

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

**Interim Condensed Consolidated Financial Statements
As at and for the Three-Month Period Ended 31 March 2024**

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

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TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2024

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

	<u>Notes</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
ASSETS			
Property and equipment		744,389	677,686
Intangible assets		21,430	21,603
Airport operation right	9	1,563,920	1,573,369
Right of use assets		109,494	68,356
Equity-accounted investees	23	727,693	754,398
Goodwill		221,409	216,411
Derivative financial instruments	19	53,428	42,191
Non-current due from related parties	22	113,338	86,039
Other non-current assets	11	241,651	237,186
Deferred tax assets		43,469	44,187
Total non-current assets		<u>3,840,221</u>	<u>3,721,426</u>
Current assets			
Inventories		40,739	33,805
Financial assets	10	84,973	80,888
Trade receivables	12	111,749	114,256
Due from related parties	22	38,384	16,256
Other receivables and current assets	11	161,575	146,823
Cash and cash equivalents	13	450,101	538,911
Restricted bank balances	14	51,905	99,768
Total current assets		<u>939,426</u>	<u>1,030,707</u>
Assets classified as held for sale		964	965
Total current assets		<u>940,390</u>	<u>1,031,672</u>
TOTAL ASSETS		<u>4,780,611</u>	<u>4,753,098</u>

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2024

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

		31 March 2024	31 December 2023
EQUITY	Notes		
Share capital	15	162,384	162,384
Share premium		220,286	220,286
Legal reserve		121,975	121,975
Other reserves		(74,304)	(74,304)
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		46,504	40,387
Translation reserves		(80,638)	(85,924)
Retained earnings		1,003,813	986,349
Total equity attributable to equity holders of the Company		1,440,084	1,411,217
Non-controlling interests	23	17,515	15,223
Total Equity		1,457,599	1,426,440
LIABILITIES			
Loans and borrowings	17	1,320,669	1,254,486
Reserve for employee severance indemnity		22,963	23,253
Due to related parties	22	455,588	465,375
Derivative financial instruments	19	-	10,511
Deferred income		13,862	14,563
Other payables	18	568,926	589,016
Liabilities from equity-accounted investees		5,033	4,093
Deferred tax liabilities		82,945	77,140
Total non-current liabilities		2,469,986	2,438,437
Bank overdrafts	13	482	342
Loans and borrowings	17	509,120	532,033
Trade payables		59,666	55,059
Due to related parties	22	307	319
Current tax liabilities	8	13,621	12,106
Other payables	18	244,616	263,824
Provisions		11,046	9,631
Deferred income		13,764	14,538
		852,622	887,852
Liabilities classified as held for sale		404	369
Total current liabilities		853,026	888,221
Total Liabilities		3,323,012	3,326,658
TOTAL EQUITY AND LIABILITIES		4,780,611	4,753,098

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Three-Month Period Ended 31 March 2024

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

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Operating revenue	6	320,760	251,017
Other operating income		4,543	1,014
Cost of catering inventory sold		(9,877)	(9,594)
Cost of fuel sold		(58,454)	(54,961)
Cost of services rendered		(31,312)	(24,845)
Personnel expenses		(93,111)	(76,027)
Concession and rent expenses		(218)	(304)
Depreciation, amortisation and impairment expenses		(30,330)	(21,645)
Other operating expenses		(46,306)	(42,633)
Share of profit of equity-accounted investees, net of tax	23	(5,389)	(13,380)
Operating profit		50,306	8,642
Finance income	7	14,987	6,612
Finance costs	7	(49,641)	(47,214)
Net finance cost		(34,654)	(40,602)
Net monetary position gains		3,619	2,133
Profit / (loss) before income tax		19,271	(29,827)
Tax expense	8	(8,397)	(13,894)
Profit / (loss) for the period		10,874	(43,721)
Net results from discontinued activities		(28)	(22)
Profit / (loss) for the period after discontinued operations		10,846	(43,743)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit obligation actuarial differences		340	11
Defined benefit obligation actuarial differences from equity accounted investees		(51)	(4,483)
Tax on defined benefit obligation actuarial differences		-	(2)
Tax on defined benefit obligation actuarial differences from equity accounted investees		13	10
Total items that will not be reclassified to profit or loss		302	(4,464)
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		11,210	(3,248)
Effective portion of changes in fair value of cash flow hedges from equity accounted investees		(605)	(26)
Foreign currency translation differences for foreign operations		9,005	(5,959)
Foreign currency translation differences for foreign operations from equity accounted investees		(3,380)	(2,149)
Tax on cash flow hedge reserves		(4,488)	644
Tax on cash flow hedge reserves, equity accounted investments		-	381
Total items that are or may be reclassified subsequently to profit or loss		11,742	(10,357)
Other comprehensive income for the period, net of tax		12,044	(14,821)
Total comprehensive income for the period		22,890	(58,564)

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Three-Month Period Ended 31 March 2024

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

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Profit/(loss) attributable to:			
Owners of the Company		8,893	(45,261)
Non-controlling interest	23	<u>1,953</u>	<u>1,518</u>
Profit/(loss) for the period after discontinued operations		<u>10,846</u>	<u>(43,743)</u>
Total comprehensive income attributable to			
Owners of the Company		20,598	(60,867)
Non-controlling interest		<u>2,292</u>	<u>2,303</u>
Total comprehensive income for the period		<u>22,890</u>	<u>(58,564)</u>
Weighted average number of shares outstanding		<u>363,281,250</u>	<u>363,281,250</u>
Basic and diluted loss per share for continued operations	16	0.02	(0.12)

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity For the Three-Month Period Ended 31 March 2024

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

	Attributable to the owners of the Company										
	Share Capital	Share Premium	Legal Reserves	Other Reserves	Purchase of Shares of Entities Under Common Control	Cash flow Hedge Reserve	Translation Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 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											
Loss for the period	-	-	-	-	-	-	-	(45,261)	(45,261)	1,518	(43,743)
Other comprehensive income											
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	(2,249)	-	-	(2,249)	-	(2,249)
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	(4,464)	(4,464)	-	(4,464)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(8,893)	-	(8,893)	785	(8,108)
Total other comprehensive income	-	-	-	-	-	(2,249)	(8,893)	(4,464)	(15,606)	785	(14,821)
Total comprehensive income for the period	-	-	-	-	-	(2,249)	(8,893)	(49,725)	(60,867)	2,303	(58,564)
Transactions with owners of the Company, recognised directly in equity											
<i>Contributions by and distributions to owners of the Company</i>											
Effect of IAS 29 indexation	-	-	-	-	-	-	-	8,975	8,975	-	8,975
Other changes in equity	-	-	-	4,324	-	-	-	-	4,324	-	4,324
Total transactions with owners of the Company	-	-	-	4,324	-	-	-	8,975	13,299	-	13,299
Balance at 31 March 2023	162,384	220,286	121,975	(70,017)	40,064	44,636	(47,324)	685,088	1,157,092	22,301	1,179,393
Balance at 1 January 2024	162,384	220,286	121,975	(74,304)	40,064	40,387	(85,924)	986,349	1,411,217	15,223	1,426,440
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	8,893	8,893	1,953	10,846
Other comprehensive income											
Effective portion of changes in fair value of cash hedges, net of tax	-	-	-	-	-	6,117	-	-	6,117	-	6,117
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	302	302	-	302
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	5,286	-	5,286	339	5,625
Total other comprehensive income	-	-	-	-	-	6,117	5,286	302	11,705	339	12,044
Total comprehensive income for the period	-	-	-	-	-	6,117	5,286	9,195	20,598	2,292	22,890
Transactions with owners of the Company, recognised directly in equity											
<i>Contributions by and distributions to owners of the Company</i>											
Effect of IAS 29 indexation	-	-	-	-	-	-	-	8,269	8,269	-	8,269
Total transactions with owners of the Company	-	-	-	-	-	-	-	8,269	8,269	-	8,269
Balance at 31 March 2024	162,384	220,286	121,975	(74,304)	40,064	46,504	(80,638)	1,003,813	1,440,084	17,515	1,457,599

