(590)	(2,140)	(229)	(27)	(8,097)
Transfers (**)	-	(3,100)	4,268	(1)	542	9,314	21,754	32,777
Effect of IAS 29 indexation	-	4,149	1,491	216	8,686	13,004	123	27,669
Balance at 31 December 2023	**2,544**	**205,809**	**177,975**	**63,496**	**71,745**	**196,902**	**280,503**	**998,974**

(*) There is EUR 28,126 capitalised borrowing cost on property and equipment during 2023 (31 December 2022: EUR 7,250). In year 2023, additions to property and equipment have not been purchased by financial leasing (31 December 2022: None).

(**) Transfer amounting to EUR 3,090, EUR 5,727 and EUR 1,514 comprises transfer to intangible assets, airport operation right and right of use assets as at 31 December 2023. Transfer amounting from EUR 14,527 comprises transfer from inventories as at 31 December 2023 (31 December 2022: Transfer amounting to EUR 4,163 comprises transfer to intangible assets and transfer amounting to EUR 3,128 comprises transfer to inventories).

(***) Effect of acquisitions of a subsidiary is related with acquisition of HAVAŞ MZLZ as of 31 December 2022.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

12. PROPERTY AND EQUIPMENT (continued)

Accumulated depreciation	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leaseholds improvements	Construction in progress	Total
Balance at 1 January 2022	**-**	**17,667**	**77,396**	**23,007**	**31,861**	**62,710**	**-**	**212,641**
Effect of movements in exchange rates	-	899	1,097	1,213	20	1,017	-	4,246
Depreciation for the year	-	6,276	11,390	4,279	5,018	13,972	-	40,935
Disposals	-	(3)	(1,191)	(1,787)	(645)	(290)	-	(3,916)
Impairment losses	-	-	(161)	(3)	(193)	(232)	-	(589)
Transfers (*)	-	(43)	(149)	-	341	23	-	172
Effect of acquisition of a subsidiary (**)	-	-	2,786	-	-	-	-	2,786
Effect of IAS 29 indexation	-	581	1,770	211	13,900	19,500	-	35,962
Balance at 31 December 2022	**-**	**25,377**	**92,938**	**26,920**	**50,302**	**96,700**	**-**	**292,237**
Balance at 1 January 2023	**-**	**25,377**	**92,938**	**26,920**	**50,302**	**96,700**	**-**	**292,237**
Effect of movements in exchange rates	-	(1,570)	(5,302)	(662)	(7,677)	(10,171)	-	(25,382)
Depreciation for the year	-	7,974	11,294	4,740	4,783	13,875	-	42,666
Disposals	-	(15)	(3,654)	(236)	(1,994)	(103)	-	(6,002)
Impairment losses	-	-	20	(6)	28	46	-	88
Transfers (*)	-	400	-	8	(175)	(566)	-	(333)
Effect of IAS 29 indexation	-	(109)	959	141	7,180	9,843	-	18,014
Balance at 31 December 2023	**-**	**32,057**	**96,255**	**30,905**	**52,447**	**109,624**	**-**	**321,288**
Carrying amounts								
At 31 December 2022	**2,635**	**185,956**	**72,198**	**30,526**	**17,745**	**80,077**	**98,208**	**487,345**
At 31 December 2023	**2,544**	**173,752**	**81,720**	**32,591**	**19,298**	**87,278**	**280,503**	**677,686**

(*) Transfer amounting to EUR 552 comprises transfer to airport operation right and transfer amounting from EUR 219 comprises transfer from intangible assets as at 31 December 2023 (31 December 2022: EUR 172 comprises transfer to intangible assets).

(**) Effect of acquisitions of a subsidiary is related with acquisition of HAVAŞ MZLZ as of 31 December 2022.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

13. INTANGIBLE ASSETS

	Purchased software and brandmarks	Internally generated software	Customer relationships	DHMI and other operating licenses	Total
Cost					
Balance at 1 January 2022	**21,861**	**8,960**	**27,929**	**5,412**	**64,162**
Effect of movements in exchange rates	131	524	(30)	(9)	616
Additions	1,678	-	-	3	1,681
Disposals	(279)	-	-	-	(279)
Transfers (*)	6	4,155	-	2	4,163
Effect of acquisation of subsidiary (**)	-	-	-	3,957	3,957
Effect of IAS29 indexation	4,101	-	-	-	4,101
Balance at 31 December 2022	**27,498**	**13,639**	**27,899**	**9,365**	**78,401**
Balance at 1 January 2023	**27,498**	**13,639**	**27,899**	**9,365**	**78,401**
Effect of movements in exchange rates	(2,459)	(530)	(33)	-	(3,022)
Additions	1,992	-	-	-	1,992
Transfers (*)	483	2,607	-	-	3,090
Effect of IAS29 indexation	2,235	-	-	-	2,235
Balance at 31 December 2023	**29,749**	**15,716**	**27,866**	**9,365**	**82,696**
Accumulated amortisation					
Balance at 1 January 2022	**18,960**	**6,397**	**26,612**	**-**	**51,969**
Effect of movements in exchange rates	119	403	(29)	-	493
Amortisation for the year	1,634	983	433	-	3,050
Disposals	(265)	-	-	-	(265)
Transfers (***)	(172)	-	-	-	(172)
Effect of IAS29 indexation	3,438	-	-	-	3,438
Balance at 31 December 2022	**23,714**	**7,783**	**27,016**	**-**	**58,513**
Balance at 1 January 2023	**23,714**	**7,783**	**27,016**	**-**	**58,513**
Effect of movements in exchange rates	(2,039)	(302)	(34)	-	(2,375)
Amortisation for the year	1,634	1,502	252	-	3,388
Transfers (***)	(54)	-	(165)	-	(219)
Effect of IAS29 indexation	1,786	-	-	-	1,786
Balance at 31 December 2023	**25,041**	**8,983**	**27,069**	**-**	**61,093**
Carrying amounts					
At 31 December 2022	**3,784**	**5,856**	**883**	**9,365**	**19,888**
At 31 December 2023	**4,708**	**6,733**	**797**	**9,365**	**21,603**

(*) Transfer amounting from EUR 3,090 comprises transfer from property and equipment as at 31 December 2023 (31 December 2022: EUR 4,163 comprises transfer from property and equipment).

(**) Effect of acquisitions of a subsidiary is related with acquisition of HAVAŞ MZLZ as of 31 December 2022.

(***) Transfer amounting to EUR 219 comprises transfer to property, plant & equipment as at 31 December 2023 (31 December 2022: EUR 172).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

13. INTANGIBLE ASSETS (continued)

DHMİ licenses acquired through the purchase of HAVAŞ shares in years 2005 and 2007 were recognised with indefinite useful lives since there is no foreseeable limit to the period over which they are expected to generate net cash inflows. The useful life of DHMİ license associated with the acquisition of HAVAŞ was deemed indefinite since;

- without these licenses ground handling companies could not operate,
- it is difficult to obtain the licence, which requires high pre-operational costs and procurement of workforce and equipment required to deliver ground handling services
- the continuity of the license requires low annual payments compared to initial license cost.

The replacement cost method was used in order to determine the fair value of the DHMİ licences for impairment testing. As a result of the impairment testing no impairment was recognized.

Goodwill

An analysis of goodwill as at 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Balance at 1 January	**219,206**	**213,441**
Addition during the year	48	755
Effect of movements in exchange rates	(2,843)	5,010
Balance of the end of the year	**216,411**	**219,206**

Goodwill is related with the CGU's AIA, HAVAŞ, TAV Tbilisi, HAVAŞ MZLZ and GIS Spain as at 31 December 2023 (31 December 2022: AIA, HAVAŞ, TAV Tbilisi, HAVAŞ MZLZ and GIS Spain).

Impairment testing for CGU's

For the purpose of impairment testing, goodwill is allocated to CGU's. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	31 December 2023	31 December 2022
HAVAŞ	131,565	131,565
AIA	78,991	81,825
TAV Tbilisi	3,857	3,857
GIS Spain	1,094	1,094
HAVAŞ MZLZ	753	753
Other	151	112
	216,411	**219,206**

A valuation for the fair values of HAVAŞ, AIA and TAV Tbilisi as three separate CGU's was performed by an independent valuation expert. The income and market approaches were used to determine the fair values of HAVAŞ, AIA and TAV Tbilisi. In the analysis, income approach (discounted cash flow method) was mostly used, with lower weightings applied to the value of HAVAŞ, AIA and TAV Tbilisi resulting from the Guideline Transaction and Company methods.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

13. INTANGIBLE ASSETS (continued)

Goodwill (continued)

Impairment testing for CGU's (continued)

25-year business plan prepared by the management for HAVAŞ and 8-year business plan prepared by the management for TAV Tbilisi were used in the valuation of companies. The growth in business plan of HAVAŞ and TAV Tbilisi is driven by the opportunities in companies' businesses and addition of new customers.

As a result of the impairment testing performed on CGU basis, no impairment loss was recognised for HAVAŞ, TAV Tbilisi, GIS Spain and AIA as at 31 December 2023.

Key assumptions used in discounted cash flow projections

Key assumptions used in calculation of recoverable amounts are discount rates and terminal growth rates. These assumptions are as follows:

	31 December 2023	
	Pre-tax discount rate	Terminal growth rate
HAVAŞ	21.0%	2.0%
TAV Tbilisi	29.1%	-
GIS Spain	13.0%	2.0%
AIA	11.8%	2.0%

	31 December 2022	
	Pre-tax discount rate	Terminal growth rate
HAVAŞ	17.1%	2.0%
TAV Tbilisi	25.4%	-
GIS Spain	13.0%	2.0%
AIA	10.2%	2.0%

Discount rate

The discount rates used in discounted cash flows are the weighted average cost of capitals ("WACC") of the companies.

Terminal growth rate for HAVAŞ is determined as 2.0%, GIS Spain as 2.0% and AIA as 2.0%. Since TAV Tbilisi has a limited life, terminal growth rate is not used in the valuation.

Market Approach

The Guideline Transaction Method utilises valuation multiples based on actual transactions that have occurred in the subject company's industry. These derived multiples are then applied to the appropriate operating data of the subject company to arrive at an indication of fair market value. Guideline Company Method focuses on comparing the subject company to guideline publicly-traded companies.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

14. AIRPORT OPERATION RIGHT

	İzmir Adnan Menderes International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Tbilisi International Airport	Milas Bodrum Airport	Almaty Airport	Total
Cost								
Balance at 1 January 2022	**808,788**	**595,488**	**48,198**	**132,077**	**95,574**	**522,088**	**81,777**	**2,283,990**
Effect of movements in exchange rates	-	-	-	-	21,034	-	5,340	26,374
Additions (*)	308	-	-	-	-	146	-	454
Balance at 31 December 2022	**809,096**	**595,488**	**48,198**	**132,077**	**116,608**	**522,234**	**87,117**	**2,310,818**
Balance at 1 January 2023	**809,096**	**595,488**	**48,198**	**132,077**	**116,608**	**522,234**	**87,117**	**2,310,818**
Effect of movements in exchange rates	-	-	-	-	(3,948)	-	(3,017)	(6,965)
Disposals	-	-	-	(39)	-	-	-	(39)
Transfers (**)	1,680	-	-	-	2,800	1,247	-	5,727
Balance at 31 December 2023	**810,776**	**595,488**	**48,198**	**132,038**	**115,460**	**523,481**	**84,100**	**2,309,541**

(*) There is no capitalised borrowing cost on airport operation right during 2023 (31 December 2022: None).

