

# **elebi Hava Servisi Anonim Őirketi**

## **Condensed consolidated financial statements for the interim period 1 January – 31 March 2021**

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

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# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE INTERIM PERIOD AS OF 31 MARCH 2021

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

		<i>Current period</i>	<i>Prior period</i>
		<i>Not Audited</i>	<i>Audited</i>
	<b>Notes</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	464.236.611	571.830.186
Financial investments		61.891.966	9.435.386
-Restricted cash	5	61.891.966	9.435.386
Trade receivables		255.281.976	168.762.629
-Due from related parties	8	12.346.507	5.343.963
-Due from third parties	8	242.935.469	163.418.666
Other receivables		179.569.953	108.639.964
-Due from third parties	9	139.158.374	72.533.233
-Due from related parties	9	40.411.579	36.106.731
Inventories	10	22.845.093	19.545.205
Prepaid expenses	16	39.614.602	27.722.513
Current tax assets	23	10.333.949	2.777.130
Other current assets	15	14.725.146	17.087.134
<b>Total current assets</b>		<b>1.048.499.296</b>	<b>925.800.147</b>
<b>Non-current assets</b>			
Financial investments	5	32.711.834	18.361.495
Other receivables		259.202.991	133.821.116
-Due from related parties		80.777.761	74.351.957
-Due from third parties	9	178.425.230	59.469.159
Investments accounted using equity method	6	12.381.694	157.711.645
Property, plant and equipment	11	518.327.888	489.167.243
Right-of-use assets	12	479.499.750	510.665.322
Intangible assets		565.645.172	338.120.218
-Goodwill	13	80.446.075	73.295.661
-Other intangible assets	13	485.199.097	264.824.557
Prepaid expenses	16	15.756.100	7.710.156
Deferred tax asset	23	178.971.597	156.752.202
Other non-current assets	15	25.120.417	24.059.858
<b>Total non-current assets</b>		<b>2.087.617.443</b>	<b>1.836.369.255</b>
<b>Total assets</b>		<b>3.136.116.739</b>	<b>2.762.169.402</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE INTERIM PERIOD AS OF 31 MARCH 2021

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

		<i>Current period</i>	<i>Prior period</i>
		<i>Not Audited</i>	<i>Audited</i>
	Notes	31 March 2021	31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term financial liabilities	7	174.591.914	149.354.675
Short-term portion of long-term financial liabilities	7	490.080.724	436.473.537
Short-term lease payables	7	80.114.336	132.582.488
Trade payables		143.079.175	128.227.619
-Due to related parties	8	5.014.482	8.892.303
-Due to third parties	8	138.064.693	119.335.316
Employee benefit obligations	18	64.026.369	35.804.414
Other payables		27.956.310	86.794.158
-Due to related parties	9	-	57.712.500
-Due to third parties	9	27.956.310	29.081.658
Deferred income	17	32.956.132	24.101.894
Current tax liability	23	23.660.490	28.760.852
Short-term provisions		46.956.880	33.709.370
-Provisions for employee benefits	14	39.356.613	25.614.891
-Other short-term provisions	14	7.600.267	8.094.479
Other current liabilities	15	14.279.753	10.700.345
<b>Total current liabilities</b>		<b>1.097.702.083</b>	<b>1.066.509.352</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	7	576.188.974	505.135.294
Payables from long-term leases	7	621.127.205	582.117.286
Other payables		25.450.203	20.323.200
-Other long-term payables to third parties	9	25.450.203	20.323.200
Long-term provisions		31.490.254	34.788.905
-Provisions related to employee benefits	14	31.490.254	34.788.905
Deferred tax liability	23	35.038.949	29.562.138
Other non-current liabilities	15	144.403.128	75.435.163
Deferred income	17	2.000.589	2.000.589
<b>Total non-current liabilities</b>		<b>1.435.699.302</b>	<b>1.249.362.575</b>
<b>Total liabilities</b>		<b>2.533.401.385</b>	<b>2.315.871.927</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>		<b>380.935.723</b>	<b>356.603.862</b>
Paid-in capital	19	24.300.000	24.300.000
Accumulated other comprehensive income or expenses			
that will not be reclassified subsequently to profit or loss		(27.110.446)	(27.110.446)
-Gains / (losses) on remeasurement of defined benefit plans		(27.110.446)	(27.110.446)
Accumulated other comprehensive income or expenses			
that will be reclassified subsequently to profit or loss		339.693.784	262.085.889
-Foreign currency translation differences		339.693.784	262.085.889
Restricted reserves	19	74.387.905	74.387.905
Prior years' profit / (losses)		22.940.514	192.120.125
Net profit / (loss) for the period		(53.276.034)	(169.179.611)
<b>Non-controlling interests</b>		<b>221.779.631</b>	<b>89.693.613</b>
<b>Total equity</b>		<b>602.715.354</b>	<b>446.297.475</b>
<b>Total liabilities and equity</b>		<b>3.136.116.739</b>	<b>2.762.169.402</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

		<i>Current period</i>	<i>Prior period</i>
		<i>Not Audited</i>	<i>Not Audited</i>
		<b>1 January - 31 March 2021</b>	<b>1 January - 31 March 2020</b>
	<b>Notes</b>		
<b>CONTINUING OPERATIONS</b>			
Revenue	20	451.090.935	401.883.516
Cost of sales (-)	20	(334.868.125)	(317.253.270)
<b>GROSS PROFIT / (LOSS)</b>	<b>20</b>	<b>116.222.810</b>	<b>84.630.246</b>
General administrative expenses (-)		(59.435.964)	(52.484.715)
Other operating income		116.220.702	92.024.555
Other operating expenses (-)		(135.171.555)	(75.152.490)
<b>OPERATING PROFIT / (LOSS)</b>		<b>37.835.993</b>	<b>49.017.596</b>
Income from investment activities		2.311.930	2.877.790
Expenses from investment activities (-)		(9.092)	(1.256.447)
Income from investments accounted by equity method		1.162.430	4.928.861
<b>OPERATING PROFIT / (LOSS) BEFORE FINANCE EXPENSE</b>		<b>41.301.261</b>	<b>55.567.800</b>
Financial income	21	33.767.364	22.411.830
Financial expenses (-)	22	(121.435.051)	(112.978.529)
<b>PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>(46.366.426)</b>	<b>(34.998.899)</b>
<b>Tax expense</b>		<b>68.395</b>	<b>(3.461.251)</b>
Current tax expense	23	(12.801.752)	(6.320.000)
Deferred tax income / (expense)	23	12.870.147	2.858.749
<b>PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(46.298.031)</b>	<b>(38.460.150)</b>
<b>Profit / (Loss) for the Period Attributable to:</b>			
Non-controlling interests		6.978.003	2.113.249
Equity holder of the Parent		(53.276.034)	(40.573.399)
		<b>(46.298.031)</b>	<b>(38.460.150)</b>
Earnings / (loss) per share (Kr)	24	(0,022)	(0,017)

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

	<i>Current Period</i>	<i>Prior Period</i>
	<i>Not Audited</i>	<i>Not Audited</i>
	<b>1 January - 31 March 2021</b>	<b>1 January - 31 March 2020</b>
Notes		
<b>Net profit for the period</b>	<b>(46.298.031)</b>	<b>(38.460.150)</b>
<b>Items that will be reclassified to profit or loss</b>		
- Gains / (losses) on remeasurement of defined benefit plans	105.327	-
<b>Items that will be reclassified to profit or loss</b>		
-Foreign currency translation differences	147.787.175	20.268.576
<b>Other comprehensive income / (expense)</b>	<b>147.756.428</b>	<b>20.268.576</b>
<b>Total comprehensive income</b>	<b>101.594.471</b>	<b>(18.191.574)</b>
<b>Total comprehensive income attributable to:</b>		
Non-controlling interests	77.262.610	4.473.448
Equity holders of the parent	24.331.861	(22.665.022)
	<b>101.594.471</b>	<b>(18.191.574)</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

		Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss	Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss			Retained earnings			
	Share capital	Gains / (losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit / (loss) for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>As of 1 January 2021</b>	<b>24.300.000</b>	<b>(27.110.446)</b>	<b>262.085.889</b>	<b>74.387.905</b>	<b>192.120.125</b>	<b>(169.179.611)</b>	<b>356.603.862</b>	<b>89.693.613</b>	<b>446.297.475</b>
Transfers to prior years' profits	-	-	-	-	(169.179.611)	169.179.611	-	-	-
Dividend payment	-	-	-	-	-	-	-	(7.710.730)	(7.710.730)
Increase in subsidiary minority shares	-	-	-	-	-	-	-	62.534.138	62.534.138
<b>Other comprehensive income</b>									
-Foreign currency translation difference	-	-	77.607.895	-	-	-	77.607.895	70.179.280	147.787.175
-Losses on remeasurement of defined benefit plans	-	-	-	-	-	-	-	105.327	105.327
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>77.607.895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77.607.895</b>	<b>70.284.607</b>	<b>147.892.502</b>
Net profit for the period	-	-	-	-	-	(53.276.034)	(53.276.034)	6.978.003	(46.298.031)
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>77.607.895</b>	<b>-</b>	<b>-</b>	<b>(53.276.034)</b>	<b>24.331.861</b>	<b>77.262.610</b>	<b>101.594.471</b>
<b>As of 31 March 2021</b>	<b>24.300.000</b>	<b>(27.110.446)</b>	<b>339.693.784</b>	<b>74.387.905</b>	<b>22.940.514</b>	<b>(53.276.034)</b>	<b>380.935.723</b>	<b>221.779.631</b>	<b>602.715.354</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

		Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss	Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Retained earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share capital	Gains / (losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit / (loss) for the period			
<b>As of 1 January 2020</b>	<b>24.300.000</b>	<b>(24.024.964)</b>	<b>136.376.158</b>	<b>63.387.956</b>	<b>117.783.967</b>	<b>192.355.079</b>	<b>510.178.196</b>	<b>62.258.768</b>	<b>572.436.964</b>
Transfers to prior years' profits	-	-	-	-	192.355.079	(192.355.079)	-	-	-
Increase in subsidiary minority shares	-	-	-	-	(1.313.971)	-	(1.313.971)	1.313.971	-
<b>Other comprehensive income</b>									
-Foreign currency translation difference	-	-	17.908.377	-	-	-	17.908.377	2.360.199	20.268.576
<b>Total other comprehensive income</b>	-	-	<b>17.908.377</b>	-	-	-	<b>17.908.377</b>	<b>2.360.199</b>	<b>20.268.576</b>
Net profit for the period	-	-	-	-	-	(40.573.399)	(40.573.399)	2.113.249	(38.460.150)
<b>Total comprehensive income / (expense)</b>	-	-	<b>17.908.377</b>	-	-	<b>(40.573.399)</b>	<b>(22.665.022)</b>	<b>4.473.448</b>	<b>(18.191.574)</b>
<b>As of 31 March 2020</b>	<b>24.300.000</b>	<b>(24.024.964)</b>	<b>154.284.535</b>	<b>63.387.956</b>	<b>308.825.075</b>	<b>(40.573.399)</b>	<b>486.199.203</b>	<b>68.046.187</b>	<b>554.245.390</b>

