

# **Çelebi Hava Servisi Anonim Şirketi**

## **Condensed consolidated financial statements for the interim period 1 January – 30 June 2022**

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

(Convenience translation into English of the review report originally issued in Turkish)

## REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the General Assembly of Çelebi Hava Servisi A.Ş.

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Çelebi Hava Servisi A.Ş. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2022, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended. The Group management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim condensed consolidated financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review of the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

### Other Matters

While preparing the financial statements as at 31 December 2021, the Group management considered that it would be more appropriate to apply the functional currency change, the effects of which are disclosed in Note 2.2.1, from the beginning of 2021. Turkish Lira will continue to be used as the presentation currency of the Group and the financial statements will be prepared in Turkish Lira. The accompanying financial statements dated 2021 of the Group have been prepared in Euro with the method explained in Note 2.2.1 and then translated into Turkish Lira with the method explained in the same note.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

  
Cem Tovil  
Partner

Istanbul, 18 August 2022

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ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2022

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

|  |       | <i>Reviewed</i>      | <i>Audited</i>       |
|--|-------|----------------------|----------------------|
|  | Notes | 30 June 2022         | 31 December 2021     |
| <b>ASSETS</b>  |       |                      |                      |
| <b>Current assets</b>                                      |       |                      |                      |
| Cash and cash equivalents                                  | 4     | 1,030,394,590        | 1,093,962,834        |
| Financial investments                                      |       | 142,600,348          | 63,208,735           |
| -Restricted cash   | 5     | 20,456,200           | 49,130,668           |
| -Time deposits   | 5     | 122,144,148          | 14,078,067           |
| Trade receivables  |       | 592,894,158          | 380,688,778          |
| -Due from related parties                                  | 8     | 3,393,839            | 589,742              |
| -Due from third parties                                    | 8     | 589,500,319          | 380,099,036          |
| Other receivables  |       | 399,579,562          | 279,619,410          |
| -Due from related parties                                  | 9     | 108,913,059          | 60,554,654           |
| -Due from third parties                                    | 9     | 290,666,503          | 219,064,756          |
| Inventories  | 10    | 45,296,461           | 40,821,021           |
| Prepaid expenses   | 16    | 115,538,391          | 48,588,050           |
| Current tax assets   | 23    | 9,609,010            | 8,197,661            |
| Other current assets                                       | 15    | 15,950,069           | 14,666,920           |
| <b>Total current assets</b>                                |       | <b>2,351,862,589</b> | <b>1,929,753,409</b> |
| <b>Non-current assets</b>                                  |       |                      |                      |
| Financial investments                                      | 5     | 58,549,293           | 53,479,264           |
| - Restricted cash  | 5     | 58,528,174           | 53,479,264           |
| - Other financial assets at fair value through profit/loss |       | 21,119               | -                    |
| Other receivables  |       | 374,806,246          | 361,676,712          |
| - Due from related parties                                 | 9     | -                    | 64,295,790           |
| - Due from third parties                                   | 9     | 374,806,246          | 297,380,922          |
| Investments accounted using equity method                  | 6     | 18,099,611           | 20,391,743           |
| Property, plant and equipment                              | 11    | 1,039,797,365        | 874,801,839          |
| Right-of-use assets  | 12    | 1,165,488,935        | 1,063,607,040        |
| Intangible assets  |       | 1,000,297,702        | 821,266,380          |
| - Goodwill   | 13    | 136,636,142          | 119,963,138          |
| - Other intangible assets                                  | 13    | 863,661,560          | 701,303,242          |
| Prepaid expenses   | 16    | 26,889,242           | 26,277,786           |
| Deferred tax asset   | 23    | 281,717,566          | 256,168,334          |
| Other non-current assets                                   | 15    | 73,573,300           | 57,404,380           |
| <b>Total non-current assets</b>                            |       | <b>4,039,219,260</b> | <b>3,535,073,478</b> |
| <b>Total assets</b>  |       | <b>6,391,081,849</b> | <b>5,464,826,887</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 AS OF 30 JUNE 2022

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

|   |       | <i>Reviewed</i>      | <i>Audited</i>       |
|---|-------|----------------------|----------------------|
|   | Notes | 30 June 2022         | 31 December 2021     |
| <b>LIABILITIES</b>  |       |                      |                      |
| <b>Current liabilities</b>  |       |                      |                      |
| Short-term financial liabilities  | 7     | 60,904,900           | 170,104,575          |
| Short-term portion of long-term financial liabilities   | 7     | 714,205,300          | 674,004,935          |
| Short-term lease payables   | 7     | 222,690,766          | 199,077,376          |
| Trade payables  |       | 371,731,059          | 293,952,430          |
| - Due to related parties  | 8     | 7,935,087            | 11,780,141           |
| - Due to third parties  | 8     | 363,795,972          | 282,172,289          |
| Employee benefit obligations  | 18    | 154,725,098          | 102,203,827          |
| Other payables  |       | 58,387,969           | 58,426,581           |
| - Due to third parties  | 9     | 58,387,969           | 58,426,581           |
| Deferred income   | 17    | 93,961,764           | 53,572,646           |
| Current profit tax liability  | 23    | 96,176,820           | 49,917,869           |
| Short-term provisions   |       | 83,037,156           | 63,115,169           |
| - Provisions for employment termination benefits  | 14    | 74,785,042           | 54,068,019           |
| - Other short-term provisions   | 14    | 8,252,114            | 9,047,150            |
| Other current liabilities   | 15    | 22,505,960           | 25,182,643           |
| <b>Total current liabilities</b>  |       | <b>1,878,326,792</b> | <b>1,689,558,051</b> |
| <b>Non-current liabilities</b>  |       |                      |                      |
| Long-term financial liabilities   | 7     | 559,428,843          | 634,359,293          |
| Long-term lease payables  | 7     | 1,198,173,115        | 1,063,130,627        |
| Other payables  |       | 45,669,537           | 39,168,652           |
| - Other long-term payables to third parties   | 9     | 45,669,537           | 39,168,652           |
| Deferred income   |       | 1,539,429            | 2,078,680            |
| Long-term provisions  |       | 49,884,541           | 45,879,138           |
| - Provisions for employment termination benefits  | 14    | 49,884,541           | 45,879,138           |
| Deferred tax liability  | 23    | 103,223,561          | 85,460,436           |
| Other non-current liabilities   | 15    | 297,173,148          | 235,346,924          |
| <b>Total non-current liabilities</b>  |       | <b>2,255,092,174</b> | <b>2,105,423,750</b> |
| <b>Total liabilities</b>  |       | <b>4,133,418,966</b> | <b>3,794,981,801</b> |
| <b>EQUITY</b>   |       |                      |                      |
| <b>Equity attributable to equity holders of the parent</b>  |       | <b>1,842,999,368</b> | <b>1,353,924,062</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 |       | 179,081,492          | 86,094,176           |
| - Foreign currency translation differences  |       | 214,037,948          | 121,050,632          |
| - Remeasurement gains / (losses) of defined benefit plans   |       | (34,956,456)         | (34,956,456)         |
| Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss     |       | 796,318,591          | 613,208,705          |
| - Foreign currency translation differences  |       | 796,318,591          | 613,208,705          |
| Restricted reserves appropriated from profit  | 19    | 91,996,776           | 74,387,905           |
| Prior years' profit / (losses)  |       | 374,299,405          | 22,479,380           |
| Net profit / (loss) for the period  |       | 377,003,104          | 533,453,896          |
| <b>Non-controlling interests</b>  |       | <b>414,663,515</b>   | <b>315,921,024</b>   |
| <b>Total equity</b>   |       | <b>2,257,662,883</b> | <b>1,669,845,086</b> |
| <b>Total liabilities and equity</b>   |       | <b>6,391,081,849</b> | <b>5,464,826,887</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 – 30 JUNE 2022**

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

|   |           |  |  | <i>Restated<br/>(Note 2.2.1)</i>                     | <i>Restated<br/>(Note 2.2.1)</i>                   |
|---|-----------|--|--|--|--|
|   |           | <i>Reviewed<br/>1 January -<br/>30 June<br/>2022</i> | <i>Reviewed<br/>1 April -<br/>30 June<br/>2022</i> | <i>Reviewed<br/>1 January -<br/>30 June<br/>2021</i> | <i>Reviewed<br/>1 April -<br/>30 June<br/>2021</i> |
|   | Notes     |  |  |  |  |
| Revenue   | 20        | 2,480,897,820  | 1,386,139,161                                      | 974,405,046  | 523,314,111  |
| Cost of sales (-)   | 20        | (1,646,293,587)                                      | (894,670,320)                                      | (717,490,689)  | (383,017,783)                                      |
| <b>GROSS PROFIT</b>   | <b>20</b> | <b>834,604,233</b>                                   | <b>491,468,841</b>                                 | <b>256,914,357</b>                                   | <b>140,296,328</b>                                 |
| General administrative expenses (-)   |           | (266,837,739)  | (145,033,085)                                      | (133,103,480)  | (73,093,831)                                       |
| Other operating income  |           | 72,297,634   | 46,513,409   | 20,202,424   | 11,738,268   |
| Other operating expenses (-)  |           | (47,365,724)   | (2,539,363)  | (55,343,888)   | (24,136,520)                                       |
| <b>OPERATING PROFIT / (LOSS)</b>  |           | <b>592,698,404</b>                                   | <b>390,409,802</b>                                 | <b>88,669,413</b>                                    | <b>54,804,245</b>                                  |
| Income from investment activities   |           | 439,257  | 319,204  | 85,579   | (2,226,351)  |
| Expenses from investment activities (-)                                     |           | (3,235)  | (2,448)  | (449,222)  | (440,130)  |
| Shares of profit/(losses) from<br>of investments valued by<br>equity method |           | (1,910,106)  | -  | 2,204,156  | 1,041,726  |
| <b>OPERATING PROFIT / (LOSS)<br/>BEFORE FINANCE EXPENSE</b>                 |           | <b>591,224,320</b>                                   | <b>390,726,558</b>                                 | <b>90,509,926</b>                                    | <b>53,179,490</b>                                  |
| Financial income  | 21        | 84,666,085   | 39,872,742   | 75,963,859   | 44,118,013   |
| Financial expenses (-)  | 22        | (152,046,049)  | (94,058,168)                                       | (73,084,035)   | (38,799,426)                                       |
| <b>PROFIT / (LOSS) BEFORE TAX</b>   |           | <b>523,844,356</b>                                   | <b>336,541,132</b>                                 | <b>93,389,750</b>                                    | <b>58,498,077</b>                                  |
| <b>Profit / (loss) from discontinued<br/>operations</b>                     | 6         | <b>(4,195,834)</b>                                   | <b>(4,195,834)</b>                                 | -  | -  |
| <b>Tax income / (expense)</b>   |           | <b>(112,282,331)</b>                                 | <b>(66,607,924)</b>                                | <b>(13,917,086)</b>                                  | <b>(8,283,403)</b>                                 |
| Current tax expense   | 23        | (97,846,804)   | (63,827,086)                                       | (25,715,731)   | (12,913,979)                                       |
| Deferred tax income / (expense)   | 23        | (14,435,527)   | (2,780,838)  | 11,798,645   | 4,630,576  |
| <b>PROFIT / (LOSS) FOR THE PERIOD</b>                                       |           | <b>407,366,191</b>                                   | <b>265,737,374</b>                                 | <b>79,472,664</b>                                    | <b>50,214,674</b>                                  |
| <b>Profit / (Loss) for the Period<br/>Attributable to:</b>                  |           |  |  |  |  |
| Non-controlling interests   |           | 30,363,087   | 17,456,353   | 12,814,109   | 5,836,106  |
| Equity holder of the parent   |           | 377,003,104  | 248,281,021  | 66,658,555   | 44,378,568   |
|   |           | <b>407,366,191</b>                                   | <b>265,737,374</b>                                 | <b>79,472,664</b>                                    | <b>50,214,674</b>                                  |
| Earnings / (loss) per share (Kr)  | 24        | 0.157  | 0.102  | 0.027  | 0.018  |

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 – 30 JUNE 2022**

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

|  | <i>Reviewed</i>                        | <i>Reviewed</i>                       | <i>Restated<br/>Reviewed</i>           | <i>Restated<br/>Reviewed</i>          |
|--|--|---------------------------------------|--|---------------------------------------|
|  | <b>1 January-<br/>30 June<br/>2022</b> | <b>1 April –<br/>30 June<br/>2022</b> | <b>1 January-<br/>30 June<br/>2021</b> | <b>1 April –<br/>30 June<br/>2021</b> |
| <b>Net profit / (loss) for the period</b>                          | <b>407,366,191</b>                     | <b>265,737,374</b>                    | <b>79,472,664</b>                      | <b>50,214,674</b>                     |
| <b>Items that will not be reclassified to<br/>profit or loss</b>   |  |                                       |  |                                       |
| -Foreign currency translation differences                          | 92,987,316                             | 42,491,112                            | (7,511,128)                            | (3,055,656)                           |
| -Remeasurement gains / (losses) of defined<br>benefit plans        | -                                      | -                                     | 153,702                                | 48,375                                |
| <b>Items that will be reclassified to profit or loss</b>           |  |                                       |  |                                       |
| -Foreign currency translation differences                          | 251,489,290                            | 111,002,724                           | 148,257,264                            | 26,456,257                            |
| <b>Other comprehensive income / (expense)</b>                      | <b>344,476,606</b>                     | <b>153,493,836</b>                    | <b>140,899,838</b>                     | <b>23,448,976</b>                     |
| <b>Total comprehensive income / (expense)</b>                      | <b>751,842,797</b>                     | <b>419,231,210</b>                    | <b>220,372,502</b>                     | <b>73,663,650</b>                     |
| <b>Distribution of total comprehensive income /<br/>(expense):</b> |  |                                       |  |                                       |
| Non-controlling interests  | 98,742,491                             | 51,802,069                            | 90,140,675                             | 12,878,065                            |
| Equity holders of the parent                                       | 653,100,306                            | 367,429,141                           | 130,231,827                            | 60,785,585                            |
|  | <b>751,842,797</b>                     | <b>419,231,210</b>                    | <b>220,372,502</b>                     | <b>73,663,650</b>                     |