(**) Transfer amounting from EUR 5,727 comprises transfer from property and equipment as at 31 December 2023 (31 December 2022: None).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

14. AIRPORT OPERATION RIGHT (continued)

	İzmir Adnan Menderes International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Tbilisi International Airport	Milas Bodrum Airport	Almaty Airport	Total
Accumulated amortisation								
Balance at 1 January 2022	**248,626**	**157,889**	**12,611**	**42,641**	**49,929**	**90,831**	**562**	**603,089**
Effect of movements in exchange rates	-	-	-	-	11,356	-	24	11,380
Amortisation for the year	23,585	4,500	858	6,207	7,167	10,962	850	54,129
Impairment reversals (*)	-	(10,000)	-	-	-	-	-	(10,000)
Balance at 31 December 2022	**272,211**	**152,389**	**13,469**	**48,848**	**68,452**	**101,793**	**1,436**	**658,598**
Balance at 1 January 2023	**272,211**	**152,389**	**13,469**	**48,848**	**68,452**	**101,793**	**1,436**	**658,598**
Effect of movements in exchange rates	-	-	-	-	(2,724)	-	(70)	(2,794)
Amortisation for the year	30,603	7,140	1,242	6,261	9,825	14,336	909	70,316
Impairment losses	-	9,500	-	-	-	-	-	9,500
Transfers (**)	-	-	-	-	560	(8)	-	552
Balance at 31 December 2023	**302,814**	**169,029**	**14,711**	**55,109**	**76,113**	**116,121**	**2,275**	**736,172**
Carrying amounts								
At 31 December 2022	**536,885**	**443,099**	**34,729**	**83,229**	**48,156**	**420,441**	**85,681**	**1,652,220**
At 31 December 2023	**507,962**	**426,459**	**33,487**	**76,929**	**39,347**	**407,360**	**81,825**	**1,573,369**

(*) Estimations used for impairment testing are disclosed in Note 2.

(**) Transfer amounting from EUR 552 comprises transfer from property and equipment as at 31 December 2023 (31 December 2022: None).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

15. RIGHT OF USE ASSETS

	Right-of-use assets						
	Layout and development of land	Building	Machinery and equipment	Vehicles	Other tangible assets	Total	Lease Liabilities
Balance at 1 January 2022	**41,244**	**15,105**	**-**	**1,473**	**471**	**58,293**	**60,760**
Additions	428	3,160	-	-	-	3,588	3,345
Depreciation expense	(3,545)	(3,825)	-	(576)	(97)	(8,043)	-
Interest expense	-	-	-	-	-	-	3,189
Disposals	(1,172)	(56)	-	-	-	(1,228)	-
Payments	-	-	-	-	-	-	(11,370)
Effect of acquisition of subsidiary (*)	-	-	-	-	-	-	2,344
Effect of IAS 29 indexation	-	4,465	-	131	-	4,596	-
Effect of movements in exchange rates	-	(441)	-	(110)	99	(452)	218
Balance at 31 December 2022	**36,955**	**18,408**	**-**	**918**	**473**	**56,754**	**58,486**

The Group, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

	Right-of-use assets						
	Layout and development of land	Building	Machinery and equipment	Vehicles	Other tangible assets	Total	Lease Liabilities
Balance at 1 January 2023	**36,955**	**18,408**	**-**	**918**	**473**	**56,754**	**58,486**
Additions	10,593	10,309	381	221	422	21,926	18,566
Depreciation expense	(5,247)	(5,117)	(650)	(505)	(196)	(11,715)	-
Interest expense	-	-	-	-	-	-	4,356
Disposals	(64)	-	-	(116)	-	(180)	-
Payments	-	-	-	-	-	-	(11,702)
Transfer (*)	-	-	1,514	-	-	1,514	-
Effect of IAS 29 indexation	-	3,184	-	57	-	3,241	-
Effect of movements in exchange rates	-	(3,012)	-	(145)	(27)	(3,184)	(868)
Balance at 31 December 2023	**42,237**	**23,772**	**1,245**	**430**	**672**	**68,356**	**68,838**

(*) The effect of acquisition of a subsidiary is related with HAVAŞ MZLZ as of 31 December 2022.

(**) Transfer amounting from EUR 1,514 comprises transfer from property and equipment as at 31 December 2023 (31 December 2022: None).

16. FINANCIAL ASSETS

At 31 December 2023 and 31 December 2022, financial assets comprised the following:

Financial assets	31 December 2023	31 December 2022
Exchange rate protected deposits (*)	80,888	45,000
Investment funds	-	466
	80,888	**45,466**

(*) Exchange rate protected deposits have 3 months to 6 months maturity.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

17. DEFERRED TAX ASSETS AND LIABILITIES

The Group recognises deferred tax assets and liabilities in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

In 2022, tax rate was 23% in Türkiye. In 2023, tax rate increased to 25% in Türkiye.

The rate of 15% for subsidiaries in Tunisia (31 December 2022: 15%) and the rate of 10% for subsidiaries in Macedonia (31 December 2022: 10%) are used.

Recognised deferred tax assets and liabilities

As at 31 December 2023 and 2022, deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31 December		31 December		31 December	
	2023	2022	2023	2022	2023	2022
Property & equipment, airport operation right and intangible assets	-	-	(38,511)	(25,612)	(38,511)	(25,612)
Inventories	-	-	-	-	-	-
Trade & other receivables and payables	4,924	516	-	-	4,924	516
Loans and borrowings	-	-	(1,634)	(1,145)	(1,634)	(1,145)
Reserve for employee severance idemnity	4,685	3,907	-	-	4,685	3,907
Provisions	1,621	1,027	-	-	1,621	1,027
Derivatives	-	-	(5,984)	(10,490)	(5,984)	(10,490)
Tax loss carry-forwards	16,258	18,225	-	-	16,258	18,225
Investment incentives	23,168	13,987	-	-	23,168	13,987
IFRS 16 Liabilities	1,278	9,465	-	-	1,278	9,465
Adjustments related to tax legislation of subsidiaries which is in foreign countries	-	-	(10,355)	(7,382)	(10,355)	(7,382)
Hyperinflation	166,304	-	-	(4,552)	166,304	(4,552)
Other items (*)	-	-	(39,962)	(62,948)	(39,962)	(62,948)
Deferred tax assets / (liabilities)	**218,238**	**47,127**	**(96,446)**	**(112,129)**	**121,792**	**(65,002)**
Deferred tax asset provision (**)	(154,745)	-	-	-	(154,745)	-
Set off of tax	(19,306)	(18,534)	19,306	18,534	-	-
Net deferred tax assets / (liabilities)	**44,187**	**28,593**	**(77,140)**	**(93,595)**	**(32,953)**	**(65,002)**

(*) EUR 42,303 of other items is related with deferred tax liability effect of purchase price allocation of Almaty acquisition in 2021 as of 31 December 2023 (EUR 44,907 as at 31 December 2022).

(**) A deferred tax asset amounting to EUR 154,745 occurred on TAV Ege, due to application of hyperinflation accounting in Türkiye. Due to unforeseeability of the recoverability of this deferred tax asset, the Group recognized the deferred tax asset and impaired it simultaneously.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

17. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Movements in temporary differences during the year

	Balance at 1 January 2022	Recognized in profit or loss	Effect of acquisition (*)	Recognised in other comprehensive income	Effect of change in exchange rates	Effect of discontinued activities	Balance at 31 December 2022	Recognized in profit or loss	Recognised in other comprehensive income	Effect of change in exchange rates	Balance at 31 December 2023
Property & equipment, airport operation right and intangible assets	(37,909)	12,711	-	-	(414)	-	(25,612)	(12,372)	-	(527)	(38,511)
Trade & other receivables and payables	2,641	(2,849)	2	-	713	9	516	4,424	-	(16)	4,924
Derivatives	4,798	47	-	(15,498)	163	-	(10,490)	(21)	4,268	259	(5,984)
Loans and borrowings	(1,154)	21	-	-	(12)	-	(1,145)	(429)	-	(60)	(1,634)
Reserve for employee severance idemnity	1,317	76	141	2,641	(266)	(2)	3,907	(1,164)	2,472	(530)	4,685
Provisions	1,429	214	-	-	(616)	-	1,027	626	-	(32)	1,621
Tax loss carry-forwards	16,033	762	1,364	-	66	-	18,225	(1,747)	-	(220)	16,258
Investment incentives	9,509	4,483	-	-	(5)	-	13,987	9,189	-	(8)	23,168
IFRS 16 Liabilities	10,050	(261)	-	-	(324)	-	9,465	(7,540)	-	(647)	1,278
Provision for tax	(9,104)	1,722	-	-	-	-	(7,382)	(2,973)	-	-	(10,355)
Hyperinflation (*)	-	(4,552)	-	-	-	-	(4,552)	14,391	-	1,720	11,559
Other items	(53,769)	(4,145)	(708)	-	(4,325)	(1)	(62,948)	21,166	-	1,820	(39,962)
Tax liabilities / (assets)	**(56,159)**	**8,229**	**799**	**(12,857)**	**(5,020)**	**6**	**(65,002)**	**23,550**	**6,740**	**1,759**	**(32,953)**

(*) Effect of acquisition of a subsidiary is related with acquisition of HAVAŞ MZLZ as of 31 December 2022.

(**) A deferred tax asset amounting to EUR 154,745 occurred on TAV Ege, due to application of hyperinflation accounting in Türkiye. Due to unforeseeability of the recoverability of this deferred tax asset, the Group recognized the deferred tax asset and impaired it simultaneously.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

17. DEFERRED TAX ASSETS AND LIABILITIES (continued)

At the reporting date, the Group has unused tax losses of EUR 520,431 (31 December 2022: EUR 396,246) available for offset against future profits. Tax losses can be carried forward for five years under the current tax legislation adopted in Türkiye. Deferred tax asset related with the tax losses is recognised as at 31 December 2023 amounting to EUR 16,258 (31 December 2022: EUR 18,225), since it is assessed as probable that sufficient future taxable profits will be available, through increase in passenger numbers and improved operational performance in the following years. Total unused tax loss carry forwards will expire as follows:

	31 December 2023	31 December 2022
Expire in year 2023	-	65,050
Expire in 2024	74,917	61,189
Expire in 2025	74,912	104,670
Expire in 2026	104,523	18,584
Expire in 2027 and after	266,079	146,753
Total	**520,431**	**396,246**

As per the annulment decision of the Turkish Constitutional Court (see Note 11) in 2012, TAV Ankara and TAV Ege, consolidated subsidiaries of the Group, are subject to investment allowance ruling and can use their available allowances to reduce their taxable corporate income without any time limitations. Accordingly, deferred tax asset amounting to EUR 23,168 (31 December 2022: EUR 13,987) on such investment allowance of TAV Ankara and TAV Ege are recorded in the accompanying consolidated financial statements as at 31 December 2023 since it is assessed as probable that TAV Ankara and TAV Ege will use their right of deducting investment allowances from their corporate income after deducting carry forward tax losses to the extent that sufficient future taxable profits will be available till the end of their concession periods.

Unrecognised deferred tax assets and liabilities

Unrecognised deferred tax assets related to tax-loss carry forwards as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Unrecognized deferred tax assets	104,024	62,920
	104,024	**62,920**

Deferred tax assets have not been recognised in respect of the tax loss carry forwards where it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from till the end of concession periods.

As at 31 December 2023, a deferred tax asset of EUR 43,956 (31 December 2022: EUR 271,221 deferred tax liability) related to investments in subsidiaries and joint ventures was not recognised since it is not assessed as probable that the temporary difference will reverse in the foreseeable future.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

18. INVENTORIES

At 31 December 2023 and 2022, inventories comprised the following:

Inventories	31 December 2023	31 December 2022
Spare parts and other inventories	19,578	36,248
Goods for sale	11,046	11,195
Catering inventories	3,181	2,726
	33,805	**50,169**

No impairment has been identified on inventories.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

19. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 31 December 2023 and 2022, other receivables and current assets comprised the following:

Other receivables and current assets	31 December 2023	31 December 2022
Advances to suppliers	59,723	84,532
VAT deductible	37,487	23,744
Prepaid taxes and funds	18,338	10,662
Income accruals	12,205	20,517
Other prepaid expense	10,886	12,048
Prepaid insurance	2,203	1,439
Advances given to personnel	1,692	1,316
Deposits and guarantees given	263	449
Other receivables	4,026	4,557
	146,823	**159,264**

At 31 December 2023 and 2022, other receivables and current assets comprised the following:

Other non-current assets	31 December 2023	31 December 2022
Financial assets (*)	76,415	73,782
Other non-current receivables (**)	160,771	34,131
	237,186	**107,913**

(*) Amount related to 15 years (3+3+3+3+3) ground handling contract between HAVAŞ and Türk Hava Yolları ("THY"), which is the shareholder of TGS, in order to resume the current ownership of THY and HAVAŞ.

(**) EUR 118,750 is related to advance concession payment to DHMI for TAV Ankara.