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



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Not Audited</i>
		<b>1 January –</b>	<b>1 January –</b>
	<b>Notes</b>	<b>31 March</b>	<b>31 March</b>
		<b>2021</b>	<b>2020</b>
<b>A. Cash flows from operating activities</b>		<b>(173.457.463)</b>	<b>28.369.089</b>
<b>Net (loss) / profit for the period</b>		<b>(46.298.031)</b>	<b>(38.460.150)</b>
<b>Adjustments for reconciliation of net profit/loss for the period</b>		<b>151.668.862</b>	<b>48.411.033</b>
Adjustments related to depreciation and amortization expenses	11, 13	41.713.636	37.109.464
Adjustments related to impairment (reversal)		2.677.150	2.158.362
Adjustments related to provisions		7.075.655	1.555.151
- Adjustments related to provisions for employee benefits		7.075.655	1.555.151
Adjustments related to interest income and expenses	22,23	23.485.647	11.711.506
- Adjustments related to interest income		(5.928.878)	(3.739.524)
- Adjustments related to interest expenses		29.414.525	15.451.030
Adjustments related to unrealized foreign currency translation differences		80.250.437	221.950
Adjustments related to tax (income) expenses		(68.395)	3.461.251
Adjustments related to undistributed profit of investments that are accounted by the equity method	6	(1.162.430)	(4.928.861)
Adjustments related to gains/losses on disposal of non-current assets		(2.302.838)	(2.877.790)
<b>Changes in working capital</b>		<b>(237.106.910)</b>	<b>29.074.736</b>
Decrease (increase) in financial investments		(65.456.797)	31.691.914
Adjustments related to increase/decrease in trade receivables		(89.472.010)	5.977.106
- Decrease/increase in due from related parties		(7.002.544)	330.256
- Decrease/increase in due from third parties		(82.469.466)	5.646.850
Adjustments related to increase/decrease in other receivables related to operations		(180.994.495)	(26.309.403)
Adjustments related to increase/decrease in inventories		(3.299.888)	(2.504.767)
Decrease (increase) in prepaid expenses		(19.938.033)	8.409.216
Adjustments related to increase/decrease in trade payables		14.851.556	(6.509.802)
- Increase (decrease) in due to related parties		(3.877.821)	(9.133.859)
- Increase (decrease) in due to third parties		18.729.377	2.624.057
Increase (decrease) in payables related to employee benefits		30.963.643	862.892
Adjustments related to increase/decrease in other payables related to operations		76.239.114	17.457.580
<b>Cash flows generated from operations</b>		<b>(131.736.079)</b>	<b>39.025.619</b>
Payments related to provisions for employee benefits	14	(2.818.986)	(4.656.972)
Payments related to other provisions		(1.050.060)	(320.804)
Tax returns (payments)		(37.852.338)	(5.678.754)

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Not Audited</i>	<i>Not Audited</i>
		<b>1 January –</b>	<b>1 January –</b>
	<b>Notes</b>	<b>31 March</b>	<b>31 March</b>
		<b>2021</b>	<b>2020</b>
<b>B. Cash flows from investing activities</b>		<b>2.150.268</b>	<b>(29.610.126)</b>
Cash inflows from sale of property, plant and equipment and intangible assets		4.260.589	7.554.484
-Cash inflows from sale of property, plant and equipment	11	4.260.589	7.149.231
-Cash inflows from sale of intangible assets		-	405.253
Cash outflows from purchase of property, plant and equipment and intangible assets		(1.843.210)	(35.995.554)
-Cash outflows from purchase of property, plant and equipment		(1.731.890)	(33.660.995)
-Cash outflows from purchase of intangible assets		(111.320)	(2.334.559)
Right-of-use assets		(347.756)	-
Cash inflows from cash advances and debts given to related parties		(1.184.355)	(1.169.056)
Dividends received		1.265.000	-
<b>C. Cash flows from financing activities</b>		<b>(147.230.896)</b>	<b>109.413.196</b>
Lease payments		(43.260.440)	(23.360.300)
Cash inflows from financial liabilities		188.101.162	215.673.664
Cash outflows due to debt payments		(242.515.181)	(83.956.505)
Dividends paid		(47.992.500)	-
Interest paid		(7.492.815)	(2.683.187)
Interest received		5.928.878	3.739.524
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES</b>		<b>(318.538.091)</b>	<b>108.172.159</b>
<b>D.Foreign currency translation differences</b>		<b>210.917.807</b>	<b>78.577.477</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(107.620.284)</b>	<b>186.749.636</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>		<b>571.428.818</b>	<b>208.942.627</b>
<b>Cash and cash equivalents at the end of the period</b>	4	<b>463.808.534</b>	<b>395.692.263</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 1 - ORGANIZATION AND NATURE OPERATIONS OF THE GROUP

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

The Company is registered in Capital Markets Board ("CMB") and has been listed in Borsa İstanbul ("BIST") since 18 November 1996. The percentage of shares which are publicly traded is 10,09% (31 December 2020: 10,09%).

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

Tayakadın Mahallesi Nuri Demirağ Caddesi No: 39  
Arnavutköy / İstanbul

The average number of employees working for the Group as of the interim period ended on 31 March 2021 is 7.639 (31 December 2020: 10.009).

### Information on Subsidiaries and Investments Valued with Equity Method:

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

#### - Subsidiaries of the Group are as follows:

<u>Subsidiary</u>	<u>Registered country</u>	<u>Geographical region</u>	<u>Nature of business</u>
CGHH	Hungary	Hungary	Ground handling services
Celebi Delhi Cargo	India	India	Warehouse and cargo services
CASI	India	India	Ground handling services
Çelebi Kargo	Turkey	Turkey	Warehouse and cargo services
Celebi Cargo	Germany	Germany	Warehouse and cargo services
Celebi Spain (*)	Spain	Spain	Ground handling services
Celebi Tanzania (*)	Tanzania	Tanzania	Ground handling services
Celebi GH India Private Limited (*)	India	India	Ground handling services
KSU (**)	India	India	Ground handling services

(\*) As of 31 March 2021, Celebi Spain, Celebi GH India Private Limited and Celebi Tanzania have no operational activity.

(\*\*) The Company signed a partnership agreements with Mr. Ashwani Khanna and Ms. Zaheda Khanna to become a 50% partner in KSU Aviation Pvt Ltd ("KSU"), a company established in India on 8 May 2019, to provide "taxiing" services to aircrafts in India. For this purpose, a capital payment of 420 million Indian Rupees (approximately EUR 5,56 million) is made by the Company.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### - Subsidiaries of the Group (cont'd)

The Company won the tender offer on acquisition of Budapest Airport Handling Kereskedelmi és Szolgáltatás Korlátolt Felelősségű Társaság ("BAGH") which provides ground handling service in Budapest Airport, and participated in the Celebi Tanácsadó Korlátolt Felelősségű Társaság ("Celebi Kft") that was founded on 22 September 2006 as founding shareholder for the realization of the above mentioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Foldi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH"). Celebi Kft was taken over by CGHH with all assets and liabilities and merger transactions have been completed at 31 October 2007 in accordance with the legal framework effective in Hungary. Since Celebi Kft owned 100% of CGHH shares before the merger, the Company's share has remained 70% in CGHH share capital. At 2011, shares representing 30% of CGHH were purchased from Çelebi Havacılık Holding Anonim Şirketi for a consideration of TL 33.712.020. As of 31 March 2021, paid-in capital of CGHH is Hungarian Forint 200.000.000.

The Company participated as a co-founder in the company with capital of Indian Rupee 100.000 under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernization and 25-year operation of the existing cargo terminal in the airport ("Brownfield") in New Delhi in India on 6 May 2009 with a shareholding rate of 74%. The paid capital of the Celebi Delhi Cargo is Indian Rupee 1.120.000.000.

As a result of the winning the tender for providing ground handling services at Delhi International Airport for a 10 years period in order to fulfill the requirements to meet the obligations and make the planned investments outlined in the Concession Agreement signed between Celebi GH Delhi and the tender to authority, under the legal legislation in India, the Company has made a premium capital increase amounting to Indian Rupee 1.380.897.000 on its subsidiary of Çelebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), which was established on 18 November 2009 with a shareholding rate of 74%. On 22 May 2017, the Company acquired 25,9% share of Çelebi GH Delhi and reached to an ownership rate of 99,9% and a share capital of Indian Rupee 23.890.000. The Company currently operates ground handling services in New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India as part of the ongoing concession agreements. On 15 March 2018, the Company's title was changed to Celebi Airport Services India Private Limited ("CASI"). CASI will continue to deliver ground handling services at Delhi International Airport for 10 years subsequent to the termination of the existing concession agreement with the authority given on 9 December 2019.

Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo") was established on 20 November 2008 to carry out transportation, cargo storage and distribution activities. Celebi Cargo GmbH ("Celebi Cargo"), the subsidiary of Çelebi Kargo with a 100% ownership, was established on November 2009 and has share capital amounting to EUR 32.100.000, rented storage and warehouse facilities at International Frankfurt Airport Cargo (Frankfurt Cargo City Süd) and carry out flight cargo storage and handling services.

On 25 March 2010, the Company participated as a founding partner to the Celebi Ground Handling Spain S.L.U ("Celebi Spain") with a capital of EUR 10.000 and an ownership rate of 100% as a founding partner for the purpose of entrepreneurship abroad, including European Union. Çelebi Spain is a non-operating company.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### - Subsidiaries of the Group (cont'd)

The Company signed a partnership agreements with Mr. Ashwani Khanna and Ms. Zaheda Khanna to become a 50% partner in KSU Aviation Pvt Ltd ("KSU"), a company established in India on 8 May 2019, to provide "taxiing" services to aircrafts in India. For this purpose, a capital payment of 420 million Indian Rupees (approximately EUR 5,56 million) is made by the Company on 20 May 2019.

In the sequel of winning the tender of rendering ground handling services for a 10 years period in Mumbai Chhatrapati Shivaji International Airport (CSIA) in Mumbai, India by the consortium in which the Company takes part, a joint venture of the Company has been established on 12 December 2008 with the trade name of "Celebi Nas Airport Services India Private Limited ("Celebi Nas") resident in Maharashtra, Mumbai, India. The Company has participated as the founding partner in Celebi Nas and has 57% shareholding where the share capital of Celebi Nas is Indian Rupee 552.000.000. A premium capital increase of Indian Rupee 228.000.000 has been paid by the shareholders of Celebi Nas in previous years. Although the Company has 57% shareholding, in accordance with the conditions in Articles of Association signed between the Company and the counterparty shareholder, Celebi Nas is accounted using the equity method and treated as a joint venture. On 8 April 2015, Celebi Nas has signed a "concession agreement" with Mumbai International Airport Private Limited ("MIAL"), the operator of the CSIA International Airport, for rendering services of air conditioners and generators mounted on passenger boarding bridges in the passenger terminal. With this agreement, Celebi Nas has been granted the concession rights until May 2036. With this agreement, Celebi Nas has been granted the concession rights until May 2036. In addition, the ten (10) year ground handling privilege of Celebi NAS, which has been in place since 2009 to carry out ground handling services at the CSIA international airport, expires in December 2019. Celebi Nas participated in the tender by CSIA international airport operator MIAL for the extension of its concession from 1 January 2020 to 31 December 2029 for 10 (ten) years. The proposal was submitted to MIAL on 29 January 2018. The concession agreement between Celebi Nas and the contracting authority MIAL was signed on 19 May 2018. Thus, Celebi Nas, a subsidiary of Celebi, will continue to provide ground services for additional 10 (ten) years from 1 January 2020 to 31 December 2029 after the expiry of the current concession period at CSIA airport in Mumbai, India.