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

(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 | 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 2022</b>                   | <b>24,300,000</b>  | <b>(34,956,456)</b>                                      | <b>121,050,632</b>                       | <b>613,208,705</b>   | <b>74,387,905</b>                            | <b>22,479,380</b>              | <b>533,453,896</b>                 | <b>1,353,924,062</b>                                | <b>315,921,024</b>        | <b>1,669,845,086</b> |
| Transfers                                     | -  | -  | -  | -  | -  | 533,453,896                    | (533,453,896)                      | -   | -                         | -                    |
| Dividend payment                              | -  | -  | -  | -  | 17,608,871                                   | (181,633,871)                  | -                                  | (164,025,000)                                       | -                         | (164,025,000)        |
| <b>Other comprehensive income / (expense)</b> |  |  |  |  |  |                                |                                    |   | -                         |                      |
| - Foreign currency translation difference     | -  | -  | 92,987,316                               | 183,109,886  | -  | -                              | -                                  | 276,097,202   | 68,379,404                | 344,476,606          |
| <b>Total other comprehensive income</b>       | -  | -  | <b>92,987,316</b>                        | <b>183,109,886</b>   | -  | -                              | -                                  | <b>276,097,202</b>                                  | <b>68,379,404</b>         | <b>344,476,606</b>   |
| Net profit / (loss) for the period            | -  | -  | -  | -  | -  | -                              | 377,003,104                        | 377,003,104   | 30,363,087                | 407,366,191          |
| <b>Total comprehensive income / (expense)</b> | -  | -  | <b>92,987,316</b>                        | <b>183,109,886</b>   | -  | -                              | <b>377,003,104</b>                 | <b>653,100,306</b>                                  | <b>98,742,491</b>         | <b>751,842,797</b>   |
| <b>As of 30 June 2022</b>                     | <b>24,300,000</b>  | <b>(34,956,456)</b>                                      | <b>214,037,948</b>                       | <b>796,318,591</b>   | <b>91,996,776</b>                            | <b>374,299,405</b>             | <b>377,003,104</b>                 | <b>1,842,999,368</b>                                | <b>414,663,515</b>        | <b>2,257,662,883</b> |

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



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

(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  | Losses on remeasurement of defined benefit plans   | Foreign currency translation differences | Foreign currency translation differences | Restricted reserves appropriated from profit | Prior years' losses | Net profit / (loss) for the period | Equity attributable to equity holders of the parent | Non-controlling interests | Total equity       |
| <b>Restated balances as of 1 January 2021</b>     | <b>24,300,000</b>  | <b>(27,110,446)</b>  | <b>-</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   | -  | -  | -  | -  | -  | (169,179,611)       | 169,179,611                        | -   | -                         | -                  |
| Dividend payment                                  | -  | -  | -  | -  | -  | -                   | -                                  | -   | (7,710,730)               | (7,710,730)        |
| Increase due to other changes (*)                 | -  | -  | -  | -  | -  | (461,134)           | -                                  | (461,134)   | -                         | (461,134)          |
| Increase in subsidiary non-controlling interest   | -  | -  | -  | -  | -  | -                   | -                                  | -   | 62,624,406                | 62,624,406         |
| <b>Other comprehensive income / (expense)</b>     |  |  |  |  |  |                     |                                    |   |                           |                    |
| -Foreign currency translation differences         | -  | -  | (7,511,128)                              | 71,048,603                               | -  | -                   | -                                  | 63,537,475  | 77,208,661                | 140,746,136        |
| -Losses on remeasurement of defined benefit plans | -  | 35,797   | -  | -  | -  | -                   | -                                  | 35,797  | 117,905                   | 153,702            |
| <b>Total other comprehensive income</b>           | <b>-</b>   | <b>35,797</b>  | <b>(7,511,128)</b>                       | <b>71,048,603</b>                        | <b>-</b>                                     | <b>-</b>            | <b>-</b>                           | <b>63,573,272</b>                                   | <b>77,326,566</b>         | <b>140,899,838</b> |
| Net profit for the period                         | -  | -  | -  | -  | -  | -                   | 66,658,555                         | 66,658,555  | 12,814,109                | 79,472,664         |
| <b>Total comprehensive income / (expense)</b>     | <b>-</b>   | <b>35,797</b>  | <b>(7,511,128)</b>                       | <b>71,048,603</b>                        | <b>-</b>                                     | <b>-</b>            | <b>66,658,555</b>                  | <b>130,231,827</b>                                  | <b>90,140,675</b>         | <b>220,372,502</b> |
| <b>Restated balances as of 30 June 2021</b>       | <b>24,300,000</b>  | <b>(27,074,649)</b>  | <b>(7,511,128)</b>                       | <b>333,134,492</b>                       | <b>74,387,905</b>                            | <b>22,479,380</b>   | <b>66,658,555</b>                  | <b>486,374,555</b>                                  | <b>234,747,964</b>        | <b>721,122,519</b> |

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

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022**

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

|  |              | <i>Current Period</i> | <i>Restated</i>      |
|--|--------------|-----------------------|----------------------|
|  |              | <i>Reviewed</i>       | <i>Prior Period</i>  |
|  |              | <i>1 January –</i>    | <i>1 January –</i>   |
|  |              | <i>30 June</i>        | <i>30 June</i>       |
|  | <i>Notes</i> | <i>2022</i>           | <i>2021</i>          |
| <b>A. Cash flows from operating activities</b>   |              | <b>493,143,777</b>    | <b>32,379,194</b>    |
| <b>Net profit / (loss) for the period</b>  |              | <b>407,366,191</b>    | <b>79,472,664</b>    |
| <b>Adjustments for reconciliation of net profit/loss for the period</b>                            |              | <b>378,589,226</b>    | <b>133,073,949</b>   |
| Adjustments related to depreciation and amortization expenses                                      | 11,12,13     | 166,042,234           | 86,070,820           |
| Adjustments related to impairment (reversal)   |              | 4,367,037             | 3,765,193            |
| Adjustments related to provisions  |              | 22,400,079            | 13,910,958           |
| - Adjustments related to provisions for employee benefits  |              | 22,400,079            | 13,910,958           |
| Adjustments related to interest income and expenses  |              | 81,451,571            | 46,838,704           |
| - Adjustments related to interest income   | 21           | (22,868,175)          | (14,685,151)         |
| - Adjustments related to interest expenses   |              | 104,319,746           | 61,523,855           |
| Adjustments related to unrealized foreign currency translation differences                         |              | (13,623,943)          | (29,411,252)         |
| Adjustments related to tax (income) expenses   |              | 112,282,330           | 13,917,086           |
| Adjustments related to undistributed profit of investments that are accounted by the equity method | 6            | 6,105,940             | (2,204,156)          |
| Adjustments related to gains/losses on disposal of non-current assets                              |              | (436,022)             | 186,596              |
| <b>Changes in working capital</b>  |              | <b>(227,491,389)</b>  | <b>(133,472,788)</b> |
| Adjustments related to (increase)/decrease in trade receivables                                    |              | (226,006,483)         | (75,220,549)         |
| - Decrease/increase in due from related parties  |              | (2,804,097)           | 3,154,740            |
| - Decrease/increase in due from third parties  |              | (223,202,386)         | (78,375,289)         |
| Adjustments related to increase/decrease in other receivables related to operations                |              | (166,479,140)         | (185,844,780)        |
| Adjustments related to (increase)/decrease in inventories  |              | (4,475,440)           | (4,528,731)          |
| Adjustments related to (increase)/decrease in prepaid expenses                                     |              | (67,561,797)          | (20,377,000)         |
| Adjustments related to increase/(decrease) in trade payables                                       |              | 77,778,629            | 24,377,451           |
| - (Decrease)/increase in due to related parties  |              | (3,845,054)           | (3,500,296)          |
| - Increase (decrease) in due to third parties  |              | 81,623,683            | 27,877,747           |
| Increase (decrease) in payables related to Employee benefits                                       |              | 52,521,271            | 39,286,576           |
| Adjustments related to (decrease)/increase in other payables related to operations                 |              | 106,731,571           | 88,834,245           |
| <b>Cash flows generated from operations</b>  |              | <b>558,464,028</b>    | <b>79,073,825</b>    |
| Payments related to provisions for employee benefits   | 14           | (10,256,123)          | (6,190,250)          |
| Payments related to other provisions   |              | (2,064,926)           | (1,720,017)          |
| Tax returns (payments)   |              | (52,999,202)          | (38,784,364)         |

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022**

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

|   |              | <i>Current Period</i> | <i>Restated</i>      |
|---|--------------|-----------------------|----------------------|
|   |              | <i>Reviewed</i>       | <i>Prior Period</i>  |
|   |              | <i>1 January –</i>    | <i>1 January –</i>   |
|   |              | <i>30 June</i>        | <i>30 June</i>       |
|   | <i>Notes</i> | <i>2022</i>           | <i>2021</i>          |
| <b>B. Cash flows from investing activities</b>  |              | <b>(177,633,203)</b>  | <b>(75,141,568)</b>  |
| Cash inflows from sale of property, plant and equipment and intangible assets   |              | 823,702               | 112,985              |
| -Cash inflows from sale of property, plant and equipment  | 11           | 823,702               | 112,985              |
| Cash outflows from purchase of property, plant and equipment and intangible assets  |              | (128,239,710)         | (11,461,495)         |
| -Cash outflows from purchase of property, plant and equipment   | 11           | (77,659,814)          | (10,553,695)         |
| -Cash outflows from purchase of intangible assets   | 13           | (50,579,896)          | (907,800)            |
| Dividends received  | 6            | -                     | 1,343,750            |
| Cash inflows from cash advances and debts given to related parties  |              | 34,833,593            | 20,706,567           |
| Other cash inflows/(outflows)   |              | (85,050,788)          | (85,843,375)         |
| <b>C. Cash flows from financing activities</b>  |              | <b>(607,763,986)</b>  | <b>(289,860,247)</b> |
| Lease payments  |              | (79,836,657)          | (62,164,830)         |
| Cash inflows from financial liabilities   |              | 208,765,093           | 272,105,474          |
| Cash outflows due to debt payments  |              | (553,208,001)         | (424,747,222)        |
| Dividends paid  |              | (164,025,000)         | (57,712,500)         |
| Interest paid   |              | (42,327,596)          | (32,026,320)         |
| Interest received   | 21           | 22,868,175            | 14,685,151           |
| <b>NET INCREASE (DECREASE) IN<br/>CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF<br/>FOREIGN CURRENCY TRANSLATION DIFFERENCES</b> |              | <b>(292,253,412)</b>  | <b>(332,622,621)</b> |
| <b>D.Foreign currency translation differences</b>   |              | <b>228,462,905</b>    | <b>250,178,187</b>   |
| <b>Net increase/decrease in cash and cash equivalents</b>   |              | <b>(63,790,507)</b>   | <b>(82,444,434)</b>  |
| <b>E. Cash and cash equivalents at the beginning of the period</b>  |              | <b>1,093,574,832</b>  | <b>571,428,818</b>   |
| <b>Cash and cash equivalents at the end of the period</b>   | 4            | <b>1,029,784,325</b>  | <b>488,984,384</b>   |

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

Çelebi Hava Servisi A.Ş. (referred as “the Company” or “Çelebi Hava”) established in 1958 was the first private ground handling service company in the Turkish aviation sector. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and aircraft maintenance etc.), cargo and warehouse services and fuel supplies to domestic and foreign airlines and private cargo companies. The Company operates in İstanbul, İzmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta, Erzincan, Çanakkale, Balıkesir Edremit, Iğdır, Kocaeli, Bingöl, Hakkari 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 2021: 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 30 June 2022 is 11,318 (2021: 9,923).

#### 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     |
| Celebi Nas                                     | India                     | India                      | Ground handling services     |
| Çelebi Kargo                                   | Turkey                    | Turkey                     | Warehouse and cargo services |
| Celebi Cargo                                   | Germany                   | Germany                    | Warehouse and cargo services |
| Celebi GH India Private Limited <sup>(*)</sup> | India                     | India                      | Ground handling services     |
| KSU  | India                     | India                      | Ground handling services     |
| Celebi Tanzania                                | Tanzania                  | Tanzania                   | Ground handling services     |

<sup>(\*)</sup> As of 30 June 2022, Celebi Spain and Celebi GH India Private Limited have no operational activity.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

##### Information on Subsidiaries and Investments Valued with Equity Method (cont'd):

In 2006, the company acquired the shares of Budapest Airport Handling, which provides airport ground handling services at Budapest Airport, and its trade name was changed to Celebi Ground Handling Hungary ("CGHH"). The Company currently owns 100% of the capital of CGHH and as of 31 December 2021, the paid-in capital of CGHH is Hungarian Forints 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 payment amounting to Indian Rupee 1,674,371,160 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%. The Company currently operates ground handling services in New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India as part of the ongoing concession agreements. On 15 March 2018, the Company's title was changed to Celebi Airport Services India Private Limited ("CASI"). CASI will continue to deliver ground handling services at Delhi International Airport for 10 years subsequent to the termination of the existing concession agreement with the authority given on 9 December 2019.

Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo") was established on 20 November 2008 to carry out transportation, cargo storage and distribution activities. Celebi Cargo GmbH ("Celebi Cargo"), the subsidiary of Çelebi Kargo with a 100% ownership, was established on November 2009 and has share capital amounting to EUR 11,140,000, rented storage and warehouse facilities at International Frankfurt Airport Cargo (Frankfurt Cargo City Süd) and carry out flight cargo storage and handling services.

The Company became a 57.65% partner in KSU Aviation Private Limited ("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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

##### Information on Subsidiaries and Investments Valued with Equity Method (cont'd):

Celebi Nas Airport Services India Private Limited ("Celebi Nas") was established on 12 December 2008 to provide ground handling services for 10 years at Mumbai Chhatrapati Shivaji International Airport (CSIA) in India. The capital share in Celebi Nas is 57% and the paid-in capital of Celebi Nas is INR 552,000,000. In addition, a premium capital payment of INR 228,000,000 was made by the partners of Celebi Nas. With this agreement, Celebi Nas has been granted the concession rights regarding the provision of ventilation and generator services installed on the passenger bridges at the airport passenger terminal until May 2036. Within the scope of the concession agreement signed between Celebi Nas and MIAL, Celebi Nas will continue to provide ground handling services for an additional 10 (ten) years from 1 January 2020 to 31 December 2029, following the expiration of the current concession period at CSIA airport on 31 December 2019.

