

**TAV Havalimanları Holding A.Ş.
and its Subsidiaries**

**Interim Condensed Consolidated Financial Statements
As at and for the Nine-Month Period Ended 30 September 2023**

Report Date 24 October 2023

This report contains the “Interim Condensed Consolidated Financial Statements and their explanatory notes” comprising 49 pages.

**TAV Havalimanları Holding A.Ş.
and its Subsidiaries**

Table of Contents

Interim Condensed Consolidated Statement of Financial Position	
Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income	
Interim Condensed Consolidated Statement of Changes in Equity	
Interim Condensed Consolidated Statement of Cash Flows	
Notes to the Interim Condensed Consolidated Financial Statements	

Notes to the interim condensed consolidated financial statements

	Page
1 Reporting entity	8-9
2 Basis of preparation	10-11
3 Changes in accounting policies	11-13
4 Determination of fair values	13-15
5 Operating segment	15-21
6 Operating revenue	21
7 Tax expense	22-23
8 Finance income and finance cost	23-24
9 Airport operation right	25-26
10 Other receivables, current and non-current assets	27
11 Trade receivables	27
12 Cash and cash equivalents	28
13 Restricted bank balances	29
14 Capital and reserves	30
15 Earnings per share	31
16 Loans and borrowings	32-34
17 Other payables	34-35
18 Financial assets	35
19 Derivative financial instruments	36
20 Financial instruments	37-40
21 Commitments, contingencies and contractual obligations	40-41
22 Related parties	42-45
23 Interests in other entities	46-49
24 Subsequent events	49

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2023

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

	Notes	(Unaudited) 30 September 2023	Audited 31 December 2022
ASSETS			
Property and equipment		636,854	487,345
Intangible assets		19,300	19,888
Airport operation right	9	1,600,196	1,652,220
Right of use assets		69,347	56,754
Equity-accounted investments	23	702,139	755,853
Goodwill		219,913	219,206
Derivative financial instruments	19	67,813	53,613
Non-current due from related parties	22	80,241	144,016
Other non-current assets	10	248,133	107,913
Deferred tax assets		31,817	28,593
Total non-current assets		3,675,753	3,525,401
Inventories		29,445	50,169
Financial assets	18	88,003	45,466
Trade receivables	11	168,709	113,771
Due from related parties	22	28,196	20,078
Other receivables and current assets	10	164,420	159,264
Cash and cash equivalents	12	448,500	258,015
Restricted bank balances	13	95,810	105,569
		1,023,083	752,332
Assets classified as held for sale		1,031	-
Total current assets		1,024,114	752,332
TOTAL ASSETS		4,699,867	4,277,733

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2023

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

	Notes	(Unaudited) 30 September 2023	Audited 31 December 2022
EQUITY			
Share capital	14	162,384	162,384
Share premium		220,286	220,286
Legal reserves		121,975	121,975
Other reserves		(70,058)	(74,341)
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		57,481	46,885
Translation reserves		(59,743)	(38,431)
Retained earnings		914,244	725,838
Total equity attributable to equity holders of the Company		1,386,633	1,204,660
Non-controlling interests	23	18,655	19,998
Total Equity		1,405,288	1,224,658
LIABILITIES			
Loans and borrowings	16	1,201,610	1,007,692
Reserve for employee severance indemnity		23,165	24,029
Due to related parties	22	460,218	465,279
Deferred income		13,637	11,724
Other payables	17	627,015	709,987
Liabilities from equity-accounted investments		10,019	9,542
Deferred tax liabilities		98,697	93,595
Total non-current liabilities		2,434,361	2,321,848
Bank overdraft	12	401	378
Loans and borrowings	16	501,956	387,677
Trade payables		66,404	70,415
Due to related parties	22	936	735
Derivative financial instruments	19	-	173
Current tax liabilities	7	17,504	10,820
Other payables	17	245,470	208,231
Provisions		8,154	6,936
Deferred income		18,999	45,862
		859,824	731,227
Liabilities classified as held for sale		394	-
Total current liabilities		860,218	731,227
Total Liabilities		3,294,579	3,053,075
TOTAL EQUITY AND LIABILITIES		4,699,867	4,277,733

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Nine-Month Period Ended 30 September 2023

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

	Notes	(Unaudited) 1 January- 30 September 2023	(Unaudited) 1 July- 30 September 2023	(Unaudited) 1 January- 30 September 2022	(Unaudited) 1 July- 30 September 2022
Operating revenue	6	981,968	421,793	752,481	340,929
Other operating income		1,219	137	2,034	439
Cost of catering inventory sold		(34,465)	(14,914)	(24,997)	(10,852)
Cost of fuel sold		(164,382)	(52,614)	(115,777)	(45,712)
Cost of services rendered		(95,199)	(39,881)	(67,513)	(29,955)
Personnel expenses		(233,280)	(89,927)	(161,036)	(64,540)
Concession and rent expenses		(1,383)	(600)	(992)	(456)
Depreciation, amortisation and impairment expenses		(99,339)	(48,191)	(70,431)	(37,040)
Other operating expenses		(133,215)	(49,440)	(117,255)	(51,892)
Share of profit of equity-accounted investees, net of tax	23	77,576	68,940	47,175	41,618
Operating profit		299,500	195,303	243,689	142,539
Finance income	8	68,706	53,811	20,724	8,780
Finance costs	8	(146,636)	(53,338)	(118,687)	(47,131)
Net finance (cost) / income		(77,930)	473	(97,963)	(38,351)
Net monetary position gains		6,419	5,137	14,216	2,223
Profit before tax from continuing operations		227,989	200,913	159,942	106,411
Tax expense	7	(44,302)	(13,679)	(23,366)	(4,432)
Profit from continuing operations		183,687	187,234	136,576	101,979
Loss from discontinued operations		(159)	(19)	(717)	(195)
Profit for the period after discontinued operations		183,528	187,215	135,859	101,784
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Defined benefit obligation actuarial differences		(5,398)	172	(1,565)	10
Defined benefit obligation actuarial differences from equity accounted investees		(9,199)	(1,029)	(2,900)	174
Tax on defined benefit obligation actuarial differences		2,356	1,333	315	(2)
Tax on defined benefit obligation actuarial differences from equity accounted investees		1,556	183	31	-
Total items that will not be reclassified to profit or loss		(10,685)	659	(4,119)	182
Items that are or may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges		8,241	16,086	81,922	23,175
Effective portion of changes in fair value of cash flow hedges from equity accounted investees		356	501	1,185	1,185
Portion of cash flow hedges charged to profit or loss		5,343	-	(5,013)	-
Foreign currency translation differences for foreign operations		(2,915)	12,780	91,159	43,937
Foreign currency translation differences for foreign operations from equity accounted investees		(18,019)	(1,620)	(8,975)	(2,464)
Tax on cash flow hedge reserves		(3,344)	(3,816)	(15,105)	(4,536)
Tax on cash flow hedge reserves from equity accounted investees		-	(381)	-	-
Total items that are or may be reclassified subsequently to profit or loss		(10,338)	23,550	145,173	61,297
Other comprehensive income for the period, net of tax		(21,023)	24,209	141,054	61,479
Total comprehensive income for the period		162,505	211,424	276,913	163,263