#### - Associate

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

<u>Joint venture</u>	<u>Registered country</u>	<u>Geographical region</u>	<u>Nature of business</u>
DASPL	India	India	Ground handling services

Celebi GH Delhi, a subsidiary of the Group, has participated in establishment of Delhi Aviation Services Private Limited ("DASPL") with a shareholding of 16,66%, DASPL is resident in New Delhi, India and operating in rendering services of air conditioners, water providing systems and generators mounted on passenger boarding bridges with international standards established with a share capital is Indian Rupee 250.000.000. On 14 November 2016, Celebi GH Delhi, has acquired 8,33% of additional shares of DASPL and reached to a shareholding rate of 24,99%. The Group accounts DASPL by using the equity method in its condensed consolidated financial statements.

As of 31 March 2021, the condensed consolidated financial statements of the Group contains the Company, Celebi Nas, CGHH, Celebi Güvenlik in liquidation, Celebi Delhi Cargo, CASI, Celebi Kargo, DASPL, Celebi Cargo and KSU (all together will be referred to as "the Group").

Condensed consolidated financial statements of the Group for the period 1 January – 31 March 2021 has been approved for the issuance by the Board of Directors on 1 June 2020 and signed by Osman Yılmaz, the General Manager, and Deniz Bal, the Accounting and Finance Director, on behalf of Board of Directors.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation

##### 2.1.1 Accounting Standards Applied

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

The Group has presented its condensed financial statements for the interim period ended on 31 March 2021 according to Turkish Accounting Standards No. 34 Interim Financial Reporting. With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for listed companies in Turkey. The Company's financial statements have been prepared in accordance with this decision.

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

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

#### Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The condensed consolidated financial statements are presented in TL, which is the functional currency of the Company and the presentation currency of the Group. As of 31 March 2021, the functional currency of the Group's entities is shown below.

##### Company

CGHH  
Celebi Delhi Cargo  
CASI  
Celebi Nas  
Çelebi Kargo  
Celebi Cargo  
DASPL  
Celebi GH India Private Limited  
KSU  
Çelebi Tanzania

##### Currency

Hungarian Forint (HUF)  
Indian Rupee (INR)  
Indian Rupee (INR)  
Indian Rupee (INR)  
Turkish Lira (TL)  
Euro (EUR)  
Indian Rupee (INR)  
Indian Rupee (INR)  
Indian Rupee (INR)  
Tanzanian Shilling (TZS)

#### Going Concern

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation (cont'd)

##### 2.1.2 New and Amended Turkish Financial Reporting Standards

###### a) Amendments that are mandatorily effective from 2021

###### **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 *Interest Rate Benchmark Reform — Phase 2***

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group's consolidated financial statements.

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation (cont'd)

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

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

#### **TFRS 17 Insurance Contracts**

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

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

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

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

#### **Amendments to TFRS 3 Reference to the Conceptual Framework**

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

#### **Amendments to TAS 16 Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation (cont'd)

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

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

#### **Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract***

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

#### **Annual Improvements to TFRS Standards 2018-2020 Cycle**

##### Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

##### Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

##### Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

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

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation (cont’d)

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

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

#### **Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021***

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published *COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

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

#### 2.1.3 Financial Statements of Joint Ventures Operating in Foreign Countries

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

#### 2.1.4 Basis of Consolidation

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation (cont'd)

##### 2.1.4 Basis of Consolidation (cont'd)

- b) Subsidiaries are companies over which the Group's has capability to control the financial and operating policies for the benefit of the Group, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies. Subsidiaries are consolidated from the date on which the control is transferred to the Group and consolidated by using full consolidation method. Subsidiaries are no longer consolidated from the date that the control ceases. The acquisition of the subsidiaries by the Group is recognized using purchase method. The acquisition cost includes; the fair value of the assets on the purchase date, equity instruments disposed and the liabilities incurred at the exchange date and costs that directly attributable to the acquisition. The identifiable asset during the merge of the companies is measured by fair value at the purchase date of liabilities and contingent liabilities regardless of the minority shareholders. The Group recognized the goodwill for the exceed portion of the cost of acquisition that the fair value of net identifiable assets acquired. If the acquisition cost is below the fair value of identifiable net asset of subsidiary, the difference is recognized to the comprehensive income statement. Inter-group transactions, balances and unearned gains arising from transactions between Group companies are eliminated. Unaccrued losses are also subjected to elimination. The accounting policies of subsidiaries are revised in accordance with the Group's policies. The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Group and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between company and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by the Group in its Subsidiaries and the associated dividends are eliminated from equity and income for the period, respectively.
- c) The direct and indirect ownership interests held by the Group in its subsidiaries are provided below, the direct and indirect ownership interest is equal to the proportion of effective interest:

Subsidiary	Ownership interest (%)	
	31 March 2021	31 December 2020
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
CASI	99,9	99,9
Celebi Spain <sup>(1)</sup>	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9
KSU	57,6	57,6
Celebi Tanzania <sup>(2)</sup>	65,0	65,0

<sup>(1)</sup> As of 31 December 2020, the Group has directly and indirectly 100% voting right over Celebi Spain. However, Celebi Spain has not been consolidated in condensed consolidated financial statements but recognized as financial investment at cost, since the subsidiary's operations have not started yet, and as a result it is immaterial for the consolidated financial statements (Note 5).

<sup>(2)</sup> The Company acquired 65% of Celebi Tanzania Aviation Services Limited ("Celebi Tanzania"), established in Darussalam, Tanzania to participate to the concession auctions to provide ground handling service. Its share capital is amounting to Tanzanian Shilling 100 million (approximately USD 40 thousand). The Company has not started its operations yet.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.1. Basis of Presentation (cont'd)

##### 2.1.4 Basis of Consolidation (cont'd)

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

e) Joint venture and the associate of the Group are accounted by using the equity method.

Joint venture	Ownership interest (%)	
	31 Mart 2021	31 Aralık 2020
Çelebi Nas	57,00	57,00

  

Associate	Ownership interest (%)	
	31 March 2021	31 December 2020
DASPL	24,99	24,99

f) For available for sale financial assets under 20% of voting rights or over 20% of voting rights and that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.

#### 2.2. Change in Accounting Policies

##### 2.2.1 Comparative Information

The condensed consolidated financial statements of the Group have been prepared comparatively with the prior period in order to evaluate financial position and performance trends.

The Group presented the condensed consolidated statement of financial position as of 31 March 2020 comparatively with the condensed consolidated statement of financial position as of 31 December 2020, presented the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the interim period ended on 31 March 2021 comparatively with the condensed consolidated profit or loss and condensed consolidated statement of other income for the interim period ended 31 March 2021.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### 2.3. Summary of Significant Accounting Policies

Condensed consolidated financial statements for the interim period ended on 31 March 2021, have been prepared in compliance with TAS 34, the TFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 31 March 2021 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements for the year ended 31 December 2020. Thus, these interim condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2020.

If changes in accounting estimates relate only for one period, changes are applied only in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively. Significant estimates used in preparing the condensed financial statements for the period ended on 31 March 2021 are consistent with those used in preparing the consolidated financial statements in the consolidated financial statements for the year ended 31 December 2020. Significant accounting errors are applied retrospectively and the prior period financial statements are restated.

### NOTE 3 – SEGMENT REPORTING

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

The management evaluates the Group from two perspectives; based on geographical position and operational segments. They are assessing the Group's performance on an operational segment basis as; Ground Handling Services, Security Services, Cargo and Warehouse Services.

Since the Group's income consists primarily of these operational segments, Ground Handling Services and Cargo and Warehouse Services are regarded as reportable operating segment revenues. The management assesses the performance of the operational segments based on a measure of EBITDA after deduction of the impact of TFRS Interpretation ("TFRIC 12"), TFRS 16 (excluding interest), retirement pay liability and unused vacation provisions from earnings before interest, tax depreciation and amortization.

The operational segment information provided to the board of directors as of 31 March 2021 is as follows:

	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
<b>1 January - 31 March 2021</b>				
Revenue	213.740.894	241.743.171	(4.393.130)	451.090.935
Cost of sales	(166.023.054)	(171.592.268)	2.747.197	(334.868.125)
<b>Gross profit</b>	<b>47.717.840</b>	<b>70.150.903</b>	<b>(1.645.933)</b>	<b>116.222.810</b>
General administrative expenses	(44.638.181)	(16.633.770)	1.835.987	(59.435.964)
Addition: Depreciation and amortization	28.409.021	13.304.615	-	41.713.636
Addition: TFRIC 12 effect shares		2.643.241	-	2.643.241
Addition: Retirement pay liability and unused vacation provisions	5.799.754	1.275.901	-	7.075.655
EBITDA effect of investments accounted by using equity method	1.579.412	-	-	1.579.412
<b>EBITDA</b>	<b>38.867.846</b>	<b>70.740.890</b>	<b>190.054</b>	<b>109.798.790</b>
Lease expenses under TFRS 16	(14.314.703)	(5.009.359)	-	(19.324.062)
<b>EBITDA (Except for effect of new and revised accounting policies)</b>	<b>24.553.143</b>	<b>65.731.531</b>	<b>190.054</b>	<b>90.474.728</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 3 – SEGMENT REPORTING (cont'd)

	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
<b>1 January - 31 March 2020</b>				
Revenue	223.733.857	180.264.527	(2.114.868)	401.883.516
Cost of sales	(185.639.504)	(133.657.566)	2.043.800	(317.253.270)
<b>Gross profit</b>	<b>38.094.353</b>	<b>46.606.961</b>	<b>(71.068)</b>	<b>84.630.246</b>
General administrative expenses	(38.048.158)	(14.442.542)	5.985	(52.484.715)
Addition: Depreciation and amortization	26.271.556	10.837.908	-	37.109.464
Addition: TFRIC 12 effect shares	-	1.843.980	-	1.843.980
Addition: Retirement pay liability and unused vacation provisions	662.285	1.206.965	-	1.869.250
EBITDA effect of investments accounted by using equity method	12.883.929	(365.774)	-	12.518.155
<b>EBITDA</b>	<b>39.863.965</b>	<b>45.687.498</b>	<b>(65.083)</b>	<b>85.486.380</b>
Lease expenses under TFRS 16	(19.561.965)	(3.775.309)	-	(23.337.274)
<b>EBITDA (Except for effect of new and revised accounting policies)</b>	<b>20.302.000</b>	<b>41.912.189</b>	<b>(65.083)</b>	<b>62.149.106</b>

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

	<b>1 January – 31 March 2021</b>	<b>1 January – 31 March 2020</b>
EBITDA for reported segments	109.798.790	85.486.380
Depreciation and amortization	(41.713.636)	(37.109.464)
TFRIC 4-12 effect	(2.643.241)	(1.843.980)
Other operating income	116.220.702	92.024.555
Other operating expenses (-)	(135.171.555)	(75.152.490)
Retirement pay liability and unused vacation provisions	(7.075.655)	(1.869.250)
EBITDA effect of investments accounted by using equity method	(1.579.412)	(12.518.155)
<b>Operating profit</b>	<b>37.835.993</b>	<b>49.017.596</b>
Income from investments accounted by equity method	1.162.430	4.928.861
Income from investment activities	2.311.930	2.877.790
Expenses from investment activities (-)	(9.092)	(1.256.447)
Financial income	33.767.364	22.411.830
Financial expenses (-)	(121.435.051)	(112.978.529)
<b>Profit / (loss) before tax</b>	<b>(46.366.426)</b>	<b>(34.998.899)</b>