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

##### Associate

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

| <u>Associate</u> | <u>Registered country</u> | <u>Geographical<br/>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, Çelebi 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. DASPL's operations ended as of 1 April 2022, and the net loss for the period after 31 March 2022 has been indicated under "Profit for the period / (loss) from discontinued operations".

As of 30 June 2021, the condensed consolidated financial statements of the Group contains the Company, Celebi Nas, CGHH, Celebi Delhi Cargo, CASI, Çelebi Kargo, DASPL, Celebi Cargo, KSU and Celebi Tanzania (all together will be referred to as "the Group").

The condensed consolidated financial statements of the Group for the period 1 January – 30 June 2022 have been approved for the issuance by the Board of Directors at the meeting on 18 August 2022 and signed by General Manager Osman Yılmaz and Financial Affairs Director Deniz Bal on behalf of the Board of Directors.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022**

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

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**NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2.1. Basis of Presentation**

**2.1.1 Accounting Standards Applied**

The Group’s condensed consolidated financial statements have been prepared in accordance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 which is published on Official Gazette numbered 28676, and according to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish 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 30 June 2022 according to Turkish Accounting Standards No. 34 Interim Financial Reporting. In addition, interim condensed consolidated financial statements as of 30 June 2021 have been prepared by applying the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2021. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2021.

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.

**Adjustment of financial statements during periods of high inflation**

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

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

##### 2.1.1 Accounting Standards Applied (cont'd)

##### 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 Çelebi Hava and the presentation currency of the Group. As of 30 June 2022, the functional currency of the Group's entities is shown below.

| <u>Company</u>                  | <u>Currency</u>          |
|---------------------------------|--------------------------|
| Çelebi Hava                     | Euro (EUR)               |
| CGHH                            | Hungarian Forint (HUF)   |
| Celebi Delhi Cargo              | Indian Rupee (INR)       |
| CASI                            | Indian Rupee (INR)       |
| Celebi Nas                      | Indian Rupee (INR)       |
| Çelebi Kargo                    | Turkish Lira (TL)        |
| Celebi Cargo GmbH               | Euro (EUR)               |
| Celebi GH India Private Limited | Indian Rupee (INR)       |
| DASPL                           | Indian Rupee (INR)       |
| KSU                             | Indian Rupee (INR)       |
| Çelebi Tanzania                 | Tanzanian Shilling (TZS) |

##### Going Concern

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

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

###### a) Amendments that are mandatorily effective from 2022

|   |   |
|---|---|
| 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 16                           | <i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>        |

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

The amendments update an outdated reference to the Conceptual Framework in TFRS 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.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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)

###### a) Amendments that are mandatorily effective from 2022 (cont'd)

###### **Amendments to TAS 16 *Property, Plant and Equipment - 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.

###### **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 Turkish 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

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

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

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

a) Amendments that are mandatorily effective from 2022 (cont’d)

**Amendments to TFRS 16 COVID-19 Related Rent Concessions**

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021* 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 did not prefer facilitating practice.

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

Amendments to TAS 1

Amendments to TFRS 4

Amendments to TAS 1

Amendments to TAS 8

Amendments to TAS 12

Amendments to TFRS 17

*Insurance Contracts*

*Classification of Liabilities as Current or Non-Current*

*Extension of the Temporary Exemption from Applying TFRS 9*

*Disclosure of Accounting Policies*

*Definition of Accounting Estimates*

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

*Initial Application of TFRS 17 and TFRS 9 – Comparative Information*

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(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 4 Extension of the Temporary Exemption from Applying TFRS 9***

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

***Amendments to TAS 1 Disclosure of Accounting Policies***

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(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 8 Definition of Accounting Estimates***

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

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

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

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

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

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

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

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

Changes will be applied when TFRS 17 is first applied.

The possible effects of the standards, amendments and improvements on the consolidated financial position and performance of the Group are being evaluated.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022**

(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)****2.1.3 Basis of Consolidation**

- a) The consolidated financial statements include the accounts of the parent company Çelebi Hava, its’ Subsidiaries, its Joint Venture and its Associate (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 Turkish Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries, Joint Venture and Associate are included or excluded from their effective dates of acquisition or disposal respectively.

- a) The consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfillment of the following conditions:

- Having power over the invested company/asset;
- Being open to or entitled to variable returns from the invested company/asset and
- Ability to use power to have an impact on returns.

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

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

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

- 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:

| <b>Subsidiary</b>               | <b>Ownership interest (%)</b> |                         |
|---------------------------------|-------------------------------|-------------------------|
|                                 | <b>30 June 2022</b>           | <b>31 December 2021</b> |
| CGHH                            | 100.0                         | 100.0                   |
| Celebi Delhi Cargo              | 74.0                          | 74.0                    |
| CASI                            | 99.9                          | 99.9                    |
| Celebi Nas                      | 57.0                          | 57.0                    |
| Celebi GH India Private Limited | 61.0                          | 61.0                    |
| Çelebi Kargo                    | 99.9                          | 99.9                    |
| Celebi Cargo                    | 99.9                          | 99.9                    |
| KSU                             | 57.6                          | 57.6                    |
| Celebi Tanzania                 | 65.0                          | 65.0                    |

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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)

##### 2.1.3 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.

| Associate | Ownership interest (%) |                  |
|-----------|------------------------|------------------|
|           | 30 June 2022           | 31 December 2021 |
| DASPL     | 24.99                  | 24.99            |

##### 2.2. Change in Accounting Policies

##### 2.2.1 Comparative Information and Restatement of Prior Period Financial Statements

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. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

The Group presented the condensed consolidated statement of financial position as of 30 June 2022 comparatively with the consolidated statement of financial position as of 31 December 2021, presented the condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the interim period ended on 30 June 2022 comparatively with the condensed consolidated profit or loss, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and condensed consolidated statement of other comprehensive income for the interim period ended 30 June 2022.

While preparing its financial statements as of 31 December 2021, the Group changed the functional currency from Turkish Lira to Euro and prepared its consolidated financial statements for the period on Euro basis. Based on this change, the financial statements for the six-months period ending on 30 June 2021 have also been restated. Net profit for the period was 79,472,664 after the restatement (30 June 2021: reported in the previous period: 40,957,002 loss for the period). As a result of this change, loss per share for the six months ended 30 June 2021 decreased by Kr 0.049 and earnings per share became Kr 0.027.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

2.2. Changes in Accounting Policies (cont'd)

2.2.1 Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

|  | Prior Period<br>Reported<br>1 January -<br>30 June<br>2021 | Adjustments         | Restated<br>1 January -<br>30 June<br>2021 |
|--|--|---------------------|--|
| Revenue  | 974,405,046  | -                   | 974,405,046                                |
| Cost of sales (-)  | (716,093,973)  | (1,396,716)         | (717,490,689)                              |
| <b>GROSS PROFIT</b>  | <b>258,311,073</b>   | <b>(1,396,716)</b>  | <b>256,914,357</b>                         |
| General administrative expenses (-)  | (132,266,125)  | (837,355)           | (133,103,480)                              |
| Other operating income   | 171,340,875  | (151,138,451)       | 20,202,424                                 |
| Other operating expenses (-)   | (196,068,968)  | 140,725,080         | (55,343,888)                               |
| <b>OPERATING PROFIT / (LOSS)</b>   | <b>101,316,855</b>   | <b>(12,647,442)</b> | <b>88,669,413</b>                          |
| Income from investing activities   | 85,579   | -                   | 85,579                                     |
| Expenses from investing activities (-)   | (449,222)  | -                   | (449,222)                                  |
| Shares from the profits / (losses) of<br>investments valued using<br>the equity method | 2,204,156  | -                   | 2,204,156                                  |
| <b>OPERATING PROFIT / (LOSS)<br/>BEFORE FINANCE EXPENSE</b>                            | <b>103,157,368</b>   | <b>(12,647,442)</b> | <b>90,509,926</b>                          |
| Finance income   | 107,563,755  | (31,599,896)        | 75,963,859                                 |
| Finance expenses (-)   | (255,177,126)  | 182,093,091         | (73,084,035)                               |
| <b>PROFIT / (LOSS) BEFORE TAX</b>  | <b>(44,456,003)</b>  | <b>137,845,753</b>  | <b>93,389,750</b>                          |
| <b>Tax income / (expense)</b>  | <b>3,499,001</b>   | <b>(17,416,087)</b> | <b>(13,917,086)</b>                        |
| Tax expense for the period   | (25,715,731)   | -                   | (25,715,731)                               |
| Deferred tax income / (expense)  | 29,214,732   | (17,416,087)        | 11,798,645                                 |
| <b>PROFIT / (LOSS) FOR THE PERIOD</b>  | <b>(40,957,002)</b>  | <b>120,429,666</b>  | <b>79,472,664</b>                          |
| <b>Distribution of Profit / (Loss) for<br/>the Period</b>                              |  |                     |  |
| Non-controlling interests  | 12,814,109   | -                   | 12,814,109                                 |
| Equity holders of the parent   | (53,771,111)   | 120,429,666         | 66,658,555                                 |
|  | <b>(40,957,002)</b>  | <b>120,429,666</b>  | <b>79,472,664</b>                          |
| Earnings/(loss) per share (Kr)   | (0.022)  |                     | 0.027                                      |

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022**

(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**

The condensed consolidated financial statements for the interim period ended on 30 June 2022, have been prepared in compliance with TAS 34, the TFRS standard on interim financial reporting. Furthermore, the condensed consolidated financial statements as of 30 June 2022 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 2021. Thus, these interim condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2021.

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 30 June 2022 are consistent with those used in preparing the consolidated financial statements for the year ended 31 December 2021. 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"), 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 30 June 2022 is as follows:

|  | <b>Operation Groups</b> |                                     |                                  |                        |
|--|-------------------------|-------------------------------------|----------------------------------|------------------------|
| <b>1 January - 30 June 2022</b>  | <b>Ground Handling</b>  | <b>Cargo and Warehouse Services</b> | <b>Consolidation Adjustments</b> | <b>Consolidated</b>    |
| Revenue  | 1,459,131,105           | 1,033,857,810                       | (12,091,095)                     | <b>2,480,897,820</b>   |
| Cost of sales  | (954,593,333)           | (698,454,944)                       | 6,754,690                        | <b>(1,646,293,587)</b> |
| <b>Gross profit</b>  | <b>504,537,772</b>      | <b>335,402,866</b>                  | <b>(5,336,405)</b>               | <b>834,604,233</b>     |
| General administrative expenses  | (205,921,910)           | (67,178,408)                        | 6,262,579                        | <b>(266,837,739)</b>   |
| Addition: Depreciation and amortization                                    | 105,788,049             | 60,254,185                          | -                                | <b>166,042,234</b>     |
| Addition: TFRIC -12 effect shares  | -                       | 9,344,513                           | -                                | <b>9,344,513</b>       |
| Addition: Provision for employment termination benefit and unused vacation | 19,120,811              | 3,279,268                           | -                                | <b>22,400,079</b>      |
| EBITDA effect of investments accounted by using equity method              | 2,650,540               | -                                   | -                                | <b>2,650,540</b>       |
| <b>EBITDA</b>  | <b>426,175,262</b>      | <b>341,102,424</b>                  | <b>926,174</b>                   | <b>768,203,860</b>     |
| Lease expenses under TFRS 16   | (60,240,268)            | (19,596,389)                        | -                                | <b>(79,836,657)</b>    |
| <b>EBITDA (Except for TFRS 16)</b>   | <b>365,934,994</b>      | <b>321,506,035</b>                  | <b>926,174</b>                   | <b>688,367,203</b>     |



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NOTE 3 – SEGMENT REPORTING (cont'd)

| 1 April - 30 June 2022   | Operation Groups   |                              |                           |                    |
|--|--------------------|------------------------------|---------------------------|--------------------|
|  | Ground Handling    | Cargo and Warehouse Services | Consolidation Adjustments | Consolidated       |
| Revenue  | 820,872,884        | 571,459,780                  | (6,193,503)               | 1,386,139,161      |
| Cost of sales  | (522,151,068)      | (377,453,904)                | 4,934,652                 | (894,670,320)      |
| <b>Gross profit</b>  | <b>298,721,816</b> | <b>194,005,876</b>           | <b>(1,258,851)</b>        | <b>491,468,841</b> |
| General administrative expenses  | (113,013,981)      | (34,248,507)                 | 2,229,403                 | (145,033,085)      |
| Addition: Depreciation and amortization                                    | 56,097,107         | 31,440,896                   | -                         | 87,538,003         |
| Addition: TFRIC -12 effect shares  | -                  | 5,885,966                    | -                         | 5,885,966          |
| Addition: Provision for employment termination benefit and unused vacation | 8,574,316          | 512,890                      | -                         | 9,087,206          |
| EBITDA effect of investments accounted by using equity method              | (117,227)          | -                            | -                         | (117,227)          |
| <b>EBITDA</b>  | <b>250,262,031</b> | <b>197,597,121</b>           | <b>970,552</b>            | <b>448,829,704</b> |
| Lease expenses under TFRS 16   | (33,050,311)       | (10,303,810)                 | -                         | (43,354,121)       |
| <b>EBITDA (Except for TFRS 16)</b>   | <b>217,211,720</b> | <b>187,293,311</b>           | <b>970,552</b>            | <b>405,475,583</b> |