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows For the Three-Month Period Ended 31 March 2024

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

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		10,874	(43,721)
Loss from discontinued operations		(28)	(22)
Adjustments for:			
Amortisation and impairment of airport operation right	9	12,364	8,127
Depreciation and impairment of property and equipment and right of use assets		16,909	12,740
Amortisation of intangible assets		1,057	778
Concession and rent expenses		218	304
Provision for employee severance indemnity		1,946	1,932
Provision set for doubtful receivables		559	230
Provision set for unused vacation		2,834	777
Discount on receivables, payables and financial liabilities, net		(150)	(141)
Loss on sale of property and equipment		388	24
Interest income		(13,136)	(4,917)
Interest expense on financial liabilities		35,640	28,421
Tax expense	8	8,397	13,900
Unwinding of discount from concession receivable and payable		8,441	9,580
Share of profit of equity-accounted investees, net of tax	23	5,389	13,380
Unrealised foreign exchange differences on statement of financial position items		7,696	(3,337)
Net monetary position gains		(3,642)	(2,186)
Cash flows from operating activities		95,756	35,869
Change in current trade receivables		6,569	(30,166)
Change in inventories		(6,781)	(18,444)
Change in due from related parties		(620)	2,058
Change in other receivables and other assets		(16,643)	(20,101)
Change in trade payables		4,607	(10,581)
Change in due to related parties		12	(284)
Change in other payables and provisions		(51,321)	(60,370)
Cash provided from / (used in) operations		31,579	(102,019)
Income taxes paid	8	(6,765)	(6,285)
Retirement benefits paid		(540)	(235)
Net cash provided from / (used in) operating activities		24,274	(108,539)

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows For the Three-Month Period Ended 31 March 2024

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

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, equipment and intangible assets		1,313	556
Acquisition of property and equipment		(49,436)	(28,305)
Effect of acquisition of subsidiary, net of cash acquired		(3,641)	-
Purchase of exchange rate protected deposit		(69,987)	-
Proceeds from exchange rate protected deposit		65,926	(24,577)
Acquisition of intangible assets		(564)	(195)
Change in due from related parties		(22,504)	17,617
Acquisition of non-consolidated investments		-	(426)
Dividends from equity-accounted investments		-	46,075
Net cash (used in) / provided from investing activities		<u>(78,893)</u>	<u>10,745</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		12,943	93,217
Repayment of borrowings		(66,359)	(33,758)
Lease payments		(14,794)	(3,898)
Interest received		8,749	2,396
Interest paid		(6,087)	(6,923)
Change in due to related parties		(16,646)	(18,550)
Change in restricted bank balances		47,863	58,767
Net cash (used in) / provided from financing activities		<u>(34,331)</u>	<u>91,251</u>
NET DECREASE FROM CASH AND CASH EQUIVALENTS		(88,950)	(6,543)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	13	<u>538,569</u>	<u>257,637</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	13	<u>449,619</u>	<u>251,094</u>

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2024

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

Notes to the interim condensed consolidated financial statements

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TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2024

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

1. REPORTING ENTITY

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

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

The interim condensed consolidated financial statements of the Company as at and for the three-month period ended 31 March 2024 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 2023 are as follows:

Name of Subsidiary	Principal Activity	Place of operation	31 March 2024		31 December 2023	
			Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
Aeroser Entegre Yönetim ve Destek Hizmetleri A.Ş. (“Aeroser”)	Security Services	Türkiye	100.00	100.00	-	-
ATU Duty Free Kazakhstan LLP (“ATU Kazakhstan”)	Duty Free Services	Kazakhstan	50.00	50.00	-	-
TAV Technologies SPA (“TAV Technologies SPA”)	Software and System Services	Chile	100.00	100.00	-	-
TAV Havacılık A.Ş. (“TAV Havacılık”)(*)	Airline Taxi Services	Türkiye	-	-	100.00	100.00
Paris Lounge Network SAS (“Paris Lounge Network”)	Lounge Services	France	100.00	100.00	51.00	51.00

(*) Shares of TAV Havacılık is sold in March 2024.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2024

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

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, Gazipasa-Alanya, Izmir 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.

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 18,934 in subsidiaries (average: 18,906) and 10,448 in joint ventures (average: 10,170) (31 December 2023: 18,929 in subsidiaries (average: 19,327) and 9,978 in joint ventures (average: 10,040).

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2024

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

2. BASIS OF PREPARATION

a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with with International Financial Reporting Standards (“IFRS”) as issued by IASB and 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 2023.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 25 April 2024. 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 2023.

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 Türkiye and preparing financial statements in accordance with Turkish Financial Reporting Standards, the application of inflation accounting has been terminated as of 1 January 2005. Accordingly, as of 1 January 2005, the Standard No. 29 “Financial Reporting in Hyperinflationary Economies” (“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 (“IFRS”) 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, Türkiye has economic conditions that will now require reporting entities to follow the requirements set out in IAS 29 ‘Financial Reporting in Hyperinflationary Economies’.

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2024

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

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 three-month period ended 31 March 2024.

3. CHANGES IN ACCOUNTING POLICIES

The new standards, amendments and interpretations

a) *Amendments that are mandatorily effective from 2024*

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
ISRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
ISRS 2	<i>Climate-related Disclosures</i>

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

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

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

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

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

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

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3. CHANGES IN ACCOUNTING POLICIES (continued)

The new standards, amendments and interpretations (continued)

a) Amendments that are mandatorily effective from 2024 (continued)

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

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

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

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

Amendments to IAS 7 and IFRS 7 *Supplier Finance Agreements*

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

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

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

ISRS 2 *Climate-related disclosures*

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

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:

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)</i>

IFRS 17 *Insurance Contracts*

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

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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 IFRS 17 Insurance Contracts and Initial Application of IFRS 17 and IFRS 9 — Comparative Information

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

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

Amendments are effective with the first application of IFRS 17.

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

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4. DETERMINATION OF FAIR VALUES

Fair value determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Property and equipment:

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

ii) Intangible assets:

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

The fair values of customer relationship and DHMİ 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.