Amounts relating to total assets presented to Board of Directors are measured consistently with consolidated financial statements. These assets are distributed to segments based on the operations of the segment and the physical location of the asset.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 3 – SEGMENT REPORTING (cont’d)

#### Geographical segments

#### Regional analysis related to interim period 1 January - 31 March 2021

	Turkey	Hungary	India	Germany	Total Combined	Interregional Elimination	Total
Revenue	124.447.484	41.484.067	234.522.696	53.095.119	453.549.366	(2.458.431)	451.090.935
Cost of sales	(82.043.642)	(40.847.263)	(178.725.632)	(35.600.645)	(337.217.182)	2.349.057	(334.868.125)
Gross profit	42.403.842	636.804	55.797.064	17.494.474	116.332.184	(109.374)	116.222.810
General administrative expenses	(32.987.600)	(5.296.121)	(15.297.928)	(6.190.757)	(59.772.406)	336.442	(59.435.964)
Other operating income/expenses – net	(13.331.250)	(2.929.046)	(978.731)	(1.521.772)	(18.760.799)	(190.054)	(18.950.853)
<b>Operating profit / (loss)</b>	<b>(3.915.008)</b>	<b>(7.588.363)</b>	<b>39.520.405</b>	<b>9.781.945</b>	<b>37.798.979</b>	<b>37.014</b>	<b>37.835.993</b>

#### Regional analysis related to interim period 1 January - 31 March 2020

	Turkey	Hungary	India	Germany	Total Combined	Interregional Elimination	Total
Revenue	141.399.032	58.087.323	170.407.061	33.905.658	403.799.074	(1.915.558)	401.883.516
Cost of sales	(108.428.276)	(50.621.518)	(135.764.027)	(24.283.585)	(319.097.406)	1.844.136	(317.253.270)
Gross profit	32.970.756	7.465.805	34.643.034	9.622.073	84.701.668	(71.422)	84.630.246
General administrative expenses	(27.920.254)	(6.321.970)	(11.640.576)	(6.601.915)	(52.484.715)	-	(52.484.715)
Other operating income/expenses – net	4.063.345	16.695.765	(3.763.005)	(189.123)	16.806.982	65.083	16.872.065
<b>Operating profit / (loss)</b>	<b>9.113.847</b>	<b>17.839.600</b>	<b>19.239.453</b>	<b>2.831.035</b>	<b>49.023.935</b>	<b>(6.339)</b>	<b>49.017.596</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2021	31 December 2020
Cash	905.315	736.957
Banks	463.331.296	571.093.229
- time deposit	278.351.017	418.194.336
- demand deposit	184.980.279	152.898.893
	<b>464.236.611</b>	<b>571.830.186</b>

As of 31 March 2021, effective interest rates on TL, EUR, USD and INR denominated time deposits are 8,40%, 2,39%, 3,30%, 4,75% (31 December 2020: TL 9,50%, EUR 4,50%, USD 3,50%, INR 7,20%). As of 31 March 2021, the maturity of denominated time deposits are 20-60 days, 1-14 days, 1-15 days and 1-15 days for INR, EUR, USD and TL, respectively (31 December 2020: INR 10-90 days; TL, EUR and USD 1 day).

The details of cash and cash equivalents presented in the statements of cash flows as of 31 March 2021 and 31 March 2020 are as follows:

	31 March 2021	31 March 2020
Cash on hand and cash at banks	464.236.611	395.916.504
Less: Interest accruals	(428.077)	(224.241)
	<b>463.808.534</b>	<b>395.692.263</b>

### NOTE 5 - FINANCIAL INVESTMENTS

	31 March 2021	31 December 2020
Restricted bank balances (Less than 365 days) (*)	61.891.966	9.435.386
Restricted bank balances (Longer than 365 days) (**)	32.377.544	18.027.205
	<b>94.269.510</b>	<b>27.462.591</b>

(\*) TL 61.891.966 of restricted bank balances consist cash amounts collected from the customers and the cash amounts obtained for the project financing as outlined in the concession agreement signed for cargo and ground handling services at New Delhi Airport and Mumbai Airport in India. (31 December 2020: TL 9.435.386)

(\*\*) TL 32.377.544 of the restricted bank balances consist of bank balances blocked at the bank due to the loans used by CGHH, ÇELEBİ NAS and CASI (31 December 2020: TL 18.027.205).

#### *Financial investments with fair value difference reflected to other comprehensive income:*

	Percentage of shares %	31 March 2021 TL	Percentage of shares %	31 December 2020 TL
Celebi Spain (*)	100,00	166.650	100,00	166.650
Celebi Tanzania (*)	100,00	167.640	65,00	167.640
		<b>334.290</b>		<b>334.290</b>

(\*) As of 31 March 2021, Celebi Spain and Celebi Tanzania have not been consolidated in the consolidated financial statements since they are not significant for the Group's financial statements. They are presented in the consolidated financial statements with cost value less impairment if any, and classified as financial assets measured at fair value through other comprehensive income.



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 6 - INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD

	Percentage of shares	31 March 2021	Percentage of shares	31 December 2020
Çelebi Nas	57,00	-	57,00	146.706.781
DASPL	24,99	12.381.694	24,99	11.004.864
		<b>12.381.694</b>		<b>157.711.645</b>

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

	31 March 2021	31 March 2020
<b>As of 1 January</b>	<b>157.711.645</b>	<b>129.954.118</b>
Shares of profit/loss	1.162.430	4.928.861
Foreign currency translation differences	1.479.400	4.383.236
Dividends received	(1.265.000)	-
Transfers (*)	(146.706.781)	-
<b>As of 31 March</b>	<b>12.381.694</b>	<b>139.266.215</b>

(\*) In 2021, Çelebi Nas was included in full consolidation.

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

	1 January- 31 March 2021	1 January- 31 March 2020
Çelebi Nas	-	4.961.763
DASPL	1.162.430	(32.902)
	<b>1.162.430</b>	<b>4.928.861</b>

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

#### Summary information of financial statements of DASPL is as follows:

	31 March 2021	31 December 2020
Total Assets	56.545.080	53.299.466
Total Liabilities	5.486.599	7.745.258
	<b>1 January- 31 March 2021</b>	<b>1 January- 31 March 2020</b>
Revenue	11.453.749	10.335.231
Profit / (Loss) for the Period	4.651.583	(131.659)

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS

#### Short-term borrowings:

			31 March 2021
	Effective interest rate (%)	Original balance	TL
<i>Short-term borrowings</i>			
TL borrowings	7,00	32.689.114	32.689.114
EUR borrowings	1,40-3,25	14.500.000	141.902.800
			<b>174.591.914</b>

			31 March 2021
	Effective interest rate (%)	Original balance	TL
<i>Short-term finance lease obligations:</i>			
INR finance lease obligation		104.023.172	11.793.107
TL finance lease obligation		4.548.878	4.548.878
EUR finance lease obligation		6.426.391	62.891.229
HUF finance lease obligation		32.743.292	881.122
<b>Total short-term finance lease obligations</b>			<b>80.114.336</b>

			31 March 2021
	Effective interest rate (%)	Original balance	TL
<i>Short-term portion of long-term borrowings:</i>			
Interest expense accrual – EUR		658.822	6.447.494
Interest expense accrual –INR		5.882.456	666.894
Interest expense accrual –TL		8.277.009	8.277.009
INR borrowings	8,10-9,40	700.358.111	79.399.599
EUR borrowings	0,42-4,47	28.180.917	275.789.728
TL borrowings	9,95-19,75	119.500.000	119.500.000
<b>Total short-term borrowings:</b>			<b>490.080.724</b>

#### Long-term borrowings:

			31 March 2021
	Effective interest rate (%)	Original balance	TL
INR borrowings	8,80-9,75	1.617.297.442	183.353.011
EUR borrowings	1,93-5,75	32.988.225	322.835.963
TL borrowings	9,95-19,75	70.000.000	70.000.000
			<b>576.188.974</b>

<i>Long-term finance lease obligations:</i>			
Long-term finance lease obligations – INR		215.608.609	24.443.548
Long-term finance lease obligations – EUR		59.252.430	579.867.982
Long-term finance lease obligations – TL		16.164.663	16.164.663
Long-term finance lease obligations – HUF		24.192.196	651.012
<b>Total long-term finance lease obligations</b>			<b>621.127.205</b>
<b>Total long-term financial liabilities</b>			<b>1.197.316.179</b>
<b>Total financial liabilities</b>			<b>1.942.103.153</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### Short-term borrowings:

		31 December 2020	
	Effective interest rate (%)	Original balance	TL
<b>Short-term borrowings:</b>			
EUR Borrowings	1,40-3,25	13.250.000	119.354.675
TL Borrowings	7,00	30.000.000	30.000.000
			<b>149.354.675</b>
<b>Short-term finance lease obligations:</b>			
INR finance lease obligations		98.771.501	9.901.843
EUR finance lease obligations		10.114.755	91.112.702
TL finance lease obligations		8.501.296	8.501.296
HUF finance lease obligations		933.116.788	23.066.647
<b>Total short-term financial liabilities</b>			<b>132.582.488</b>

#### Short-term portion of long-term financial liabilities:

		31 December 2020	
	Effective interest rate (%)	Original balance	TL
<b>Short-term portion of long-term borrowings</b>			
Interest expense accrual – EUR	-	443.553	3.995.479
Interest expense accrual –INR	-	6.088.638	610.386
Interest expense accrual –TL	-	7.189.672	7.189.672
INR borrowings	8,10-9,40	401.004.519	40.200.703
EUR borrowings	0,42-4,47	29.416.101	264.977.297
TL borrowings	17,50-19,75	119.500.000	119.500.000
<b>Total short-term portion of long-term financial liabilities:</b>			<b>436.473.537</b>
<b>Total short-term liabilities:</b>			<b>718.410.700</b>

#### Long-term borrowings:

		31 December 2020	
	Effective interest rate (%)	Original balance	TL
<b>Long term borrowings:</b>			
INR Borrowings	8,80-9,75	971.693.416	97.412.265
EUR Borrowings	1,93-5,75	37.491.871	337.723.029
TL Borrowings	9,25-19,75	70.000.000	70.000.000
			<b>505.135.294</b>
<b>Long-term finance lease obligations:</b>			
INR finance lease obligations		224.774.913	22.533.685
EUR finance lease obligations		46.109.976	415.354.049
TL finance lease obligations		11.482.008	11.482.008
HUF finance lease obligations		5.370.046.278	132.747.544
<b>Total payables from long-term leases</b>			<b>582.117.286</b>
<b>Total long-term borrowings</b>			<b>1.087.252.580</b>
<b>Total borrowings</b>			<b>1.805.663.280</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

As of 31 March 2021 and 31 December 2020, repayment maturities of the Group's borrowings are as follows:

	31 March 2021	31 December 2020
Up to 1 year	744.786.974	718.410.700
Between 1-5 years	839.025.210	748.068.226
More than 5 years	358.290.969	339.184.354
	<b>1.942.103.153</b>	<b>1.805.663.280</b>

As of 31 March 2021 and 31 December 2020, repayment maturities of long-term loans are as follows:

	31 March 2021	31 December 2020
Between 1-2 years	311.602.360	312.405.888
Between 2-3 years	177.011.011	129.905.313
Between 3-4 years	43.725.595	20.548.119
4 years and more	43.850.008	42.275.974
	<b>576.188.974</b>	<b>505.135.294</b>

The reconciliation of the Group's liabilities arising from loans for the three-month interim period ended on 31 March 2021 and 31 March 2020 is as follows:

	2021	2020
<b>Beginning of the period - 1 January</b>	<b>1.090.963.506</b>	<b>802.214.655</b>
New borrowings received (*)	299.813.928	215.673.664
Principal payments	(242.515.181)	(83.956.505)
Interest payments	(1.194.249)	(2.683.187)
Exchange differences	89.281.618	61.995.461
Interest accruals change	4.511.990	4.552.219
<b>End of the period - 31 March</b>	<b>1.240.861.612</b>	<b>997.796.307</b>

(\*) The portion amounting to TL 111.712.766 of new financial receivables is related to full consolidation of Celebi Nas.