20. TRADE RECEIVABLES

At 31 December 2023 and 2022, trade receivables comprised the following:

Trade receivables:	31 December 2023	31 December 2022
Trade receivables (*)	111,315	102,189
Guaranteed passenger fee receivable from DHMİ (**)	-	10,651
Notes receivable	2,941	931
Doubtful receivables	47,901	49,244
Allowance for doubtful receivables (-)	(47,901)	(49,244)
	114,256	**113,771**

Allowance for doubtful receivables has been determined by reference to past default experience.

(*) Pledges on trade receivables are disclosed in Note 25 and Note 34.

(**) Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport as a result of IFRIC 12 application.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

21. CASH AND CASH EQUIVALENTS

At 31 December 2023 and 2022, cash and cash equivalents comprised the following:

Cash and cash equivalents	31 December 2023	31 December 2022
Cash on hand	666	609
Cash at banks		
- Demand deposits	83,617	195,534
- Time deposits	446,779	56,458
Other liquid assets	7,849	5,414
Cash and cash equivalents	**538,911**	**258,015**
Bank overdraft used for cash management purposes	(342)	(378)
Cash and cash equivalents in the statement of cash flows	**538,569**	**257,637**

The details of the Group's time deposits, maturities and interest rates as at 31 December 2023 and 2022 are as follows:

31 December 2023 Original Currency	Maturity	Interest rate %	Balance
EUR	January - March 2024	0.01 - 4.50	376,652
USD	January - September 2024	2.00 - 5.50	62,531
TRL	January - March 2024	5.00 - 40.00	4,762
Other	January - February 2024	15.00	2,834
			446,779

31 December 2022 Original Currency	Maturity	Interest rate %	Balance
EUR	January - February 2023	0.01 - 2.00	26,517
USD	January - March 2023	0.05 - 6.00	23,484
TRL	January - June 2023	5.00 - 19.00	1,433
Other	January - September 2023	1.90 - 11.90	5,024
			56,458

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 33.

There is no blockage or restriction on the use of cash and cash equivalents as at 31 December 2023 and 2022.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

22. RESTRICTED BANK BALANCES

At 31 December 2023 and 2022, restricted bank balances comprised the following:

Restricted bank balances	31 December 2023	31 December 2022
Project reserve and funding accounts (*)	99,768	105,569
	99,768	**105,569**

(*) TAV Holding, TAV Tunisia, TAV Macedonia, TAV Kazakhstan, TAV Milas Bodrum and TAV Ege ("the Borrowers") opened various accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ and other state authorities based on agreements with their lenders (31 December 2022: TAV Holding, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum and TAV Ege) and other purposes. As a result of pledges regarding the project bank loans as explained in Note 25, all cash except for cash on hand are classified in these accounts for TAV Tunisia, TAV Ege, TAV Macedonia and TAV Milas Bodrum. Based on these agreements, the Group can access and use such restricted cash as per the conditions and cascade defined in respective loan agreements. The project accounts should be used for predetermined purposes, such as, operational expenses, loan repayments or rent payments to airport administrations, tax payments, debt service, etc.

31 December 2023

Original Currency	Interest rate %	Balance
EUR	0.05	97,252
TRL	38.00	1,902
USD	0.05	266
Other		348
		99,768

31 December 2022

Original Currency	Interest rate %	Balance
EUR	0.05 - 5.00	99,591
TRL	14.50 - 20.00	3,243
USD	0.10 - 2.00	2,460
Other	15.00	275
		105,569

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

23. CAPITAL AND RESERVES

At 31 December 2023 and 2022, the shareholding structure of the Company was as follows:

Shareholders	(%)	31 December 2023
Tank ÖWA alpha GmbH (*)	46.12	167,542
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	5.06	18,375
Sera Yapı Endüstrisi ve Ticaret A.Ş. ("Sera Yapı")	1.16	4,218
Other free float	47.66	173,146
Paid in capital in TRL (nominal)	**100.00**	**363,281**
Paid in capital in EUR (nominal) as at 31 December 2023		11,153
Effect of non-cash increases and exchange rates		151,231
Paid in capital EUR		**162,384**

Shareholders	(%)	31 December 2022
Tank ÖWA alpha GmbH (*)	46.12	167,542
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	5.06	18,375
Sera Yapı Endüstrisi ve Ticaret A.Ş. ("Sera Yapı")	1.16	4,218
Other free float	47.66	173,146
Paid in capital in TRL (nominal)	**100.00**	**363,281**
Paid in capital in EUR (nominal) as at 31 December 2022		18,223
Effect of non-cash increases and exchange rates		144,161
Paid in capital EUR		**162,384**

(*) According to the announcement dated 7 July 2017, the share transfer of Akfen Holding's 8.119% stake in TAV Airports to Tank ÖWA Alpha GmbH, which is wholly owned by Groupe ADP, has been completed.

The Company's share capital consists of 363,281,250 shares amounting to TRL 363,281 as at 31 December 2023 (31 December 2022: 363,281,250 shares amounting to TRL 363,281).

Legal reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and second legal reserves. The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communiqué II-19.1, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 31 December 2023, legal reserves of the Group amounted to EUR 121,975 (31 December 2022: EUR 121,975).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

23. CAPITAL AND RESERVES (continued)

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "Non-controlling interests" in the consolidated financial statements.

As at 31 December 2023 and 2022 the related amounts in the "Non-controlling interests" in the consolidated statement of financial position are respectively EUR 15,223 liability and EUR 19,998 liability. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "Non-controlling interests" in the consolidated financial statements. As at 31 December 2023 and 2022, profit amounts attributable to non-controlling interests in the consolidated statement of other comprehensive income are respectively EUR 8,903 profit and EUR 11,816 profit.

Dividend distribution

Publicly held companies distribute dividends based on the Capital Market Board ("CMB") Dividend Communique numbered II-19.1 effective from 1 February 2014.

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation. According to the aforementioned communique, 50% distribution rate has been determined. Companies pay dividends according to their articles of association or dividend distribution policy. In addition, dividends may be paid in equal or different amount of installments, and cash dividend advances may be distributed over profit for the period presented in interim financial statements.

In 2023, the Group did not distribute any dividend to the shareholders in accordance with its dividend policy (2022: None). Dividend per share is nil (2022: Nil).

Share premium

Excess amount of selling price and nominal value for each share was recorded as share premium in equity.

Revaluation surplus

The revaluation surplus comprises the revaluation of intangible assets acquired in a business combination until the investments are derecognised or impaired.

Purchase of shares of entities under common control

The purchases of the shares of entities that are under common control are accounted for at book values. The net amount of consideration paid over the book value of the net assets acquired is recognised directly in equity.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred, net of tax.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

23. CAPITAL AND RESERVES (continued)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Treasury reserves

All the shares that were bought back by the Group have been sold on 1 November 2022 on Borsa Istanbul through a block sale at the price of TL 76.00. A gain amounting to EUR 3,335 from sale of own shares has been recognized under equity as of 31 December 2022.

Other reserves

Other reserve comprises all gain or loss realized on sale or purchase of non-controlling interest without a change in control in a subsidiary.

24. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 31 December 2023 was based on the profit from continued operations attributable to ordinary shareholders of EUR 249,379 (31 December 2022: EUR 123,142), based on the loss from discontinued operations attributable to ordinary shareholders of EUR (230) (31 December 2022: EUR (941)) and a weighted average number of ordinary shares outstanding of 363,281,250 (31 December 2022: 361,576,076) as follows:

	2023	2022
Numerator:		
Profit for the period attributable to owners of the Company from continued operations	249,379	123,142
Loss for the period attributable to owners of the Company from discontinued operations	(230)	(941)
Denominator:		
Weighted average number of shares	363,281,250	361,576,076
Basic and diluted profit per share for continued operations (full EUR)	**0.69**	**0.34**

	2023	2022
Issued ordinary shares at 1 January	363,281,250	361,576,076
Weighted average number of ordinary shares	**363,281,250**	**361,576,076**

25. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk arising from these loans and borrowings, see Note 33.

	31 December 2023	31 December 2022
Non-current liabilities		
Secured bank loans (*)	822,748	823,476
Bonds (**)	334,453	-
Unsecured bank loans	11,607	106,538
Lease liabilities	62,519	52,288
Financial liabilities at fair value through profit or loss (***)	23,159	25,390
	1,254,486	**1,007,692**
Current liabilities		
Short term secured bank loans (*)	278,721	47,178
Current portion of long term secured bank loans (*)	150,949	92,267
Short term unsecured bank loans	64,960	229,591
Current portion of bonds (**)	29,392	-
Current portion of long term unsecured bank loans	1,692	12,443
Current portion of long term lease liabilities	6,319	6,198
	532,033	**387,677**

(*) Secured bank loans mainly consist of project finance loans that have been secured by pledges.

(**) The group completed the issuance of debt instruments for sale outside of Türkiye on December 7, 2023. The nominal value of the notes sold is USD 400 million and the coupon rate is 8.50%. The maturity of the notes is 5 years. The cash outflow of the notes from the Group have been converted to euro through a cross-currency swap between U.S. dollars and euro. After the cross currency swap is factored in, the 8.50% coupon rate of the instrument has decreased to an effective rate of 6.87% in euro terms for the Group.

(***) Financial liabilities at fair value through profit or loss, comprise of participation right for lenders which is booked with its fair value.

The Group's total bank loans and finance lease liabilities as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Bank loans	1,330,677	1,311,493
Bonds	363,845	-
Lease liabilities	68,838	58,486
Financial liabilities at fair value through profit or loss	23,159	25,390
	1,786,519	**1,395,369**

TAV Havalimanları Holding A.Ş. and its Subsidiaries
Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023
(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

25. LOANS AND BORROWINGS (continued)

The Group's bank loans as at 31 December 2023 are as follows:

31 December 2023	Presented as		
	Current liabilities	**Non-current liabilities**	**Total**
TAV Kazakhstan	42,743	355,367	398,110
TAV Tunisia	242,405	-	242,405
TAV Ege	21,514	159,965	181,479
TAV Ankara	15,497	154,888	170,385
TAV Milas Bodrum	17,139	89,370	106,509
TAV Macedonia	10,739	57,202	67,941
TAV Holding	61,608	-	61,608
BTA	29,667	15,610	45,277
HAVAŞ	34,593	-	34,593
TAV İşletme	20,086	1,953	22,039
TAV Güvenlik	331	-	331
	496,322	**834,355**	**1,330,677**

The Group's bank loans as at 31 December 2022 are as follows:

31 December 2022	Presented as		
	Current liabilities	**Non-current liabilities**	**Total**
TAV Holding	213,526	93,820	307,346
TAV Kazakhstan	15,255	282,637	297,892
TAV Tunisia	15,887	218,649	234,536
TAV Ege	15,647	168,590	184,237
TAV Milas Bodrum	15,806	98,200	114,006
HAVAŞ	43,861	14,959	58,820
TAV Macedonia	4,265	39,273	43,538
BTA	28,052	11,907	39,959
TAV İşletme	20,574	1,979	22,553
TAV Gazipaşa	8,606	-	8,606
	381,479	**930,014**	**1,311,493**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

25. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
On demand or within one year	496,322	381,479
Between one and five years	542,312	461,056
After five years	292,043	468,958
	1,330,677	**1,311,493**

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spreads for EUR denominated loans as at 31 December 2023 are between 2.20% - 6.00%, USD denominated loans as at 31 December 2023 are between 0.90% - 4.50% (31 December 2022: Spreads for EUR and USD denominated loans are between 1.50% - 8.40% and 0.90% - 4.50%, respectively).

Interest payments of 74%, 29%, 100%, 90%, 54% and 70% of floating bank loans for TAV Ege, TAV Macedonia, TAV İşletme America, TAV Milas Bodrum, TAV Kazakhstan and AIA respectively are fixed with interest rate swaps as explained in Note 32 (31 December 2022: 93%, 53%, 100%, 90%, 70% and 81%)

The Group has obtained project financing loans to finance construction of its BOT and BTO concession projects, namely TAV Macedonia, TAV Tunisia and TAV Ege; and to be able to finance advance payments to DHMİ related to rent agreement of TAV Milas Bodrum.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

25. LOANS AND BORROWINGS (continued)

Pledges

Pledges regarding the project bank loans of TAV Ege and TAV Milas Bodrum:

a) Share pledge: TAV Milas Bodrum and TAV Ege have pledges over shares amounting to, TRL 648,988 and TRL 1,881,755 respectively (31 December 2022: For TAV Milas Bodrum and TAV Ege TRL 648,988 and TRL 973,345 respectively). In case of an event of default, the banks have the right to take control of the shares. Upon the occurrence of any event of default, the banks can demand the sale of shares by way of public auction in accordance with the applicable provisions of the Bankruptcy and Execution Law of the Republic of Türkiye or by way of private auction among the nominees. Share pledges will expire after bank loans are paid or on the dates of maturity.

b) Receivable pledge: In case of an event of default, the banks have the right to take control of the receivables of project companies (disclosed as the Borrowers in Note 22) in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.