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4. DETERMINATION OF FAIR VALUES (continued)

v) Other non-derivative financial liabilities:

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

31 March 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets	-	84,973	-
Interest rate swap	-	52,817	-
Cross currency swap	-	611	-
Financial liabilities at fair value through profit or loss	-	(22,067)	-

31 December 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets	-	80,888	-
Interest rate swap	-	42,191	-
Financial liabilities at fair value through profit or loss	-	(23,159)	-
Cross currency swap	-	(10,511)	-

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5. OPERATING SEGMENTS

Operating Segments:

For management purposes, the Group and its joint ventures are currently organised into four reportable segments regarding to their activities; such as Terminal Operations, Catering Operations, Duty Free Operations, Ground Handling and Bus Operations. These reportable segments are the basis on which the Group reports its primary segment information, the principal activities of each are as follows:

- **Terminal operations:** Operating terminal buildings, the car park and the general aviation terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV Ankara, TAV Ege, TAV Milas Bodrum, TAV Tunisia, TAV Tbilisi, TAV Batumi, Batumi Airport LLC, TAV Macedonia, TAV Gazipaşa, TAV Uluslararası Yatırım, Tibah Development, Tibah Operation, MZLZ, MZLZ Operation, AMS; TAV Antalya and AIA. TAV Tbilisi, TAV Batumi, TAV Tunisia, TAV Macedonia, TAV Gazipaşa, TAV Antalya, TAV Antalya Yatırım, MZLZ and AIA also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.
- **Catering operations:** Managing all food and beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, Cakes & Bakes, BTA Tedarik, BTA Latvia, BTA Denizyolları, BTA Medinah, BTA Uluslararası Yiyecek, BTA MZLZ and ACS.
- **Duty free operations:** Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATU, ATU Georgia, ATU Tunisia, ATU Macedonia, ATU Kazakhstan, ATU Latvia, ATU Tunisia Duty Free, ATU Medinah, ATU Mağazacılık and ATU Uluslararası Mağazacılık.
- **Ground handling and bus operations:** Providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License. The Group operates the ground handling services through HAVAŞ, HAVAŞ Latvia, TAV Gözen, TGS, Saudi HAVAŞ, HAVAŞ Adriatic, HAVAŞ Kazakhstan, HAVAŞ MZLZ, HAVAŞ Macedonia and Havaş Georgia. HAVAŞ provides bus operations.
- **Other:** Providing lounge services, IT, security and education services, airline taxi services, the Group companies included in this segment are TAV Holding, TAV Latvia, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus, TAV İşletme Macedonia, TAV İşletme Germany, TAV İşletme Latvia, TAV İşletme Kenya, TAV İşletme America, TAV İşletme Washington, TAV İşletme New York, TAV İşletme Kazakhstan, TAV İşletme SASA, TAV İşletme Madagascar, TAV İşletme Bermuda, TAV İşletme Dulles, GIS Spain, GIS France, GIS Germany, GIS Italy, GIS Mexico, TAV İşletme Saudi, Paris Lounge Network, TAV İşletme Chile, TAV Bilişim, TAV IT Saudi, TAV IT Netherlands, TAV IT Qatar, TAV Technologies SPA, TAV IT Dubai, TAV Güvenlik, Aerosec Security, TAV Akademi, Aviator Netherlands, PMIA Aviator BV, ZAIC-A, ATU Holdings, Medinah Hotel, Holdco, TAV Real Estate, AAIH, Aeoser, 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.

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5. OPERATING SEGMENTS (continued)

Operating Segments (continued)

	Three-month period ended 31 March											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total external revenues	218,189	192,464	34,288	30,592	47,168	39,131	116,279	54,050	67,515	40,027	483,439	356,264
Inter-segment revenue	5,512	7,716	3,280	3,291	7	8	186	219	10,987	10,782	19,972	22,016
Construction revenue	-	-	-	-	-	-	-	-	-	-	-	-
Construction expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	10,574	1,319	368	165	1,253	404	238	163	21,551	8,000	33,984	10,051
Interest expense	(30,964)	(24,042)	(1,376)	(1,080)	(188)	(377)	(1,892)	(2,194)	(26,307)	(13,958)	(60,727)	(41,651)
Depreciation and amortisation	(34,583)	(28,788)	(1,977)	(1,889)	(1,379)	(2,643)	(4,583)	(5,256)	(5,499)	(2,670)	(48,021)	(41,246)
Reportable segment operating profit	40,479	23,100	492	285	3,239	2,051	10,797	(729)	5,706	(975)	60,713	23,732
Capital expenditure	74,184	64,072	775	1,738	965	795	7,960	12,570	6,942	6,365	90,826	85,540
	Three-month period ended 31 March											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Reportable segment assets	4,756,219	4,768,636	40,723	48,747	158,579	147,483	273,745	253,659	1,553,384	1,565,134	6,782,650	6,783,659
Reportable segment liabilities	3,811,040	3,837,360	73,907	83,535	74,731	66,189	119,176	113,876	878,471	886,723	4,957,325	4,987,683

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5. OPERATING SEGMENTS (continued)

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

	31 March 2024	31 March 2023
Revenues		
Total revenue for reportable segments	424,909	327,471
Other revenue	78,502	50,809
Elimination of inter-segment revenue	<u>(19,972)</u>	<u>(22,016)</u>
	483,439	356,264
Effect of using the equity method for joint ventures	<u>(162,679)</u>	<u>(105,247)</u>
Consolidated revenue	<u>320,760</u>	<u>251,017</u>
	1 January - 31 March 2024	1 January - 31 March 2023
Operating profit		
Segment operating profit	55,007	24,707
Other operating profit / (loss)	<u>5,706</u>	<u>(975)</u>
	60,713	23,732
Effect of using the equity method for joint ventures	<u>(10,407)</u>	<u>(15,090)</u>
Consolidated operating profit	<u>50,306</u>	<u>8,642</u>
Finance income	14,987	6,612
Finance expense	<u>(49,641)</u>	<u>(47,214)</u>
Net monetary position gains	<u>3,619</u>	<u>2,133</u>
Consolidated profit / (loss) before tax	<u>19,271</u>	<u>(29,827)</u>
	31 March 2024	31 December 2023
Assets		
Total assets for reportable segments	5,229,266	5,218,525
Other assets	<u>1,553,384</u>	<u>1,565,134</u>
	6,782,650	6,783,659
Effect of using the equity method for joint ventures	<u>(2,002,039)</u>	<u>(2,030,561)</u>
Consolidated total assets	<u>4,780,611</u>	<u>4,753,098</u>
	31 March 2024	31 December 2023
Liabilities		
Total liabilities for reportable segments	4,078,854	4,100,960
Other liabilities	<u>878,471</u>	<u>886,723</u>
	4,957,325	4,987,683
Effect of using the equity method for joint ventures	<u>(1,634,313)</u>	<u>(1,661,025)</u>
Consolidated total liabilities	<u>3,323,012</u>	<u>3,326,658</u>

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5. OPERATING SEGMENTS (continued)

	1 January - 31 March 2024	1 January - 31 March 2023
Interest income		
Total interest income for reportable segments	12,433	2,051
Other interest income	21,551	8,000
Elimination of inter-segment interest income	(19,443)	(4,134)
	14,541	5,917
Effect of using the equity method for joint ventures	(1,887)	(1,001)
Consolidated interest income	12,654	4,916
	1 January - 31 March 2024	1 January - 31 March 2023
Interest expense		
Total interest expense for reportable segments	(34,420)	(27,693)
Other interest expense	(26,307)	(13,958)
Elimination of inter-segment interest expense	19,176	4,134
	(41,551)	(37,517)
Effect of using the equity method for joint ventures	5,911	9,096
Consolidated interest expense	(35,640)	(28,421)

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 - 31 March 2024	1 January - 31 March 2023
Revenue		
Kazakhstan	116,688	97,206
Turkey	108,039	84,125
Georgia	27,416	22,742
Macedonia	10,919	8,182
Croatia	7,934	6,284
Oman	7,384	6,770
Latvia	5,994	5,400
Tunisia	5,162	3,761
Spain	4,592	3,342
Saudi Arabia	3,729	2,326
Qatar	1,039	1,197
Other	21,864	9,682
Consolidated revenue	320,760	251,017