The reconciliation of the Group's payables related to leases for the three-month interim periods ended on 31 March 2021 and 31 March 2020 is as follows:

	2021	2020
<b>Beginning of the period - 1 January</b>	<b>714.699.774</b>	<b>458.682.556</b>
Additions	(32.779.744)	122.991.274
Lease expense	6.130.385	6.426.035
Lease payments	(50.201.010)	(23.318.182)
Exchange difference income / expense	62.992.208	36.215.372
Transfers (*)	399.928	-
<b>End of the period - 31 March</b>	<b>701.241.541</b>	<b>600.997.055</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 March 2021	31 December 2020
Due from third parties	296.061.128	216.660.285
Less: Provision for impairment	(53.125.659)	(53.241.619)
<b>Trade receivables from third parties (net)</b>	<b>242.935.469</b>	<b>163.418.666</b>
Due from related parties	12.346.507	5.343.963
<b>Total short-term trade receivables</b>	<b>255.281.976</b>	<b>168.762.629</b>

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

	31 March 2021	31 March 2020
Opening balance	53.241.619	36.457.770
Additional provisions in current period	2.677.150	1.980.796
Foreign currency translation differences	275.513	288.165
Written-off of uncollectible receivables	(3.068.623)	(1.232.106)
<b>Closing balance</b>	<b>53.125.659</b>	<b>37.494.625</b>

### Short-term trade payables

	31 March 2021	31 December 2020
Trade payables to third parties	118.103.007	101.380.826
Accrued liabilities	19.961.686	17.954.490
<b>Total trade payables to third parties</b>	<b>138.064.693</b>	<b>119.335.316</b>
<b>Due to related parties (Note 25)</b>	<b>5.014.482</b>	<b>8.892.303</b>
<b>Total short-term trade payables</b>	<b>143.079.175</b>	<b>128.227.619</b>

### NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 March 2021	31 December 2020
Receivables from tax office	6.576.969	8.578.852
Deposits and guarantees given	25.422.679	4.806.881
Other miscellaneous receivables (*)	107.158.726	59.147.500
<b>Other short-term receivables from third parties</b>	<b>139.158.374</b>	<b>72.533.233</b>
Other receivables from related parties (Note 25)	40.411.579	36.106.731
<b>Total short-term other receivables</b>	<b>179.569.953</b>	<b>108.639.964</b>

(\*) A large part of other miscellaneous receivables consist of short-term loans given by Delhi Cargo to GMR Infrastructure Limited in the amount of 940.000.000 Indian Rupee.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### Other long-term receivables

	31 March 2021	31 December 2020
Deposits and guarantees given (*)	178.425.230	59.469.159
<b>Other short-term receivables from third parties</b>	<b>178.425.230</b>	<b>59.469.159</b>
Other receivables from related parties (Note 25)	80.777.761	74.351.957
<b>Total long-term other receivables</b>	<b>259.202.991</b>	<b>133.821.116</b>

(\*) As of 31 March 2021, deposits and guarantees given predominantly consists of the deposits given for the subsidiaries of the Group located in India, CASI, Celebi Delhi Cargo and Celebi Nas, amounting to TL 22.760.104, (31 December 2020: TL 39.109.208), TL 45.453.295 (31 December 2020: TL 19.806.821) and TL 109.610.897, respectively, to local authorities and companies.

#### Other short-term payables

	31 March 2021	31 December 2020
Other short-term payables (*)	22.404.262	26.378.518
Deposits and guarantees received	5.552.048	2.703.140
	<b>27.956.310</b>	<b>29.081.658</b>
Other payables to related parties	-	57.712.500
<b>Total short-term other payables</b>	<b>27.956.310</b>	<b>86.794.158</b>

(\*) As of 31 March 2021, TL 9.039.730 (31 December 2020: TL 24.811.759) of other short-term payables (31 December 2019: TL 13.489.143) are payables of Celebi Delhi Cargo, a subsidiary of the Group, to its shareholder of Delhi International Airport Private Limited'e (DIAL) due to the concession contract signed between the parties.

#### Other long-term payables

	31 March 2021	31 December 2020
Deposits and guarantees received	25.450.203	20.323.200
	<b>25.450.203</b>	<b>20.323.200</b>

### NOTE 10 – INVENTORIES

	31 March 2021	31 December 2020
Trade goods	2.239.921	3.958.977
Other inventories (*)	20.605.172	15.586.228
	<b>22.845.093</b>	<b>19.545.205</b>

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

#### NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended on 31 March 2021 are as follows:

	Opening 1 January 2021	Additions	Disposals	Transfers(*)	Foreign currency translation differences	Closing 31 March 2021
<b>Cost</b>						
Plant, machinery and equipment	484.734.159	1.145.416	(4.355.814)	127.456.486	44.143.544	653.123.791
Motor vehicles	130.986.095	39.787	(42.572)	3.923.090	12.367.700	147.274.100
Furniture and fixtures	67.853.295	143.339	(1.405.477)	4.948.988	2.515.905	74.056.050
Leasehold improvements	221.780.258	403.348	-	410.620	2.551.431	225.145.657
Construction in progress (*)	3.392.979	3.392.979	-	(1.522.910)	144.936	2.015.005
	<b>908.746.786</b>	<b>1.731.890</b>	<b>(5.803.863)</b>	<b>135.216.274</b>	<b>61.723.516</b>	<b>1.101.614.603</b>
<b>Accumulated depreciation</b>						
Plant, machinery and equipment	(255.533.905)	(9.206.498)	2.406.287	(109.050.309)	(26.681.197)	(398.065.622)
Motor vehicles	(82.459.525)	(1.470.539)	42.572	(2.465.700)	(8.087.206)	(94.440.398)
Furniture and fixtures	(34.771.503)	(1.862.826)	1.397.253	(2.729.991)	(1.618.526)	(39.585.593)
Leasehold improvements (*)	(46.814.610)	(2.460.777)	-	(410.620)	(1.509.095)	(51.195.102)
	<b>(419.579.543)</b>	<b>(15.000.640)</b>	<b>3.846.112</b>	<b>(114.656.620)</b>	<b>(37.896.024)</b>	<b>(583.286.715)</b>
<b>Net book value</b>	<b>489.167.243</b>					<b>518.327.888</b>

(\*) Transfers with net book value of TL 20.559.654 are related to to the full consolidation of Çelebi Nas.

Depreciation cost amounting to TL 14.429.631 for the period ended on 31 March 2021 was included in cost of sales and TL 571.009 was included in operating expenses.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

Movements in property, plant and equipment for the interim period ended on 31 March 2020 are as follows:

	Opening 1 January 2020	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2020
<b>Cost</b>						
Plant, machinery and equipment	421.874.528	19.493.389	(3.066.221)	3.672	4.380.463	442.685.831
Motor vehicles	109.354.697	2.128.913	(4.169.727)	443.091	713.792	108.470.766
Furniture and fixtures	55.331.330	1.780.800	(830.287)	355.452	165.386	56.802.681
Leasehold improvements	204.766.495	472.141	-	(88.714)	448.005	205.597.927
Construction in progress (*)	6.941.410	9.785.752	-	(713.501)	266.231	16.279.892
	<b>798.268.460</b>	<b>33.660.995</b>	<b>(8.066.235)</b>	<b>-</b>	<b>5.973.877</b>	<b>829.837.097</b>
<b>Accumulated depreciation</b>						
Plant, machinery and equipment	(222.190.447)	(7.054.375)	1.500.912	-	(1.811.182)	(229.555.092)
Motor vehicles	(65.138.374)	(1.294.819)	2.286.174	-	(575.187)	(64.722.206)
Furniture and fixtures	(21.577.390)	(1.663.462)	7.708	-	(10.947)	(23.244.091)
Leasehold improvements (*)	(32.203.167)	(3.107.226)	-	-	(249.774)	(35.560.167)
	<b>(341.109.378)</b>	<b>(13.119.882)</b>	<b>3.794.794</b>	<b>-</b>	<b>(2.647.090)</b>	<b>(353.081.556)</b>
<b>Net book value</b>	<b>457.159.082</b>					<b>476.755.541</b>

Depreciation expense for the period ended 31 March 2020 amounting to TL 12.515.099 and TL 604.783 are respectively included in cost of sales and operating expenses.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

#### NOTE 12 – RIGHT-OF-USE ASSETS

Movements in right of use assets for the interim period ended on 31 March 2021 are as follows:

	Opening adjustments 1 Ocak 2021	Additions	Modifications	Foreign currency translation differences	Closing 31 March 2021
<b>Cost</b>					
Buildings and land	605.756.142	-	(32.702.424)	24.304.695	597.358.413
Machinery, plant and equipment	46.908.480	-	-	379.097	47.287.577
Motor vehicles	9.401.947	-	(77.319)	336.039	9.660.667
	<b>662.066.569</b>	<b>-</b>	<b>(32.779.743)</b>	<b>25.019.831</b>	<b>654.306.657</b>
<b>Accumulated depreciation</b>					
Buildings and land	(99.556.595)	(13.433.771)	-	(7.444.238)	(120.434.604)
Machinery, plant and equipment	(43.747.900)	(2.062.954)	-	(288.335)	(46.099.189)
Motor vehicles	(7.748.997)	(297.171)	-	(226.946)	(8.273.114)
	<b>(151.053.492)</b>	<b>(15.793.896)</b>	<b>-</b>	<b>(7.959.519)</b>	<b>(174.806.907)</b>
<b>Net book value</b>	<b>511.013.077</b>				<b>479.499.750</b>

Depreciation expense for the period ended on 31 March 2021 amounting to TL 15.793.896 is included in cost of sales.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

Movements in right of use assets for the interim period ended on 31 March 2020 are as follows:

	Opening adjustments 1 January 2020	Additions	Modifications	Foreign currency translation differences	Closing 31 March 2020
<b>Cost</b>					
Buildings and land	435.309.266	122.991.274	-	6.229.970	564.530.510
Machinery, plant and equipment	45.760.572	-	-	274.839	46.035.411
Motor vehicles	7.905.523	-	-	45.001	7.950.524
	<b>488.975.361</b>	<b>122.991.274</b>	<b>-</b>	<b>6.549.810</b>	<b>618.516.445</b>
<b>Accumulated depreciation</b>					
Buildings and land	(35.982.511)	(12.193.322)	-	(1.577.930)	(49.753.763)
Machinery, plant and equipment	(21.490.992)	(5.375.517)	-	(111.844)	(26.978.353)
Motor vehicles	(3.445.845)	(866.269)	-	(24.266)	(4.336.380)
	<b>(60.919.348)</b>	<b>(18.435.108)</b>	<b>-</b>	<b>(1.714.040)</b>	<b>(81.068.496)</b>
<b>Net book value</b>	<b>428.056.013</b>				<b>537.447.949</b>

Depreciation expense for the period ended on 31 March 2020 amounting to TL 18.435.108 is included in cost of sales.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 13 - INTANGIBLE ASSETS

#### Other Intangible Assets

Movements in other intangible assets for the interim period ended on 31 March 2021 are as follows:

	Opening 1 January 2021	Additions	Disposals	Transfers (**)	Foreign currency translation differences	Closing 31 March 2021
<b>Cost</b>						
Rights	10.390.233	-	(56.920)	-	-	10.333.313
Customer relationship	98.467.917	-	-	-	8.732.794	107.200.711
Software	34.912.719	111.320	-	4.859.184	2.398.148	42.281.371
Concession rights	234.176.391	-	-	-	30.647.323	264.823.714
Build-operate-transfer investments (*)	186.488.027	-	-	212.159.634	48.900.619	447.548.280
	<b>564.435.287</b>	<b>111.320</b>	<b>(56.920)</b>	<b>217.018.818</b>	<b>90.678.884</b>	<b>872.187.389</b>
<b>Accumulated depreciation</b>						
Rights	(5.410.777)	(146.055)	56.920	-	-	(5.499.912)
Customer relationship	(98.467.917)	-	-	-	(8.732.794)	(107.200.711)
Concession rights (**)	(105.930.028)	(3.364.023)	-	-	(14.267.736)	(123.561.787)
Software	(24.349.092)	(965.086)	-	(2.498.565)	(1.541.196)	(29.353.939)
Build-operate-transfer investments (*)	(65.452.916)	(6.443.936)	-	(35.990.382)	(13.484.709)	(121.371.943)
	<b>(299.610.730)</b>	<b>(10.919.100)</b>	<b>56.920</b>	<b>(38.488.947)</b>	<b>(38.026.435)</b>	<b>(386.988.292)</b>
<b>Net book value</b>	<b>264.824.557</b>					<b>485.199.097</b>

(\*)The difference amounting to TL 119.579.807 between the discounted value of the deposit payment made amounting to INR 1.862.466.504 which is discounted with a discount rate of 11,46%, within the scope of the concession agreement signed for the development, modernization and the operation for 25 years of the existing cargo terminal of the New Delhi Airport, India is recognised as build-operate-transfer investment and will be amortised during the concession period of 25 years. In addition, the difference amounting to TL 14.347.983 between the discounted value of the deposit payment made amounting to INR 1.862.466.504 which is discounted with a discount rate of 10,82%, within the scope of the concession agreement signed for rendering ground handling services for 10 years in New Delhi Airport, India and 5+2 years in Cochin Airport is recognised as build-operate-transfer investment and will be amortised during the concession period of 10 years.

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

Amortization expense for the period ended 31 March 2021 amounting to TL 656.094 and TL 10.263.006 are included in operating expenses and cost of sales, respectively.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 13 – INTANGIBLE ASSETS (cont’d)

#### Other Intangible Assets

Movement of intangible assets for the interim accounting period ended 31 March 2020 is as follows:

	Opening 1 January 2020	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2020
<b>Cost</b>						
Rights	10.445.953	-	(56.920)	-	-	10.389.033
Software	31.148.869	416.062	(405.253)	-	526.027	31.685.705
Concession rights	191.789.236	1.918.497	-	-	6.628.373	200.336.106
Build-operate-transfer investments (*)	160.438.380	-	-	-	5.503.535	165.941.915
	<b>393.822.438</b>	<b>2.334.559</b>	<b>(462.173)</b>	<b>-</b>	<b>12.657.935</b>	<b>408.352.759</b>
<b>Accumulated depreciation</b>						
Rights	(4.883.496)	(148.434)	56.920	-	-	(4.975.010)
Concession rights (**)	(76.938.820)	(2.719.226)	-	-	(2.704.862)	(82.362.908)
Software	(19.200.403)	(775.707)	-	-	(318.579)	(20.294.689)
Build-operate-transfer investments (*)	(68.300.220)	(1.911.107)	-	-	(2.385.777)	(72.597.104)
	<b>(169.322.939)</b>	<b>(5.554.474)</b>	<b>56.920</b>	<b>-</b>	<b>(5.409.218)</b>	<b>(180.229.711)</b>
<b>Net book value</b>	<b>224.499.499</b>					<b>228.123.048</b>

(\*)TL 91.029.174 which is difference between discounted present value of deposits paid with interest rate, 11,46%, and the deposit amounting to INR 1.762.120.403, paid in accordance with the concession agreement on the development, modernization, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport. In addition, TL 2.315.637 which is difference between discounted present value of deposit paid with interest rate, 10,82%, and the deposit amounting to INR 452.500.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

Amortization expense for the period ended 31 March 2021 in the amount of TL 603.466 and TL 4.951.008 are included in operating expenses and cost of sales respectively.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 13 – INTANGIBLE ASSETS (cont'd)

#### Goodwill

Goodwill as of 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021	31 December 2020
Goodwill due to acquisition of CGHH	62.873.725	57.756.911
Goodwill due to acquisition of KSU	17.572.350	15.538.750
	<b>80.446.075</b>	<b>73.295.661</b>

As of 31 March 2021, movement of goodwill is as follows:

	31 March 2021	31 March 2020
As of January 1	73.295.661	60.932.266
Foreign currency translation differences	7.150.414	(70.094)
<b>Goodwill</b>	<b>80.446.075</b>	<b>60.862.172</b>

As of 31 March 2020, no impairment was detected as a result of the analysis made by the Group.

### NOTE 14 – PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

#### a) Short-term Provisions

##### Other short-term provisions

	31 March 2021	31 December 2020
Provision for litigation and obligation	7.600.267	8.094.479
	<b>7.600.267</b>	<b>8.094.479</b>

Movements of other short-term provisions for the period 1 January - 31 March 2021 are as follows:

	2021	2020
<b>1 January</b>	<b>8.094.479</b>	<b>6.782.526</b>
Addition during the year	318.800	182.085
Payments during the year	(1.050.060)	(320.804)
Currency translation differences	237.048	88.299
<b>31 March</b>	<b>7.600.267</b>	<b>6.732.106</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### a) Short-term Provisions (cont'd)

##### Short-term provision for employee benefits

	31 March 2021	31 December 2020
Provision for employment termination benefits (*)	23.201.250	14.124.394
Provision for unused vacation	16.155.363	11.490.497
	<b>39.356.613</b>	<b>25.614.891</b>

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

#### b) Long-term provisions:

##### Long-term provision for employee benefits:

	31 March 2021	31 December 2020
Provision for employment termination benefits	31.490.254	34.788.905
	<b>31.490.254</b>	<b>34.788.905</b>

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

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

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

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 31 March 2021 consists of one month's salary limited to a maximum of TL 6.730,15 (31 December 2020: TL 7.117,17) for each year of service.

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

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

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 7.638,96 which is effective from 1 January 2021 (1 January 2020: TL 6.730,15) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

The provisions for employee benefits for the period between 1 January 2021 and 31 March 2021 are as follows :

	31 March 2021	31 March 2020
<b>As of 1 January</b>	<b>48.913.299</b>	<b>37.411.145</b>
Payments of provisions during the period	(2.535.562)	(4.451.585)
Actuarial gain/loss		-
Service cost	3.782.035	1.796.218
Interest cost	798.481	634.395
Currency translation differences	2.776.900	460.091
Transfers	956.351	-
<b>Balance at the end of the period</b>	<b>54.691.504</b>	<b>35.850.264</b>

The provisions for unused vacation rights for the period between 1 January 2021 and 31 March 2021 are as follows:

	31 March 2021	31 March 2020
<b>As of 1 January</b>	<b>11.490.497</b>	<b>7.939.669</b>
Payments of provisions during the period	(283.424)	(205.387)
Increase in unused vacation rights during the period	3.013.832	2.616.402
Usage of vacation rights during the year	(518.693)	(3.491.864)
Currency translation differences	667.814	76.430
Transfers	1.785.337	-
<b>Balance at the end of the period</b>	<b>16.155.363</b>	<b>6.935.250</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

##### Contingent assets and liabilities of the Group

<b>Guarantees received:</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
Guarantee letters	31.142.360	25.192.373
Guarantee cheques	203.211	2.058.131
Guarantee notes	4.373.212	5.151.487
	<b>35.718.783</b>	<b>32.401.991</b>

<b>Guarantees given:</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
Guarantee letters	190.947.654	186.916.431
Collaterals (*)	284.248.231	252.078.770
Pledged shares (*)	48.793.541	43.146.798
	<b>523.989.426</b>	<b>482.141.999</b>

(\*) Collaterals and pledged shares amounting to TL 333.041.772 consist of collaterals given to the Group's subsidiaries and joint venture partners (31 December 2020: TL 295.225.568) (Note 25).

The litigations and claims those generate contingent assets and liabilities to the Group as of 31 March 2021 are as follows:

As of 31 March 2021, the Group has contingent liabilities amounting to TL 22.048.158 (31 December 2020: TL 19.496.585) due to the legal cases and enforcement proceedings in progress against the Group.



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

The details of collaterals, pledges and mortgages of the Group at 31 March 2021 and 31 December 2020 are as follows:

		31 March 2021		31 December 2020	
CPGM given by the Group		TL		TL	
	Amount	Equivalent	Amount	Equivalent	
<b>A. CPGM given on behalf of the Group's legal personality</b>					
		<b>201.785.083</b>		<b>183.455.356</b>	
TL	16.976.727	16.976.727	16.421.479	16.421.479	
EUR	8.362.555	81.839.308	7.729.339	69.625.113	
USD	2.210.500	18.437.338	2.210.500	16.226.175	
INR	531.185.003	60.220.444	686.337.003	68.805.285	
HUF	500.700.000	13.473.837	500.700.000	12.377.304	
<b>B. CPGM given on behalf of fully consolidated subsidiaries</b>					
		<b>336.974.493</b>		<b>298.686.643</b>	
EUR	2.050.000	20.062.120	2.050.000	18.466.195	
USD	-	-	471.504	3.461.075	
INR	2.760.692.000	312.979.652	2.760.692.000	276.759.373	
<b>C. CPGM given for continuation of its economic activities on behalf of third parties</b>					
	-	-	-	-	
<b>D. Total amount of other CPGM</b>					
i. Total amount of CPGM given on behalf of the majority shareholder	-	-	-	-	
ii. Total amount of CPGM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-	
iii. Total amount of CPGM given on behalf of third Parties which are not in scope of C	-	-	-	-	
	-	<b>523.989.426</b>	-	<b>482.141.999</b>	

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

#### NOTE 15 – OTHER ASSETS AND LIABILITIES

##### Other Current Assets

	31 March 2021	31 December 2020
Advances given to personnel	429.615	436.092
Deferred VAT	14.295.531	16.651.042
	<b>14.725.146</b>	<b>17.087.134</b>

##### Other Non-current Liabilities

	31 March 2021	31 December 2020
Prepaid taxes and funds (*)	25.117.175	24.056.616
Other	3.242	3.242
	<b>25.120.417</b>	<b>24.059.858</b>

(\*) The related amount as of 31 March 2021, consist of prepaid taxes and funds, which can be offset in more than 1 year period, of CASI and Celebi Delhi Cargo amounting to TL 7.897.779 (31 December 2020: TL 17.054.116) and TL 15.821.877 (31 December 2020: TL 6.983.791)..