TAV Milas Bodrum and TAV Ege have pledged their receivables amounting to EUR 2,032 and EUR 7,488 respectively as at 31 December 2023 (31 December 2022: For TAV Milas Bodrum and TAV Ege EUR 2,243 and EUR 5,400 respectively).

c) Pledge over bank accounts: In case of an event of default, the banks have the right to control the bank accounts of project companies in order to perform its obligations under the loan documents. Upon the occurrence of event of default project companies shall be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts.

TAV Milas Bodrum and TAV Ege have pledges over bank accounts amounting to EUR 1,804 and EUR 67,458 respectively as at 31 December 2023 (31 December 2022: For TAV Milas Bodrum and TAV Ege EUR 10,392 and EUR 32,945 respectively).

Pledges regarding the project bank loan of TAV Macedonia:

TAV Macedonia has granted share pledge in favor of the lenders. In addition, receivables of TAV Macedonia amounting to EUR 7,337 (31 December 2022: EUR 3,836) have been pledged and all the commercial contracts and insurance policies have been assigned to the lenders.

Pledges regarding the project bank loan of TAV Tunisia:

TAV Tunisia has granted share pledge, account pledge and pledge of rights from the Concession Agreement to the lenders. TAV Tunisia has pledge over shares amounting to TND 245,000. Share pledge will expire after bank loan is paid or on the date of maturity.

Covenants

Certain financing agreements include technical default clauses in case of non-compliance with financial ratios. Financing agreements of TAV Milas Bodrum, TAV Ege, TAV Kazakhstan, TAV Tunisia and TAV Macedonia have covenants.

TAV Tunisia has been in breach of its financial agreements due to slow passenger recovery from the pandemic period. Therefore, the non-current loan liabilities of TAV Tunisia were reclassified to current loan liabilities on 30 June 2023 and the amount outstanding as of 31 December 2023 is EUR 242,405 (included interest accrual). TAV Tunisia has not received any Acceleration Notice from the Lenders.

Except for TAV Tunisia, there is no breach of financial agreements as at 31 December 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

25. LOANS AND BORROWINGS (continued)

Reconciliation of liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

		Cash flows		Non-cash changes			
	31 December 2022	Capital & Interest Payments	Additions	New leases	Effect of acquisition	Interest Accruals & Translation	31 December 2023
Bank loans	1,311,493	(456,793)	368,443	-	-	107,534	1,330,677
Bonds	-	-	361,795	-	-	2,050	363,845
Lease liabilities	58,486	(11,702)	-	18,566	-	3,488	68,838
Total financial liabilities	**1,369,979**	**(468,495)**	**730,238**	**18,566**	**-**	**113,072**	**1,763,360**

		Cash flows		Non-cash changes			
	31 December 2021	Capital & Interest Payments	Additions	New leases	Effect of acquisition	Interest Accruals & Translation	31 December 2022
Bank loans	1,107,151	(310,424)	455,435	-	-	59,331	1,311,493
Lease liabilities	60,760	(11,370)	-	3,345	2,344	3,407	58,486
Total financial liabilities	**1,167,911**	**(321,794)**	**455,435**	**3,345**	**2,344**	**62,738**	**1,369,979**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

26. RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY

Under the Turkish Labour Law, the Company and its Turkish subsidiaries and joint ventures are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 8 September 1999, there are certain transitional provisions relating to length of service prior to retirement.

Such payments are calculated on the basis of 30 days' pay maximum full TRL 35,059 as at 31 December 2023 (equivalent to full EUR 1,076) (31 December 2022: full TRL 19,983 (equivalent to full EUR 1,002)) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its Turkish subsidiaries and joint ventures arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint venture registered in Türkiye arising from the retirement of employees. IFRSs require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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. Consequently, in the accompanying consolidated financial statements as at 31 December 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2023 has been calculated assuming an annual inflation rate of 20.00% and a discount rate of 23.68% resulting in a real discount rate of approximately 3.07% (31 December 2022: an annual inflation rate of 19.30% and a discount rate of 21.90% resulting in a real discount rate of approximately 2.18%). It is planned that retirement rights will be paid to employees at the end of concession periods. Accordingly, present value of the future probable obligation has been calculated based on the concession periods.

	2023	2022
Balance at 1 January	**24,029**	**10,973**
Interest cost	3,557	1,456
Service cost	910	1,123
Payment made during the period	(2,272)	(805)
Effect of acquisition of subsidiary (*)	-	783
Effects of change in foreign exchange rate	(8,797)	(2,699)
Actuarial difference	5,826	13,198
Balance at 31 December	**23,253**	**24,029**

(*) Effect of acquisitions of a subsidiary is related with acquisition of HAVAŞ MZLZ as of 31 December 2022.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

27. OTHER PAYABLES

At 31 December 2023 and 2022, other payables comprised the following:

Other short-term payables	31 December 2023	31 December 2022
Concession payable (*)	173,223	123,439
Advances received	28,379	37,763
Taxes and duties payable	22,763	14,318
Expense accruals	18,807	15,366
Social security premiums payable	8,606	6,675
Due to personnel	6,924	5,974
Other accruals and liabilities	5,122	4,696
	263,824	**208,231**

Other long-term payables	31 December 2023	31 December 2022
Concession payable (*)	520,721	600,837
Deferred payment liability	56,096	106,552
Advances received	10,091	-
Other accruals and liabilities	2,108	2,598
	589,016	**709,987**

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 33.

(*) TAV Tunisia has a concession period of 40 years and annual concession fee is paid based on the annual revenue of Monastir and Enfidha Airports. The Group and The Republic of Tunisia have signed an amendment on 6 November 2019 to the existing concession agreement governing the operation of Monastir and Enfidha airports. This amendment significantly reduces the past and present concession fees of TAV Tunisia and restructures the historical concesion fees payable and the future concession fee calculation schedule. The concession fee is computed at an increasing rate between 5% and 39% of the annual revenues.

The concession fee of TAV Macedonia is 15% of the gross annual turnover until the number of passengers using the two airports reaches to 1 million, and when the number of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers.

A concession agreement was executed between TAV Milas Bodrum and DHMİ on 11 July 2014 for the leasing of the operating rights of the Milas Bodrum Airport's existing international terminal, CIP, general aviation terminal, domestic terminal and its auxiliaries. The agreement covers the operation right of the international terminal starting from 22 October 2015 to 31 December 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from July 2014 to December 2035. The concession payable of TAV Milas Bodrum domestic terminal is presented in financials EUR 291,298 as of 31 December 2023 (31 December 2022: EUR 302,693). TAV Bodrum's concession rent payment of EUR 28,680 for 2022 has been postponed to 2024 due to Force Majeure conditions created by the travel restrictions caused by the pandemic.

State Airports Authority (DHMI) has declared to the Group in its formal letter that, the applications that the Group had made as per Group's operating contracts due to the Force Majeure conditions created by pandemic related travel restrictions have been evaluated and the operating periods of the following airports that the Group operates in Türkiye which are Antalya, Gazipasa-Alanya, Izmir Adnan Menderes and Milas-Bodrum have been extended for two years. In the same letter, DHMI has also informed the Group that concession rent payments for these airports that would normally be made in 2022 will be made in 2024. Concession payables for the extension periods are reflected in the consolidated financial statements over their net present values. TAV Ege's concession rent payment of EUR 28,975 for 2022 has been postponed to 2024 due to Force Majeure conditions created by the travel restrictions caused by the pandemic.

The concession payable of the international and domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 273,182 as of 31 December 2023 (31 December: 2022: EUR 287,194).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

28. LIABILITIES FROM EQUITY-ACCOUNTED INVESTMENTS

The breakdown of liabilities from equity-accounted investments as at 31 December 2023 and 2022 is as follows:

Liabilities from equity-accounted investments	31 December 2023	31 December 2022
Saudi HAVAŞ	-	6,337
Medinah Hotel	2,155	1,449
Other	1,938	1,756
	4,093	**9,542**

29. DEFERRED INCOME

The breakdown of deferred income as at 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Deferred income:		
Short term deferred income	14,538	45,862
Long term deferred income	14,563	11,724
	29,101	**57,586**

EUR 33,075 of short-term deferred income is related with advance dividend amount of TAV Antalya as of 31 December 2022. Deferred income related with the unearned portion of concession rent income from ATU is EUR 11,884 as at 31 December 2023 (EUR 12,874 as at 31 December 2022).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

30. PROVISIONS

At 31 December 2023 and 2022, provisions comprised the following:

	31 December 2023	31 December 2022
Unused vacation provision	9,192	6,886
Other provisions	439	50
	9,631	**6,936**

Provisions	**2023**	**2022**
Balance at 1 January	**6,936**	**5,147**
Provision set during the period, net	2,648	1,029
Effect of discontinued operations	(31)	-
Effects of change in foreign exchange rate	78	760
Balance at 31 December	**9,631**	**6,936**

31. TRADE PAYABLES

At 31 December 2023 and 2022, trade payables comprised the following:

	31 December 2023	31 December 2022
Trade payables	55,059	70,415
	55,059	**70,415**

Trade payables mainly comprise payables outstanding for trade purchases and ongoing costs. The Group's exposure to currency and liquidity risk related to trade payables is disclosed in Note 33.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

32. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2023 and 2022, derivative financial instruments comprised the following:

	31 December 2023		
	Assets	Liabilities	Net Amount
Interest rate swap	42,191	-	42,191
Cross currency swap	-	(10,511)	(10,511)
	42,191	**(10,511)**	**31,680**

	31 December 2022		
	Assets	Liabilities	Net Amount
Interest rate swap	53,613	-	53,613
Forward	-	(173)	(173)
	53,613	**(173)**	**53,440**

Interest rate swap:

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2023, 74% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2022: 93%).

TAV Milas Bodrum uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2023, 90% of total loan is hedged through IRS contract (31 December 2022: 90%).

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2023, 29% of total loan is hedged through IRS contract (31 December 2022: 53%).

TAV İşletme America uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2023, 100% of total loan is hedged through IRS contract (31 December 2022: 100%).

TAV Kazakhstan uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2023, 54% of total loan is hedged through IRS contract (31 December 2022: 70%).

AIA uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 December 2023, 70% of total loan is hedged through IRS contract (31 December 2022: 81%).

Cross currency swap:

The group completed the issuance of debt instruments for sale outside of Türkiye on December 7, 2023. The nominal value of the notes sold is USD 400 million and the coupon rate is 8.50%. The maturity of the notes is 5 years. The cash outflow of the notes from the Group have been converted to euro through a cross-currency swap between U.S. dollars and euro. After the cross currency swap is factored in, the 8.50% coupon rate of the instrument has decreased to an effective rate of 6.87% in euro terms for the Group.

The fair value of derivatives at 31 December 2023 is estimated at profit of EUR 31,680 (31 December 2022: EUR 53,440). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 December 2023, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to an loss of EUR 7,009 net of tax (31 December 2022: EUR 63,464).

Fair value disclosures:

The Group has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. TAV Milas Bodrum, TAV Macedonia, TAV Ege, TAV İşletme America, TAV Kazakhstan and AIA use interest rate swaps to hedge the fluctuations in Euribor and Sofr rates (i.e. 90%, 29%, 74%, 100%, 54% and 70% of floating loans of TAV Milas Bodrum, TAV Macedonia, TAV Ege, TAV İşletme America, TAV Kazakhstan and AIA respectively are fixed).