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5. OPERATING SEGMENTS (continued)

Geographical information (continued)

	31 March 2024	31 December 2023
Non-current assets		
Turkey	2,453,407	2,416,519
Kazakhstan	637,962	596,129
Tunisia	422,434	423,582
Macedonia	93,660	94,838
Georgia	68,539	72,346
Croatia	10,080	10,246
Oman	8,827	8,857
Qatar	5,420	5,296
Spain	4,455	4,072
Latvia	1,825	1,946
Saudi Arabia	1,632	994
Other	131,980	86,601
Consolidated non-current asset	3,840,221	3,721,426

6. OPERATING REVENUE

An analysis of the Group's operating revenue for the period ended 31 March are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Aviation income	129,311	105,078
Ground handling income	64,402	51,157
Catering services income	32,590	29,005
Prime class income	29,292	15,980
Commission from sales of duty free goods	9,150	7,079
Area allocation income	8,719	7,795
Income from car parking operations and valet service income	6,288	4,543
Security services income	5,581	4,757
Software sales income	5,314	2,298
Bus services income	3,063	2,074
Hardware sales income	2,689	3,414
Rent income from sublease	1,306	1,061
Hotel and reservation income	1,008	1,520
Utility and general participation income	922	1,144
Advertising income	838	988
Loyalty card income	552	244
Operating financial revenue	-	292
Other operating revenue	19,735	12,588
Total operating revenue	320,760	251,017

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7. 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 31 March are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Interest income on bank deposits and intercompany loans	12,654	4,916
Discount income	150	141
Fair value of derivatives	-	173
Foreign exchange gain, net	601	-
Other financial assets income (*)	1,582	1,382
Finance income	14,987	6,612
Interest expense on financial liabilities and intercompany loans	(35,640)	(28,421)
Discount expense (**)	(8,441)	(9,872)
Foreign exchange loss, net	-	(4,266)
Bank charges	(1,224)	(1,316)
Commission expense	(1,054)	(1,040)
Interest expense provision on employee benefit obligation	(1,172)	(1,236)
Other finance costs (***)	(2,110)	(1,063)
Finance costs	(49,641)	(47,214)
Net finance costs	(34,654)	(40,602)

(*) 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.

(**) Discount expense is related with the unwinding of discount on concession payables amounting to EUR 8,441 as of 31 March 2024 (31 March 2023: EUR 9,872).

(***) Other finance costs include financial expenses due to the application of IAS 28.

Recognised in other comprehensive income

	1 January - 31 March 2024	1 January - 31 March 2023
Effective portion of changes in fair value of cash flow hedges	10,605	(3,274)
Foreign currency translation differences for foreign operations	9,005	(5,959)
Tax on cash flow hedge reserves	(4,488)	644
Finance costs recognised in other comprehensive income, net of tax	15,122	(8,589)

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8. TAX EXPENSE

An analysis of the Group's tax expense for the nine-month periods ended 31 March 2024 and 2023 are as follows:

Tax recognised in profit or loss

	<u>2024</u>	<u>2023</u>
Current tax expense		
Current year tax expense	8,651	5,541
Adjustments for prior periods (*)	(371)	9,351
	<u>8,280</u>	<u>14,892</u>
Deferred tax expense / (benefit)		
Origination and reversal of temporary differences	4,805	659
Change in previously recognised investment incentives	(4,328)	(708)
Recognition of current period tax losses	(360)	(949)
	<u>117</u>	<u>(998)</u>
Total tax expense	<u>8,397</u>	<u>13,894</u>

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

Reconciliation of effective tax rate

The reported tax expenses for the periods ended 31 March 2024 and 2023 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:

	<u>%</u>	<u>2024</u>	<u>%</u>	<u>2023</u>
Profit before tax from continuing operations		19,271		(29,827)
Profit before tax from discontinued operations		(28)		(16)
Profit / (loss) before income tax		19,243		(29,843)
Tax using the Company's domestic tax rate	25%	4,811	20%	(5,969)
Tax effects of:				
- non-deductible expenses	19%	3,608	(6%)	1,908
- translation effect on recognized tax losses	35%	6,749	4%	(1,131)
- change in previously recognised investment incentives	(22%)	(4,328)	2%	(708)
- tax exempt income	(21%)	(4,067)	3%	(782)
- translation effect on recognized tax losses	0%		0%	
- used tax loss carry forwards which no deferred tax asset is recognised	(1%)	(121)	0%	(36)
- current year losses which no deferred tax asset is recognised	37%	7,046	(32%)	9,586
- effect of different tax rates for foreign jurisdictions	(14%)	(2,702)	(1%)	152
- under / (over) provided in prior years	(2%)	(371)	(31%)	9,351
- effect of hyperinflation	(8%)	(1,558)	0%	-
- change in unrecognised temporary differences	0%		0%	
- adjustment for equity accounted investments	7%	1,347	(9%)	2,676
- effect of different tax rates applied	1%	179	(1%)	238
- other consolidation adjustments	(11%)	(2,196)	5%	(1,385)
Tax expense	44%	8,397	(47%)	13,900
Total tax expense from continuing operations		8,397		13,894
Total tax expense from discontinued operations		-		6

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8. TAX EXPENSE (continued)

Corporate tax:

	<u>2024</u>	<u>2023</u>
Corporate tax provision	8,651	49,650
Adjustments for prior periods	<u>(371)</u>	<u>5,688</u>
Add / (less): taxes payable from previous period	12,106	10,820
Less: corporation taxes paid during the period	<u>(6,765)</u>	<u>(54,052)</u>
Current tax liabilities	<u>13,621</u>	<u>12,106</u>

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9. AIRPORT OPERATION RIGHT

	İzmir Adnan Menderes International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Tbilisi International Airport	Milas Bodrum Airport	Almaty Airport	Total
Cost								
Balance at 1 January 2023	809,556	595,489	48,199	132,077	116,146	522,234	87,118	2,310,819
Effect of movements in exchange rates	-	-	-	-	4,427	-	(1,547)	2,880
Balance at 31 March 2023	809,556	595,489	48,199	132,077	120,573	522,234	85,571	2,313,699
Balance at 1 January 2024	811,236	595,489	48,199	132,038	114,998	523,481	84,100	2,309,541
Effect of movements in exchange rates	-	-	-	-	2,610	-	2,069	4,679
Balance at 31 March 2024	811,236	595,489	48,199	132,038	117,608	523,481	86,169	2,314,221

(*) There is no capitalised borrowing cost on airport operation right during 2024 (31 December 2023: None).