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Nine-Month Period Ended 30 September 2023

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

	Notes	(Unaudited) 1 January- 30 September 2023	(Unaudited) 1 July- 30 September 2023	(Unaudited) 1 January- 30 September 2022	(Unaudited) 1 July- 30 September 2022
Profit attributable to:					
Owners of the Company		176,185	183,684	129,037	98,218
Non-controlling interest	23	7,343	3,531	6,822	3,566
Profit for the period after discontinued operations		183,528	187,215	135,859	101,784
Total comprehensive income attributable to:					
Owners of the Company		154,784	207,743	265,494	157,382
Non-controlling interest		7,721	3,681	11,419	5,881
Total comprehensive income for the period		162,505	211,424	276,913	163,263
Weighted average number of shares outstanding		363,281,250	363,281,250	361,233,919	361,233,919
Basic and diluted earnings per share for continued operations	15	0.48	0.51	0.36	0.27
Basic and diluted losses per share for discontinued operations	15	(0.00)	(0.00)	(0.00)	(0.00)

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity

For the Nine-Month Period Ended 30 September 2023

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

	Attributable to owners of the Company										Non-Controlling Interests	Total Equity
	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		
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 period												
Profit for the period	-	-	-	-	-	-	-	-	129,037	129,037	6,822	135,859
Other comprehensive income												
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	62,989	-	-	62,989	-	62,989
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(4,119)	(4,119)	-	(4,119)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	77,587	-	77,587	4,597	82,184
Total other comprehensive income	-	-	-	-	-	-	62,989	77,587	(4,119)	136,457	4,597	141,054
Total comprehensive income for the period	-	-	-	-	-	-	62,989	77,587	124,918	265,494	11,419	276,913
Transactions with owners of the Company, recognised directly in equity												
<i>Contributions by and distributions to owners of the Company</i>												
Dividend distributions (Note 23)	-	-	-	-	-	-	-	-	-	-	(3,021)	(3,021)
Effect of IAS 29 indexation	-	-	-	20,383	-	-	-	-	7,267	27,650	-	27,650
Purchase of non-controlling interest	-	-	-	-	-	-	-	-	-	-	61	61
Total transactions with owners of the Company	-	-	-	20,383	-	-	-	-	7,267	27,650	(2,960)	24,690
Balance at 30 September 2022	162,384	220,286	121,975	(32,140)	(4,282)	40,064	45,094	12,612	722,853	1,288,846	23,410	1,312,256
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 period												
Profit for the period	-	-	-	-	-	-	-	-	176,185	176,185	7,343	183,528
Other comprehensive income												
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	10,596	-	-	10,596	-	10,596
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(10,685)	(10,685)	-	(10,685)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(21,312)	-	(21,312)	378	(20,934)
Total other comprehensive income	-	-	-	-	-	-	10,596	(21,312)	(10,685)	(21,401)	378	(21,023)
Total comprehensive income for the period	-	-	-	-	-	-	10,596	(21,312)	165,500	154,784	7,721	162,505
Transactions with owners of the Company, recognised directly in equity												
<i>Contributions by and distributions to owners of the Company</i>												
Dividend distributions (Note 23)	-	-	-	-	-	-	-	-	-	-	(9,064)	(9,064)
Effect of IAS 29 indexation	-	-	-	-	-	-	-	-	22,906	22,906	-	22,906
Other changes in equity	-	-	-	4,283	-	-	-	-	-	4,283	-	4,283
Total transactions with owners of the Company	-	-	-	4,283	-	-	-	-	22,906	27,189	(9,064)	18,125
Balance at 30 September 2023	162,384	220,286	121,975	(70,058)	-	40,064	57,481	(59,743)	914,244	1,386,633	18,655	1,405,288

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows For the Nine-Month Period Ended 30 September 2023

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

	Notes	(Unaudited) 1 January- 30 September 2023	(Unaudited) 1 January- 30 September 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations		183,687	136,576
Loss from discontinued operations		(159)	(717)
Adjustments for:			
Amortisation and impairment of airport operation right	9	55,831	33,315
Depreciation of property and equipment		41,061	34,904
Amortisation of intangible assets		2,447	2,212
Concession and rent expenses		1,383	992
Provision for employee severance indemnity		2,980	2,039
Provision for doubtful receivables		704	3,098
Discount on receivables, payables and financial liabilities, net		(1,924)	(1,377)
Provision set for unused vacation		3,034	179
Loss on sale of property and equipment		64	293
Interest income		(26,885)	(11,762)
Interest expense on financial liabilities		92,245	60,695
Other finance income		(35,477)	-
Tax expense	7	44,299	23,362
Unwinding of discount on concession receivable and payable		28,613	26,587
Share of profit of equity-accounted investees, net of tax	23	(77,576)	(47,175)
Unrealised foreign exchange differences on statement of financial position items		(20,066)	14,637
Net monetary position gains		(6,411)	(14,152)
Cash flows from operating activities		287,850	263,706
Change in current trade receivables		(55,015)	(45,331)
Change in non-current trade receivables		-	9,683
Change in inventories		962	(33,786)
Change in due from related parties		(6,718)	(11,274)
Change in other receivables and assets		(141,243)	(45,352)
Change in trade payables		(3,801)	39,304
Change in due to related parties		(201)	255
Change in other payables and provisions		(57,615)	42,552
Cash provided from operations		24,219	219,757
Income taxes paid	7	(37,593)	(15,037)
Retirement benefits paid		(2,243)	(628)
Net cash (used in) / provided from operating activities		(15,617)	204,092

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows For the Nine-Month Period Ended 30 September 2023

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

	Notes	(Unaudited) 1 January- 30 September 2023	(Unaudited) 1 January- 30 September 2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, equipment and intangible assets and airport operation right		1,643	3,249
Acquisition of property and equipment		(160,987)	(98,672)
Additions to airport operation right	9	-	(112)
Sale of joint venture		124,617	-
Purchase of exchange rate protected deposit		(86,250)	(1,714)
Proceeds from exchange rate protected deposit		45,293	-
Acquisition of intangible assets		(1,063)	(611)
Acquisition of non-consolidated investments		(433)	(372,657)
Change in due from related parties		29,545	(5,670)
Dividends from equity-accounted investees		51,571	19,817
Net cash provided from / (used in) investing activities		3,936	(456,370)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		365,680	362,309
Repayment of borrowings		(105,047)	(156,092)
Dividends paid		(9,064)	(3,021)
Interest received		16,187	3,965
Interest paid		(44,658)	(40,670)
Change in due to related parties		(21,602)	292,837
Change in restricted bank balances		9,760	(29,628)
Change in lease liabilities		(9,113)	(9,002)
Net cash provided from financing activities		202,143	420,698
NET INCREASE IN CASH AND CASH EQUIVALENTS		190,462	168,420
CASH AND CASH EQUIVALENTS AT 1 JANUARY	12	257,637	92,515
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	12	448,099	260,935

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

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 Turkey 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 Bulvarı, Ayazağa Mah. Azerbaijan Cad. Sarıyer, İstanbul, Turkey.

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

The interim condensed consolidated financial statements of the Company as at and for the nine-month period ended 30 September 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.