The operating segment information presented to the board of directors as of 30 June 2022 is as follows:

| 1 January - 30 June 2021   | Operation Groups   |                              |                           |                    |
|--|--------------------|------------------------------|---------------------------|--------------------|
|  | Ground Handling    | Cargo and Warehouse Services | Consolidation Adjustments | Consolidated       |
| Revenue  | 445,452,825        | 532,619,372                  | (3,667,151)               | 974,405,046        |
| Cost of sales  | (359,602,012)      | (359,294,477)                | 1,405,800                 | (717,490,689)      |
| <b>Gross profit</b>  | <b>85,850,813</b>  | <b>173,324,895</b>           | <b>(2,261,351)</b>        | <b>256,914,357</b> |
| General administrative expenses  | (98,592,016)       | (37,038,995)                 | 2,527,531                 | (133,103,480)      |
| Addition: Depreciation and amortization                                    | 49,715,955         | 36,354,865                   | -                         | 86,070,820         |
| Addition: TFRIC -12 effect shares  | -                  | 5,130,931                    | -                         | 5,130,931          |
| Addition: Provision for employment termination benefit and unused vacation | 11,484,939         | 2,438,597                    | -                         | 13,923,536         |
| EBITDA effect of investments accounted by using equity method              | 2,960,851          | -                            | -                         | 2,960,851          |
| <b>EBITDA</b>  | <b>51,420,542</b>  | <b>180,210,293</b>           | <b>266,180</b>            | <b>231,897,015</b> |
| Lease expenses under TFRS 16   | (27,465,241)       | (10,687,158)                 | -                         | (38,152,399)       |
| <b>EBITDA (Except for TFRS 16)</b>   | <b>239,955,301</b> | <b>169,523,135</b>           | <b>266,180</b>            | <b>193,744,616</b> |

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NOTE 3 – SEGMENT REPORTING (cont'd)

| 1 April - 30 June 2021   | Operation Groups  |                              |                           | Consolidated       |
|--|-------------------|------------------------------|---------------------------|--------------------|
|  | Ground Handling   | Cargo and Warehouse Services | Consolidation Adjustments |                    |
| Revenue  | 231,711,931       | 290,876,201                  | 725,979                   | 523,314,111        |
| Cost of sales  | (193,974,177)     | (187,702,209)                | (1,341,397)               | (383,017,783)      |
| <b>Gross profit</b>  | <b>37,737,754</b> | <b>103,173,992</b>           | <b>(615,418)</b>          | <b>140,296,328</b> |
| General administrative expenses  | (53,380,150)      | (20,405,225)                 | 691,544                   | (73,093,831)       |
| Addition: Depreciation and amortization                                    | 21,308,833        | 23,050,250                   | -                         | 44,359,083         |
| Addition: TFRIC -12 effect shares  | -                 | 2,487,690                    | -                         | 2,487,690          |
| Addition: Provision for employment termination benefit and unused vacation | 5,685,185         | 1,162,696                    | -                         | 6,847,881          |
| EBITDA effect of investments accounted by using equity method              | 1,381,439         | -                            | -                         | 1,381,439          |
| <b>EBITDA</b>  | <b>12,733,061</b> | <b>109,469,403</b>           | <b>76,126</b>             | <b>122,278,590</b> |
| Lease expenses under TFRS 16   | (13,150,538)      | (5,677,799)                  | -                         | (18,828,337)       |
| <b>EBITDA (Except for TFRS 16)</b>   | <b>(417,477)</b>  | <b>103,791,604</b>           | <b>76,126</b>             | <b>103,450,253</b> |

The reconciliation of EBITDA with operating profit before tax is as follows:

|   | 1 January – 30 June 2022 | 1 April – 30 June 2022 | 1 January – 30 June 2021 | 1 April – 30 June 2021 |
|---|--------------------------|------------------------|--------------------------|------------------------|
| EBITDA for reported segments  | 688,367,203              | 405,475,583            | 193,744,616              | 103,450,253            |
| Depreciation and amortization   | (166,042,234)            | (87,538,003)           | (86,070,820)             | (44,359,083)           |
| TFRIC 12 effect   | (9,344,513)              | (5,885,966)            | (5,130,931)              | (2,487,690)            |
| TFRS 16 effect  | 79,836,657               | 43,354,121             | 38,152,399               | 18,828,337             |
| Provisions for employment termination benefit and unused vacation                       | (22,400,079)             | (9,087,206)            | (13,923,536)             | (6,847,881)            |
| Other operating income  | 72,297,634               | 46,513,409             | 20,202,424               | 11,738,268             |
| Other operating expenses (-)  | (47,365,724)             | (2,539,363)            | (55,343,888)             | (24,136,520)           |
| EBITDA effect of investments accounted by using equity method                           | (2,650,540)              | 117,227                | (2,960,851)              | (1,381,439)            |
| <b>Operating profit</b>   | <b>592,698,404</b>       | <b>390,409,802</b>     | <b>88,669,413</b>        | <b>54,804,245</b>      |
| Income from investment activities   | 439,257                  | 319,204                | 85,579                   | (2,226,351)            |
| Expenses from investment activities (-)   | (3,235)                  | (2,448)                | (449,222)                | (440,130)              |
| Financial income  | 84,666,085               | 39,872,742             | 75,963,859               | 44,118,013             |
| Financial expenses (-)  | (152,046,049)            | (94,058,168)           | (73,084,035)             | (38,799,426)           |
| Shares in profit from investments accounted by equity method from continuing operations | (1,910,106)              | -                      | 2,204,156                | 1,041,726              |
| <b>Profit / (loss) before tax</b>   | <b>523,844,356</b>       | <b>336,541,132</b>     | <b>93,389,750</b>        | <b>58,498,077</b>      |

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

#### NOTE 4 - CASH AND CASH EQUIVALENTS

|                  | 30 June 2022         | 31 December 2021     |
|------------------|----------------------|----------------------|
| Cash             | 1,726,747            | 941,624              |
| Banks            | 1,028,667,843        | 1,093,021,210        |
| - time deposit   | 627,733,829          | 744,666,178          |
| - demand deposit | 400,934,014          | 348,355,032          |
|                  | <b>1,030,394,590</b> | <b>1,093,962,834</b> |

As of 30 June 2022, effective interest rates on TL, EUR, USD and INR denominated time deposits are 16.70%, 1.30%, 0.98%, 3.45% (31 December 2021: TL 8.40%, EUR 2.39%, USD 3.30%, INR 4.75%). As of 30 June 2022, the maturity of denominated time deposits are 1 day for EUR ,USD and TL, 7-85 days for INR, respectively (31 December 2021: TL, EUR and USD 1-15 days, INR 20-60 days).

The details of cash and cash equivalents presented in the statements of cash flows as of 30 June 2022 and 2021 are as follows:

|                                | 2022                 | 2021               |
|--------------------------------|----------------------|--------------------|
| Cash on hand and cash at banks | 1,030,394,590        | 490,056,877        |
| Less: Interest accruals        | (610,265)            | (1,072,493)        |
|                                | <b>1,029,784,325</b> | <b>488,984,384</b> |

#### NOTE 5 - FINANCIAL INVESTMENTS

##### *Restricted bank balances:*

|  | 30 June 2022      | 31 December 2021   |
|--|-------------------|--------------------|
| Restricted bank balances (Between 3 months and 365 days) (*) | 20,456,200        | 49,130,668         |
| Restricted bank balances (Longer than 365 days) (*)          | 58,549,293        | 53,479,264         |
|  | <b>78,984,493</b> | <b>102,609,932</b> |

##### *Time deposits:*

|  | 30 June 2022       | 31 December 2021  |
|--|--------------------|-------------------|
| Time deposits (Between 3 months and 365 days) (**) | 122,144,148        | 14,078,067        |
|  | <b>122,144,148</b> | <b>14,078,067</b> |

(\*) Most of the restricted bank balances consist of the collections from customers and the amounts obtained within the framework of project finance within the framework of the concession agreements signed for the operation of the terminals and the related balances are kept blocked in bank accounts with a maturity longer than 3 months.

(\*\*) TL 104,220,600 of time deposits consist of currency protected Euro deposits.

##### *Other financial assets measured at fair value through profit or loss:*

|                        | Percentage of<br>Shares<br>% | 30 June 2022<br>TL | Percentage of<br>shares<br>% | 31 December 2021<br>TL |
|------------------------|------------------------------|--------------------|------------------------------|------------------------|
| Celebi Ground Handling | 61.0%                        | 21,119             | -                            | -                      |
|                        |                              | <b>21,119</b>      |                              | <b>-</b>               |

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

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

|       | Percentage of<br>Shares | 30 June 2022      | Percentage of<br>shares | 31 December 2021  |
|-------|-------------------------|-------------------|-------------------------|-------------------|
| DASPL | 24.99%                  | 18,099,611        | 24.99%                  | 20,391,743        |
|       |                         | <b>18,099,611</b> |                         | <b>20,391,743</b> |

The movements of investments accounted using the equity method during the six-months interim periods ended on 30 June are as follows:

|  | 30 June 2022      | 30 June 2021       |
|--|-------------------|--------------------|
| <b>As of 1 January</b>                   | <b>20,391,743</b> | <b>157,711,645</b> |
| Transfers (*)                            | (21,119)          | (146,706,781)      |
| Shares of profit/loss                    | (6,105,940)       | 2,204,156          |
| Foreign currency translation differences | 3,834,927         | 1,969,411          |
| Dividends paid                           | -                 | (1,343,750)        |
| <b>As of 30 June</b>                     | <b>18,099,611</b> | <b>13,834,681</b>  |

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

|       | 1 January-<br>30 June 2022 | 1 January-<br>30 June 2021 |
|-------|----------------------------|----------------------------|
| DASPL | (6,105,940)                | 2,204,156                  |
|       | <b>(6,105,940)</b>         | <b>2,204,156</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:

|                                    | 30 June 2022               | 31 December 2021           |
|------------------------------------|----------------------------|----------------------------|
| Total Assets                       | 81,091,025                 | 93,492,109                 |
| Total Liabilities                  | 7,106,366                  | 10,045,060                 |
|                                    | 1 January-<br>30 June 2022 | 1 January-<br>30 June 2021 |
| Revenue                            | 24,320,667                 | 23,082,755                 |
| Profit / (Loss) for the Period (*) | (24,433,531)               | 8,820,154                  |

(\*) DASPL's operations ended as of 1 April 2022, and the net loss for the period after 31 March 2022 is shown under "Profit for the period / (loss) from discontinued operations".

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

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NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS

*Short-term borrowings:*

|                               |                             |                  | 30 June 2022      |
|-------------------------------|-----------------------------|------------------|-------------------|
|                               | Effective interest rate (%) | Original balance | TL                |
| <i>Short-term loans:</i>      |                             |                  |                   |
| EUR borrowings                | 3.00                        | 3.500.000        | 60,904,900        |
| <b>Total short-term loans</b> |                             |                  | <b>60,904,900</b> |

*Short-term finance lease obligations:*

|   |  |             |                    |
|---|--|-------------|--------------------|
| INR finance lease obligation                      |  | 263,240,494 | 55,593,760         |
| EUR finance lease obligation                      |  | 8,684,958   | 151,130,420        |
| TL finance lease obligation                       |  | 14,766,104  | 14,766,104         |
| HUF finance lease obligation                      |  | 26,995,323  | 1,200,482          |
| <b>Total short-term finance lease obligations</b> |  |             | <b>222,690,766</b> |

|   |                             |                  | 30 June 2022       |
|---|-----------------------------|------------------|--------------------|
|   | Effective interest rate (%) | Original balance | TL                 |
| <i>Short-term portion of long-term borrowings:</i>      |                             |                  |                    |
| Interest expense accrual – EUR                          |                             | 707,953          | 12,319,366         |
| Interest expense accrual –INR                           |                             | 3,160,453        | 667,456            |
| Interest expense accrual –TL                            |                             | 434,461          | 434,461            |
| EUR borrowings  | 2.75-6.07                   | 29,393,374       | 511,485,864        |
| TL borrowings   | 16.00-19.75                 | 75,704,181       | 75,704,181         |
| INR borrowings  | 5.50-10.00                  | 537,875,714      | 113,593,972        |
| <b>Total short-term portion of long-term borrowings</b> |                             |                  | <b>714,205,300</b> |
| <b>Total short-term borrowings:</b>                     |                             |                  | <b>997,800,966</b> |

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

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

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

*Long-term borrowings:*

|  |                             |                  | 30 June 2022         |
|--|-----------------------------|------------------|----------------------|
|  | Effective interest rate (%) | Original balance | TL                   |
| INR borrowings                                   | 5.50-10.00                  | 1,074,082,310    | 226,835,443          |
| EUR borrowings                                   | 2.75-6.07                   | 17,922,085       | 311,869,369          |
| TL borrowings                                    | 16.00-19.75                 | 20,724,031       | 20,724,031           |
|  |                             |                  | <b>559,428,843</b>   |
| <i>Long-term finance lease obligations:</i>      |                             |                  |                      |
| INR finance lease obligation                     |                             | 604,481,827      | 127,660,517          |
| EUR finance lease obligation                     |                             | 60,263,416       | 1,048,667,799        |
| TL finance lease obligation                      |                             | 21,844,799       | 21,844,799           |
| <b>Total long-term finance lease obligations</b> |                             |                  | <b>1,198,173,115</b> |
| <b>Total long-term borrowings</b>                |                             |                  | <b>1,757,601,958</b> |
| <b>Total financial liabilities</b>               |                             |                  | <b>2,755,402,924</b> |

*Short-term borrowings:*

|                          |                             |                  | 31 December 2021   |
|--------------------------|-----------------------------|------------------|--------------------|
|                          | Effective interest rate (%) | Original balance | TL                 |
| <i>Short-term loans:</i> |                             |                  |                    |
| EUR borrowings           | 3.00-3.95                   | 6,450,000        | 97,484,655         |
| TL borrowings            | 20.24-21.00                 | 72,619,920       | 72,619,920         |
|                          |                             |                  | <b>170,104,575</b> |

*Short-term finance lease obligations:*

|   |             |                    |
|---|-------------|--------------------|
| INR finance lease obligations                     | 229,230,924 | 40,028,304         |
| EUR finance lease obligations                     | 9,335,527   | 141,096,228        |
| TL finance lease obligations                      | 16,991,050  | 16,991,050         |
| HUF finance lease obligations                     | 24,189,990  | 961,794            |
| <b>Total short-term finance lease obligations</b> |             | <b>199,077,376</b> |

*Short-term portion of long-term borrowings:*

|  |                             |                  | 31 December 2021     |
|--|-----------------------------|------------------|----------------------|
|  | Effective interest rate (%) | Original balance | TL                   |
| <i>Short-term portion of long-term loans:</i>            |                             |                  |                      |
| Interest expense accrual – EUR                           |                             | 568,679          | 8.594.951            |
| Interest expense accrual –INR                            |                             | 3,584,790        | 625.976              |
| Interest expense accrual –TL                             |                             | 2,332,336        | 2.332.336            |
| INR borrowings   | 5.50-8.68                   | 616,115,353      | 107.586.063          |
| EUR borrowings   | 1.89-5.75                   | 29,801,131       | 450.411.311          |
| TL borrowings  | 9.95-21.00                  | 104,454,298      | 104.454.298          |
| <b>Total short-term portion of long-term borrowings:</b> |                             |                  | <b>674,004,935</b>   |
| <b>Total short-term borrowings:</b>                      |                             |                  | <b>1,043,186,886</b> |