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9. AIRPORT OPERATION RIGHT (continued)

	İzmir Adnan Menderes International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Tbilisi International Airport	Milas Bodrum Airport	Almaty Airport	Total
Accumulated amortisation								
Balance at 1 January 2023	272,671	152,389	13,469	48,848	67,992	101,793	1,436	658,598
Effect of movements in exchange rates	-	-	-	-	2,618	-	(28)	2,590
Amortisation for the period	4,012	553	121	988	1,844	389	220	8,127
Balance at 31 March 2023	276,683	152,942	13,590	49,836	72,454	102,182	1,628	669,315
Balance at 1 January 2024	303,274	169,029	14,711	55,109	75,653	116,121	2,275	736,172
Effect of movements in exchange rates	-	-	-	-	1,706	-	60	1,765
Amortisation for the period	6,202	747	198	1,262	3,209	508	238	12,364
Balance at 31 March 2024	309,476	169,776	14,909	56,371	80,568	116,629	2,572	750,301
Carrying amounts								
At 31 March 2023	532,873	442,547	34,609	82,241	48,119	420,052	83,943	1,644,384
At 31 December 2023	507,962	426,460	33,488	76,929	39,345	407,360	81,825	1,573,369
At 31 March 2024	501,760	425,713	33,290	75,667	37,040	406,852	83,598	1,563,920

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10. FINANCIAL ASSETS

At 31 March 2024 and 31 December 2023, financial assets comprised the following:

<u>Financial assets</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Exchange rate protected deposits (*)	79,833	80,888
Investment funds	5,140	-
	<u>84,973</u>	<u>80,888</u>

(*) Exchange rate protected deposits have 3 to 6 months maturity.

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11. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 31 March 2024 and 31 December 2023, other receivables and current assets comprised the following:

<u>Other receivables and current assets</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Advances to suppliers	63,554	59,723
VAT deductible	39,197	37,487
Prepaid taxes and funds	20,350	18,338
Other prepaid expense	14,521	10,886
Income accruals	9,646	12,205
Prepaid insurance	4,099	2,203
Advances given to personnel	1,893	1,692
Deposits and guarantees given	1,034	263
Other receivables	7,281	4,026
	<u>161,575</u>	<u>146,823</u>

At 31 March 2024 and 31 December 2023, other receivables and current assets comprised the following:

<u>Other non-current assets</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Financial assets (*)	78,233	76,415
Other non-current receivables (**)	163,418	160,771
	<u>241,651</u>	<u>237,186</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.

12. TRADE RECEIVABLES

At 31 March 2024 and 31 December 2023, trade receivables comprised the following:

<u>Trade receivables:</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Trade receivables	110,015	111,315
Doubtful receivables	44,884	47,901
Allowance for doubtful receivables (-)	(44,884)	(47,901)
Notes receivable	1,734	2,941
	<u>111,749</u>	<u>114,256</u>

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13. CASH AND CASH EQUIVALENTS

At 31 March 2024 and 31 December 2023, cash and cash equivalents comprised the following:

<u>Cash and cash equivalents</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Cash on hand	633	666
Cash at banks		
- Demand deposits	108,223	83,617
- Time deposits	339,704	446,779
Other liquid assets	1,541	7,849
Cash and cash equivalents	450,101	538,911
Bank overdraft used for cash management purposes	(482)	(342)
Cash and cash equivalents in the statement of cash flows	449,619	538,569

The details of the Group's time deposits, maturities and interest rates as at 31 March 2024 and 31 December 2023 are as follows:

31 March 2024

<u>Original Currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	April – June 2024	0.01 - 3.80	264,952
USD	April – September 2024	1.75 - 2.75	64,913
TL	April 2024	38.00 - 70.00	5,389
Other	April – January 2025	14.50 - 15.00	4,450
			339,704

31 December 2023

<u>Original Currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	January - March 2024	0.01 - 4.50	376,652
USD	January - September 2024	2.00 - 5.50	62,531
TL	January - March 2024	5.00 - 40.00	4,762
Other	January - February 2024	15.00	2,834
			446,779

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 31 March 2024 and 31 December 2023.

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14. RESTRICTED BANK BALANCES

At 31 March 2024 and 31 December 2023, restricted bank balances comprised the following:

	31 March 2024	31 December 2023
Restricted bank balances	51,905	99,768
Project reserve and funding accounts (*)	51,905	99,768
	51,905	99,768

(*) 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 2023: 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 17, all cash except for cash on hand are classified in these accounts for TAV Tunisia, TAV Ege, TAV Macedonia and TAV Milas Bodrum. Based on these agreements, the Group can access and use such restricted cash as per the conditions and cascade defined in respective loan agreements. The project accounts should be used for predetermined purposes, such as, operational expenses, loan repayments or rent payments to airport administrations, tax payments, debt service, etc.

31 March 2024

Original Currency	Interest rate %	Balance
EUR	0.20	49,886
TRL	42.00	1,862
USD	-	157
		51,905

31 December 2023

Original Currency	Interest rate %	Balance
EUR	0.05	97,252
TRL	38.00	1,902
USD	0.05	266
Other		348
		99,768

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15. CAPITAL AND RESERVES

At 31 March 2024 and 31 December 2023, the shareholding structure of the Company was as follows:

Shareholders	(%)	31 March 2024
Tank ÖWA alpha GmbH	46.12	167,542
Tepe İnşaat Sanayi A.Ş. (“Tepe İnşaat”)	5.04	18,325
Sera Yapı Endüstrisi ve Ticaret A.Ş. (“Sera Yapı”)	1.05	3,818
Other free float	47.79	173,596
Paid in capital in TRL (nominal)	100.00	363,281
Paid in capital in EUR (nominal) as at 31 March 2024		10,438
Effect of non-cash increases and exchange rates		151,946
Paid in capital EUR		162,384
Shareholders	(%)	31 December 2023
Tank ÖWA alpha GmbH	46.12	167,542
Tepe İnşaat Sanayi A.Ş. (“Tepe İnşaat”)	5.06	18,375
Sera Yapı Endüstrisi ve Ticaret A.Ş. (“Sera Yapı”)	1.16	4,218
Other free float	47.66	173,146
Paid in capital in TRL (nominal)	100.00	363,281
Paid in capital in EUR (nominal) as at 31 December 2023		11,153
Effect of non-cash increases and exchange rates		151,231
Paid in capital EUR		162,384

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16. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 31 March 2024 was based on the profit attributable to ordinary shareholders of EUR 8,893 (31 March 2023: loss attributable to ordinary shareholders of EUR 45,261) and a weighted average number of ordinary shares outstanding of 363,281,250 (31 March 2023: 363,281,250) as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Numerator:		
Profit / (loss) for the period attributable to owners of the Company from continued operations	8,921	(45,239)
Loss for the period attributable to owners of the Company from discontinued operations	(28)	(22)
Denominator:		
Weighted average number of shares	363,281,250	363,281,250
Basic and diluted profit / (loss) per share for continued operations (full EUR)	0.02	(0.12)
	1 January - 31 March 2024	1 January - 31 March 2023
Issued ordinary shares at 1 January	<u>363,281,250</u>	<u>363,281,250</u>
Weighted average number of ordinary shares	<u>363,281,250</u>	<u>363,281,250</u>

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17. 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.

	31 March 2024	31 December 2023
Non-current liabilities		
Secured bank loans (*)	849,382	822,748
Bonds (**)	350,333	334,453
Unsecured bank loans	749	11,607
Lease liabilities	98,138	62,519
Financial liabilities at fair value through profit or loss (***)	22,067	23,159
	<u>1,320,669</u>	<u>1,254,486</u>
Current liabilities		
Short term secured bank loans (*)	275,086	278,721
Current portion of long term secured bank loans (*)	166,653	150,949
Short term unsecured bank loans	24,833	64,960
Current portion of bonds (**)	30,341	29,392
Current portion of long term unsecured bank loans	845	1,692
Current portion of long term lease liabilities	11,362	6,319
	<u>509,120</u>	<u>532,033</u>

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

(**) The group completed the issuance of debt instruments for sale outside of Türkiye on December 7, 2023. The nominal value of the notes sold is USD 400 million and the coupon rate is 8.50%. The maturity of the notes is 5 years. The cash outflow of the notes from the Group have been converted to euro through a cross-currency swap between U.S. dollars and euro. After the cross currency swap is factored in, the 8.50% coupon rate of the instrument has decreased to an effective rate of 6.87% in euro terms for the Group.