Changes in ownership interest percentages of the Company’s subsidiaries since 31 December 2022 are as follows:

Name of Subsidiary	Principal Activity	Place of operation	30 September 2023		31 December 2022	
			Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
TAV Ankara Yatırım Yapım ve İşletme A.Ş. (“TAV Ankara”)	Ankara Airport Terminal Services	Turkey	100.00	100.00	-	-
Primeclass Santiago SPA (“TAV İşletme SASA”)	Lounge Services	Chile	50.00	50.00	-	-
Kazakhstan Operation Services LLP (“TAV İşletme Kazakistan”)	Lounge Services	Kazakhstan	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
Tibah Airports Development Company CJSC (“Tibah Development”)	Airport Operator	Saudi Arabia	26.00	26.00	50.00	50.00

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

1. REPORTING ENTITY (continued)

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) ("DHMI"), 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 and TAV Antalya entered into concession agreement with DHMI 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, DHMI, 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 and VT through its holding companies in 2021.

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 Turkey which are Antalya, Ankara Esenboğa, Gazipaşa-Alanya, İzmir Adnan Menderes and Milas-Bodrum have been extended for two years. 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.

In accordance with the authorization provided by article 11 of the Group's articles of association and in compliance with the provisions of the Capital Markets Board's Communiqué on Debt Securities, Board of Directors of the Group has unanimously resolved to issue debt securities for sale in foreign markets, with total value of up to 750.000.000 (seven hundred and fifty million) USD or its equivalent in foreign currency, within a one-year period and to carry out the issuance of debt securities through one or more transactions, in various series and maturities, with fixed and/or variable interest rates to be determined based on the prevailing market conditions at the time of issuance and to apply to the Capital Markets Board for approval of the issuance of our debt securities.

Seasonality of Operations

Due to seasonal nature of operations, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period June to August are mainly attributed to the increased number of passengers during the peak season.

The Group employs 20,112 in subsidiaries (average: 19,407) and 10,426 in joint ventures (average: 10,025) people as at 30 September 2023 (31 December 2022: 17,840 in subsidiaries (average: 17,644) and 9,062 in joint ventures (average: 9,095)).

TAV İstanbul employs no personnel (31 December 2022: 3 (average: 4)) as at 30 September 2023.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

2. BASIS OF PREPARATION

a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 24 October 2023. The power to change the interim condensed consolidated financial statements after the issuing of the interim condensed consolidated financial statements is held by the General Assembly. The interim condensed consolidated financial statements do not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, this interim condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 December 2022.

b) Basis of measurement

The interim condensed 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) 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 Turkey 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" ("IAS 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 IAS 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, Turkey 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 TRY 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 2023 until 30 September 2023 is accounted under consolidated statement of profit or loss and comprehensive income.

Effect of IAS 29 in Groups financial statements is as shown below:

EBITDA: EUR 1,510

Share of profit of equity-accounted investments: EUR (3,674)

Net income: EUR (2,908)

Equity: EUR 22,906

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

2. BASIS OF PREPARATION (continued)

d) Basis of presentation of consolidated financial statements

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications, for the purpose of fair presentation in accordance with IFRS.

e) Functional and presentation currency

TAV Holding and its subsidiaries operating in Turkey 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 Turkey 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.

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

The functional currencies of the Group entities and joint ventures are consistent with the Group’s interim consolidated financial statements as at and for the nine-month period ended 30 September 2023.

3. CHANGES IN ACCOUNTING POLICIES

The new standards, amendments and interpretations

a) Amendments that are mandatorily effective from 2023

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

Amendments to TAS 1 Disclosure of Accounting Policies

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

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

Amendments to TAS 8 Definition of Accounting Estimates

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

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

3. CHANGES IN ACCOUNTING POLICIES (continued)

The new standards, amendments and interpretations (continued)

a) Amendments that are mandatorily effective from 2023 (continued)

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

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

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

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

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

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

Amendments are effective with the first application of TFRS 17.

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

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

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

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

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

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

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

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

3. CHANGES IN ACCOUNTING POLICIES (continued)

The new standards, amendments and interpretations (continued)

b) New and revised IFRSs in issue but not yet effective (continued)

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

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

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

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

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

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

Amendments to TAS 1 Non-current Liabilities with Covenants

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

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

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

Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

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

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.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

4. DETERMINATION OF FAIR VALUES (continued)

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 DHMI license 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.

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.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

4. DETERMINATION OF FAIR VALUES (continued)

iv) Derivatives: (continued)

v) Other non-derivative financial liabilities: (continued)

Fair value hierarchy: (continued)

30 September 2023	Level 1	Level 2	Level 3
Financial assets	-	88,003	-
Interest rate swap	-	67,813	-
Financial liabilities at fair value through profit or loss	-	(25,529)	-
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)	-

5. OPERATING SEGMENT

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 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, AIA and TAV Ankara 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.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

5. OPERATING SEGMENT (continued)

- **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 Kazakhstan, TAV İşletme SASA, TAV İşletme New York, TAV İşletme Madagascar, TAV İşletme Bermuda, GIS Spain, GIS France, GIS Germany, GIS Italy, GIS Mexico, TAV İşletme Saudi, Paris Lounge Network, TAV İşletme Chile, TAV İşletme Dulles Operations, TAV İşletme Dulles Investment, TAV Havacılık, TAV Bilişim, TAV IT Saudi, TAV IT Netherlands, TAV IT Qatar, TAV Güvenlik, Aerosec Security, TAV Akademi, Aviator Netherlands, PMIA Aviator BV, ZAIC-A, ATU Holdings, Medinah Hotel, Holdco, AAIH, TAV Kazakhstan, VT and FBO.

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 Havalimanlari Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

5. OPERATING SEGMENT (continued)

	Nine-month period ended 30 September											
	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	752,961	626,971	121,349	90,719	176,081	122,692	331,510	244,953	147,417	118,809	1,529,318	1,204,144
Inter-segment revenue	49,590	35,899	11,172	7,240	35	59	836	826	37,990	33,040	99,623	77,064
Interest income	10,028	19,958	478	353	1,126	1,530	653	1,670	35,223	18,677	47,508	42,188
Interest expense	(66,699)	(53,170)	(3,081)	(2,115)	(727)	(1,021)	(6,465)	(4,232)	(49,695)	(44,755)	(126,667)	(105,293)
Depreciation and amortisation	(171,489)	(134,800)	(5,559)	(5,238)	(4,056)	(7,883)	(14,271)	(12,745)	(8,616)	(7,480)	(203,991)	(168,146)
Reportable segment operating profit	217,465	196,329	14,528	8,102	21,754	12,833	51,592	54,353	47,422	7,729	352,761	279,346
Capital expenditure	289,711	141,456	4,825	3,050	2,998	1,922	18,639	3,478	22,763	6,651	338,936	156,557
	As at 30 September 2023 and 31 December 2022											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Reportable segment assets	4,794,916	4,663,529	51,601	33,891	148,882	154,257	278,117	263,389	1,438,386	1,265,705	6,711,902	6,380,771
Reportable segment liabilities	3,881,484	3,715,781	84,245	74,245	75,023	96,895	148,141	145,990	751,340	758,317	4,940,233	4,791,228