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

*Long-term borrowings:*

|   |                             | 31 December 2021 |                      |
|---|-----------------------------|------------------|----------------------|
|   | Effective interest rate (%) | Original balance | TL                   |
| <i>Long-term loans:</i>                     |                             |                  |                      |
| INR Borrowings                              | 5.50-8.68                   | 1,286,947,171    | 224,726,715          |
| EUR Borrowings                              | 1.89-5.75                   | 25,092,000       | 379,237,977          |
| TL Borrowings                               | 9.95-21.00                  | 30,394,601       | 30,394,601           |
|   |                             |                  | <b>634,359,293</b>   |
| <i>Long-term finance lease obligations:</i> |                             |                  |                      |
| INR finance lease obligations               |                             | 663,609,844      | 115,879,551          |
| EUR finance lease obligations               |                             | 61,252,779       | 925,768,383          |
| TL finance lease obligations                |                             | 21,098,468       | 21,098,468           |
| HUF finance lease obligations               |                             | 9,663,607        | 384,225              |
| <b>Total payables from long-term leases</b> |                             |                  | <b>1,063,130,627</b> |
| <b>Total long-term borrowings</b>           |                             |                  | <b>1,697,489,920</b> |
| <b>Total borrowings</b>                     |                             |                  | <b>2,740,676,806</b> |

As of 30 June 2022 and 31 December 2021, the repayment maturities of the Group's borrowings are as follows:

|                     | 30 June 2022         | 31 December 2021   |
|---------------------|----------------------|--------------------|
| Less than 3 months  | 256.235.963          | 24.245.987         |
| Between 3-12 months | 741.565.003          | 83.966.052         |
| Between 1-5 years   | 1.164.666.907        | 218.724.153        |
| More than 5 years   | 592.935.051          | 6.002.562          |
|                     | <b>2.755.402.924</b> | <b>332.938.754</b> |

As of 30 June 2022 and 31 December 2021, the repayment schedule of long-term loans is as follows:

|                   | 30 June 2022       | 31 December 2021   |
|-------------------|--------------------|--------------------|
| Between 1-2 years | 351,099,418        | 428,956,323        |
| Between 2-3 years | 123,073,493        | 103,861,290        |
| Between 3-4 years | 74,036,463         | 73,988,108         |
| 4 years and more  | 11,219,469         | 27,553,572         |
|                   | <b>559,428,843</b> | <b>634,359,293</b> |

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

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

As of 30 June 2022 and 31 December 2021, the repayment maturities of the debts from the lease transactions are as follows:

|                   | <b>30 June 2022</b>  | <b>31 December 2021</b> |
|-------------------|----------------------|-------------------------|
| Up to 1 year      | 222,690,766          | 199,077,376             |
| Between 1-5 years | 526,241,270          | 461,618,901             |
| More than 5 years | 671,931,845          | 601,511,726             |
|                   | <b>1,420,863,881</b> | <b>1,262,208,003</b>    |

**NOTE 8 - TRADE RECEIVABLES AND PAYABLES**

|   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|---|---------------------|-------------------------|
| Trade receivables from third parties              | 682,573,983         | 459,371,597             |
| Less: Provision for impairment                    | (93,073,664)        | (79,272,561)            |
| <b>Trade receivables from third parties (net)</b> | <b>589,500,319</b>  | <b>380,099,036</b>      |
| Trade receivables from related parties (Note 25)  | 3,393,839           | 589,742                 |
| <b>Total short-term trade receivables</b>         | <b>592,894,158</b>  | <b>380,688,778</b>      |

Movements of provisions for doubtful receivables within accounting periods are as follows:

|   | <b>30 June 2022</b> | <b>30 June 2021</b> |
|---|---------------------|---------------------|
| Opening balance                             | 79,272,561          | 53,241,619          |
| Additional provision made during the period | 4,367,037           | 7,269,880           |
| Foreign currency translation differences    | 9,434,066           | 591,287             |
| Collections and reversed provisions         | -                   | (3,259,653)         |
| <b>Closing balance</b>                      | <b>93,073,664</b>   | <b>57,843,133</b>   |

**Short-term trade payables**

|  | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| Trade payables to third parties              | 223,990,256         | 214,331,758             |
| Debt accruals                                | 139,805,716         | 67,840,531              |
| <b>Total trade payables to third parties</b> | <b>363,795,972</b>  | <b>282,172,289</b>      |
| Payables to related parties (Note 25)        | 7,935,087           | 11,780,141              |
| <b>Total short-term trade payables</b>       | <b>371,731,059</b>  | <b>293,952,430</b>      |



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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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### NOTE 9 - OTHER RECEIVABLES AND PAYABLES

#### Other short-term receivables

|  | 30 June 2022       | 31 December 2021   |
|--|--------------------|--------------------|
| Receivables from tax office                            | 32,196,667         | 28,030,496         |
| Deposits and guarantees given                          | 27,179,823         | 23,489,205         |
| Other miscellaneous receivables (**)                   | 231,290,013        | 167,545,055        |
| <b>Other short-term receivables from third parties</b> | <b>290,666,503</b> | <b>219,064,756</b> |
| Other receivables from related parties (Note 25)       | 108,913,059        | 60,554,654         |
| <b>Total short-term other receivables</b>              | <b>399,579,562</b> | <b>279,619,410</b> |

#### Other long-term receivables

|   | 30 June 2022       | 31 December 2021   |
|---|--------------------|--------------------|
| Deposits and guarantees given (*)                     | 374,806,246        | 297,380,922        |
| <b>Other long-term receivables from third parties</b> | <b>374,806,246</b> | <b>297,380,922</b> |
| Other receivables from related parties (Note 25)      | -                  | 64,295,790         |
| <b>Total long-term other receivables</b>              | <b>374,806,246</b> | <b>361,676,712</b> |

(\*) As of 30 June 2022, 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 55,947,496 (31 December 2021: TL 37,256,462), TL 108,925,470 (31 December 2021: TL 75,878,570) and TL 209,646,070 (31 December 2021: TL 184,013,060), respectively, to local authorities and companies.

(\*\*) Other miscellaneous receivables consist of INR 1,090,000,000 receivables from Delhi Cargo to GMR Group (31 December 2021: INR 940,000,000).

#### Other short-term payables

|  | 30 June 2022      | 31 December 2021  |
|--|-------------------|-------------------|
| Other short-term payables (*)          | 45,293,592        | 48,677,439        |
| Deposits and guarantees received       | 13,094,377        | 9,749,142         |
| <b>Total short-term other payables</b> | <b>58,387,969</b> | <b>58,426,581</b> |

(\*) As of 30 June 2022, TL 32,521,487 (31 December 2021: TL 39,023,634) of other short-term payables are payables of Celebi Delhi Cargo, the Company's subsidiary in India, to its other shareholder Delhi International Airport Private Limited'e (DIAL) due to the concession contract signed between the parties.

#### Other long-term payables

|                                  | 30 June 2022      | 31 December 2021  |
|----------------------------------|-------------------|-------------------|
| Deposits and guarantees received | 45,669,537        | 39,168,652        |
| <b>Other long-term payables</b>  | <b>45,669,537</b> | <b>39,168,652</b> |

### NOTE 10 – INVENTORIES

|                          | 30 June 2022      | 31 December 2021  |
|--------------------------|-------------------|-------------------|
| Trade goods              | 4,328,417         | 10,475,951        |
| Other inventories (*)    | 40,968,044        | 30,345,070        |
| <b>Total inventories</b> | <b>45,296,461</b> | <b>40,821,021</b> |

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

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

Movements in property, plant and equipment for the period ended on 30 June 2022 are as follows:

|                                 | Opening<br>1 January 2022 | Additions           | Disposals          | Transfers    | Foreign currency<br>translation differences | Closing<br>30 June 2022 |
|---------------------------------|---------------------------|---------------------|--------------------|--------------|---|-------------------------|
| <b>Cost</b>                     |                           |                     |                    |              |   |                         |
| Plant, machinery and equipment  | 1,057,610,398             | 58,094,731          | (1,851,219)        | 12,641,212   | 197,877,614                                 | 1,324,372,736           |
| Motor vehicles                  | 216,485,771               | 7,948,333           | (286,990)          | -            | 30,913,343                                  | 255,060,457             |
| Furniture and fixtures          | 111,376,561               | 8,798,907           | (28,820)           | (13,974)     | 17,808,459                                  | 137,941,133             |
| Leasehold improvements          | 380,342,541               | 2,578,439           | -                  | -            | 57,512,412                                  | 440,433,392             |
| Construction in progress        | 61,419,347                | 239,404             | -                  | (12,627,238) | 11,496,782                                  | 60,528,295              |
|                                 | <b>1,827,234,618</b>      | <b>77,659,814</b>   | <b>(2,167,029)</b> | <b>-</b>     | <b>315,608,610</b>                          | <b>2,218,336,013</b>    |
| <b>Accumulated depreciation</b> |                           |                     |                    |              |   |                         |
| Plant, machinery and equipment  | (656,222,085)             | (36,590,038)        | 1,544,036          | (13,974)     | (122,872,317)                               | (814,154,378)           |
| Motor vehicles                  | (138,059,005)             | (6,792,936)         | 213,061            | -            | (20,583,892)                                | (165,222,772)           |
| Furniture and fixtures          | (62,554,261)              | (6,620,668)         | 22,252             | 13,974       | (10,038,691)                                | (79,177,394)            |
| Leasehold improvements          | (95,597,428)              | (9,274,456)         | -                  | -            | (15,112,220)                                | (119,984,104)           |
|                                 | <b>(952,432,779)</b>      | <b>(59,278,098)</b> | <b>1,779,349</b>   | <b>-</b>     | <b>(168,607,120)</b>                        | <b>(1,178,538,648)</b>  |
| <b>Net book value</b>           | <b>874,801,839</b>        |                     |                    |              |   | <b>1,039,797,365</b>    |

Depreciation cost for the period ended on 30 June 2022 amounting to TL 56,598,395 was included in cost of sales and TL 2,679,703 was included in operating expenses.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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 30 June 2021 are as follows:

|                                 | Opening<br>1 January 2021 | Çelebi Nas<br>opening | Additions           | Disposals          | Transfers   | Foreign currency<br>translation differences | Closing<br>30 June 2021 |
|---------------------------------|---------------------------|-----------------------|---------------------|--------------------|-------------|---|-------------------------|
| <b>Cost</b>                     |                           |                       |                     |                    |             |   |                         |
| Plant, machinery and equipment  | 484,734,159               | 127,523,040           | 7,952,896           | (3,818,820)        | (562,098)   | 97,248,984                                  | 713,078,161             |
| Motor vehicles                  | 130,986,095               | 3,923,090             | 1,047,356           | (86,308)           | -           | 24,477,295                                  | 160,347,528             |
| Furniture and fixtures          | 67,853,295                | 3,359,524             | 506,394             | (1,589,130)        | 1,720,681   | 10,964,967                                  | 82,815,731              |
| Leasehold improvements          | 221,780,258               | 410,620               | 1,047,049           | -                  | -           | 32,975,139                                  | 256,213,066             |
| Construction in progress        | 3,392,979                 | -                     | -                   | -                  | (1,158,583) | 429,262                                     | 2,663,658               |
|                                 | <b>908,746,786</b>        | <b>135,216,274</b>    | <b>10,553,695</b>   | <b>(5,494,258)</b> | <b>-</b>    | <b>166,095,647</b>                          | <b>1,215,118,144</b>    |
| <b>Accumulated depreciation</b> |                           |                       |                     |                    |             |   |                         |
| Plant, machinery and equipment  | (255,533,905)             | (109,050,309)         | (19,229,235)        | 3,537,048          | -           | (57,260,182)                                | (437,536,583)           |
| Motor vehicles                  | (82,459,525)              | (2,465,700)           | (3,697,483)         | 81,485             | -           | (15,563,999)                                | (104,105,222)           |
| Furniture and fixtures          | (34,771,503)              | (2,729,991)           | (4,095,306)         | 1,576,144          | -           | (6,054,130)                                 | (46,074,786)            |
| Leasehold improvements          | (46,814,610)              | (410,620)             | (5,070,651)         | -                  | -           | (7,503,189)                                 | (59,799,070)            |
|                                 | <b>(419,579,543)</b>      | <b>(114,656,620)</b>  | <b>(32,092,675)</b> | <b>5,194,677</b>   | <b>-</b>    | <b>(86,381,500)</b>                         | <b>(647,515,661)</b>    |
| <b>Net book value</b>           | <b>489,167,243</b>        |                       |                     |                    |             |   | <b>567,602,483</b>      |

Depreciation expense for the period ended 30 June 2021 in the amount of TL 29,858,555 and TL 2,234,120 are respectively included in cost of sales and operating expenses.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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 30 June 2022 are as follows:

|                                 | Opening<br>1 January 2022 | Additions           | Modifications    | Foreign currency<br>translation differences | Closing<br>30 June 2022 |
|---------------------------------|---------------------------|---------------------|------------------|---|-------------------------|
| <b>Cost</b>                     |                           |                     |                  |   |                         |
| Buildings and land              | 1,338,033,236             | 577,540             | 2,878,555        | 211,520,011                                 | 1,553,009,342           |
| Machinery, plant and equipment  | 71,217,129                | 1,368,948           | -                | 10,876,366                                  | 83,462,443              |
| Motor vehicles                  | 31,825,926                | -                   | 274,102          | 4,655,830                                   | 36,755,858              |
|                                 | <b>1,441,076,291</b>      | <b>1,946,488</b>    | <b>3,152,657</b> | <b>227,052,207</b>                          | <b>1,673,227,643</b>    |
| <b>Accumulated depreciation</b> |                           |                     |                  |   |                         |
| Buildings and land              | (289,166,353)             | (64,292,356)        | -                | (48,960,074)                                | (402,418,783)           |
| Machinery, plant and equipment  | (71,217,129)              | (195,564)           | -                | (10,792,777)                                | (82,205,470)            |
| Motor vehicles                  | (17,085,769)              | (3,356,714)         | -                | (2,671,972)                                 | (23,114,455)            |
|                                 | <b>(377,469,251)</b>      | <b>(67,844,634)</b> | <b>-</b>         | <b>(62,424,823)</b>                         | <b>(507,738,708)</b>    |
| <b>Net book value</b>           | <b>1,063,607,040</b>      |                     |                  |   | <b>1,165,488,935</b>    |