##### Other Current Liabilities

	31 March 2021	31 December 2020
Taxes and funds payable	13.055.717	9.439.921
Maintenance obligation liability	1.144.069	1.011.669
Other	79.967	248.755
	<b>14.279.753</b>	<b>10.700.345</b>

##### Other Non-current Liabilities

	31 March 2021	31 December 2020
Maintenance obligation liability	144.385.023	75.418.498
Deferred income from insurance compensation	18.105	16.665
	<b>144.403.128</b>	<b>75.435.163</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 16 – PREPAID EXPENSES

#### Short-term prepaid expenses

	31 March 2021	31 December 2020
Prepaid expenses	21.320.752	19.924.652
Order advances given	18.293.850	7.797.861
	<b>39.614.602</b>	<b>27.722.513</b>

#### Long-term prepaid expenses

	31 March 2021	31 December 2020
Prepaid expenses	13.149.106	4.549.111
Advances given for fixed assets	2.606.994	3.161.045
	<b>15.756.100</b>	<b>7.710.156</b>

### NOTE 17 – DEFERRED INCOME

#### Short-term deferred income

	31 March 2021	31 December 2020
Order advances received	32.173.293	23.058.109
Prepaid expenses	782.839	1.043.785
	<b>32.956.132</b>	<b>24.101.894</b>

	31 March 2021	31 December 2020
Prepaid expenses	2.000.589	2.000.589
	<b>2.000.589</b>	<b>2.000.589</b>

### NOTE 18 – LIABILITIES FOR EMPLOYEE BENEFITS

	31 March 2021	31 December 2020
Wages and salaries payable	25.116.181	18.514.214
Bonus payable accruals	31.652.656	12.597.401
Social security withholdings payable	7.257.532	4.692.799
	<b>64.026.369</b>	<b>35.804.414</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 19 - EQUITY

#### Share Capital

As of 31 March 2021, the authorized share capital of the Group is TL 24.300.000 comprising of TL 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2020: 2.430.000.000 shares).

At 31 March 2021 and 31 December 2020, the shareholding structure of the Group is stated in historical amounts below:

Shareholders	31 March 2021		31 December 2020	
	Amount	Share%	Amount	Share%
Çelebi Havacılık Holding A.Ş. (ÇHH)	21.848.528	89,91	21.848.528	89,91
Other	2.451.472	10,09	2.451.472	10,09
	<b>24.300.000</b>	<b>100,00</b>	<b>24.300.000</b>	<b>100,00</b>

#### Restricted Reserves Appropriated from Profit

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

In accordance with the communique numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") published in Official Gazette dated 13 June 2013 numbered 28676, the "Paid-in capital", "Restricted reserves" and "Share premiums" should be stated at their amounts in the legal records. The differences arising in the valuations during the application of the communiqué (such as differences arising from inflation adjustment) must be associated:

- If the difference is arising from the valuation of "Paid-in capital" and not yet been transferred to capital should be classified under the "Inflation adjustment to share capital";
- If the difference is arising from valuation of "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Prior Years' Profit/Losses".

Other equity items shall be carried at the amounts calculated based on TAS. Inflation adjustment to share capital have no other use other than being transferred to share capital.

As of 31 March 2021, the amount of restricted reserves is TL 74.387.906 (31 December 2020: TL 74.387.905).

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 2015. Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statement of the Company.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

#### NOTE 19 – EQUITY (cont'd)

##### Restricted Reserves Appropriated from Profit (cont'd)

In accordance with the Turkish Commercial Code, unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends.

#### NOTE 20 – REVENUE AND COST OF SALES

	1 January - 31 March 2021	1 January - 31 March 2020
Ground handling services	212.816.750	221.027.316
Revenue from cargo and warehouse services	243.264.688	174.777.642
Revenue in the context of TFRIC 12	-	1.918.497
Rental revenue not related to aviation	14.201.104	17.972.768
Less: Returns and discounts	(19.191.607)	(13.812.707)
<b>Revenue</b>	<b>451.090.935</b>	<b>401.883.516</b>
<b>Cost of sales</b>	<b>(334.868.125)</b>	<b>(317.253.270)</b>
<b>Gross profit</b>	<b>116.222.810</b>	<b>84.630.246</b>

#### NOTE 21 - FINANCIAL INCOME

	1 January - 31 March 2021	1 January - 31 March 2020
Foreign exchange gains	23.356.934	17.248.392
Interest income	5.928.878	3.739.524
Other financial income	4.481.552	1.423.914
	<b>33.767.364</b>	<b>22.411.830</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

#### NOTE 22 - FINANCIAL EXPENSES

	1 January - 31 March 2021	1 January - 31 March 2020
Foreign exchange losses	(52.479.087)	(64.139.707)
Interest expenses	(22.884.212)	(9.024.995)
Financial expenses incurred within the scope of TFRS16	(43.350.209)	(37.686.606)
Other financial expenses	(2.721.543)	(2.127.221)
	<b>(121.435.051)</b>	<b>(112.978.529)</b>

#### NOTE 23 - TAX ASSETS AND LIABILITIES

	31 March 2021	31 December 2020
Current period corporate tax provision	23.660.490	28.760.852
Less: prepaid corporate tax expense	(10.333.949)	(2.777.130)
<b>Current tax liability, net (*)</b>	<b>13.326.541</b>	<b>25.983.722</b>
Deferred tax assets	178.971.597	156.752.202
Deferred tax liabilities	(35.038.949)	(29.562.138)
<b>Deferred tax assets, net</b>	<b>143.932.648</b>	<b>127.190.064</b>

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

#### Income Tax

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

In Turkey, the corporate tax rate is 20% (It will be 22% for the taxation periods of 2018, 2019 and 2020) (31 December 2020: 22%). The corporate tax rate is applied to the net corporate income to be deducted from deduction of exemptions and reductions in tax laws and an addition of expenses not subject to deduction according to tax legislation.

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

Corporate tax in India for fiscal year 2021 is 29,12% and 34,94% (2020: 34,6% -25,17%), The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (like research and development expenses).

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 23 - TAX ASSETS AND LIABILITIES (cont'd)

#### Income Tax (cont'd)

In Germany, the corporate tax rate is 31,925% for fiscal year 2021 (2020: 31,925%). The corporate tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (affiliation privilege, investment allowance exemption, etc.) and income tax deductions (like research and development expenses).

For the periods ended on 31 March 2021 and 31 March 2020, tax expenses of the Group are as follows:

	<b>1 January - 31 March 2021</b>	<b>1 January - 31 March 2020</b>
- Current period corporate tax	(12.801.752)	(6.320.000)
- Deferred tax income/(expense)	12.870.147	2.858.749
<b>Current tax expense - net</b>	<b>68.395</b>	<b>(3.461.251)</b>

#### Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20% or 22%, 9% or 10%, 31,925% and 29,12% - 34,94% for Turkey, Hungary, Germany, India respectively.

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 March 2021 and 31 December 2020 using the enacted tax rates are as follows:

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 23 - TAX ASSETS AND LIABILITIES (cont'd)

#### Deferred Taxes (cont'd)

	Total temporary differences		Deferred tax assets (liabilities)	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>Deferred tax assets</b>				
Personnel bonus accrual	1.621.886	(859.180)	405.472	171.836
Accrued sales commissions	16.315.389	(14.714.401)	4.078.847	2.942.880
Provision for employment termination benefits	29.778.159	(29.441.003)	5.985.241	5.941.291
Provision for unused vacation liability	8.720.170	(6.723.227)	2.180.043	1.344.645
Provision for litigation and indemnity	6.521.835	(6.521.835)	1.630.459	1.304.367
Adjustments related to property, plant and equipment and intangible assets	152.753.982	(132.026.613)	38.646.194	33.403.749
Investment incentives	-	(164.306.245)	-	32.861.248
Deferred tax income calculated over unused previous years' losses	108.626.943	(99.726.146)	34.770.231	31.914.441
Unaccrued finance income	1.573.869	-	393.467	-
TFRS 16 adjustments	227.409.885	(187.135.577)	43.928.679	35.921.620
Damage compensation	164.306.245	-	32.861.248	-
Other	58.959.738	(52.441.122)	14.091.716	10.946.125
				156.752.202
<b>Deferred tax assets</b>			<b>178.971.597</b>	<b>156.752.202</b>
<b>Deferred tax liabilities</b>				
Adjustments related to property, plant and equipment and intangible assets	184.946.617	159.257.675	(34.497.864)	(28.695.272)
Income accrual	840.060	-	(210.013)	-
Other	1.655.360	4.334.340	(331.072)	(866.866)
			(35.038.949)	(29.562.138)
<b>Deferred tax liabilities</b>			<b>(35.038.949)</b>	<b>(29.562.138)</b>
<b>Deferred tax assets, net</b>			<b>143.932.648</b>	<b>127.190.064</b>



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 23 - TAX ASSETS AND LIABILITIES (cont'd)

#### Deferred Taxes (cont'd)

Deferred tax movement table is as follows:

	31 March 2021	31 March 2020
<b>1 January</b>	<b>127.190.064</b>	<b>81.090.397</b>
Foreign currency translation differences	7.157.725	2.321.966
Deferred tax income / (expenses) for the current period	12.870.147	2.858.749
Celebi Nas full consolidation effect	(3.285.288)	-
<b>31 March</b>	<b>143.932.648</b>	<b>86.271.112</b>

### NOTE 24 - EARNINGS PER SHARE

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

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

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

	1 January - 31 March 2021	1 January - 31 March 2020
<b>Net profit / (loss) attributable to the parent company</b>	<b>(54.406.431)</b>	<b>(40.573.399)</b>
Weighted average number of shares with 1 KR face value each	2.430.000.000	2.430.000.000
<b>Earnings / (loss) per share (Kr)</b>	<b>(0,0223)</b>	<b>(0,0167)</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 25 - RELATED PARTY DISCLOSURES

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

#### i) Balances with related parties

##### Short-term receivables from related parties

	31 March 2021	31 December 2020
Celebi Ground Services Austria <sup>(2)</sup>	1.793.950	1.652.895
Çelebi Havacılık Holding <sup>(1)</sup>	159.971	4.480
Çelebi Nas <sup>(3)</sup>	1.171.314	2.116.861
Celebi Tanzania	9.209.426	-
Other	11.846	1.569.727
	<b>12.346.507</b>	<b>5.343.963</b>

##### Other receivables from related parties

	31 March 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1)*</sup>	121.189.340	110.458.688
	<b>121.189.340</b>	<b>110.458.688</b>

##### Payables to related parties

	31 March 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1) (**)</sup>	1.853.883	5.452.917
CGSA <sup>(4)</sup>	-	-
Çe-Tur Çelebi Turizm Tic. A.Ş. <sup>(5)</sup>	-	-
DASPL <sup>(4)</sup>	3.160.599	2.577.045
Çelebi Nas <sup>(3)</sup>	-	182.065
Other	-	680.276
	<b>5.014.482</b>	<b>8.892.303</b>

(1) Parent company

(2) Subsidiary of the Group

(3) Joint venture of the Group

(4) Associate of the Group

(5) Other related party

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

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 25 - RELATED PARTY DISCLOSURES (cont'd)

#### i) Balances with related parties (cont'd)

##### Other payables to related parties (cont'd)

##### Other payables to related parties

	31 March 2021	31 December 2020
Çelebi Havacılık Holding (*)	-	51.890.232
Other shareholders (*)	-	5.822.268
	-	<b>57.712.500</b>

(\*) The related amount is comprised of the Company's payables to the shareholders pursuant to the decision of dividend distribution of 2019. It has been decided to pay the dividend in two instalments as TL 47.992.500 on 31 August 2020 and TL 57.712.500 on 4 January 2021.