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

5. OPERATING SEGMENT (continued)

	Three-month period ended 30 September											
	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	298,230	299,090	58,992	43,811	79,561	63,874	157,784	109,677	62,972	52,218	657,539	568,670
Inter-segment revenue	26,690	20,177	4,352	3,190	16	33	397	372	13,023	10,843	44,478	34,615
Interest income	2,800	1,180	212	252	368	813	337	964	13,688	6,740	17,405	9,949
Interest expense	(16,490)	(19,754)	(1,164)	(646)	(64)	(345)	(2,105)	(1,280)	(17,558)	(10,962)	(37,381)	(32,987)
Depreciation and amortisation	(86,269)	(79,787)	(2,179)	(1,909)	1,814	(3,336)	(4,742)	(4,773)	(3,343)	(3,209)	(94,719)	(93,014)
Reportable segment operating profit	124,673	98,635	9,529	6,274	12,147	8,618	29,374	29,301	40,648	2,189	216,371	145,017
Capital expenditure	107,983	44,223	768	542	1,015	1,187	3,655	1,255	6,441	3,220	119,862	50,427

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

5. OPERATING SEGMENT (continued)

Reconciliations of reportable segment revenues, profit before tax, assets and liabilities and other material items

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Revenues				
Total revenue for reportable segments	1,443,534	626,022	1,129,359	540,224
Other revenue	185,407	75,995	151,849	63,061
Elimination of inter-segment revenue	(99,623)	(44,478)	(77,064)	(34,615)
	1,529,318	657,539	1,204,144	568,670
Effect of using the equity method for joint ventures	(547,350)	(235,746)	(451,663)	(227,741)
Consolidated revenue	981,968	421,793	752,481	340,929
	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Operating profit				
Segment operating profit	305,339	175,723	271,617	142,828
Other operating profit	47,422	40,648	7,729	2,189
	352,761	216,371	279,346	145,017
Effect of using the equity method for joint ventures	(53,261)	(21,068)	(35,657)	(2,478)
Consolidated operating profit	299,500	195,303	243,689	142,539
Finance income	68,706	53,811	20,724	8,780
Finance expense	(146,636)	(53,338)	(118,687)	(47,131)
Net monetary position gain	6,419	5,137	14,216	2,223
Consolidated profit before tax from continuing operations	227,989	200,913	159,942	106,411
		30 September 2023	31 December 2022	
Assets				
Total assets for reportable segments		5,273,910	5,115,066	
Other assets		1,438,386	1,265,705	
		6,712,296	6,380,771	
Effect of using the equity method for joint ventures		(2,012,429)	(2,103,038)	
Consolidated total assets		4,699,867	4,277,733	
		30 September 2023	31 December 2022	
Liabilities				
Total liabilities for reportable segments		4,189,287	4,032,911	
Other liabilities		751,340	758,317	
		4,940,627	4,791,228	
Effect of using the equity method for joint ventures		(1,646,048)	(1,738,153)	
Consolidated total liabilities		3,294,579	3,053,075	

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

5. OPERATING SEGMENT (continued)

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Interest income				
Total interest income for reportable segments	12,285	3,717	23,511	3,209
Other interest income	35,223	13,688	18,677	6,740
Elimination of inter-segment interest income	(16,473)	(5,900)	(27,986)	(3,363)
	31,035	11,505	14,202	6,586
Effect of using the equity method for joint ventures	(4,202)	(1,334)	(2,444)	(1,256)
Consolidated interest income	26,833	10,171	11,758	5,330
Interest expense				
Total interest expense for reportable segments	(76,972)	(19,823)	(60,538)	(22,025)
Other interest expense	(49,695)	(17,558)	(44,755)	(10,962)
Elimination of inter-segment interest expense	15,546	4,974	26,348	3,222
	(111,121)	(32,407)	(78,945)	(29,765)
Effect of using the equity method for joint ventures	18,875	(1,012)	18,250	7,765
Consolidated interest expense	(92,246)	(33,419)	(60,695)	(22,000)

Geographical information

The main geographical segments of the Group and its joint ventures are comprised of Kazakhstan, Turkey, Georgia, Tunisia, Macedonia, Latvia, Oman, Spain 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.

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Revenue				
Turkey	393,256	192,204	293,755	145,806
Kazakhstan	302,862	105,754	229,637	87,743
Georgia	86,746	37,542	70,907	33,071
Macedonia	37,139	16,130	29,131	13,441
Tunisia	33,174	19,037	20,901	12,463
Oman	20,158	7,387	14,301	6,042
Latvia	19,590	7,290	14,010	5,753
Spain	13,533	5,207	8,164	3,167
Saudi Arabia	7,790	2,746	7,176	2,278
Other	67,720	28,496	64,499	31,165
Consolidated revenue	981,968	421,793	752,481	340,929

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

5. OPERATING SEGMENT (continued)

Non-current assets	30 September 2023	31 December 2022
Turkey	2,314,833	2,219,654
Kazakhstan	624,088	501,915
Tunisia	433,553	432,628
Macedonia	94,000	98,376
Georgia	78,141	82,984
Croatia	10,060	10,729
Oman	9,579	10,879
Qatar	5,403	4,515
Spain	4,763	4,653
Latvia	2,237	2,618
Saudi Arabia	1,533	2,239
Other	97,563	154,211
Consolidated non-current assets	3,675,753	3,525,401

6. OPERATING REVENUE

An analysis of the Group's operating revenue for the period ended 30 September are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Aviation income	405,138	167,992	313,908	137,490
Ground handling income	218,118	93,667	160,667	75,856
Catering services income	114,228	55,257	81,177	38,615
Income from lounge services and prime class	62,260	25,367	33,502	15,416
Commission from sales of duty free goods	46,860	24,870	39,019	22,803
Area allocation income	25,423	9,279	21,075	7,905
Security services income	15,730	7,921	8,883	3,649
Income from car parking operations and valet service income	15,521	5,846	11,467	4,683
Software sales income	11,808	4,862	5,710	1,775
Hardware sales income	10,555	5,049	33,921	17,287
Bus services income	8,363	3,530	5,186	2,326
Rent income from sublease	5,450	3,080	3,451	1,930
Advertising income	4,047	2,037	2,764	1,205
Hotel and reservation income	3,625	1,561	2,840	1,203
Utility and general participation income	2,973	935	3,107	1,261
Loyalty card income	1,140	653	394	164
Operating financial revenue	538	8	2,880	760
Other operating revenue	30,191	9,879	22,530	6,601
Total operating revenue	981,968	421,793	752,481	340,929

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

7. TAX EXPENSE

An analysis of the Group's tax expense for the nine-month periods ended 30 September 2023 and 2022 are as follows:

Tax recognised in profit or loss

	2023	2022
Current tax expense		
Current year tax expense	38,553	20,546
Adjustments for prior periods(*)	5,727	2,348
	44,280	22,894
Deferred tax expense		
Origination and reversal of temporary differences	8,358	3,858
Change in previously recognised investment incentives	(8,616)	(4,500)
Recognition of current period tax losses	280	1,114
	22	472
Total tax expense	44,302	23,366

(*) The amount in 2023 is mainly related with the earthquake tax.