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Notes	31 December 2023	31 December 2022
Cash and cash equivalents (*)	21	538,245	257,406
Due from related parties	35	102,295	164,094
Trade receivables - current	20	114,256	113,771
Restricted bank balances	22	99,768	105,569
Interest rate swaps used for hedging	32	42,191	53,613
Financial assets	16	80,888	45,466
		977,643	**739,919**

(*) Cash on hand is excluded from cash and cash equivalents.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Impairment losses

The aging of trade receivables at the reporting date is as follows:

	31 December 2023	31 December 2022
Not due	43,713	64,021
Past due 1–30 days	38,506	28,495
Past due 31–90 days	13,591	10,114
Past due 91–360 days	14,401	13,147
Past due 1–5 year	51,946	47,238
	162,157	**163,015**

The movements in the allowance for impairment in respect of trade receivables during the years ended 31 December were as follows:

Impairment losses	**2023**	**2022**
Balance at 1 January	**(48,586)**	**(45,778)**
Impairment loss recognized	(6,253)	(10,425)
Collections during the year	1,263	7,145
Effect of acquisition of subsidiary	-	(61)
Effect of change in foreign exchange rate	5,675	(125)
Balance at 31 December	**(47,901)**	**(49,244)**

Allowance for doubtful receivables is determined by reference to past default experience. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the trade receivable directly.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2023	**Carrying Amount**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-5 years**	**More than five year**
Non-derivative financial liabilities						
Secured bank loans	1,252,418	(1,439,216)	(20,745)	(396,378)	(425,016)	(597,077)
Unsecured bank loans	78,259	(85,419)	(3,957)	(68,805)	(12,657)	-
Bonds	363,845	(515,138)	-	(30,728)	(484,410)	-
Lease liabilities	68,838	(109,636)	(3,118)	(7,577)	(34,004)	(64,937)
Financial liabilities at fair value through profit or loss	23,159	(23,149)	-	-	(1,082)	(22,067)
Trade payables (*)	55,059	(56,914)	(52,167)	(3,890)	(857)	-
Due to related parties	465,694	(518,227)	(30,454)	(158,573)	(329,200)	-
Other payables (*)	824,461	(867,413)	(77,337)	(106,044)	(275,458)	(408,574)
Bank overdraft	342	(342)	(342)	-	-	-
Derivative financial liabilities						
Interest rate swaps						
Inflow	(42,191)	136,439	22	18,346	64,466	53,605
Outflow	10,511	(10,511)	-	(627)	(9,884)	-
	3,100,395	**(3,489,526)**	**(188,098)**	**(754,276)**	**(1,508,102)**	**(1,039,050)**

(*) Non-financial instruments such as deposits on guarantees and advances received are excluded from trade payables and other payables.

31 December 2022	**Carrying Amount**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-5 years**	**More than five year**
Non-derivative financial liabilities						
Secured bank loans	962,921	(1,246,307)	(5,488)	(136,756)	(391,746)	(712,317)
Unsecured bank loans	348,572	(366,922)	(32,346)	(211,650)	(122,723)	(203)
Lease liabilities	58,486	(89,559)	(2,530)	(7,061)	(29,013)	(50,955)
Financial liabilities at fair value through profit or loss	25,390	(25,390)	-	-	(963)	(24,427)
Trade payables (*)	70,415	(70,415)	(69,951)	(464)	-	-
Due to related parties	466,014	(526,702)	(3,637)	(191)	(522,874)	-
Other payables (*)	880,455	(1,055,209)	(146,538)	(100,700)	(278,039)	(529,932)
Bank overdraft	378	(378)	(378)	-	-	-
Derivative financial liabilities						
Interest rate swaps						
Outflow	(53,613)	80,220	-	11,570	38,920	29,730
Forwards						
Outflow	173	(181)	(181)	-	-	-
	2,759,191	**(3,300,843)**	**(261,049)**	**(445,252)**	**(1,306,438)**	**(1,288,104)**

(*) Non-financial instruments such as deposits on guarantees and advances received are excluded from trade payables and other payables.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The following table indicates the periods in which the cash flows associated with the derivatives that are cash flow hedges expected to occur.

31 December 2023	**Carrying Amount**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-5 years**	**More than five year**
Interest rate swaps						
Liabilities	42,191	136,439	22	18,346	64,466	53,605
Cross currency swaps						
Liabilities	(10,511)	(10,511)	-	(627)	(9,884)	-

31 December 2022	**Carrying Amount**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-5 years**	**More than five year**
Interest rate swaps						
Assets	53,613	80,220	-	11,570	38,920	29,730
Forward contracts						
Liabilities	(173)	(181)	(181)	-	-	-

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Currency risk

Exposure to currency risk:

The Group's exposure to foreign currency risk in Euro equivalent of their original currencies was as follows:

31 December 2023

Foreign currency denominated monetary assets	**USD**	**EUR (*)**	**TRY**	**Other**	**Total**
Other non-current assets	77,463	-	9,883	176	87,522
Trade receivables	6,331	1,585	7,620	18,072	33,608
Due from related parties	1,144	1,420	512	1,223	4,299
Other receivables and current assets	1,140	3,326	2,953	21,838	29,257
Financial assets (**)	-	-	80,888	-	80,888
Restricted bank balances	266	-	1,902	348	2,516
Cash and cash equivalents	28,759	32,742	4,156	15,339	80,996
	115,103	**39,073**	**107,914**	**56,996**	**319,086**
Foreign currency denominated monetary liabilities					
Loans and borrowings	(364,116)	(56,564)	(11,434)	(1,240)	(433,354)
Trade payables	(2,543)	(2,972)	(7,437)	(11,653)	(24,605)
Due to related parties	-	-	(8)	(9)	(17)
Other payables	(26,512)	770	(16,735)	(44,694)	(87,171)
	(393,171)	**(58,766)**	**(35,614)**	**(57,596)**	**(545,147)**
Net exposure (*)	**(278,068)**	**(19,693)**	**72,300**	**(600)**	**(226,061)**

(*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

(**) EUR 80,888 comprises exchange rate protected deposits.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued):

31 December 2022

Foreign currency denominated financial assets	**USD**	**EUR (*)**	**TRY**	**Other**	**Total**
Other non-current assets	76,951	-	11,050	370	88,371
Trade receivables	6,960	3,429	4,406	18,573	33,368
Due from related parties	2,124	1,512	477	1,132	5,245
Financial assets (**)	-	-	45,466	-	45,466
Other receivables and current assets	7,712	3,667	3,356	55,258	69,993
Restricted bank balances	2,374	-	3,184	262	5,820
Cash and cash equivalents	50,602	5,346	1,795	11,720	69,463
	146,723	**13,954**	**69,734**	**87,315**	**317,726**
Foreign currency denominated financial liabilities					
Loans and borrowings	(6,790)	(50,703)	(12,130)	(1,490)	(71,113)
Trade payables	(4,957)	(1,336)	(5,196)	(26,790)	(38,279)
Due to related parties	(1)	(23)	(5)	(16)	(45)
Other payables	(72,530)	(781)	(7,964)	(37,768)	(119,043)
	(84,278)	**(52,843)**	**(25,295)**	**(66,064)**	**(228,480)**
Net exposure (*)	**62,445**	**(38,889)**	**44,439**	**21,251**	**89,246**

(*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

(**) EUR 45,000 comprises exchange rate protected deposits.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis:

The Group's principal currency risk relates to changes in the value of the EUR relative to TRL and USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts.

A 10 percent strengthening / (weakening) of EUR against the following currencies at 31 December 2023 and 2022 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity		Profit or loss	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
31 December 2023				
USD	36,385	(36,385)	(8,578)	8,578
TRY	-	-	(7,230)	7,230
Other	-	-	60	(60)
Total	**36,385**	**(36,385)**	**(15,748)**	**15,748**
31 December 2022				
USD	-	-	(6,245)	6,245
TRY	-	-	(4,444)	4,444
Other	-	-	(2,125)	2,125
Total	**-**	**-**	**(12,814)**	**12,814**

Interest rate risk

The Group has used material amounts of bank borrowings from foreign financial institutions and banks. Although most of these borrowings have floating interest rates, the Group management and banks fixed interest rates by using derivative financial instruments. TAV Milas Bodrum, TAV Macedonia, TAV Ege, TAV İşletme America, TAV Kazakhstan and AIA use interest rate swaps to hedge the fluctuations in Euribor and Libor rates (i.e. Interest payments of 90%, 29%, 74%, 100%, 54% and 70% of floating loans of TAV Milas Bodrum, TAV Macedonia, TAV Ege, TAV İşletme America, TAV Kazakhstan and AIA respectively are fixed). Hedge accounting is applied for the mentioned derivative financial instruments (31 December 2022: Interest payments of 90%, 53%, 93%, 100%, 70% and 81% of floating loans of TAV Milas Bodrum, TAV Macedonia, TAV Ege, TAV İşletme America, TAV Kazakhstan and AIA respectively are fixed).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Profile:

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	31 December 2023	31 December 2022
Fixed rate instruments		
Financial assets	95,718	153,629
Financial liabilities	(497,276)	(721,103)
	(401,558)	**(567,474)**

	Carrying amount	
	31 December 2023	31 December 2022
Variable rate instruments		
Financial liabilities	(1,197,246)	(590,390)
	(1,197,246)	**(590,390)**

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

Based on the Group's current borrowing profile, a 50 basis points increase in Euribor or Sofr would have resulted in additional interest expense of approximately EUR 132 on the Group's variable rate debt when ignoring effect of derivative financial instruments (31 December 2022: EUR 67). EUR 103 of the exposure is hedged through interest rate swap contracts. Therefore, the net exposure on statement of other comprehensive income would be EUR 29. A 50 basis points increase in Euribor or SOFR would have resulted an decrease in cash flow hedge reserve in equity approximately by EUR 36,034 and a 50 basis points decrease in Euribor or SOFR would have resulted a increase in cash flow hedge reserve in equity approximately by EUR 36,281 (31 December 2022:EUR 13,195).

Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has established a Risk Management Department who is responsible for the Enterprise Risk Management function within the Group, and aims to develop a disciplined and constructive risk management and control environment in which all employees know and understand their roles and responsibilities.

All directors act to ensure an effective risk management and internal control process, providing assurance in relation to continuous identification and evaluation of the risks that exist in all main process areas.

The Group Audit Committee is assisted in its oversight role by Internal Audit. The mission of the Internal Audit Directorate of the Group is to assist TAV Holding Board of Directors and Management (including subsidiaries) in their oversight, management and operating responsibilities by identifying; ineffectiveness of internal control, risk management and governance processes inefficiencies that cause waste of its resources and making professional recommendations through independent audits (reports) and / or advisory services.

Internal audit plans are based on risk assessments as well as the issues highlighted by the Audit Committee and the management. Risk assessment is conducted and coordinated by Risk Management Department on continuous basis so as to identify and evaluate not only existing risks but also emerging risks. Formally, risk assessment is made annually but more often if required.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and bank balances.

The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

Credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group has procedures in place to ensure that services are provided to customers with an appropriate credit history. The carrying amount of trade and other receivables, net of provision for impairment of receivables, and the total of cash and cash equivalents, represents the maximum amount exposed to credit risk. The main customer is Turkish Airlines (THY). Based on past history with this customer, the Group management believes there is no significant credit risk for this customer. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provisions already recorded due to reputation and type of customers for the airlines (well-known reputable, international and flag carrier companies).

In addition, the Group receives letters of guarantee, and notes from certain customers whose credibility is low.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational and financial expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by lenders and executives of the Group as mentioned in Note 32.

The Group applies hedge accounting in order to manage volatility in profit or loss.

i) Currency risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. As at 31 December 2023, the Group had balances that are denominated in a currency other than the respective functional currencies of Group entities, primarily EUR, but also USD, GEL, TND, MKD, SAR,, KES, AED, CLP, TRL OMR, MXN, KZT and MDG which are disclosed within the relevant notes to these consolidated financial statements. The currencies in which these transactions primarily denominated are USD and TRL. The Group manages this currency risk by maintaining foreign currency cash balances and using some financial instruments.

ii) Interest rate risk:

The Group adopts a policy of ensuring that between 50 and 100 percent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

33. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence; to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Fair values

Fair values versus carrying amounts:

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

		31 December 2023		31 December 2022	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Financial assets (*)	16	80,888	80,888	45,466	45,466
Trade receivables - current	20	114,256	114,256	113,771	113,974
Due from related parties	35	102,295	102,295	164,094	164,094
Restricted bank balances	22	99,768	99,768	105,569	105,569
Cash and cash equivalents	21	538,911	538,911	258,015	258,015
Derivative financial instruments	32	42,191	42,191	53,613	53,613
Financial liabilities					
Bank overdraft	21	(342)	(342)	(378)	(378)
Loans and borrowings	25	(1,786,519)	(1,787,944)	(1,395,369)	(1,396,794)
Trade payables (**)	30	(55,059)	(55,059)	(70,415)	(70,415)
Due to related parties	35	(465,694)	(465,694)	(466,014)	(466,014)
Derivative financial instruments	32	(10,511)	(10,511)	(173)	(173)
Other payables (**)	27	(824,461)	(837,303)	(880,455)	(895,775)
		(2,164,277)	**(2,178,544)**	**(2,072,276)**	**(2,088,818)**

(*) EUR 80,888 comprises exchange rate protected deposits (31 December 2022: EUR 45,000).