(***) Financial liabilities at fair value through profit or loss, comprise of participation right for lenders which is booked with its fair value.

The Group's total bank loans and lease liabilities as at 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Bank loans	1,317,548	1,330,677
Bonds	380,674	363,845
Lease liabilities	109,500	68,838
Financial liabilities at fair value through profit or loss	22,067	23,159
	<u>1,829,789</u>	<u>1,786,519</u>

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17. LOANS AND BORROWINGS (continued)

The Group's bank loans as at 31 March 2024 are as follows:

31 March 2024	Presented as		Total
	Current liabilities	Non-current liabilities	
TAV Kazakhstan	58,769	359,961	418,730
TAV Tunisia	246,621	-	246,621
TAV Ege	27,259	158,748	186,007
TAV Ankara	4,439	170,462	174,901
TAV Milas Bodrum	18,084	90,681	108,765
TAV Macedonia	11,315	58,185	69,500
BTA	36,217	1,712	37,929
HAVAŞ	35,121	-	35,121
TAV İşletme	18,621	10,382	29,003
TAV Holding	10,769	-	10,769
TAV Güvenlik	202	-	202
	467,417	850,131	1,317,548

The Group's bank loans as at 31 December 2023 are as follows:

31 December 2023	Presented as		Total
	Current liabilities	Non-current liabilities	
TAV Kazakhstan	42,743	355,367	398,110
TAV Tunisia	242,405	-	242,405
TAV Ege	21,514	159,965	181,479
TAV Ankara	15,497	154,888	170,385
TAV Milas Bodrum	17,139	89,370	106,509
TAV Macedonia	10,739	57,202	67,941
TAV Holding	61,608	-	61,608
BTA	29,667	15,610	45,277
HAVAŞ	34,593	-	34,593
TAV İşletme	20,086	1,953	22,039
TAV Güvenlik	331	-	331
	496,322	834,355	1,330,677

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17. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
On demand or within one year	467,417	496,322
Between one and five years	532,936	542,312
After five years	317,195	292,043
	<u>1,317,548</u>	<u>1,330,677</u>

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spreads for EUR denominated loans as at 31 March 2024 are between 1.50% - 6.00%, USD denominated loans as at 31 March 2024 are between 0.95% - 4.50% (31 December 2023: Spreads for EUR and USD denominated loans are between 2.20% - 6.00% and 0.90% - 4.50%, respectively).

Interest payments of 74%, 23%, 100%, 90%, 54% and 70% of floating bank loans for TAV Ege, TAV Macedonia, TAV İşletme America, TAV Milas Bodrum, TAV Kazakhstan and AIA respectively are fixed with interest rate swaps as explained in Note 19 (31 December 2023: 74%, 29%, 100%, 90%, 54% and 70%)

The Group has obtained project financing loans to finance construction of its BOT and BTO concession projects, namely TAV Macedonia, TAV Tunisia and TAV Ege; and to be able to finance advance payments to DHMI 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 agreements due to slow passenger recovery from the pandemic period. Therefore, the non-current loan liabilities of TAV Tunisia were reclassified to current loan liabilities on 30 June 2023 and the amount outstanding as of 31 March 2024 is EUR 246,621 (included interest accrual). TAV Tunisia has not received any Acceleration Notice from the Lenders.

Except for TAV Tunisia, there is no breach of financial agreements as at 31 March 2024.

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18. OTHER PAYABLES

At 31 March 2024 and 31 December 2023, other payables comprised the following:

Other short-term payables	31 March 2024	31 December 2023
Concession payable (*)	144,623	173,223
Advances received	39,622	28,379
Expense accruals	20,299	18,807
Taxes and duties payable	18,597	22,763
Social security premiums payable	8,786	8,606
Due to personnel	8,062	6,924
Other accruals and liabilities	4,627	5,122
	244,616	263,824
	31 March 2024	31 December 2023
Other long-term payables		
Concession payable (*)	499,212	520,721
Deferred payment liability	57,476	56,096
Advances received	10,207	10,091
Other accruals and liabilities	2,031	2,108
	568,926	589,016

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 295,422 as of 31 March 2024 (31 December 2023: EUR 291,298). 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. TAV Ege's postponed payment has been paid in January 2024.

The concession payable of the international and domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 218,312 as of 31 March 2024 (31 December: 2023: EUR 273,182).

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19. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 March 2024 and 31 December 2023, derivative financial instruments comprised the following:

	31 March 2024		
	Assets	Liabilities	Net Amount
Interest rate swap	52,817	-	52,817
Cross currency swap	611	-	611
	53,428	-	53,428

	31 December 2023		
	Assets	Liabilities	Net Amount
Interest rate swap	42,191	-	42,191
Cross currency swap	-	(10,511)	(10,511)
	42,191	(10,511)	31,680

Interest rate swap:

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2024, 74% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2023: 74%).

TAV Milas Bodrum uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2024, 90% of total loan is hedged through IRS contract (31 December 2023: 90%).

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2024, 23% of total loan is hedged through IRS contract (31 December 2023: 29%).

TAV İşletme America uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2024, 100% of total loan is hedged through IRS contract (31 December 2023: 100%).

TAV Kazakhstan uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2024, 54% of total loan is hedged through IRS contract (31 December 2023: 54%).

AIA uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2024, 70% of total loan is hedged through IRS contract (31 December 2023: 70%).

Cross currency swap:

The group completed the issuance of debt instruments for sale outside of Türkiye on December 7, 2023. The nominal value of the notes sold is USD 400 million and the coupon rate is 8.50%. The maturity of the notes is 5 years. The cash outflow of the notes from the Group have been converted to euro through a cross-currency swap between U.S. dollars and euro. After the cross currency swap is factored in, the 8.50% coupon rate of the instrument has decreased to an effective rate of 6.87% in euro terms for the Group.

The fair value of derivatives at 31 March 2024 is estimated at profit of EUR 53,428 (31 December 2023: EUR 31,680). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 March 2024, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to an loss of EUR 6,722 net of tax (31 December 2023: EUR 7,009).

Fair value disclosures:

The Group has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.

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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:

31 March 2024

Foreign currency denominated monetary assets	USD	EUR (*)	TRL (**)	Other	Total
Other non-current assets	78,678	-	11,073	184	89,935
Trade receivables	8,303	963	13,047	20,089	42,402
Due from related parties	1,187	7	22,675	1,277	25,146
Other receivables and current assets (**)	4,464	3,383	5,314	26,254	39,415
Financial Assets	-	-	79,954	-	79,954
Cash and cash equivalents	29,937	14,847	7,589	29,209	81,582
	122,569	19,200	139,652	77,013	358,434
Foreign currency denominated monetary liabilities					
Loans and borrowings	(388,506)	(49,418)	(15,498)	(1,073)	(454,495)
Trade payables	(3,613)	(1,907)	(8,266)	(18,058)	(31,844)
Due to related parties	-	-	(4)	(3)	(7)
Other payables	(11,668)	(28)	(14,984)	(45,937)	(72,617)
	(403,787)	(51,353)	(38,752)	(65,071)	(558,963)
Net exposure (*)	(281,218)	(32,153)	100,900	11,942	(200,529)

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

(**) EUR 84,973 comprises exchange rate protected deposits.