The reported tax expenses for the periods ended 30 September 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		227,989		159,942
Loss before tax from discontinued operations		(159)		(721)
Profit before tax		227,830		159,221
Tax using the Company's domestic tax rate	25	56,958	23	36,621
Tax effects of:				
- non-deductible expenses	7	15,481	6	9,402
- translation of non-monetary items according to IAS 21	(7)	(15,242)	3	4,386
- change in previously recognised investment incentives	(4)	(8,616)	(3)	(4,500)
- tax exempt income	(6)	(14,299)	(3)	(4,605)
- used tax loss carry forwards which no deferred tax asset is recognised	(1)	(467)	(1)	(414)
- current year losses for which no deferred tax asset is recognised	17	39,057	1	626
- effect of different tax rates for foreign jurisdictions	(4)	(9,311)	(2)	(3,415)
- under / (over) provided in prior years	3	5,727	1	2,348
- adjustment for equity accounted investees	(9)	(19,394)	(7)	(10,850)
- effect of change in tax rates	1	3,005	-	-
- effect of different tax rates	1	2,286	(2)	(2,472)
- other consolidation adjustments	(4)	(10,886)	(2)	(3,765)
Tax expense	19	44,299	14	23,362
Total tax expense from continuing operations		44,302		23,366
Total tax expense from discontinued operations		(3)		(4)

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

7. TAX EXPENSE (continued)

Corporate tax:

	30 September 2023	31 December 2022
Corporate tax provision from continuing operations	38,553	30,785
Corporate tax provision from discontinued operations	(3)	(29)
Corporate tax provision	38,550	30,756
Adjustments for prior periods	5,727	3,214
Add: taxes payable from previous year	10,820	3,296
Less: corporation taxes paid during the year	(37,593)	(26,446)
Current tax liabilities	17,504	10,820

8. FINANCE INCOME AND FINANCE COSTS

Recognised in profit or loss

An analysis of the Group's finance income and finance costs for the period ended 30 September are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Interest income on bank deposits and intercompany loans	26,833	10,171	11,758	5,330
Discount income	1,924	1,759	1,377	9
Fair value of derivatives	119	-	-	-
Other financial assets income (*)	4,353	1,563	6,092	2,726
Other finance income (**)	35,477	40,318	1,497	715
Finance income	68,706	53,811	20,724	8,780
	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Interest expense on financial liabilities and intercompany loans	(92,246)	(33,419)	(60,695)	(22,000)
Discount expense (***)	(29,151)	(9,643)	(29,467)	(10,233)
Foreign exchange loss, net	(12,338)	(3,238)	(1,903)	(1,534)
Bank charges	(5,651)	(3,946)	(5,224)	(1,826)
Commission expense	(4,209)	(1,853)	(2,531)	(926)
Interest expense provision on employee benefit obligation	(2,680)	(878)	(1,216)	(397)
Fair value of derivatives	-	-	(118)	(15)
Other finance costs (**)	(361)	(361)	(17,533)	(10,200)
Finance cost	(146,636)	(53,338)	(118,687)	(47,131)
Net finance (costs) / income	(77,930)	473	(97,963)	(38,351)

(*) 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 30 June 2023, turns into financial income due to the share sale of Tibah Development as of 30 September 2023.

(***) Discount expense is related with the unwinding of discount on concession payables amounting to EUR 29,151 as of 30 September 2023 (30 September 2022: EUR 29,467).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

8. FINANCE INCOME AND FINANCE COSTS (continued)

Recognised in other comprehensive income

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Effective portion of changes in fair value of cash flow hedges	8,597	16,587	83,107	24,360
Portion of cash flow hedges charged to profit or loss	5,343	-	(5,013)	-
Tax on cash flow hedge reserves	(3,344)	(3,816)	(15,105)	(4,536)
Foreign currency translation differences for foreign operations	(2,915)	12,780	91,159	43,937
Finance costs recognised in other comprehensive income, net of tax	7,681	25,551	154,148	63,761

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

9. AIRPORT OPERATION RIGHT

	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Alanya Gazipaşa Airport	Skopje International Airport	Milas-Bodrum Airport	Almaty Airport	Total
Cost								
Balance at 1 January 2022	808,788	95,574	595,488	48,198	132,077	522,088	81,777	2,283,990
Additions	-	-	-	-	-	112	-	112
Effect of movements in exchange rates	-	25,791	-	-	-	-	13,204	38,995
Balance at 30 September 2022	808,788	121,365	595,488	48,198	132,077	522,200	94,981	2,323,097
Balance at 1 January 2023	809,096	116,608	595,488	48,198	132,077	522,234	87,117	2,310,818
Effect of movements in exchange rates	-	2,140	-	-	-	-	708	2,848
Disposals	-	-	-	-	(39)	-	-	(39)
Transfers	-	2,820	-	-	-	-	-	2,820
Balance at 30 September 2023	809,096	121,568	595,488	48,198	132,038	522,234	87,825	2,316,447

(*) Transfer amounting to EUR 2,820 comprises from property, plant and equipments as at 30 September 2023 (31 December 2022: None).

(**) There is no capitalised borrowing cost on airport operation right during 2023 (31 December 2022: None).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

9. AIRPORT OPERATION RIGHT (continued)

	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Alanya Gazipaşa Airport	Skopje International Airport	Milas-Bodrum Airport	Almaty Airport	Total
Accumulated amortization								
Balance at 1 January 2022	248,626	49,929	157,889	12,611	42,641	90,831	562	603,089
Effect of movements in exchange rates	-	14,108	-	-	-	-	144	14,252
Amortisation for the period	18,849	5,014	3,634	674	4,919	9,599	626	43,315
Impairment reversals	-	-	(10,000)	-	-	-	-	(10,000)
Balance at 30 September 2022	267,475	69,051	151,523	13,285	47,560	100,430	1,332	650,656
Balance at 1 January 2023	272,211	68,452	152,389	13,469	48,848	101,793	1,436	658,598
Amortisation for the period	23,611	6,992	5,818	835	5,200	12,601	774	55,831
Effect of movements in exchange rates	-	1,228	-	-	-	-	30	1,258
Transfers	-	564	-	-	-	-	-	564
Balance at 30 September 2023	295,822	77,236	158,207	14,304	54,048	114,394	2,240	716,251
Carrying amounts								
At 30 September 2022	541,313	52,314	443,965	34,913	84,517	421,770	93,649	1,672,441
At 31 December 2022	536,885	48,156	443,099	34,729	83,229	420,441	85,681	1,652,220
At 30 September 2023	513,274	44,332	437,281	33,894	77,990	407,840	85,585	1,600,196

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

10. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 30 September 2023 and 31 December 2022, other receivables and current assets comprised the following:

<u>Other receivables and current assets</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Advances to suppliers	86,036	84,532
VAT deductible	32,213	23,744
Prepaid taxes and funds	14,549	10,662
Other prepaid expense	12,275	12,048
Income accruals	9,644	20,517
Prepaid insurance	2,802	1,439
Advances given to personnel	1,929	1,316
Deposits and guarantees given	330	449
Other receivables	4,642	4,557
	<u>164,420</u>	<u>159,264</u>

<u>Other non-current assets</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Financial assets (*)	78,296	73,782
Other non-current receivables (**)	169,837	34,131
	<u>248,133</u>	<u>107,913</u>

(*) 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.