(**) Non-financial instruments such as advances received are excluded from trade payables and other payables

The methods used in determining the fair values of financial instruments are discussed in Note 4.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

34. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	31 December 2023	31 December 2022
Letters of guarantee given to DHMİ	114,567	94,539
Letters of guarantee given to Macedonian government	250	250
Letters of guarantee given to Tunisian government	15,890	16,498
Letters of guarantee given to Saudi Arabian government	6,271	12,466
Letters of guarantee given to third parties	1,088,935	858,364
	1,225,913	**982,117**

Contractual obligations

The Group is obliged to give a letter of guarantee at an amount equivalent of USD 6,939 (EUR 6,271) (31 December 2022: USD 13,290 (EUR 12,466)) to GACA according to the BTO agreement signed with GACA in Saudi Arabia.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 8,840 (31 December 2022: EUR 9,011) to the Ministry of State Property and Land Affairs and EUR 7,050 (31 December 2022: 7,487) to OACA according to the BOT agreements and its amendments signed with OACA in Tunisia. The total obligation has been provided by the Group.

TAV Ege is obliged to pay an aggregate amount of EUR 610,000 plus VAT during the rent period according to the concession agreement. 5% of this amount is already paid in two installments. The remaining amount will be paid in equal installments at the first business days of each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 36,600 to DHMİ. The total obligation has been provided by the Group.

TAV Milas Bodrum is obliged to pay an aggregate amount of EUR 717,000 plus VAT during the rent period according to the concession agreement. 20% of this amount is already paid. The remaining amount will be paid in equal installments at the last day of October for each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 43,020 to DHMİ. The total obligation has been provided by the Group.

TAV Ankara is obliged to pay an aggregate amount of EUR 475,000 plus VAT during the rent period according to the concession agreement. 25% of this amount is already paid. The remaining amount will be paid in equal installments at the last day of May for each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 29,755 to DHMİ. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs, lenders and some customers.

The Group is obliged to fund shortfalls of AIA amounting up to USD 50,000 until the later of 30 June 2025 or financial completion date. Financial completion date is defined as minimum 1.30 DSCR and minimum two principal payments are made. The group provided a LC amounting to USD 50,000 to cover this obligation.

The Group has a guarantee over the bank loan of TAV Antalya Yatırım amounting to EUR 941,500.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

34. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Esenboğa

TAV Esenboğa is bound by the terms of the BOT Agreements made with DHMİ. If these companies do not follow the rules and regulations set forth in the concession agreement, this might lead to the forced cessation of these companies' operations according to the BOT Agreements. According to the BOT agreements:

- The share capital of the companies cannot be less than 20% of fixed investment amount.
- The companies have a commitment to make additional investment up to 20% of the initial BOT investment upon request of DHMİ.

After granting of temporary acceptance by DHMİ in year 2007, final acceptance for BOT investments of TAV Esenboğa was granted by DHMİ on 5 June 2008.

At the end of the contract period, the companies will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repair made and the cost will be charged to TAV Esenboğa. All equipment used by TAV Esenboğa must be in a good condition and under warranty and need to meet the international standards and Turkish Standards as well.

If the need shall arise to replace fixed assets subject to depreciation, which become unusable within the rent period and the depreciation rates of which are delineated in the Tax Application Law, the operator is obliged to perform the replacement.

All fixed assets covered by the implementation contract will be transferred to DHMİ free of charge. Transferred items must be in working conditions and should not be damaged. TAV Esenboğa has the responsibility of repair and maintenance of all fixed assets under the investment period.

HAVAŞ

In accordance with the general ground handling agreement (an integral part of the ground handling operation A Group license) signed with DHMİ and HAVAŞ undertake the liability of all losses incurred by their personnel to DHMİ or to third parties. In this framework, HAVAŞ covers those losses by an insurance policy amounting to USD 50,000. HAVAŞ also takes the responsibility of the training facilities given to the personnel and the quality of the service provided by its personnel together with the repair and maintenance of the ground handling vehicles and equipment. HAVAŞ is required to provide DHMİ with letters of guarantee amounting to USD 1,000. Fines received from losses incurred by the ground handling personnel or fines arising from the violation of the related agreement will be charged to HAVAŞ. Fines which are overdue in accordance with the appointed agreement / period declared by DHMİ will be settled by the liquidation of the letter of guarantee. If DHMİ liquidates the collateral, HAVAŞ is obliged to complete the collateral at its original amount which is USD 1,000 within 15 days.

In accordance with the rental agreements signed with DHMİ regarding several parking areas, land, buildings, offices at the İstanbul Atatürk, İzmir, Dalaman, Milas Bodrum, Alanya, Adana, Trabzon, Ankara, Kayseri, Nevşehir, Gaziantep, Şanlıurfa, Batman, Adıyaman, Elazığ, Muş, Sivas, Samsun, Malatya, Hatay, Konya, Çorlu, Sinop, Amasya and Ağrı airports; when the rent period ends, DHMİ will have the right to retain the immovable in the area free of charge.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

34. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Tbilisi

TAV Tbilisi is bound by the terms of the BOT Agreement. In case TAV Tbilisi fails to comply with the rules and regulations set forth in the agreement, it may be forced to cease its operations.

With regards to the BOT Agreement, TAV Tbilisi is required to;

- comply with all applicable safety standards and ensure that the airport and all other ancillary equipment are operated in a manner safe to passengers, workers and general public, as well as to comply with the technical and operational requirements of Tbilisi International Airport and environmental standards of Georgia;
- maintain and operate the new terminal and infrastructure at Tbilisi International Airport in accordance with the applicable requirements of the BOT Agreement and International Air Transportation Association, International Civil Aviation Organization or European Civil Aviation Conference;
- ensure that its subcontractors and TAV Tbilisi itself obtain and maintain relevant insurance policies from financially strong and internationally reputable insurance companies;
- remedy accidents that might occur upon mechanical damage inflicted by TAV Tbilisi to existing communication networks or inappropriate use or operation thereof.

The Final Acceptance Protocol was concluded in May 2011.

TAV Batumi

TAV Batumi is obliged to perform the terms agreed under the Agreement for Management of 100 percent of Shares in "Batumi Airport LLC" (the "Agreement") together with its Schedules annexed to the Agreement. In the event that TAV Batumi fails to fulfill its material obligations under the Agreement and its Schedules, it may be forced to cease the management of the Batumi International Airport and all operation rights generated at the Airport.

With regards to the Agreement, TAV Batumi is required to;

- comply with all requirements of the relevant statutes and the Applicable Laws of Georgia;
- prevent repatriation and transfer of the dividends distributable by Batumi Airport LLC from Georgia;
- comply with the terms of Permits that materially adversely affect the performance of TAV Batumi's obligations under the Agreement or achievement of the Revenues by Batumi Airport LLC and/or achievement of dividends by the TAV Batumi from Batumi Airport LLC;
- protect, promote, develop and extend the business interests and reputation of Batumi Airport in connection with the Services (reasonable effort basis);
- maintain and operate Batumi Airport in accordance with the international standards applicable to similar international airports, and any other local standards that will be applicable to the operations of an international airport;
- recruit and train sufficient number of staff for the operation of Batumi Airport in accordance with standard, accepted operational standards;
- perform regular, periodic and emergency maintenance and repair works of all the fixed assets, as well as the annexations and accessories related thereto located on the territory of Batumi Airport; and
- procure and maintain insurance policies listed under the Agreement during the term of the operation.

The Final Acceptance Protocol was concluded in March 2012.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

34. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Tunisia

TAV Tunisia is bound by the terms of the Concession Agreements related to the building and operation of Enfidha Airport and to the operation of Monastir Airport. In case TAV Tunisia fails to comply with the provisions of these Concession Agreements as well as the Terms and Specifications annexed thereto, it may be forced to cease the operation of the said airports.

According to Enfidha Concession Agreement, TAV Tunisia is required to:

- design, construct, maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Enfidha Airport;
- complete the construction of the Airport and start operating it at the latest on 1 October 2009 which was then extended to 1 December 2009 through a notice from the Authority, unless the requirements by the Terms and Specifications of the Agreement fails. The operation of the Airport was started in the specified date in 2009.
- finance up to 30% of the Project by Equity.

According to Monastir Concession Agreement, TAV Tunisia is required to maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Monastir Airport.

Pursuant to both Concession Agreements, TAV Tunisia is required to:

- market and promote the activities operated in the Airports and perform the public service related with these activities;
- provide with and maintain the bank guarantees in accordance with the Agreements;
- pay the Concession Royalties to the Conceding Authorities (Tunisian State and OACA);
- comply particularly with provisions of Appendix 2 to the Terms and Specifications annexed to the Agreements related to the ownership of the shares by TAV Tunisia's shareholders;
- require the approval of the Conceding Authority prior to the transfer of its rights under the Concession Agreements to any third party or to the conclusion of any sub-contract during the operation phase of the Airports;
- comply with its obligations under the Agreements and with all applicable Tunisian Laws and International rules related particularly but not limited to safety, security, technical, operational and environmental requirements;
- comply with its obligations related to insurance as provided for by the Agreements.

TAV Tunisia may also be obliged to cease the operation of the said airports if (i) it is declared insolvent or is subject to judicial liquidation proceedings or (ii) it is forced to cease the operation of one of the Airports.

In accordance with the general ground handling agreement, the Company undertakes the liabilities of all the losses incurred by their personnel to third parties. In this framework, TAV Tunisia covers those losses by an operator third party insurance policy amounting to USD 500,000 related with all operations.

The Conceding Authority and TAV Tunisia shall, seven years prior to the expiry of the Concession Agreement, negotiate and agree on a repair, maintenance and renewal program, with the assistance of specialists if applicable, which program includes the detailed pricing of the works for the final five years of the concession which are necessary in order to ensure that the movable and immovable concession property is transferred in good condition to the Conceding Authority, as well as the schedule of the tasks to be completed prior to the transfer. In this context, TAV Tunisia annually performs repair and maintenance procedures for the operation of the concession property according to the requirements set in the Concession Agreement.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

34. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Gazipaşa

TAV Gazipaşa is bound by the terms of the Concession Agreement made with DHMİ for Alanya Gazipaşa Airport.

If TAV Gazipaşa violates the agreement and does not remedy the violation within the period granted by DHMİ, DHMİ may terminate the Agreement.

The share transfers of the shareholders of TAV Gazipaşa are subject to the approval of DHMİ.

The Agreement is made for a period of twenty-five years effective from the date TAV Gazipaşa obtains the operation authorisation from the Ministry of Transportation. The contractual obligations of TAV Gazipaşa include the operation of the facilities in compliance with the international norms and standards subject to the supervision of the Ministry of Transportation Civil Aviation General Directorate and DHMİ; obtaining maintenance and periodic maintenance and repairs of all systems and equipment requisite for the operation and the transfer of the facilities together with the systems, equipment, furniture and fixtures in a proper and usable condition to DHMİ, without any debt or liabilities, upon the expiry of the Agreement (if the economic lives of the systems, equipment, furniture and fixtures have come to an end, they should be renewed before the transfer to DHMİ). Upon the expiry of the Agreement, TAV Gazipaşa will be responsible for one year for the maintenance and repair of the systems and equipment in the facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repairs made and the cost will be charged to TAV Gazipaşa.

If expropriation of land is required for construction of additional facilities or systems during the term of the Agreement, TAV Gazipaşa will be responsible for the compensation for expropriation and will not demand any compensation and/or additional rent period from DHMİ and the owner of the subject land will be DHMİ.

In the event that TAV Gazipaşa is delayed in paying the rent and/or the rent is not fully paid to DHMİ, TAV Gazipaşa will be charged a monthly penalty in the amount of 10% of the outstanding amount.