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20. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued):

31 December 2023

Foreign currency denominated monetary assets	USD	EUR (*)	TRY (**)	Other	Total
Other non-current assets	77,463	-	9,883	176	87,522
Trade receivables	6,331	1,585	7,620	18,072	33,608
Due from related parties	1,144	1,420	512	1,223	4,299
Other receivables and current assets (**)	1,140	3,326	2,953	21,838	29,257
Financial Assets	-	-	80,888	-	80,888
Restricted bank balances	266	-	1,902	348	2,516
Cash and cash equivalents	28,759	32,742	4,156	15,339	80,996
	115,103	39,073	107,914	56,996	319,086
Foreign currency denominated monetary liabilities					
Loans and borrowings	(364,116)	(56,564)	(11,434)	(1,240)	(433,354)
Trade payables	(2,543)	(2,972)	(7,437)	(11,653)	(24,605)
Due to related parties	-	-	(8)	(9)	(17)
Other payables	(26,512)	770	(16,735)	(44,694)	(87,171)
	(393,171)	(58,766)	(35,614)	(57,596)	(545,147)
Net exposure (*)	(278,068)	(19,693)	72,300	(600)	(226,061)

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

(**) EUR 80,888 comprises exchange rate protected deposits.

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20. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis:

The Group's principal currency risk relates to changes in the value of the Euro relative to TRY and USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts.

A 10 percent strengthening / (weakening) of EUR against the following currencies at 31 March 2024 and 31 December 2023 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity		Profit or loss	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
31 March 2024				
USD	38,067	(38,067)	(9,945)	9,945
TRY	-	-	(10,090)	10,090
Other	-	-	(1,194)	1,194
Total	38,067	(38,067)	(21,229)	21,229
31 December 2023				
USD	36,385	(36,385)	(8,578)	8,578
TRY	-	-	(7,230)	7,230
Other	-	-	60	(60)
Total	36,385	(36,385)	(15,748)	15,748

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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:

	Note	31 March 2024		31 December 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Financial assets (*)	16	84,973	84,973	80,888	80,888
Trade receivables - current	20	111,749	111,749	114,256	114,256
Due from related parties	35	151,722	151,722	102,295	102,295
Restricted bank balances	22	51,905	51,905	99,768	99,768
Cash and cash equivalents	21	450,101	450,101	538,911	538,911
Derivative financial instruments	32	53,428	53,428	42,191	42,191
Financial liabilities					
Bank overdraft	21	(482)	(482)	(342)	(342)
Loans and borrowings	25	(1,829,789)	(1,831,214)	(1,786,519)	(1,787,944)
Trade payables (**)	30	(59,666)	(59,666)	(55,059)	(55,059)
Due to related parties	35	(455,895)	(455,895)	(465,694)	(465,694)
Derivative financial instruments	32	-	-	(10,511)	(10,511)
Other payables (**)	27	(773,920)	(786,225)	(824,461)	(837,303)
		(2,215,874)	(2,229,604)	(2,164,277)	(2,178,544)

(*) EUR 84,973 comprises exchange rate protected deposits (31 December 2023: EUR 80,888).

(**) 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.

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21. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	<u>31 March 2024</u>	<u>31 December 2023</u>
Letters of guarantee given to DHMİ	114,912	114,567
Letters of guarantee given to Macedonian government	250	250
Letters of guarantee given to Tunisian government	16,036	15,890
Letters of guarantee given to Saudi Arabian government	6,425	6,271
Letters of guarantee given to third parties	1,077,867	1,088,935
	<u>1,215,490</u>	<u>1,225,913</u>

Contractual obligations

The Group is obliged to give a letter of guarantee at an amount equivalent of USD 6,926 (EUR 6,425) (31 December 2023: USD 6,939 (EUR 6,271)) to GACA according to the BTO agreement signed with GACA in Saudi Arabia.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 8,893 (31 December 2023: EUR 8,840) to the Ministry of State Property and Land Affairs and EUR 7,143 (31 December 2023: EUR 7,050) 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 929,000.

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21. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contractual obligations (continued)

US Sanctions

In the context of the U.S. government's sanctions against Russia, Belarus and Iran, The Group received a letter in January 2023 from the U.S. Bureau of Industry and Security ("BIS"), Office of Export Enforcement ("OEE") like (or like) other airport operators in Türkiye. The latter recalls the regulatory framework of the sanctions regime applicable in the United States, in particular in connection with the Export Administration Regulations ("EAR"), lists the aircraft specifically targeted by the said sanctions regime (aircraft containing a minimum of 25% of components of American origin and operated by Russian, Belarusian and Iranian airlines) and commits the Group to assess the risks involved in providing services to the listed aircraft operating in Turkish and Georgian airspace.

The Group has appointed a US law firm with this regard and in conjunction with the Turkish authorities and BIS, is committed to assessing this risk and commit to comply with such regulations.

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 - 31 March 2024	1 January - 31 March 2023
Short-term benefits (salaries, bonuses etc.)	3,662	2,654
	3,662	2,654

As at 31 March 2024 and 31 December 2023, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

Other related party transactions:

	31 March 2024	31 December 2023
Due from related parties	29,559	6,577
Current loan to related parties	8,825	9,679
	38,384	16,256
	31 March 2024	31 December 2023
Non-current loan to related parties	113,338	86,039
	113,338	86,039

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22. RELATED PARTIES (continued)

Other related party transactions (continued):

Due from related parties	31 March 2024	31 December 2023
TGS (1) (*)	22,550	179
Tibah Operation (1)	3,175	2,503
ATÜ (1) (**)	2,462	2,570
AMS (1)	145	91
BTA Medinah (1)	418	404
TAV Antalya (1)	149	346
ZAIC-A	105	33
TAV Construction	42	22
Other related parties	513	429
	29,559	6,577

(*) Receivables from TGS comprise of dividend receivables.

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

Current loan to related parties	31 March 2024	31 December 2023
ZAIC-A (1)	4,017	3,896
ATU Medinah (1)	1,597	1,558
TAV İşletme GIS SASA (1)	1,260	947
Saudi Havaş (1)	1,023	1,015
Paris Lounge Network	-	1,420
TAV İşletme Chile (1)	470	453
BTA Medinah (1)	400	390
Tibah Development (1)	58	-
	8,825	9,679

(1) Joint Ventures

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22. RELATED PARTIES (continued)

Other related party transactions (continued):

	31 March	31 December
	2024	2023
Non-current loan to related parties		
TAV Antalya Yatırım (1)	66,383	40,250
Tibah Development (1) (*)	42,594	40,986
Medinah Hotel (1)	3,923	3,766
Saudi Havaş (1)	412	1,010
TAV İşletme Saudi (1)	26	27
	113,338	86,039

(*) The Group has provided a shareholder loan of 218 million US dollars to Tibah Development, of which 193 million EUR with an interest rate of 7% has been mostly used to repay the equity bridge loan maturing in 2021 and will be paid back to the Group depending on the available cash after debt service of Tibah Development. The maturity of the shareholder loan provided is 31 December 2032. The excess cash flows will be shared between the Group and GACA where weight will be given to Groups' shareholder loan. The sharing of the excess cash flows with GACA will stop once all rent due for the force majeure period is paid.