11. TRADE RECEIVABLES

At 30 September 2023 and 31 December 2022, trade receivables comprised the following:

<u>Trade receivables:</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade receivables	166,447	102,189
Doubtful receivables	47,671	49,244
Allowance for doubtful receivables (-)	(47,671)	(49,244)
Notes receivables	2,262	931
Guaranteed passenger fee receivable from DHMI (*)	-	10,651
	<u>168,709</u>	<u>113,771</u>

(*) Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMI according to the agreement 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 Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

12. CASH AND CASH EQUIVALENTS

At 30 September 2023 and 31 December 2022, cash and cash equivalents comprised the following:

	30 September 2023	31 December 2022
Cash on hand	1,005	609
Cash at banks		
- Demand deposits	140,998	195,534
- Time deposits	305,872	56,458
Other liquid assets	625	5,414
Cash and cash equivalents	448,500	258,015
Bank overdrafts used for cash management purposes	(401)	(378)
Cash and cash equivalents in the statement of cash flows	448,099	257,637

The details of the Group's time deposits, maturities and interest rates as at 30 September 2023 and 31 December 2022 are as follows:

30 September 2023			
Original Currency	Maturity	Interest rate %	Balance
EUR	October – December 2023	0.01 – 3.65	237,905
USD	October – September 2024	0.05 – 2.00	55,945
TRL	October 2023	5.00 – 32.00	3,712
Other	October – September 2024	0.03 – 15.00	8,310
			305,872
31 December 2022			
Original Currency	Maturity	Interest rate %	Balance
EUR	January – February 2023	0.01 – 2.00	26,517
USD	January – April 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 20.

There is no blockage or restriction on the use of cash and cash equivalents as at 30 September 2023 and 31 December 2022.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

13. RESTRICTED BANK BALANCES

At 30 September 2023 and 31 December 2022, restricted bank balances comprised the following:

	30 September 2023	31 December 2022
Project reserve and funding accounts (*)	95,810	105,569
	95,810	105,569

- (*) TAV Tunisia, TAV Macedonia, 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 16, 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.

30 September 2023

<u>Original Currency</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	0.01	93,441
TRL	28.00	1,609
USD	0.05	669
Other		91
		95,810

31 December 2022

<u>Original Currency</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	0.05 – 5.00	99,591
USD	0.10 – 2.00	2,460
TRL	14.50 – 20.00	3,243
Other	15.00	275
		105,569

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

14. CAPITAL AND RESERVES

At 30 September 2023 and 31 December 2022, the shareholding structure of the Company was as follows:

<u>Shareholders</u>	(%)	30 September 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 30 September 2023		12,514
Effect of non-cash increases and exchange rates		149,870
Paid in capital EUR		162,384

<u>Shareholders</u>	(%)	31 December 2022
Tank ÖWA Alpha GmbH (*)	46.12	167,542
Tepe İnşaat	5.06	18,375
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

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.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

15. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 30 September 2023 was based on the profit attributable to ordinary shareholders of EUR 176,344 (30 September 2022: profit attributable to ordinary shareholders of EUR 129,754) and a weighted average number of ordinary shares outstanding of 363,281,250 (30 September 2022: 361,233,919) as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Numerator:				
Profit for the period attributable to owners of the Company from continued operations	176,344	183,703	129,754	98,413
Loss for the period attributable to owners of the Company from discontinued operations	(159)	(19)	(717)	(195)
Denominator:				
Weighted average number of shares	363,281,250	363,281,250	361,233,919	361,233,919
Basic and diluted profit per share for continued operations (full EUR)	0.48	0.51	0.36	0.27
Basic and diluted loss per share for discontinued operations (full EUR)	(0.00)	(0.00)	(0.00)	(0.00)
		1 January- 30 September 2023	1 January- 30 September 2022	
Issued ordinary shares at 1 January		363,281,250	361,233,919	
Weighted average number of ordinary shares		363,281,250	361,233,919	

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

16. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost and at fair value through profit or loss. For more information about the Group's exposure to foreign currency risk arising from these loans and borrowings, see Note 20.

	30 September 2023	31 December 2022
Non-current liabilities		
Secured bank loans (*)	856,924	823,476
Unsecured bank loans	254,766	106,538
Lease liabilities	64,391	52,288
Financial liabilities at fair value through profit or loss (**)	25,529	25,390
	1,201,610	1,007,692
Current liabilities		
Short term secured bank loans (*)	272,099	47,178
Current portion of long term secured bank loans (*)	134,882	92,267
Short term unsecured bank loans	77,899	229,591
Current portion of long term unsecured bank loans	11,097	12,443
Current portion of long term lease liabilities	5,979	6,198
	501,956	387,677

(*) Secured bank loans mainly consist of project finance loans that have been secured by pledges.

(**) 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 lease liabilities as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Bank loans	1,607,667	1,311,493
Lease liabilities	70,370	58,486
Financial liabilities at fair value through profit or loss	25,529	25,390
	1,703,566	1,395,369

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

16. LOANS AND BORROWINGS (continued)

The Group's bank loans as at 30 September 2023 are as follows:

	Presented as		
	Current liabilities	Non-current liabilities	Total
TAV Kazakhstan	48,348	377,279	425,627
TAV Holding	58,429	234,939	293,368
TAV Tunisia	238,293	-	238,293
TAV Ege	19,890	167,551	187,441
TAV Ankara	17,521	140,317	157,838
TAV Milas Bodrum	18,820	92,463	111,283
TAV Macedonia	8,620	61,594	70,214
HAVAŞ	35,840	17,136	52,976
BTA	29,530	16,959	46,489
Other	20,686	3,452	24,138
	495,977	1,111,690	1,607,667

The Group's bank loans as at 31 December 2022 are as follows:

	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 Gazipaşa	8,606	-	8,606
Other	20,574	1,979	22,553
	381,479	930,014	1,311,493

Redemption schedules of the Group's bank loans according to original maturities as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
On demand or within one year	495,977	381,479
Between one and five years	599,255	461,056
After five years	512,435	468,958
	1,607,667	1,311,493

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

16. LOANS AND BORROWINGS (continued)

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 30 September 2023 are between 2.00% - 8.40%, USD denominated loans as at 30 September 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 87%, 28%, 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. (31 December 2022: 93%, 53%, 100%, 90%, 70% and 81% for TAV Ege, TAV Macedonia, TAV İşletme America, TAV Milas Bodrum, TAV Kazakhstan and AIA respectively).

The Group has obtained project financing loans to finance construction of its BOT and BTO concession projects, namely TAV Macedonia, TAV Tunisia, TAV Ankara and TAV Ege; and to be able to finance advance payments to DHMİ related to rent agreement of TAV Milas Bodrum.

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 ratios 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 September 2023 and the amount outstanding as of 30 September 2023 is EUR 238,293 (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 30 September 2023.