Facility usage amount represents the USD 50 fixed payment that is paid as a usage amount of the airport facility, subsequent to rent period starting, within the last month of each rent payment year.

TAV Macedonia

TAV Macedonia is bound by the terms of the Concession Agreement made with Macedonian Ministry of Transport and Communication ("MOTC").

If TAV Macedonia violates the agreement and does not remedy the violation within the period granted by MOTC, MOTC may terminate the Agreement.

All equipment used by TAV Macedonia must need to meet the Concession Agreement's standards.

All fixed assets covered by the implementation contract will be transferred to MOTC free of charge. Transferred items must be in working conditions and should not be damaged. TAV Macedonia has the responsibility of repair and maintenance of all fixed assets under the investment period.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

34. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

TAV Ege

During the contract period, TAV Ege should keep all the equipment it uses in a good condition at all times. If the equipment's useful life is expired according to the relevant tax regulations, TAV Ege should replace them in one year.

At the end of the contract period, all fixed assets covered by the concession agreement will be transferred to DHMİ free of charge. Transferred items must be in working condition and should not be damaged. TAV Ege is responsible from the repair and maintenance of all fixed assets during the contract period.

TAV Milas Bodrum

During the contract period, TAV Milas Bodrum should keep all the equipment it uses in a good condition at all times. If the equipment's useful life is expired or the equipment is damaged, the Company should replace it with its equivalent or with a better replacement.

At the end of the contract period, all fixed assets covered by the concession agreement will be transferred to DHMİ free of charge. Transferred items must be in working condition and should not be damaged. TAV Milas Bodrum is responsible from the repair and maintenance of all fixed assets during the contract period.

Management believes that as at 31 December 2023, the Group has complied with the terms of the contractual obligations mentioned above.

Almaty
SPA Claim Guarantee: This guarantee is related with any financial claims raised for the period before the terminal handover to the Group. The Group guarantee that if there are any financial claims such as tax penalty, court claim etc, the Group is obliged to cover this loss. On the other hand, in case of such claims, the Group received a performance guarantee from the Seller amounting to USD 35,200 to cover such losses.

ENS Exist Guarantee: In case of any environmental or social breach, there is 12 months cure period to solve such issues. If the issues remain unsolved, the Group is obliged to refinance the loan from another bank group. It must be noted that this is a very unlikely situation, considering all lenders are DFIs such as IFC and EBRD, also government is committed to follow all environmental and social policies of Lenders in the dead under the government support agreement.

EPC Completion Guarantee: This guarantee is triggered in case of EPC cost overrun. It must be noted that EPC cost is fixed under EPC contract as USD 196,500. On the other hand, the Group received 10% (USD 19,650) performance bond which covers the obligations of constructor under EPC Contract. Additionally, the Group received 15% (USD 11,899) advance bond from the constructor.

US Sanctions

In the context of the U.S. government's sanctions against Russia, Belarus and Iran, The Group received a letter in January 2023 from the U.S. Bureau of Industry and Security ("BIS"), Office of Export Enforcement ("OEE") like (or like) other airport operators in Türkiye. The latter recalls the regulatory framework of the sanctions regime applicable in the United States, in particular in connection with the Export Administration Regulations ("EAR"), lists the aircraft specifically targeted by the said sanctions regime (aircraft containing a minimum of 25% of components of American origin and operated by Russian, Belarusian and Iranian airlines) and commits the Group to assess the risks involved in providing services to the listed aircraft operating in Turkish and Georgian airspace.

The Group has appointed a US law firm with this regard and in conjunction with the Turkish authorities and BIS, is committed to assessing this risk and commit to comply with such regulations.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

35. RELATED PARTIES

The major immediate parent and ultimate controlling parties of the Group are Aéroports de Paris.

All other transactions not described in this footnote between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of balances between the Group and other related parties are disclosed below.

Key management personnel compensation:

The remuneration of directors and other members of key management during the year comprised the following:

	2023	2022
Short-term benefits (salaries, bonuses etc.)	15,530	15,551
	15,530	**15,551**

As at 31 December 2023 and 2022, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

Other related party transactions:

	31 December 2023	31 December 2022
Due from related parties	6,577	10,465
Current loan to related parties	9,679	9,613
	16,256	**20,078**

	31 December 2023	31 December 2022
Non-current loan to related parties	86,039	144,016
	86,039	**144,016**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

35. RELATED PARTIES (continued)

Other related party transactions (continued):

Due from related parties	**31 December 2023**	**31 December 2022**
ATÜ (1) (*)	2,570	4,118
Tibah Operation (1)	2,503	2,648
BTA Medinah (1)	404	815
TAV Antalya (1)	346	233
TGS (1)	179	158
AMS (1)	91	2,312
ZAIC-A (1)	33	29
TAV Construction	22	29
Other related parties	429	123
	6,577	**10,465**

(*) Receivables from ATU comprise of concession fee duty-free receivables.

Loan to related parties	**31 December 2023**	**31 December 2022**
ZAIC-A (1)	3,896	2,616
ATU Medinah (1)	1,558	1,613
Paris Lounge Network	1,420	1,342
Saudi Havaş (1)	1,015	2,225
TAV İşletme Chile (1)	454	409
BTA Medinah (1)	390	807
TAV İşletme Saudi (1)	-	554
Tibah Development (1)	-	47
Other related parties	946	-
	9,679	**9,613**

(1) Joint Ventures

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

35. RELATED PARTIES (continued)

Other related party transactions (continued):

Non-current loan to related parties	**31 December 2023**	**31 December 2022**
Tibah Development (1) (*)	40,986	119,564
TAV Antalya Yatırım (1)	40,250	20,768
Medine Hotel (1)	3,766	-
Saudi Havaş (1)	1,010	3,169
TAV İşletme Saudi (1)	27	515
	86,039	**144,016**

(*) The Group has provided a shareholder loan of 218 million US dollars to Tibah Development, of which 193 million EUR with an interest rate of 7% has been mostly used to repay the equity bridge loan maturing in 2021 and will be paid back to the Group depending on the available cash after debt service of Tibah Development. The maturity of the shareholder loan provided is 31 December 2032. The excess cash flows will be shared between the Group and GACA where weight will be given to Groups' shareholder loan. The sharing of the excess cash flows with GACA will stop once all rent due for the force majeure period is paid.

Due to application of 38th and 39th paragraphs of IAS 28, negative net assets of Tibah Development which was accounted under "Liabilities from equity-accounted investees", has been netted-off from the Group's non-current loan to Tibah Development. In subsequent periods, comprehensive income or loss of this entity will be netted-off from the Group's non-current loan to Tibah Development. In case of a comprehensive income, a financial income, in case of a comprehensive loss, a financial expense will be booked to the consolidated financial statements of the Group.

As of 31 December 2023, The Group transferred 48% of its non-current loan to Mada International Holding as stated in Share Purchase Agreement ("SPA") after the financial closing.

	31 December 2023	**31 December 2022**
Due to related parties	319	735
Non-current loan from related parties	465,375	465,279
	465,694	**466,014**

Non-current loan from related parties	**31 December 2023**	**31 December 2022**
Tank ÖWA alpha GmbH (2) (*)	465,375	465,279
	465,375	**465,279**

(*) The Group has obtained a shareholder loan amount of EUR 300,000 with a maturity of 14 May 2021, with a 3% interest rate, from Tank ÖWA alpha GmbH in 2018. Based on the additional agreement made in 2021, EUR 150,000 has been paid, and the remaining amount of EUR 150,000 has been converted into a new shareholder loan with 3.8% interest rate, with a maturity of 14 November 2024. Second shareholder loan amount of EUR 300,000 with a maturity of 23 March 2026, with a 4.88% interest rate is obtained by the Group from Tank ÖWA alpha GmbH by the Group in 2022.

(1) Joint Ventures
(2) Shareholders

35. RELATED PARTIES (continued)

Other related party transactions (continued):

Short term deferred income from related parties	31 December 2023	31 December 2022
ATÜ (1) (*)	992	990
TAV Antalya (1) (**)	-	33,075
	992	**34,065**

Long term deferred income from related parties	31 December 2023	31 December 2022
ATÜ (1) (*)	10,892	11,720
	10,892	**11,720**

(*) Deferred income from related parties is related with the unearned portion of concession rent income from ATU.

(**) Short-term deferred income is mainly related with advance dividend amount of TAV Antalya as of 31 December 2022 (EUR: 33,075).

Services rendered to related parties	2023	2022
ATÜ (1) (*)	73,129	61,354
Tibah Operation (1)	9,150	9,239
TAV Antalya Yatırım (1)	4,040	899
TAV Antalya (1)	2,980	2,833
TGS (1)	2,696	2,003
AMS (1)	331	2,229
Tibah Development (1)	80	86
Other related parties	675	465
	93,081	**79,108**

(*) Services rendered to ATU comprise of concession fee for duty-free operations.

(1) Joint Ventures

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

35. RELATED PARTIES (continued)

Services rendered by related parties	2023	2022
TAV Antalya (1)	5,130	3,324
TGS (1)	119	136
ATÜ (1)	87	122
TAV İnşaat (2) (*)	-	2,078
Other related parties	1,263	249
	6,599	**5,909**

(*) On 23 September 2021, TAV Construction and Almaty International Airport JSC entered into an engineering, procurement and construction (EPC) contract for an amount of USD 196,500 related to the construction of a new terminal building, a new general aviation building and a new governmental VIP building. The remaining amount from the EPC contract is USD 18,478.

The Group signed an EPC contract for an amount of EUR 657,000, with a joint venture formed by TAV Construction and Sera related to additional investments for the capacity increase of Antalya Airport. On top of EPC amount, there is a price adjustment mechanism up to 7.5% of the total EPC amount. The remaining amount from the EPC contract is EUR 262,156.

The group signed an EPC contract for an amount of EUR 202,104, with a joint venture formed by TAV Construction and Sera related to additional investments for the capacity increase of Ankara Esenboğa Airport. On top of EPC amount, there is a price adjustment mechanism up to 7.5% of the total EPC amount. The remaining amount from the EPC contract is EUR 132,723.

Interest (expense) / income from related parties (net)	2023	2022
Tank ÖWA alpha GmbH (3)	(20,436)	(17,356)
Tibah Development (1)	9,055	3,320
Other related parties	2,501	815
	(8,880)	**(13,221)**

The average interest rate used within the Group is 8.67% per annum (31 December 2022: 4.63%). The Group converts related party TRL loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

(1) Joint Ventures
(2) Subsidiary of shareholders
(3) Shareholders

Dividend distribution

In 2023, the Group did not distribute any dividend to the shareholders in accordance with its dividend policy (2022: None). Dividend per share is none (2022: None).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES

a) Non-controlling interests in subsidiaries

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI") before any intra group eliminations.