Due to application of 38th and 39th paragraphs of IAS 28, negative net assets of Tibah Development which was accounted under "Liabilities from equity-accounted 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.

	31 March	31 December
	2024	2023
Due to related parties	307	319
Non-current loan from related parties	455,588	465,375
	455,895	465,694
Non-current loan from related parties		
	31 March	31 December
	2024	2023
Tank ÖWA alpha GmbH (2) (*)	455,588	465,375
	455,588	465,375

(*) The Group has obtained a shareholder loan amount of EUR 300,000 with a maturity of 14 May 2021, with a 3% interest rate, from Tank ÖWA alpha GmbH in 2018. Based on the additional agreement made in 2021, EUR 150,000 has been paid, and the remaining amount of EUR 150,000 has been converted into a new shareholder loan with 3.8% interest rate, with a maturity of 14 November 2024. Second shareholder loan amount of EUR 300,000 with a maturity of 23 March 2026, with a 4.88% interest rate is obtained by the Group from Tank ÖWA alpha GmbH by the Group in 2022.

- (1) Joint Ventures
(2) Shareholders

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22. RELATED PARTIES (continued)

Other related party transactions (continued):

	31 March 2024	31 December 2023
Short term deferred income from related parties	<u> </u>	<u> </u>
ATÜ (1) (*)	990	992
	990	992
	<u> </u>	<u> </u>
Long term deferred income from related parties	<u> </u>	<u> </u>
ATÜ (1) (*)	10,648	10,892
	10,648	10,892

(*) Deferred income from related parties is related with the unearned portion of concession rent income from ATU.

	1 January - 31 March 2024	1 January - 31 March 2023
Services rendered to related parties	<u> </u>	<u> </u>
ATÜ (1) (*)	11,624	9,834
Tibah Operation (1)	2,786	2,129
Fraport TAV Antalya (1)	1,105	901
TGS (1)	726	684
Tav Antalya (1)	475	395
AMS (1)	61	2,229
Tibah Development (1)	-	35
Other related parties	396	48
	17,173	-

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

(1) Joint Ventures

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22. RELATED PARTIES (continued)

Other related party transactions (continued):

Services rendered by related parties	1 January - 31 March 2024	1 January - 31 March 2023
Tav Antalya (1)	223	159
ATÜ (1)	12	16
TGS (1)	10	12
Other related parties	38	51
	283	238

On 23 September 2021, TAV Construction and Almaty International Airport JSC entered into an engineering, procurement and construction (EPC) contract for an amount of USD 196,500 related to the construction of a new terminal building, a new general aviation building and a new governmental VIP building. The remaining amount from the EPC contract is USD 11,130.

The Group signed an EPC contract for an amount of EUR 766,216 including price adjustment and change orders, with a joint venture formed by TAV Construction and Sera related to additional investments for the capacity increase of Antalya Airport. On top of EPC amount, there is a price adjustment mechanism up to 7.5% of the total EPC amount. The remaining amount from the EPC contract is EUR 194,287.

The group signed an EPC contract for an amount of EUR 202,104, with a joint venture formed by TAV Construction and Sera related to additional investments for the capacity increase of Ankara Esenboğa Airport. On top of EPC amount, there is a price adjustment mechanism up to 7.5% of the total EPC amount. The remaining amount from the EPC contract is EUR 107,939.

Interest (expense) / income from related parties (net)	31 March 2024	31 March 2023
Tank ÖWA alpha GmbH (3)	(4,813)	(5,016)
Tibah Development (1)	1,547	-
Fraport TAV Antalya (1)	944	337
ATÜ (1)	15	-
Other related parties	174	93
	(2,133)	(4,586)

The average interest rate used within the Group is 8.81% per annum (31 December 2023: 8.67%). The Group converts related party TRL loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

- (1) Joint Ventures
- (2) Subsidiary of shareholders
- (3) Shareholders

Dividend distribution

In 2024, the Group did not distribute any dividend to the shareholders in accordance with its dividend policy (2023: None). Dividend per share is none (2023: None).

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23. INTERESTS IN OTHER ENTITIES

Non-controlling interests in subsidiaries

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

	31 March 2024		
	TAV Tbilisi	Other immaterial subsidiaries	Total
NCI Percentage	20.00%		
Non-current assets	46,365		
Current assets	36,572		
Non-current liabilities	8,709		
Current liabilities	6,193		
Net assets	68,035		
Carrying amount of NCI	13,607	3,908	17,515
	13,607	3,908	17,515
	1 January - 31 March 2024		
	TAV Tbilisi	Other immaterial subsidiaries	Total
Revenue	22,916		
Profit / (loss)	10,045		
Total comprehensive income	11,047		
Profit / (loss) allocated to NCI	2,009	(56)	1,953

In 2024, the Company distributed no dividends to the non-controlling interests in subsidiaries (2023: None).

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23. INTERESTS IN OTHER ENTITIES (continued)

Non-controlling interests in subsidiaries (continued)

	31 December 2023		
	TAV Tbilisi	Other immaterial subsidiaries	Total
NCI Percentage	20.00%		
Non-current assets	49,223		
Current assets	19,818		
Non-current liabilities	6,480		
Current liabilities	5,824		
Net assets	56,737		
Carrying amount of NCI	11,347	3,876	15,223
	11,347	3,876	15,223
	1 January - 31 March 2023		
	TAV Tbilisi	Other immaterial subsidiaries	Total
Revenue	19,334		
Profit	7,860		
Total comprehensive income	10,175		
Profit / (loss) allocated to NCI	1,572	(54)	1,518

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23. INTERESTS IN OTHER ENTITIES (continued)

Joint Ventures and Associates

As of 31 March 2024 and 31 December 2023, equity-accounted investments in consolidated statement of financial position comprise the following:

	31 March 2024	31 December 2023
Joint Ventures	726,313	751,195
Associates	1,380	3,203
	727,693	754,398

For the years ended 31 March 2024 and 2023, share of profit equity-accounted investments, net of tax in consolidated statement of comprehensive income comprises the following:

	1 January - 31 March 2024	1 January - 31 March 2023
Joint Ventures	(4,172)	(13,376)
Associates	(1,217)	(4)
	(5,389)	(13,380)

Joint Ventures

Carrying amounts of the Group's joint ventures in the statement of financial position as at 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
TAV Antalya Yatırım	392,732	399,908
TAV Antalya	234,579	237,481
ATÜ	57,058	54,504
TGS	40,380	56,766
Tibah Operation	1,401	1,065
Other	163	1,471
	726,313	751,195

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23. INTERESTS IN OTHER ENTITIES (continued)

Group's share of profit of the Group's joint ventures in the statement of comprehensive income for the period ended 31 March are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
ATÜ	2,462	(36)
TGS	3,351	(557)
Tibah Operation	308	291
Saudi Havaş	-	(52)
TAV Antalya	(2,902)	(8,003)
TAV Antalya Yatırım	(7,176)	(4,781)
Other	(215)	(238)
	<u>(4,172)</u>	<u>(13,376)</u>

Associates

Carrying amount of the Group's associate in the statement of financial position as at 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
ZAIC-A	1,196	3,053
AMS	184	150
	<u>1,380</u>	<u>3,203</u>

Group's share of profit/(loss) of the Group's associate in the statement of comprehensive income for the period ended 31 March is as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
ZAIC-A	(1,252)	(764)
AMS	35	760
	<u>(1,217)</u>	<u>(4)</u>

24. SUBSEQUENT EVENTS

None.