17. OTHER PAYABLES

At 30 September 2023 and 31 December 2022, other payables comprised the following:

	30 September 2023	31 December 2022
Other short term payables		
Concession payable (*)	145,727	123,439
Advances received	51,620	37,763
Expense accruals	16,123	15,366
Taxes and duties payable	11,534	14,318
Social security premiums payable	7,859	6,675
Due to personnel	7,521	5,974
Other accruals and liabilities	5,086	4,696
	245,470	208,231
Other long term payables		
Concession payable (*)	569,890	600,837
Deferred payment liability	54,236	106,552
Other accruals and liabilities	2,889	2,598
	627,015	709,987

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

17. OTHER PAYABLES (continued)

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 20.

- (*) 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 concession 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 DHMI 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 315,731 as of 30 September 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 Turkey 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 269,328 as of 30 September 2023 (31 December: 2022: EUR 287,194).

18. FINANCIAL ASSETS

At 30 September 2023 and 31 December 2022, financial assets comprised the following:

	30 September 2023	31 December 2022
Exchange rate protected deposits (*)	85,811	45,000
Investment funds	2,192	466
	88,003	45,466

(*) Exchange rate protected deposits have 3 months to 1 year maturity.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

19. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 September 2023 and 31 December 2022, derivative financial instruments comprised the following:

	30 September 2023		
	Assets	Liabilities	Net Amount
Interest rate swap	67,813	-	67,813
	67,813	-	67,813
	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 30 September 2023, 87% 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 30 September 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 30 September 2023, 34% 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 30 September 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 30 September 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 30 September 2023, 70% of total loan is hedged through IRS contract (31 December 2022: 81%).

The fair value of derivatives at 30 September is estimated at profit of EUR 67,813. This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 30 September 2023, changes in the fair value of these interest rate swaps are reflected to other comprehensive income resulting to a profit of EUR 10,240 net of tax.

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 Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

20. FINANCIAL INSTRUMENTS

Currency risk

Exposure to currency risk:

The Group's exposure to foreign currency risk in Euro equivalent of their original currencies are as follows:

30 September 2023

Foreign currency denominated financial assets	USD	EUR (*)	TRL(**)	Other	Total
Other non-current assets	81,661	-	9,362	163	91,186
Trade receivables	10,052	1,742	4,915	30,033	46,742
Due from related parties	2,015	1,795	6,927	1,639	12,376
Other receivables and current assets(**)	7,370	4,661	4,747	38,431	55,209
Financial assets	-	-	85,913	-	85,913
Restricted bank balances	669	-	1,365	90	2,124
Cash and cash equivalents	21,362	20,110	6,219	9,577	57,268
	123,129	28,308	119,448	79,933	350,818
Foreign currency denominated financial liabilities					
Loans and borrowings	(2,165)	(51,381)	(11,783)	(2,490)	(67,819)
Trade payables	(2,021)	(2,028)	(6,101)	(24,458)	(34,608)
Due to related parties	(1)	-	(15)	(21)	(37)
Other payables	(26,956)	(506)	(9,391)	(53,055)	(89,908)
	(31,143)	(53,915)	(27,290)	(80,024)	(192,372)
Net exposure	91,986	(25,607)	92,158	(91)	158,446

(*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

(**) EUR 85,811 comprises exchange rate protected deposits.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

20. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued):

31 December 2022

Foreign currency denominated financial assets	USD	EUR (*)	TRL(**)	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
Other receivables and current assets(**)	7,712	3,667	3,356	55,258	69,993
Financial assets	-	-	45,466	-	45,466
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 Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

20. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis:

The Group's principal currency risk relates to changes in the value of the Euro 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 30 September 2023 and 31 December 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
30 September 2023				
USD	-	-	(9,199)	9,199
TRL	-	-	(9,216)	9,216
Other	-	-	9	(9)
Total	-	-	(18,406)	18,406
31 December 2022				
USD	-	-	(6,245)	6,245
TRL	-	-	(4,444)	4,444
Other	-	-	(2,125)	2,125
Total	-	-	(12,814)	12,814

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

20. FINANCIAL INSTRUMENTS (continued)

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:

		30 September 2023		31 December 2022	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Financial assets (*)	18	88,003	88,003	45,466	45,466
Trade receivables - current	11	168,709	168,709	113,771	113,974
Due from related parties	22	108,437	108,437	164,094	164,094
Restricted bank balances	13	95,810	95,810	105,569	105,569
Cash and cash equivalents	12	448,500	448,500	258,015	258,015
Derivative financial instruments	19	67,813	67,813	53,613	53,613
Financial liabilities					
Bank overdraft	12	(401)	(401)	(378)	(378)
Loans and borrowings	16	(1,703,566)	(1,704,991)	(1,395,369)	(1,396,794)
Trade payables (**)		(66,404)	(66,404)	(70,415)	(70,415)
Due to related parties	22	(461,154)	(461,154)	(466,014)	(466,014)
Derivative financial instruments	19	-	-	(173)	(173)
Other payables (**)		(820,865)	(834,337)	(880,455)	(895,775)
		(2,075,118)	(2,090,015)	(2,072,276)	(2,088,818)

(*) EUR 85,811 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.

21. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	30 September 2023	31 December 2022
Letters of guarantee given to third parties	1,170,505	858,364
Letters of guarantee given to DHMİ	114,724	94,539
Letters of guarantee given to Tunisian Government	16,394	16,498
Letters of guarantee given to Saudi Arabian Government	12,593	12,466
Letters of guarantee given to Macedonian Government	250	250
	1,314,466	982,117

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

21. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

The Group is obliged to give a letter of guarantee at an amount equivalent of USD 13,354 (EUR 12,593) (31 December 2022: USD 13,290 (EUR 12,466)) to GACA according to the BTO agreement signed with GACA in Saudi Arabia. Furthermore, the Group is not obliged to provide a letter of guarantee as of 30 September 2023 (31 December 2022: None) to National Commercial Bank which is included in letters of guarantee given to third parties. This letter of guarantee is also provided to back an Equity Bridge Loan which was rolled in 2019 within a maturity of 2021. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 8,957 (31 December 2022: EUR 9,011) to the Ministry of State Property and Land Affairs and EUR 7,437 (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 872,700.

The Group has a guarantee over the bank loan of TAV Ankara amounting to EUR 156,000.

US Sanctions

In the context of the U.S. government's sanctions against Russia, Belarus and Iran, TAV received a letter in January 2023 from the U.S. Bureau of Industry and Security ("BIS"), Office of Export Enforcement ("OEE") like other airport operators in Turkey. The letter 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 TAV to assess the risks involved in providing services to the listed aircraft operating in Turkish and Georgian airspace. TAV, in conjunction with the Turkish authorities and BIS, assessed this risk and took the appropriate decisions. BIS indicated to Group that these decisions were appropriate and that no further action was required.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

22. RELATED PARTIES

The major immediate parents and ultimate controlling party of the Group is Group Aéroport de Paris.