	31 December 2023		
	TAV Tbilisi	**Other immaterial subsidiaries**	**Total**
NCI Percentage	**20.00%**		
Non-current assets	49,223		
Current assets	19,818		
Non-current liabilities	6,480		
Current liabilities	5,824		
Net assets	**56,737**		
Carrying amount of NCI	11,347	3,876	15,223
Change in non-controlling interest	-	-	-
	11,347	**3,876**	**15,223**

	2023		
	TAV Tbilisi	**Other immaterial subsidiaries**	**Total**
Revenue	93,336		
Profit / (loss)	46,176		
Total comprehensive income	**44,807**		
Profit / (loss) allocated to NCI	9,235	120	9,355

In 2023, the Company distributed dividends to the non-controlling interests in subsidiaries amounting to EUR 13,678 (2022: EUR 6,830)

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

a) Non-controlling interests in subsidiaries (continued)

	31 December 2022		
	TAV Tbilisi	**Other immaterial subsidiaries**	
NCI Percentage	**20.00%**		
Non-current assets	56,867		
Current assets	32,314		
Non-current liabilities	10,013		
Current liabilities	6,243		
Net assets	**72,925**		
Carrying amount of NCI	14,585	5,413	19,998
Change in non-controlling interest	-	-	-
	14,585	**5,413**	**19,998**

	2022		
	TAV Tbilisi	**Other immaterial subsidiaries**	**Total**
Revenue	79,694		
Profit	36,566		
Total comprehensive income	**46,517**		
Profit / (loss) allocated to NCI	7,313	1,093	8,406

In 2022, the Company distributed dividends to the non-controlling interests in subsidiaries amounting to EUR 6,830 (2021: EUR 4,070).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates

As of 31 December 2023 and 2022, equity-accounted investments in consolidated statement of financial position comprise the following:

	31 December 2023	31 December 2022
Joint Ventures	751,195	755,129
Associates	3,203	724
	754,398	**755,853**

For the years ended 31 December 2023 and 2022, share of profit equity-accounted investments, net of tax in consolidated statement of comprehensive income comprises the following:

	2023	2022
Joint Ventures	149,004	54,357
Associates	1,947	(1,477)
	150,951	**52,880**

i) *Joint Ventures*

Carrying amounts of the Group's joint ventures in the statement of financial position as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
TAV Antalya Yatırım	399,908	363,986
TAV Antalya	237,481	293,460
TGS	56,766	59,709
Tibah Development	-	-
ATÜ	54,504	35,104
Tibah Operation	1,065	756
Other	1,471	2,114
	751,195	**755,129**

Group's share of profit / (loss) of the Group's joint ventures in the statement of comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Tibah Development (*)	37,785	-
TAV Antalya Yatırım	35,922	(11,290)
TAV Antalya	27,475	28,702
TGS	23,924	23,683
ATÜ	22,838	11,823
Tibah Operation	1,161	1,105
Saudi Havaş	-	-
Other	(101)	334
	149,004	**54,357**

(*) Gain of Tibah Development is related with the share sale of Tibah Development. Please refer to note 35.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) *Joint Ventures (continued)*

The Group has the following significant interests in joint ventures:

TAV Antalya

- 49.00% equity shareholding with 50.00% voting power in TAV Antalya, a joint venture established in Türkiye. The following tables summarise the financial information of TAV Antalya. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in TAV Antalya, which is accounted for using the equity method:

	31 December 2023	31 December 2022
Percentage of interest	**50%**	**50%**
Non-current assets	859,011	1,069,629
Current assets	165,757	302,060
including cash and cash equivalents amounting to	*21,726*	*84,091*
Non-current liabilities	330,031	570,743
Current liabilities	219,775	214,026
including trade and other payables and provisions amounting to	*160,265*	*168,390*
Net assets	**474,962**	**586,920**
Group's share of net assets	237,481	293,460
Carrying amount in the statement of financial position	237,481	293,460

	2023	2022
Revenue	443,099	378,582
Depreciation and amortisation	219,149	186,806
Interest expense	8,268	7,811
Tax expense	49,797	29,257
Profit for the period	**54,950**	**57,405**
Other comprehensive income	404	-
Total comprehensive income	**55,354**	**57,405**
Group's share of profit for the period	27,475	28,702
Cash dividends received by the Group	50,581	7,295

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) *Joint Ventures (continued)*

TAV Antalya Yatırım

- 51.00% equity shareholding with 50.00% voting power in TAV Antalya Yatırım, a joint venture established in Türkiye. The following tables summarise the financial information of TAV Antalya Yatırım. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in TAV Antalya Yatırım, which is accounted for using the equity method:

	31 December 2023	31 December 2022
Percentage of interest	**50%**	**50%**
Non-current assets	925,179	294,481
Current assets	1,885,285	1,856,140
including cash and cash equivalents amounting to	*51,747*	*41,260*
Non-current liabilities	735,314	1,318,760
Current liabilities	1,275,333	103,889
including trade and other payables and provisions amounting to	*51,786*	*15,313*
Net assets	**799,817**	**727,972**
Group's share of net assets	399,908	363,986
Carrying amount in the statement of financial position	399,908	363,986

	2023	2022
Revenue	42	5
Depreciation and amortisation	20	17
Interest expense	3,324	1,303
Tax expense	(87,115)	10,642
Profit / (loss) for the period	**71,844**	**(22,580)**
Other comprehensive income	-	-
Total comprehensive income	**71,844**	**(22,580)**
Group's share of profit / (loss) for the period	35,922	(11,290)
Cash dividends received by the Group	-	-

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) Joint Ventures (continued)

ATU

- 50.00% equity shareholding with 50% voting power in ATU, a joint venture established in Türkiye. The following tables summarise the financial information of ATU. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in ATU, which is accounted for using the equity method.

	31 December 2023	31 December 2022
Percentage of interest	**50%**	**50%**
Non-current assets	58,029	148,782
Current assets	163,098	183,466
including cash and cash equivalents amounting to	*37,753*	*44,291*
Non-current liabilities	29,738	120,648
Current liabilities	82,381	141,392
including trade and other payables and provisions amounting to	*50,037*	*80,138*
Net assets	**109,008**	**70,208**
Group's share of net assets	54,504	35,104
Carrying amount in the statement of financial position	54,504	35,104

	2023	2022
Revenue	522,815	378,036
Depreciation and amortisation	12,089	52,268
Interest expense	602	3,109
Tax expense	13,075	6,798
Profit for the period	**45,676**	**23,645**
Other comprehensive income	(1,994)	116
Total comprehensive income	**43,682**	**23,761**
Group's share of profit for the period	22,838	11,823
Cash dividends received by the Group	2,623	-

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) *Joint Ventures (continued)*

TGS

- 50% equity shareholding with 50% voting power, in TGS, a joint venture established in Türkiye. The following tables summarise the financial information of TGS. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in TGS, which is accounted for using the equity method:

	31 December 2023	31 December 2022
Percentage of interest	**50%**	**50%**
Non-current assets	136,425	136,766
Current assets	141,770	88,189
including cash and cash equivalents amounting to	*36,016*	*25,705*
Non-current liabilities	43,074	25,465
Current liabilities	121,590	80,072
including trade and other payables and provisions amounting to	*108,730*	*73,565*
Net assets	**113,531**	**119,418**
Group's share of net assets	56,766	59,709
Carrying amount in the statement of financial position	56,766	59,709

	2023	2022
Revenue	374,028	300,668
Depreciation and amortisation	11,131	12,753
Interest expense	3,017	1,452
Tax expense	14,998	6,507
Profit for the period	**47,848**	**47,366**
Other comprehensive income	(67,442)	(30,091)
Total comprehensive income	**(19,594)**	**17,275**
Group's share of profit for the period	23,924	23,683
Cash dividends received by the Group	11,007	7,893

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) *Joint Ventures (continued)*

Tibah Operation

- 51.00% equity shareholding with 51.00% voting power in Tibah Operation, a joint venture established in Saudi Arabia. The following tables summarise the financial information of Tibah Operation. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in Tibah Operation, which is accounted for using the equity method:

	31 December 2023	31 December 2022
Percentage of interest	**51%**	**51%**
Non-current assets	616	618
Current assets	16,920	18,392
including cash and cash equivalents amounting to	*8,742*	*163*
Non-current liabilities	5,912	5,789
Current liabilities	9,536	11,739
including trade and other payables and provisions amounting to	*8,811*	*11,039*
Net assets	**2,088**	**1,482**
Group's share of net assets	1,065	756
Carrying amount in the statement of financial position	1,065	756

	2023	2022
Revenue	56,807	52,382
Depreciation and amortisation	-	-
Interest expense	-	-
Tax expense	349	357
Profit for the period	**2,277**	**2,166**
Other comprehensive income	473	521
Total comprehensive income	**2,750**	**2,687**
Group's share of profit for the period	1,161	1,105
Cash dividends received by the Group	1,100	3,805

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) *Joint Ventures (continued)*

Tibah Development

26.00% equity shareholding with 26.00% voting power in Tibah Development, a joint venture established in Saudi Arabia. The following tables summarise the financial information of Tibah Development. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in Tibah Development, which is accounted for using the equity method:

	31 December 2023	31 December 2022
Percentage of interest	**26%**	**50%**
Non-current assets	1,110,241	1,172,259
Current assets	174,934	97,093
including cash and cash equivalents amounting to	*7*	*9*
Non-current liabilities	1,213,798	1,197,407
Current liabilities	71,377	71,945
including trade and other payables and provisions amounting to	*2,323*	*22,856*
Net assets	**-**	**-**
Group's share of net assets	-	-
Carrying amount in the statement of financial position	-	-

	2023	2022
Revenue	290,777	197,800
Depreciation and amortisation	31,893	28,442
Interest expense	67,975	36,919
Tax expense	(3,889)	(21)
Profit / (loss) for the period	**-**	**-**
Other comprehensive income	585	-
Total comprehensive income	**585**	**-**
Group's share of profit / (loss) for the period	-	-
Cash dividends received by the Group	-	-

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

i) *Joint Ventures (continued)*

Other

	31 December 2023	31 December 2022
Carrying amount of interest in joint ventures (*)	1,471	2,114

	2023	2022
Share of:		
Profit / (loss) for the period	(101)	334
Other comprehensive income	762	(1,291)
Total comprehensive income	**661**	**(957)**
Cash dividens received by the Group	-	79

(*) The companies have negative net assets amounting to EUR 4,093 has reclassed to other liabilities from equity-accounted investments as of 31 December 2023 (31 December 2022: EUR 9,542)

ii) Associates

Carrying amounts of the Group's associates in the statement of financial position as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
ZAIC-A	3,053	580
Other	150	144
	3,203	**724**

Group's share of profit of the Group's associates in the statement of comprehensive income for the years ended 31 December are as follows:

	2023	2022
ZAIC-A	1,941	(693)
AMS	6	(784)
	1,947	**(1,477)**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

36. INTERESTS IN OTHER ENTITIES (continued)

b) Joint Ventures and Associates (continued)

ii) Associates (continued)

ZAIC–A

- 15.00% equity shareholding with 15.00% voting power in ZAIC-A, an associate established in United Kingdom. The following tables summarise the financial information of ZAIC-A. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in ZAIC-A, which is accounted for using the equity method:

	31 December 2023	31 December 2022
Percentage of interest	**15%**	**15%**
Non-current assets	311,696	329,750
Current assets	33,365	25,974
including cash and cash equivalents amounting to	*588*	*12,667*
Non-current liabilities	271,355	298,244
Current liabilities	53,356	53,615
including trade and other payables and provisions amounting to	*22,729*	*18,622*
Net assets	**20,350**	**3,865**
Group's share of net assets	3,053	580
Carrying amount in the statement of financial position	3,053	580

	2023	2022
Revenue	71,783	77,123
Expense	(58,844)	(81,742)
Profit / (loss) for the period	**12,939**	**(4,619)**
Other comprehensive income	3,547	8,486
Total comprehensive income	**16,486**	**3,867**
Group's share of profit / (loss) for the period	1,941	(693)
Cash dividends received by the Group	-	-

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements as at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro are expressed in thousands unless otherwise indicated.)

37. AUDIT FEES

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	2023 (*)			2022 (*)		
	IAF (**)	Other (***)	Total	IAF (**)	Other (***)	Total
Audit and assurance fee	1,412	668	2,080	793	482	1,275
Tax consulting fee	6	463	469	2	577	579
Other assurance services fee	20	40	60	1	82	83
	1,438	**1,171**	**2,609**	**796**	**1,141**	**1,937**

(*) The fees above have been determined through including the legal audit and other related service fees of all subsidiaries and joint ventures, and foreign currency fees of foreign subsidiaries and affiliates have been converted into EUR using the annual average rates of the relevant years.

(**) IAF refers to Deloitte.

(***) Other refers to other independent audit firms.

38. SUBSEQUENT EVENTS

None.

Disclaimer

This annual report includes forward-looking statements using words such as "expected", "planned", "considered", and "targeted". These are not statements of historical fact but "forward-looking statements". These statements involve uncertainties and risks, and only indicate expectations and predictions as at the date of the publication of the annual report. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Neither the Company, stakeholders, management, employees nor any other people do not accept any liability for the damages that may arise from the use or the content of these forward-looking statements.

Proudly produced by **FINAR.**
www.finarkurumsal.com

a member of
Groupe ADP

TAV HAVALIMANLARI HOLDING A.S.

Stock Ticker Symbol: TAVHL
Date of Istanbul Trade Registry: 07.11.1997
Trade Registration & MERSIS No: 590256 / 0832-0062-0900-0011
Phone: +90 212 463 3000 / 2123-2124
Fax: +90 212 465 3100
Website: www.tavhavalimanlari.com.tr, www.tavyatirimciiliskileri.com.tr
Address: Vadistanbul Bulvar, Ayazaga Mahallesi, Azerbaycan Caddesi,
2C Blok No: 3L/6 34485 Sariyer/Istanbul/Türkiye