Depreciation expense for the period ended on 30 June 2022 amounting to TL 67,844,634 is included in cost of sales.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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 30 June 2021 are as follows:

|                                 | Opening<br>1 January 2021 | Çelebi Nas<br>opening | Additions           | Modifications       | Foreign currency<br>translation differences | Closing<br>30 June 2021 |
|---------------------------------|---------------------------|-----------------------|---------------------|---------------------|---|-------------------------|
| <b>Cost</b>                     |                           |                       |                     |                     |   |                         |
| Buildings and land              | 605,089,617               | 666,525               | -                   | (27,346,016)        | 94,059,410                                  | 672,469,536             |
| Machinery, plant and equipment  | 46,908,480                | -                     | -                   | -                   | 6,867,316                                   | 53,775,796              |
| Motor vehicles                  | 9,401,947                 | -                     | -                   | (83,605)            | 1,501,245                                   | 10,819,587              |
|                                 | <b>661,400,044</b>        | <b>666,525</b>        | <b>-</b>            | <b>(27,429,621)</b> | <b>102,427,971</b>                          | <b>737,064,919</b>      |
| <b>Accumulated depreciation</b> |                           |                       |                     |                     |   |                         |
| Buildings and land              | (99,237,825)              | (318,770)             | (28,689,762)        | -                   | (18,476,119)                                | (146,722,476)           |
| Machinery, plant and equipment  | (43,747,900)              | -                     | (2,564,883)         | -                   | (6,627,066)                                 | (52,939,849)            |
| Motor vehicles                  | (7,748,997)               | -                     | (639,706)           | -                   | (1,269,140)                                 | (9,657,843)             |
|                                 | <b>(150,734,722)</b>      | <b>(318,770)</b>      | <b>(31,894,351)</b> | <b>-</b>            | <b>(26,372,325)</b>                         | <b>(209,320,168)</b>    |
| <b>Net book value</b>           | <b>510,665,322</b>        |                       |                     |                     |   | <b>527,744,751</b>      |

Depreciation expense for the period ended 30 June 2021 in the amount of TL 31,894,351 is included in cost of sales.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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 30 June 2022 are as follows:

|   | Opening<br>1 January 2022 | Additions           | Foreign currency<br>translation differences | Closing<br>30 June 2022 |
|---|---------------------------|---------------------|---|-------------------------|
| <b>Cost</b>                             |                           |                     |   |                         |
| Rights                                  | 17,595,437                | -                   | 5,914,724                                   | 23,510,161              |
| Computer software                       | 69,214,586                | 564,225             | 11,777,727                                  | 81,556,538              |
| Concession rights (*)                   | 410,413,586               | 2,570,040           | 86,169,018                                  | 499,152,644             |
| Build-operate-transfer investments (**) | 689,286,987               | 47,445,631          | 148,351,211                                 | 885,083,829             |
|   | <b>1,186,510,596</b>      | <b>50,579,896</b>   | <b>252,212,680</b>                          | <b>1,489,303,172</b>    |
| <b>Accumulated depreciation</b>         |                           |                     |   |                         |
| Rights                                  | (10,229,325)              | (1,050,314)         | (1,622,606)                                 | (12,902,245)            |
| Computer software                       | (52,133,841)              | (3,157,088)         | (8,419,816)                                 | (63,710,745)            |
| Concession rights (*)                   | (202,933,140)             | (9,429,447)         | (43,297,876)                                | (255,660,463)           |
| Build-operate-transfer investments (**) | (219,911,048)             | (25,282,653)        | (48,174,458)                                | (293,368,159)           |
|   | <b>(485,207,354)</b>      | <b>(38,919,502)</b> | <b>(101,514,756)</b>                        | <b>(625,641,612)</b>    |
| <b>Net book value</b>                   | <b>701,303,242</b>        |                     |   | <b>863,661,560</b>      |

(\*) It refers to fixed asset expenditures made under the concession agreement signed by Celebi Delhi Cargo with DIAL and accounted for under TFRIC 12.

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

Amortization expense for the period ended 30 June 2022 in the amount of TL 36,541,810 and TL 2,377,692 are included in cost of sales and operating expenses, respectively.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

##### Other Intangible Assets (cont’d)

Movement of intangible assets for the interim accounting period ended 30 June 2021 is as follows:

|  | Opening<br>1 January 2021 | Çelebi Nas<br>Opening | Additions           | Foreign currency<br>translation differences | Closing<br>30 June 2021 |
|--|---------------------------|-----------------------|---------------------|---|-------------------------|
| <b>Cost</b>                            |                           |                       |                     |   |                         |
| Rights                                 | 10,390,233                | -                     | -                   | 1,535,506                                   | 11,925,739              |
| Computer software                      | 34,912,719                | 4,859,184             | 907,800             | 6,369,247                                   | 47,048,950              |
| Concession rights                      | 234,176,391               | -                     | -                   | 38,916,493                                  | 273,092,884             |
| Build-operate-transfer investments (*) | 186,488,027               | 212,159,634           | -                   | 62,872,094                                  | 461,519,755             |
|  | <b>465,967,370</b>        | <b>217,018,818</b>    | <b>907,800</b>      | <b>109,693,340</b>                          | <b>793,587,328</b>      |
| <b>Accumulated depreciation</b>        |                           |                       |                     |   |                         |
| Rights                                 | (5,410,777)               | -                     | (307,830)           | (834,279)                                   | (6,552,886)             |
| Computer software                      | (24,349,092)              | (2,498,565)           | (2,036,589)         | (5,085,722)                                 | (33,969,968)            |
| Concession rights                      | (105,930,028)             | -                     | (6,151,168)         | (18,142,156)                                | (130,223,352)           |
| Build-operate-transfer investments (*) | (65,452,916)              | (35,990,382)          | (13,588,207)        | (17,460,398)                                | (132,491,903)           |
|  | <b>(201,142,813)</b>      | <b>(38,488,947)</b>   | <b>(22,083,794)</b> | <b>(41,522,555)</b>                         | <b>(303,238,109)</b>    |
| <b>Net book value</b>                  | <b>264,824,557</b>        |                       |                     |   | <b>490,349,219</b>      |

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

Amortization expense for the period ended 30 June 2021 in the amount of TL 20,718,190 and TL 1,365,604 are included in cost of sales and operating expenses, respectively.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

##### Goodwill

Goodwill as of 30 June 2022 and 31 December 2021 is as follows:

|                                     | 30 June 2022       | 31 December 2021   |
|-------------------------------------|--------------------|--------------------|
| Goodwill due to acquisition of CGHH | 103,901,692        | 92,897,038         |
| Goodwill due to acquisition of KSU  | 32,734,450         | 27,066,100         |
|                                     | <b>136,636,142</b> | <b>119,963,138</b> |

As of 30 June 2022, movement of goodwill is as follows:

|  | 30 June 2022       | 30 June 2021      |
|--|--------------------|-------------------|
| 1 January                                | 119,963,138        | 68,668,107        |
| Foreign currency translation differences | 16,673,004         | 18,121,050        |
| <b>Goodwill</b>                          | <b>136,636,142</b> | <b>86,789,157</b> |

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

##### a) Short-term Provisions

##### Other short-term provisions

|   | 30 June 2022     | 31 December 2021 |
|---|------------------|------------------|
| Provision for litigation and obligation | 8,252,114        | 9,047,150        |
|   | <b>8,252,114</b> | <b>9,047,150</b> |

Movements of other short-term provisions for the period 1 January - 30 June 2022 are as follows:

|                                  | 30 June 2022     | 30 June 2021     |
|----------------------------------|------------------|------------------|
| <b>As of 1 January</b>           | <b>9,047,150</b> | <b>8,094,479</b> |
| Addition during the year         | 2,093,748        | 1,279,758        |
| Payments during the year         | (2,064,926)      | (1,720,017)      |
| Currency translation differences | (823,858)        | 205,373          |
| <b>As of end of the period</b>   | <b>8,252,114</b> | <b>7,859,593</b> |



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

(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 provisions for employee benefits

|   | 30 June 2022      | 31 December 2021  |
|---|-------------------|-------------------|
| Provision for employment termination benefits (*) | 48,548,504        | 35,091,091        |
| Provision for unused vacation                     | 26,236,538        | 18,976,928        |
|   | <b>74,785,042</b> | <b>54,068,019</b> |

(\*) Consists of employment 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 provisions for employee benefits

|   | 30 June 2022      | 31 December 2021  |
|---|-------------------|-------------------|
| Provision for employment termination benefits | 49,884,541        | 45,879,138        |
|   | <b>49,884,541</b> | <b>45,879,138</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 30 June 2022 consists of one month's salary limited to a maximum of TL 10,848.59 (31 December 2021: TL 10,848.59) 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

##### b) Long-term Provisions (cont'd)

##### Long-term provisions for employee benefits (cont'd)

Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 10,848.59 which is effective from 1 July 2022 (1 January 2022: TL 10,848.59) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

The provisions for employee benefits for the period between 1 January 2022 and 30 June 2022 are as follows:

|  | 30 June 2022      | 30 June 2021      |
|--|-------------------|-------------------|
| <b>As of 1 January</b>                     | <b>80,970,229</b> | <b>48,913,299</b> |
| Payments made during the period            | (9,460,209)       | (5,566,054)       |
| Actuarial (gain) / loss                    | -                 | (60,551)          |
| Service cost                               | 13,119,092        | 7,291,337         |
| Interest cost                              | 2,956,172         | 1,596,961         |
| Foreign currency translation differences   | 10,847,761        | 3,825,349         |
| Transfers (*)                              | -                 | 956,351           |
| <b>Balance as of the end of the period</b> | <b>98,433,045</b> | <b>56,956,692</b> |

The provisions for unused vacation rights for the period between 1 January 2022 and 30 June 2022 are as follows:

|  | 30 June 2022      | 30 June 2021      |
|--|-------------------|-------------------|
| <b>As of 1 January</b>                                       | <b>18,976,928</b> | <b>11,490,497</b> |
| Payments of provisions for unused vacation during the period | (795,914)         | (624,196)         |
| Increase in unused vacation rights during the period         | 6,324,815         | 5,035,238         |
| Foreign currency translation differences                     | 1,730,709         | 1,335,809         |
| Transfers (*)  | -                 | 1,785,337         |
| <b>As of end of the period</b>                               | <b>26,236,538</b> | <b>19,022,685</b> |

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

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

| <b>Guarantees received</b> | <b>30 June 2022</b> | <b>31 December 2021</b> |
|----------------------------|---------------------|-------------------------|
| Guarantee letters          | 63,806,692          | 44,254,017              |
| Guarantee notes            | 4,226,807           | 3,485,511               |
| Guarantee cheques          | 5,761,116           | 5,547,267               |
|                            | <b>73,794,615</b>   | <b>53,286,795</b>       |
| <b>Guarantees given</b>    | <b>30 June 2022</b> | <b>31 December 2021</b> |
| Guarantee letters          | 285,480,865         | 228,624,438             |
| Collaterals (*)            | 465,613,472         | 386,474,891             |
| Pledged shares (*)         | 86,163,830          | 75,155,051              |
|                            | <b>837,258,167</b>  | <b>690,254,380</b>      |

(\*) Collaterals and pledged shares amounting to TL 551,777,302 consist of collaterals given to the Group's subsidiaries and joint venture partners (31 December 2021: TL 461,629,942) (Note 25).

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

The litigations and claims those generate contingent assets and liabilities to the Group as of 30 June 2022 are as follows:

As of 30 June 2022, the Group has contingent liabilities amounting to TL 48,430,699 (31 December 2021: TL 36,107,248) due to the legal cases and enforcement proceedings in progress against the Group.

The details of collaterals, pledges and mortgages of the Group at 30 June 2022 and 31 December 2021 are as follows:

|   |     | 30 June 2022  |                    | 31 December 2021 |                    |
|---|-----|---------------|--------------------|------------------|--------------------|
| CPGM given by the Group   |     | Amount        | TL<br>Equivalent   | Amount           | TL<br>Equivalent   |
| <b>A. CPGM given on behalf of the Group's legal personality</b>   |     |               | <b>285,480,866</b> |                  | <b>228,624,438</b> |
|   | TL  | 20,643,337    | 20,643,337         | 17,872,135       | 17,872,135         |
|   | EUR | 6,281,434     | 109,305,742        | 6,281,434        | 94,936,965         |
|   | USD | 2,210,500     | 36,896,340         | 2,210,500        | 29,516,807         |
|   | INR | 456,315,725   | 96,369,318         | 380,201,002      | 66,390,699         |
|   | HUF | 500,700,000   | 22,266,129         | 500,700,000      | 19,907,832         |
| <b>B. CPGM given on behalf of fully consolidated subsidiaries</b>   |     |               | <b>551,777,301</b> |                  | <b>461,629,942</b> |
|   | EUR | 2,050,000     | 35,672,870         | 2,050,000        | 30,983,495         |
|   | INR | 2,443,792,000 | 516,104,431        | 2,466,192,000    | 430,646,447        |
| <b>C. Total amount of CPGM given to other 3rd parties for the purpose of carrying out their ordinary trade activities</b> |     | -             | -                  | -                | -                  |
| <b>D. Total amount of other CPGM</b>  |     | -             | -                  | -                | -                  |
|   |     |               | <b>837,258,167</b> |                  | <b>690,254,380</b> |

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022**

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

**NOTE 15 – OTHER ASSETS AND LIABILITIES****Other Current Assets**

|                             | <b>30 June 2022</b> | <b>31 December 2021</b> |
|-----------------------------|---------------------|-------------------------|
| Deferred VAT                | 12,437,954          | 13,652,974              |
| Advances given to personnel | 1,052,398           | 1,013,946               |
| Other                       | 2,459,717           | -                       |
|                             | <b>15,950,069</b>   | <b>14,666,920</b>       |

**Other Non-current Assets**

|                             | <b>30 June 2022</b> | <b>31 December 2021</b> |
|-----------------------------|---------------------|-------------------------|
| Prepaid taxes and funds (*) | 61,027,530          | 47,046,218              |
| Other                       | 12,545,770          | 10,358,162              |
|                             | <b>73,573,300</b>   | <b>57,404,380</b>       |

(\*) The related amount as of 30 June 2022 consists of prepaid taxes and funds, which can be offset in more than 1 year period from Celebi Tanzania, Celebi Nas, Delhi Cargo, Celebi GH Delgi and Celebi Kargo amounting to TL 3,416,326 (31 December 2021: None), TL 1,812,717 (31 December 2021: TL 1,498,824), TL 7,776,651 (31 December 2021: TL 14,056,910), TL 47,562,279 (31 December 2021: TL 31,041,990) and TL 459,557 (31 December 2021: TL 448,494), respectively.