Key management personnel compensation:

Key management personnel consists of members of Board of Directors of TAV Holding and Senior Management of TAV Holding and its subsidiaries. The compensation of key management personnel includes salaries, bonus, health insurance, communication and transportation and total amount of compensation is explained below. The remuneration of key management personnel during the year were as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Short-term benefits (salaries, bonuses etc.)	8,073	2,616	8,381	2,858
	8,073	2,616	8,381	2,858

As at 30 September 2023 and 31 December 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:

	30 September 2023	31 December 2022
Due from related parties	17,183	10,465
Current loan to related parties	11,013	9,613
	28,196	20,078
	30 September 2023	31 December 2022
Non-current loan to related parties	80,241	144,016
	80,241	144,016
Due from related parties	30 September 2023	31 December 2022
TGS (1)	6,288	158
ATU (1) (*)	4,755	4,118
Tibah Operation (1)	3,285	2,648
AMS (1)	1,142	2,312
BTA Medinah (1)	445	815
Other related parties	1,268	414
	17,183	10,465

(*) Receivables from ATU comprise of concession fee duty-free receivables.

(1) Joint venture

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

22. RELATED PARTIES (continued)

	30 September 2023	31 December 2022
Current loan to related parties		
ZAIC-A (1)	3,811	2,616
Saudi Havaş (1)	2,243	2,225
ATU Medinah (1)	1,626	1,613
Paris Lounge Network (1)	1,400	1,342
TAV İşletme Chile (1)	468	409
BTA Medinah (1)	408	807
TAV İşletme Saudi (1)	-	554
Other related parties	1,057	47
	11,013	9,613
Non-current loan to related parties		
Tibah Development (1) (*)	51,117	119,564
TAV Antalya Yatırım (1)	21,968	20,768
Hotel Medinah (1)	3,844	-
Saudi Havaş (1)	3,286	3,169
TAV İşletme Saudi (1)	26	515
	80,241	144,016
Non-current loan from related parties		
Due to related parties	460,218	465,279
	936	735
	461,154	466,014
Due to related parties		
Other related parties	936	735
	936	735

(1) Joint venture

(*) 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 3% 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 2024. 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 investments", 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 30 September 2023, The Group transferred 48% of its non-current loan from Tibah Development to Mada International Holding as stated in Share Purchase Agreement ("SPA") after the financial closing.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

22. RELATED PARTIES (continued)

	30 September 2023	31 December 2022
Non-current loan from related parties		
Tank ÖWA alpha GmbH (1) (*)	460,218	465,279
	460,218	465,279
Short term deferred income from related parties		
ATU (2) (**)	992	990
TAV Antalya (2) (***)	-	33,075
	992	34,065
Long term deferred income from related parties		
ATU (2) (**)	11,638	11,720
	11,638	11,720

(*) 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.

(**) 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).

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Services rendered to related parties				
ATU (1) (*)	57,781	30,004	46,918	26,024
Tibah Operation (1)	6,995	2,474	5,966	1,971
TAV Antalya (1)	2,187	1,366	1,599	644
TGS (1)	1,980	606	1,388	569
Other related parties	3,376	1,330	80	54
	72,319	35,780	55,951	29,262

(*) Services rendered to ATU comprise of concession fee for duty-free operations.

(1) Shareholder

(2) Joint venture

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

22. RELATED PARTIES (continued)

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Services rendered by related parties				
Other related parties	5,748	4,379	5,140	4,132
	5,748	4,379	5,140	4,132

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 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 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.

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Interest (expense) / income from related parties (net)				
Tank ÖWA alpha GmbH (2)	(15,279)	(5,192)	(11,876)	(4,773)
Other related parties	1,460	539	3,395	325
	(13,819)	(4,653)	(8,481)	(4,448)

The average interest rate used within the Group is 8.48% 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.

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).

(1) Shareholder

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

23. INTERESTS IN OTHER ENTITIES

Non-controlling interests in subsidiaries

The following table summarizes the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI") before any intra-group eliminations.

	30 September 2023		
	TAV Tbilisi	Other immaterial subsidiaries	Total
NCI Percentage	20.00%		
Non-current assets	53,685		
Current assets	30,475		
Non-current liabilities	8,700		
Current liabilities	7,237		
Net assets	68,223		
Carrying amount of NCI	13,645	5,010	18,655
	13,645	5,010	18,655
	1 January – 30 September 2023		
	TAV Tbilisi	Other immaterial subsidiaries	Total
Revenue	69,418		
Profit	34,897		
Total comprehensive income	35,997		
Profit allocated to NCI	6,979	364	7,343
	1 July – 30 September 2023		
	TAV Tbilisi	Other immaterial subsidiaries	Total
Revenue	28,895		
Profit	16,373		
Total comprehensive income	16,821		
Profit allocated to NCI	3,274	257	3,531

In 2023, the Company distributed dividends to the non-controlling interests in subsidiaries amounting to EUR 9,064 (2022: EUR 3,021)

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

As at and for the Nine-Month Period Ended 30 September 2023

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

23. INTERESTS IN OTHER ENTITIES (continued)

Non-controlling interests in subsidiaries (continued)

	31 December 2022		
	TAV Tbilisi	Other immaterial subsidiaries	Total
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
	14,585	5,413	19,998

	1 January – 30 September 2022		
	TAV Tbilisi	Other immaterial subsidiaries	Total
Revenue	57,155		
Profit	28,931		
Total comprehensive income	42,459		
Profit allocated to NCI	5,786	1,036	6,822

	1 July – 30 September 2022		
	TAV Tbilisi	Other immaterial subsidiaries	Total
Revenue	25,512		
Profit	13,834		
Total comprehensive income	20,678		
Profit allocated to NCI	2,767	799	3,566

	30 September 2023	31 December 2022
Joint ventures	699,152	755,129
Associates	2,987	724
	702,139	755,853

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

23. INTERESTS IN OTHER ENTITIES (continued)

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Joint ventures	75,689	68,642	47,697	42,226
Associates	1,887	298	(522)	(608)
	77,576	68,940	47,175	41,618

Joint Ventures

Carrying amounts of the Group's joint ventures in the statement of financial position as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
TAV Antalya Yatırım	349,170	363,986
TAV Antalya	242,505	293,460
TGS	52,518	59,709
ATU	51,290	35,104
Tibah Operation	533	756
Other	3,136	2,114
	699,152	755,129

Group's share of profit of the Group's joint ventures in the statement of comprehensive income for the period ended 30 September are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Tibah Development (*)	37,820	37,820	-	-
ATU	19,159	14,162	11,669	9,659
TAV Antalya	17,469	14,406	23,649	23,513
TGS	15,144	7,564	21,220	10,122
Tibah Operation	873	296	834	307
TAV Antalya Invest	(14,817)	(5,587)	(7,897)	(706)
Other	41	(19)	(1,778)	(669)
	75,689	68,642	47,697	42,226

(*) Gain of Tibah Development is related with the share sale of Tibah Development.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Nine-Month Period Ended 30 September 2023

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

23. INTERESTS IN OTHER ENTITIES (continued)

Associates

Carrying amount of the Group's associate in the statement of financial position as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
ZAIC-A	2,792	580
Other	195	144
	2,987	724

Group's share of profit/(loss) of the Group's associate in the statement of comprehensive income for the period ended 30 September is as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
ZAIC-A	1,835	326	(655)	(655)
Other	52	(28)	133	47
	1,887	298	(522)	(608)

24. SUBSEQUENT EVENTS

None.