#### ii) Significant Transactions with related parties

	1 January - 31 March 2021	1 January - 31 March 2020
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##### Miscellaneous sales to related parties

Çelebi Havacılık Holding (1)	1.216.516	1.278.870
Celebi Ground Services Austria (2)	-	-
DASPL (3)	-	149.404
Çe-Tur Çelebi Turizm Tic. A.Ş.(4)	-	28.102
Other	-	87.329
	<b>1.216.516</b>	<b>1.543.705</b>

	1 January - 31 March 2021	1 January - 31 March 2020
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##### Employee and customer transportation expenses paid to related parties

Çe-Tur Çelebi Turizm Tic. A.Ş. (4)	-	271.365
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##### Contribution to holding expenses (\*)

Çelebi Havacılık Holding (1)	21.515.778	19.232.746
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(\*) Contribution paid to ÇHH includes services received from ÇHH to Çelebi Hava such as legal, financial, human resource, management, business development, corporate communication, procurement, IT consultancy.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 25 - RELATED PARTY DISCLOSURES (cont'd)

	1 January- 31 March 2021	1 January- 31 March 2020
<b>Other purchases from related parties (*)</b>		
Çelebi Havacılık Holding (1)	1.147.503	737.722
DASPL (3)	3.705.862	3.838.129
Celebi Nas	-	20.258
Çe-Tur Çelebi Turizm Tic. A.Ş. (4)	-	61.308
Other	-	100.987
	<b>4.853.365</b>	<b>4.758.404</b>

As of 31 March 2021 and 31 December 2020, collaterals given in favour of the subsidiaries and joint venture of the Group for the loans borrowed by them are as follows:

	EUR	INR	Total TL
<b>31 March 2021</b>			
Celebi Nas (1)	-	94.392.000	10.701.221
Celebi Delhi Cargo (2)	-	336.000.000	38.092.320
CASI (3)	-	2.330.300.000	264.186.111
Celebi Cargo GmbH(4)	2.050.000	-	20.062.120
	<b>2.050.000</b>	<b>2.760.692.000</b>	<b>333.041.772</b>
<b>31 December 2020</b>			
Celebi Nas (1)	-	94.392.000	9.462.798
Celebi Delhi Cargo (2)	-	336.000.000	33.684.000
CASI (3)	-	2.330.300.000	233.612.575
Celebi Cargo GmbH (4)	2.050.000	-	18.466.195
	<b>2.050.000</b>	<b>2.760.692.000</b>	<b>295.225.568</b>

- (1) Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Nas and a bank resident in India amounting to INR 2.345.000.000 cash and INR 845.000.000 non-cash, 30% of the 57% shares of Celebi Nas owned by the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 31 March 2021, the risk of the cash loan in the respective bank is amounting INR 1.049.240.874.
- (2) Guarantee at an equivalent amount to the loan amount is given to aforementioned banks for the financial liabilities sourcing from agreements concluded with related banks regarding long term cash project loan at an amount of cash INR 1.200.000.000 and non-cash INR 100.000.000 concluded between Celebi Delhi Cargo and an India resident bank and 30% portion of the owned by the Company are pledged on behalf of the bank. As of 31 March 2021, the risk of the cash loan in the respective bank is amounting INR 630.385.377.
- (3) Celebi Airport Services has a borrowing amounting to INR 1.619.300.000 cash and INR 711.000.000 non-cash within the scope of the long-term project finance and working capital loan agreement signed between The Company and a bank resident in India. As of 31 March 2021, the risk of the cash loan in the respective bank is amounting to INR 649.149.636.
- (4) In order to fulfill the financial obligations arising from the loan agreements signed between Celebi Cargo GmbH and banks resident in Germany, a guarantee of EUR 50.000 is given by the Company to the lender banks.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 25 - RELATED PARTY DISCLOSURES (cont'd)

#### Key management compensation:

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

	1 January - 31 March 2021	1 January - 31 March 2020
Short-term employee benefits to key management	9.067.757	4.543.289
	<b>9.067.757</b>	<b>4.543.289</b>

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

#### Currency risk

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

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

As of 31 March 2021, other things being constant, if the TL was to depreciate/appreciate by 10% against the USD, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would decrease/increase net income by TL 6.714.379 (31 December 2020: TL 7.072.936).

As of 31 March 2021, other things being constant, if the TL was to depreciate / appreciate by 10% against the Euro, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 89.920.158 (31 December 2020: TL 87.325.685).

As of 31 March 2021, other things being constant, if the TL was to depreciate / appreciate by 10% against the GBP, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 43.170 (31 December 2020: TL 23.796).

Foreign currency denominated assets and liabilities of the Group as of 31 March 2021 and 31 December 2020 are as follows:

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

	31 March 2021	31 December 2020
Assets denominated in foreign currency	435.146.694	473.184.688
Liabilities denominated in foreign currency (-)	1.266.772.777	(1.275.474.228)
<b>Net balance sheet position</b>	<b>(831.626.083)</b>	<b>(802.289.540)</b>

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 March 2021 and 31 December 2020:

31 March 2021	TL Equivalent (Functional currency)	USD	EUR	GBP
1. Trade Receivables	88.384.114	2.041.053	7.291.762	-
2. Monetary Financial Assets	222.080.676	7.011.857	16.597.102	101.759
3. Other	43.904.146	372.876	4.167.739	600
<b>4. Current Assets (1+2+3)</b>	<b>354.368.936</b>	<b>9.425.786</b>	<b>28.056.603</b>	<b>102.359</b>
5. Other	80.777.758	-	8.254.083	-
<b>6. Non-Current Assets (5)</b>	<b>80.777.758</b>	<b>-</b>	<b>8.254.083</b>	<b>-</b>
<b>7. Total Assets (4+6)</b>	<b>435.146.694</b>	<b>9.425.786</b>	<b>36.310.686</b>	<b>102.359</b>
8. Trade Payables	10.715.792	1.057.356	193.623	150
9. Financial Liabilities	465.359.624	-	47.551.666	-
10. Other Monetary Liabilities	14.802.063	318.388	1.165.156	64.672
<b>11. Current Liabilities (8+9+10)</b>	<b>490.877.479</b>	<b>1.375.744</b>	<b>48.910.445</b>	<b>64.822</b>
12. Financial Liabilities	775.704.463	-	79.263.515	-
13. Other Monetary Liabilities	190.835	-	19.500	-
<b>14. Non-Current Liabilities (12+13)</b>	<b>775.895.298</b>	<b>-</b>	<b>79.283.015</b>	<b>-</b>
<b>15. Total Liabilities (11+14)</b>	<b>1.266.772.777</b>	<b>1.375.744</b>	<b>128.193.460</b>	<b>64.822</b>
<b>16. Net Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(831.626.083)</b>	<b>8.050.042</b>	<b>(91.882.774)</b>	<b>37.537</b>
<b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(831.626.083)</b>	<b>8.050.042</b>	<b>(91.882.774)</b>	<b>37.537</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

31 December 2020	TL Equivalent	USD	EUR	GBP
1. Trade Receivables	72.156.563	1.404.438	6.865.894	-
2. Monetary Financial Assets	286.283.312	9.060.313	24.285.390	102.146
3. Other	40.392.859	366.053	4.185.202	600
<b>4. Current Assets (1+2+3)</b>	<b>398.832.734</b>	<b>10.830.804</b>	<b>35.336.486</b>	<b>102.746</b>
5. Other	74.351.954	-	8.254.083	-
<b>6. Non-Current Assets (5)</b>	<b>74.351.954</b>	<b>-</b>	<b>8.254.083</b>	<b>-</b>
<b>7. Total Assets (4+6)</b>	<b>473.184.688</b>	<b>10.830.804</b>	<b>43.590.569</b>	<b>102.746</b>
8. Trade Payables	22.957.938	1.195.308	1.573.931	600
9. Financial Liabilities	475.574.738	-	52.795.295	-
10. Other Monetary Liabilities	10.087.684	-	1.033.528	78.216
<b>11. Current Liabilities (8+9+10)</b>	<b>508.620.360</b>	<b>1.195.308</b>	<b>55.402.754</b>	<b>78.816</b>
12. Financial Liabilities	766.853.868	-	85.131.259	-
13. Other Monetary Liabilities	-	-	-	-
<b>14. Non-Current Liabilities (12+13)</b>	<b>766.853.868</b>	<b>-</b>	<b>85.131.259</b>	<b>-</b>
<b>15. Total Liabilities (11+14)</b>	<b>1.275.474.228</b>	<b>1.195.308</b>	<b>140.534.013</b>	<b>78.816</b>
<b>16. Net Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(802.289.540)</b>	<b>9.635.496</b>	<b>(96.943.444)</b>	<b>23.930</b>
<b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(802.289.540)</b>	<b>9.635.496</b>	<b>(96.943.444)</b>	<b>23.930</b>

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

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

#### Capital risk management

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

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

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

The ratio of net debt / (equity+net debt) at 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021	31 December 2020
Total financial liabilities (*)	1.942.103.153	1.805.663.280
Less: Cash and cash equivalents	(464.236.611)	(571.830.186)
Less: Restricted cash	(44.248.069)	(27.462.591)
Net debt	1.383.597.032	1.206.370.503
Net debt (Excluding the effect of new and revised accounting policies) (*)	682.355.491	491.670.729
Shareholder's equity	602.715.354	446.297.475
Capital invested	1.986.312.386	1.652.667.978
Net debt / capital invested	0,70	0,73

(\*) TL 701.241.541 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective (2020: TL 714.699.774).



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2021

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

### NOTE 27 - FINANCIAL INSTRUMENTS

#### Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Effective 1 January 2009, the group adopted the amendment to TFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Group's assets and liabilities measured fair value at 31 March 2021 and 31 December 2020 are as follows:

31 March 2021	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial investments at fair value through other comprehensive income (Note 5)			334.290	334.290

  

31 December 2020	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial investments at fair value through other comprehensive income (Note 5)			334.290	334.290

### NOTE 28 - SUBSEQUENT EVENTS

None.