**Other Current Liabilities**

|  | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| Taxes and funds payable                      | 20,188,602          | 22,188,928              |
| Maintenance obligation liability             | 2,131,216           | 1,762,171               |
| Other miscellaneous payables and liabilities | 186,142             | 1,231,544               |
|  | <b>22,505,960</b>   | <b>25,182,643</b>       |

**Other Non-current Liabilities**

|                                  | <b>30 June 2022</b> | <b>31 December 2021</b> |
|----------------------------------|---------------------|-------------------------|
| Maintenance obligation liability | 297,173,148         | 235,346,924             |
|                                  | <b>297,173,148</b>  | <b>235,346,924</b>      |

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 16 – PREPAID EXPENSES****Short-term prepaid expenses**

|                      | <b>30 June 2022</b> | <b>31 December 2021</b> |
|----------------------|---------------------|-------------------------|
| Order advances given | 50,959,733          | 16,911,868              |
| Prepaid expenses     | 64,578,658          | 31,676,182              |
|                      | <b>115,538,391</b>  | <b>48,588,050</b>       |

**Long-term prepaid expenses**

|                                 | <b>30 June 2022</b> | <b>31 December 2021</b> |
|---------------------------------|---------------------|-------------------------|
| Prepaid expenses                | 18,926,079          | 14,590,077              |
| Advances given for fixed assets | 7,963,163           | 11,687,709              |
|                                 | <b>26,889,242</b>   | <b>26,277,786</b>       |

**NOTE 17 – DEFERRED INCOME****Short-term deferred income**

|                   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|-------------------|---------------------|-------------------------|
| Advances received | 93,928,637          | 53,489,033              |
| Prepaid expenses  | 33,127              | 83,613                  |
|                   | <b>93,961,764</b>   | <b>53,572,646</b>       |

**Long-term deferred income**

|                  | <b>30 June 2022</b> | <b>31 December 2021</b> |
|------------------|---------------------|-------------------------|
| Prepaid expenses | 1,539,429           | 2,078,680               |
|                  | <b>1,539,429</b>    | <b>2,078,680</b>        |

**NOTE 18 – PAYABLES FOR EMPLOYEE BENEFITS**

|                                      | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--------------------------------------|---------------------|-------------------------|
| Bonus payable accruals               | 57,257,905          | 47,547,721              |
| Wages and salaries payables          | 58,897,110          | 39,651,307              |
| Social security withholdings payable | 38,570,083          | 15,004,799              |
|                                      | <b>154,725,098</b>  | <b>102,203,827</b>      |

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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#### NOTE 19 - EQUITY

##### Share Capital

As of 30 June 2022, 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 2021: 2,430,000,000 shares).

The Group's shareholders and their shares in the capital as of 30 June 2022 and 31 December 2021 are as follows:

| Shareholders                        | Amount            | 30 June 2022  | Amount            | 31 December 2021 |
|-------------------------------------|-------------------|---------------|-------------------|------------------|
|                                     |                   | Share %       |                   | 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 appropriated from profit" 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 Appropriated from Profit" 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 TFRS. Inflation adjustment to share capital have no other use other than being transferred to share capital.

As of 30 June 2022, the amount of restricted reserves is TL 91,996,776 (31 December 2021: 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.

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.

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

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

|  | <b>1 January -<br/>30 June<br/>2022</b> | <b>1 April-<br/>30 June<br/>2022</b> | <b>1 January -<br/>30 June<br/>2021</b> | <b>1 April-<br/>30 June<br/>2021</b> |
|--|---|--------------------------------------|---|--------------------------------------|
| Ground handling services                     | 1,478,386,776                           | 865,009,205                          | 449,696,917                             | 236,880,167                          |
| Revenue from cargo and<br>warehouse services | 1,024,636,688                           | 544,195,571                          | 532,076,686                             | 288,811,998                          |
| Rental revenue not related<br>to aviation    | 64,487,043                              | 33,247,623                           | 30,482,312                              | 16,281,208                           |
| Revenue in the context of<br>TFRIC 12        | 2,570,040                               | 2,570,040                            | -                                       | -                                    |
| Less: Returns and discounts                  | (89,182,727)                            | (58,883,278)                         | (37,850,869)                            | (18,659,262)                         |
| <b>Revenue</b>                               | <b>2,480,897,820</b>                    | <b>1,386,139,161</b>                 | <b>974,405,046</b>                      | <b>523,314,111</b>                   |
| <b>Cost of sales</b>                         | <b>(1,646,293,587)</b>                  | <b>(894,670,320)</b>                 | <b>(717,490,689)</b>                    | <b>(383,017,783)</b>                 |
| <b>Gross profit</b>                          | <b>834,604,233</b>                      | <b>491,468,841</b>                   | <b>256,914,357</b>                      | <b>140,296,328</b>                   |

**NOTE 21 - FINANCE INCOME**

|                        | <b>1 January -<br/>30 June<br/>2022</b> | <b>1 April-<br/>30 June<br/>2022</b> | <b>1 January -<br/>30 June<br/>2021</b> | <b>1 April-<br/>30 June<br/>2021</b> |
|------------------------|---|--------------------------------------|---|--------------------------------------|
| Foreign exchange gains | 37,157,104                              | 14,314,609                           | 51,337,965                              | 29,902,549                           |
| Interest income        | 22,868,175                              | 11,444,278                           | 14,685,151                              | 8,756,273                            |
| Other finance income   | 24,640,806                              | 14,113,855                           | 9,940,743                               | 5,459,191                            |
|                        | <b>84,666,085</b>                       | <b>39,872,742</b>                    | <b>75,963,859</b>                       | <b>44,118,013</b>                    |

**NOTE 22 - FINANCE EXPENSES**

|  | <b>1 January -<br/>30 June<br/>2022</b> | <b>1 April-<br/>30 June<br/>2022</b> | <b>1 January -<br/>30 June<br/>2021</b> | <b>1 April-<br/>30 June<br/>2021</b> |
|--|---|--------------------------------------|---|--------------------------------------|
| Foreign exchange losses                                      | (30,601,506)                            | (22,121,061)                         | (4,579,473)                             | (2,031,004)                          |
| Interest expenses  | (55,748,879)                            | (27,258,738)                         | (46,701,442)                            | (23,817,230)                         |
| Finance expenses incurred within<br>the scope of TFRS 16 (*) | (48,570,867)                            | (33,747,550)                         | (14,422,485)                            | (8,292,100)                          |
| Other finance expenses                                       | (17,124,797)                            | (10,930,819)                         | (7,380,635)                             | (4,659,092)                          |
|  | <b>(152,046,049)</b>                    | <b>(94,058,168)</b>                  | <b>(73,084,035)</b>                     | <b>(38,799,426)</b>                  |

(\*) Consists of expenses that are not realized within the scope of TFRS 16 and do not generate cash outflows.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

#### NOTE 23 - TAX ASSETS AND LIABILITIES

|  | 30 June 2022       | 31 December 2021   |
|--|--------------------|--------------------|
| Current period corporate tax payable         | 118,049,370        | 49,917,869         |
| Less prepaid corporate tax                   | (31,481,560)       | (8,197,661)        |
| <b>Current profit tax liability, net (*)</b> | <b>86,567,810</b>  | <b>41,720,208</b>  |
| Deferred tax assets                          | 281,717,566        | 256,168,334        |
| Deferred tax liability                       | (103,223,561)      | (85,460,436)       |
| <b>Deferred tax assets – net</b>             | <b>178,494,005</b> | <b>170,707,898</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 23% (31 December 2021: 25%). 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. According to the Law No. 7352 Amending the Tax Procedure Law and the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the TPL financial statements was postponed to 31 December 2023.

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

Corporate tax in India for fiscal year 2022 is 25.17% (2021: 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).

In Germany, the corporate tax rate is 31.925% for fiscal year 2022 (2021: 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).



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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

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

#### Income Tax (cont'd)

For the periods ended on 30 June 2022 and 2021, tax expenses of the Group are as follows:

|   | 1 January -<br>30 June<br>2022 | 1 April-<br>30 June<br>2022 | 1 January -<br>30 June<br>2021 | 1 April-<br>30 June<br>2021 |
|---|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| - Current period corporate tax            | (97,846,804)                   | (63,827,086)                | (25,715,731)                   | (12,913,979)                |
| - Deferred tax income                     | (14,435,527)                   | (2,780,838)                 | 11,798,645                     | 4,630,576                   |
| <b>Current tax income (expense) – net</b> | <b>(112,282,331)</b>           | <b>(66,607,924)</b>         | <b>(13,917,086)</b>            | <b>(8,283,403)</b>          |

#### Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with TFRS 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 TFRS in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20%-25%, 9%, 31.925% and 25.17% for Turkey, Hungary, Germany and 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 30 June 2022 and 31 December 2021 using the enacted tax rates are as follows:

|  | Total temporary differences |                     | Deferred tax assets<br>(liabilities) |                     |
|--|-----------------------------|---------------------|--------------------------------------|---------------------|
|  | 30 June<br>2022             | 31 December<br>2021 | 30 June<br>2022                      | 31 December<br>2021 |
| <b>Deferred tax assets</b>   |                             |                     |                                      |                     |
| Personnel bonus accrual  | (7,522,591)                 | (7,127,065)         | 1,730,196                            | 1,639,225           |
| Accrued sales commissions  | (46,982,230)                | (22,159,939)        | 10,805,913                           | 5,096,786           |
| Provision for employment termination benefits                              | (36,975,193)                | (35,006,953)        | 7,469,316                            | 7,061,027           |
| TFRS 16 adjustments  | (385,053,196)               | (329,821,517)       | 72,640,819                           | 64,264,030          |
| Provision for unused vacation liability                                    | (13,529,222)                | (8,529,739)         | 3,111,721                            | 1,961,840           |
| Provision for litigation and indemnity                                     | (7,715,783)                 | (6,641,030)         | 1,774,628                            | 1,527,437           |
| Adjustments related to property, plant and equipment and intangible assets | (300,291,681)               | (246,589,798)       | 75,583,383                           | 62,367,605          |
| Investment incentives  | (74,715,090)                | (175,460,540)       | 14,943,017                           | 35,092,107          |
| Deferred tax income calculated over unused previous years' losses          | (210,985,837)               | (178,385,549)       | 67,088,343                           | 57,078,802          |
| Other  | (115,795,595)               | (88,535,944)        | 26,570,230                           | 20,079,475          |
| <b>Deferred tax assets</b>   |                             |                     | <b>281,717,566</b>                   | <b>256,168,334</b>  |

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

#### Deferred Tax (cont'd)

|   | Total temporary differences |                     | Deferred tax assets<br>(liabilities) |                     |
|---|-----------------------------|---------------------|--------------------------------------|---------------------|
|   | 30 June<br>2022             | 31 December<br>2021 | 30 June<br>2022                      | 31 December<br>2021 |
| <b>Deferred tax liabilities</b>   |                             |                     |                                      |                     |
| Adjustments related to property, plant<br>and equipment and intangible assets | 480,249,054                 | 391,512,286         | (96,305,711)                         | (79,162,260)        |
| Other   | 30,315,344                  | 27,636,357          | (6,917,850)                          | (6,298,176)         |
| <b>Deferred tax liabilities</b>   |                             |                     | <b>(103,223,561)</b>                 | <b>(85,460,436)</b> |
| <b>Deferred tax assets, net</b>   |                             |                     | <b>178,494,005</b>                   | <b>170,707,898</b>  |

Deferred tax movement table is as follows:

|   | 30 June<br>2022    | 30 June<br>2021    |
|---|--------------------|--------------------|
| <b>1 January</b>  | <b>170,707,898</b> | <b>127,190,064</b> |
| Foreign currency translation differences                | 22,221,634         | 10,719,449         |
| Deferred tax income / (expenses) for the current period | (14,435,527)       | 11,798,645         |
| Remeasurement gain/losses of defined benefit plans      | -                  | (12,176)           |
| Transfers (*)   | -                  | (3,285,288)        |
| <b>30 June</b>  | <b>178,494,005</b> | <b>146,410,694</b> |

(\*) Regarding the inclusion of Çelebi Nas in full consolidation.

### 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 -<br>30 June<br>2022 | 1 April-<br>30 June<br>2022 | 1 January -<br>30 June<br>2021 | 1 April-<br>30 June<br>2021 |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| <b>Net profit / (loss) attributable to the<br/>parent</b>      | <b>377,003,104</b>             | <b>248,281,021</b>          | <b>66,658,555</b>              | <b>44,378,568</b>           |
| Weighted average number of<br>shares with 1 KR face value each | 2,430,000,000                  | 2,430,000,000               | 2,430,000,000                  | 2,430,000,000               |
| <b>Earnings per share (Kr)</b>                                 | <b>0.155</b>                   | <b>0.102</b>                | <b>0.027</b>                   | <b>0.018</b>                |

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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#### 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

|   | 30 June 2022     | 31 December 2021 |
|---|------------------|------------------|
| Çelebi Havacılık Holding <sup>(1)</sup> | 3,372,522        | 577,289          |
| Other                                   | 21,317           | 12,453           |
|   | <b>3,393,839</b> | <b>589,742</b>   |

###### Other receivables from related parties

|   | 30 June 2022       | 31 December 2021   |
|---|--------------------|--------------------|
| Çelebi Havacılık Holding <sup>(1) (*)</sup> | 108,913,059        | 124,850,444        |
|   | <b>108,913,059</b> | <b>124,850,444</b> |

###### Payables to related parties

|  | 30 June 2022     | 31 December 2021  |
|--|------------------|-------------------|
| Çelebi Havacılık Holding <sup>(1) (**)</sup> | 7,935,087        | 7,255,171         |
| DASPL <sup>(4)</sup>                         | -                | 4,521,662         |
| CGSA   | -                | 3,308             |
|  | <b>7,935,087</b> | <b>11,780,141</b> |

- (1) Parent company
- (2) Subsidiary of the parent
- (3) Joint venture of the Group
- (4) Associate of the Group
- (5) Other related party

(\*) The related amount consists of EUR 6,258,868 remaining from intra-group loan receivables from ÇGHH, amounting to EUR 20,000,000, with a maturity of 30 June 2023 and an interest rate of 3.95%.

(\*\*) As of 30 June 2022, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, information technologies and business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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

##### ii) Significant transactions with related parties

|   | 1 January -<br>30 June<br>2022 | 1 April -<br>30 June<br>2022 | 1 January -<br>30 June<br>2021 | 1 April -<br>30 June<br>2021 |
|---|--------------------------------|------------------------------|--------------------------------|------------------------------|
| <b>Miscellaneous sales to related parties</b> |                                |                              |                                |                              |
| Çelebi Havacılık Holding <sup>(1)</sup>       | 5,347,130                      | 4,093,050                    | 2,496,792                      | 1,280,276                    |
| Other   | 49,168                         | -                            | -                              | -                            |
|   | <b>5,396,298</b>               | <b>4,093,050</b>             | <b>2,496,792</b>               | <b>1,280,276</b>             |

|   | 1 January -<br>30 June<br>2022 | 1 April -<br>30 June<br>2022 | 1 January -<br>30 June<br>2021 | 1 April -<br>30 June<br>2021 |
|---|--------------------------------|------------------------------|--------------------------------|------------------------------|
| <b>Contribution to holding expenses (*)</b> |                                |                              |                                |                              |
| Çelebi Havacılık Holding <sup>(1)</sup>     | 92,385,883                     | 52,073,865                   | 45,790,621                     | 24,274,843                   |
|   | <b>92,385,883</b>              | <b>52,073,865</b>            | <b>45,790,621</b>              | <b>24,274,843</b>            |

(\*) 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.

|   | 1 January -<br>30 June<br>2022 | 1 April -<br>30 June<br>2022 | 1 January -<br>30 June<br>2021 | 1 April -<br>30 June<br>2021 |
|---|--------------------------------|------------------------------|--------------------------------|------------------------------|
| <b>Other purchases from related parties</b> |                                |                              |                                |                              |
| DASPL <sup>(3)</sup>                        | 8,842,707                      | 3,739,867                    | 6,637,493                      | 2,931,631                    |
| Çelebi Havacılık Holding <sup>(1) (*)</sup> | 10,526,151                     | 7,733,119                    | 3,445,670                      | 2,298,167                    |
|   | <b>19,368,858</b>              | <b>11,472,986</b>            | <b>10,083,163</b>              | <b>5,229,798</b>             |

(1) Parent company

(2) Subsidiary of the parent

(3) Associate of the Group

(4) Other related party

(\*) Other purchases consist of car rental, organization fees and other expenses. The purchases made from ÇHH, which are classified under other purchases from related companies, consist of expenses directly related to the Company, related to the business development projects and tenders carried out by ÇHH on behalf of the Company.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

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

As of 30 June 2022 and 31 December 2021, collaterals given in favour of the subsidiaries and joint venture of the Group for the loans borrowed by them are as follows:

| 30 June 2022                      | EUR              | INR                  | Total TL           |
|-----------------------------------|------------------|----------------------|--------------------|
| Celebi Nas <sup>(1)</sup>         | -                | 94,392,000           | 19,934,646         |
| Celebi Delhi Cargo <sup>(2)</sup> | -                | 313,600,000          | 66,229,184         |
| CASI <sup>(3)</sup>               | -                | 2,035,800,000        | 429,940,602        |
| Celebi Cargo GmbH <sup>(4)</sup>  | 2,050,000        | -                    | 35,672,870         |
|                                   | <b>2,050,000</b> | <b>2,443,792,000</b> | <b>551,777,302</b> |

| 31 December 2021                  | EUR              | INR                  | Total TL           |
|-----------------------------------|------------------|----------------------|--------------------|
| Celebi Nas <sup>(1)</sup>         | -                | 94,392,000           | 16,482,731         |
| Celebi Delhi Cargo <sup>(2)</sup> | -                | 336,000,000          | 58,672,320         |
| CASI <sup>(3)</sup>               | -                | 2,035,800,000        | 355,491,396        |
| Celebi Cargo GmbH <sup>(4)</sup>  | 2,050,000        | -                    | 30,983,495         |
|                                   | <b>2,050,000</b> | <b>2,466,192,000</b> | <b>461,629,942</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 30 June 2022, the risk of the cash loan in the respective bank is amounting INR 695,030,883.
- (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 28% portion of the owned by the Company are pledged on behalf of the bank. As of 30 June 2022, the risk of the cash loan in the respective bank is amounting INR 480,130,927.
- (3) Celebi Airport Services has a borrowing amounting to INR 1,434,800,000 cash and INR 751,000,000 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 30 June 2022, the risk of the cash loan in the respective bank is amounting to INR 434,224,587.
- (4) As of 30 June 2022, the cash credit risk amount at the relevant banks for the financial liabilities arising from the EUR 2,000,000 cash and EUR 50,000 non-cash loan agreements signed between Celebi Cargo GmbH and the banks residing in Germany is EUR 2,000,000.

#### 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 -<br>30 June<br>2022 | 1 April -<br>30 June<br>2022 | 1 January -<br>30 June<br>2021 | 1 April -<br>30 June<br>2021 |
|---|--------------------------------|------------------------------|--------------------------------|------------------------------|
| Short-term employee benefits<br>to key management | 42,157,502                     | 25,001,215                   | 14,939,455                     | 7,592,311                    |

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**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 30 June 2022, other things being constant, if the TL was to depreciate/appreciate by 10% against the USD, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency decrease/increase net income by TL 9,062,180 (31 December 2021: TL 18,667,730).

As of 30 June 2022, other things being constant, if the TL was to depreciate/appreciate by 10% against the Euro, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease net income by TL 12,242,698 (31 December 2021: TL 7,945,935).

As of 30 June 2022, other things being constant, if the TL was to depreciate/appreciate by 10% against the GBP, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 133,818 (31 December 2021: TL 129,049).

As of 30 June 2022, if the Turkish Lira exchange rate was 10% lower/higher and all other variables remained constant, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 12,164,040 (31 December 2021: TL 27,707,551).

Foreign currency denominated assets and liabilities of the Group as of 30 June 2022 and 31 December 2021 are as follows:

|   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|---|---------------------|-------------------------|
| Assets denominated in foreign currency          | 661,087,080         | 570,324,424             |
| Liabilities denominated in foreign currency (-) | (571,016,891)       | (582,553,765)           |
| <b>Net foreign currency position</b>            | <b>90,070,189</b>   | <b>(12,229,341)</b>     |

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

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

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

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 30 June 2022 and 31 December 2021:

| <b>30 June 2022</b>  | <b>TL Equivalent</b> | <b>USD</b>       | <b>EUR</b>        | <b>GBP</b>      | <b>Turkish Lira</b>  |
|--|----------------------|------------------|-------------------|-----------------|----------------------|
| 1. Trade Receivables   | 161,146,252          | 3,397,600        | 5,270,644         | -               | 12,718,967           |
| 2. Monetary Financial Assets   | 340,420,308          | 3,124,601        | 10,304,704        | 5,047           | 108,847,712          |
| 3. Other   | 152,684,626          | 403,639          | 6,258,868         | 600             | 37,022,092           |
| <b>4. Current Assets (1+2+3)</b>   | <b>654,251,186</b>   | <b>6,925,840</b> | <b>21,834,216</b> | <b>5,647</b>    | <b>158,588,771</b>   |
| 5. Other   | 6,835,894            | -                | -                 | -               | 6,835,894            |
| <b>6. Non-Current Assets (5)</b>   | <b>6,835,894</b>     | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>6,835,894</b>     |
| <b>7. Total Assets (4+6)</b>   | <b>661,087,080</b>   | <b>6,925,840</b> | <b>21,834,216</b> | <b>5,647</b>    | <b>165,424,665</b>   |
| 8. Trade Payables  | 78,891,557           | 1,161,159        | -                 | 3,038           | 59,448,576           |
| 9. Financial Liabilities   | 182,145,733          | -                | 5,243,313         | -               | 90,904,746           |
| 10. Other Monetary Liabilities   | 100,166,703          | 335,430          | 7,235             | 68,593          | 93,050,914           |
| <b>11. Current Liabilities (8+9+10)</b>                                    | <b>361,203,993</b>   | <b>1,496,589</b> | <b>5,250,548</b>  | <b>71,631</b>   | <b>243,404,236</b>   |
| 12. Financial Liabilities  | 208,720,895          | -                | 9,548,201         | -               | 42,568,830           |
| 13. Other Monetary Liabilities   | 1,092,003            | -                | -                 | -               | 1,092,003            |
| <b>14. Non-Current Liabilities (12+13)</b>                                 | <b>209,812,898</b>   | <b>-</b>         | <b>9,548,201</b>  | <b>-</b>        | <b>43,660,833</b>    |
| <b>15. Total Liabilities (11+14)</b>                                       | <b>571,016,891</b>   | <b>1,496,589</b> | <b>14,798,749</b> | <b>71,631</b>   | <b>287,065,069</b>   |
| <b>16. Net Foreign Currency Asset/Liability Position (7-15)</b>            | <b>90,070,189</b>    | <b>5,429,251</b> | <b>7,035,467</b>  | <b>(65,984)</b> | <b>(121,640,404)</b> |
| <b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b> | <b>90,070,189</b>    | <b>5,429,251</b> | <b>7,035,467</b>  | <b>(65,984)</b> | <b>(121,640,404)</b> |

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

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

| <b>31 December 2021</b>  | <b>TL Equivalent</b> | <b>USD</b>        | <b>EUR</b>        | <b>GBP</b>      | <b>Turkish Lira</b>  |
|--|----------------------|-------------------|-------------------|-----------------|----------------------|
| 1. Trade Receivables   | 137,019,592          | 3,836,510         | 4,563,435         | -               | 16,819,374           |
| 2. Monetary Financial Assets   | 266,437,990          | 11,261,246        | 7,238,104         | 1,202           | 6,648,884            |
| 3. Other   | 102,567,815          | 540,375           | 4,006,554         | -               | 34,797,531           |
| <b>4. Current Assets (1+2+3)</b>   | <b>506,025,397</b>   | <b>15,638,131</b> | <b>15,808,093</b> | <b>1,202</b>    | <b>58,265,789</b>    |
| 5. Other   | 64,299,027           | -                 | 4,254,083         | -               | 3,242                |
| <b>6. Non-Current Assets (5)</b>   | <b>64,299,027</b>    | <b>-</b>          | <b>4,254,083</b>  | <b>-</b>        | <b>3,242</b>         |
| <b>7. Total Assets (4+6)</b>   | <b>570,324,424</b>   | <b>15,638,131</b> | <b>20,062,176</b> | <b>1,202</b>    | <b>58,269,031</b>    |
| 8. Trade Payables  | 59,509,488           | 1,151,294         | -                 | 7,985           | 43,992,047           |
| 9. Financial Liabilities   | 275,644,512          | -                 | 5,243,313         | -               | 196,397,604          |
| 10. Other Monetary Liabilities   | 50,712,797           | 506,660           | 13,293            | 64,671          | 42,578,473           |
| <b>11. Current Liabilities (8+9+10)</b>                                    | <b>385,866,797</b>   | <b>1,657,954</b>  | <b>5,256,606</b>  | <b>72,656</b>   | <b>282,968,124</b>   |
| 12. Financial Liabilities  | 195,803,624          | -                 | 9,548,201         | -               | 51,493,069           |
| 13. Other Monetary Liabilities   | 883,344              | -                 | -                 | -               | 883,344              |
| <b>14. Non-Current Liabilities (12+13)</b>                                 | <b>196,686,968</b>   | <b>-</b>          | <b>9,548,201</b>  | <b>-</b>        | <b>52,376,413</b>    |
| <b>15. Total Liabilities (11+14)</b>                                       | <b>582,553,765</b>   | <b>1,657,954</b>  | <b>14,804,807</b> | <b>72,656</b>   | <b>335,344,537</b>   |
| <b>16. Net Foreign Currency Asset/(Liability) Position (7-15)</b>          | <b>(12,229,341)</b>  | <b>13,980,177</b> | <b>5,257,369</b>  | <b>(71,454)</b> | <b>(277,075,506)</b> |
| <b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b> | <b>(12,229,341)</b>  | <b>13,980,177</b> | <b>5,257,369</b>  | <b>(71,454)</b> | <b>(277,075,506)</b> |



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2022

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#### 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 shareholders 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 balance sheet, plus net debt.

The ratio of net debt / (equity+net debt) at 30 June 2022 and 31 December 2021 is as follows:

|                                     | 30 June 2022    | 31 December 2021 |
|-------------------------------------|-----------------|------------------|
| Total financial liabilities         | 2,755,402,924   | 2,740,676,806    |
| Less: Cash and cash equivalents     | (1,030,394,590) | (1,093,574,834)  |
| Less: Time deposits                 | (122,144,148)   | (14,078,067)     |
| Less: Restricted bank balances      | (78,984,374)    | (102,609,932)    |
| Net debt (*)                        | 1,523,879,812   | 1,530,413,973    |
| Net debt (Excluding TFRS 16 effect) | 103,015,931     | 267,817,972      |
| Shareholder's equity                | 2,258,542,391   | 1,669,845,086    |
| Capital invested                    | 3,782,422,203   | 3,200,259,058    |
| Net debt/capital invested           | 0.40            | 0.48             |

(\*) As of 30 June 2022, TL 1,420,863,881 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective as of 1 January 2019 (31 December 2021: TL 735,140,113).

#### NOTE 27 - EVENTS AFTER THE BALANCE SHEET DATE

None.