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## MESSAGE FROM THE BOARD OF DIRECTORS

Dear stakeholders,

### The Covid-19 pandemic remained at the top of the global agenda also in 2021.

Having tightly grasped the whole world in 2020, the Covid-19 pandemic led to 3.5% shrinkage of the world economy. In 2021, global economic recovery outperformed the projections during the year owing to the support extended by the fiscal and monetary policies implemented for mitigating the effects of the pandemic that remained high on the world agenda also in 2021, the increasing coverage of vaccination, loosened restrictive measures, and deferred demand.

Notwithstanding, deteriorated public finances, increased indebtedness levels and high unemployment rates that accompanied the momentum the pandemic regained with the emergence of the new variant in the second quarter of the reporting period continued to put pressure on economies despite recuperation.

### While there was not a significant reduction in global growth estimations, forecasts for individual countries were modified remarkably.

Global growth projection for 2022 was reduced by 0.1 point in the IMF report released in January 2022, whereas 2021 estimation remained unchanged at 5.9%. Growth rates of emerging countries declined due to the pandemic circumstances, and anticipations took a downfall also in developed countries that failed to display a good enough recovery outlook in the short-term.

In its January 2022 report, the IMF revised the US growth downwards by 1.2 points to 4% for 2022, and China's growth by 0.8 points to 4.8%. The IMF projects that the Euro Zone will grow by 3.9% in 2022, Japan by 3.3% and the UK by 4.7%, while forecasting that India will claim the growth record with 9.0%. The global economy, on the other hand, is anticipated to contract by 0.5 points as compared with the previous IMF report and come down to 4.4%.

According to the IMF, the increasing depth of the negative decoupling between developed and developing economies comes at the top of the issues that will affect the economy. The most important risks facing the developing countries are named as tightening financial conditions, inflation that comes unanchored, and financial supports that were withdrawn faster than expected. Although the IMF expressed that it anticipates inflation to return to pre-pandemic levels in many countries in 2022, inflationary pressures take place among the most important risk factors of the coming year.

### The US and the Euro Zone countries led the global recovery in 2021.

Although the US Federal Reserve System (the Fed) initially considered the high inflation levels to be transitory, it later swerved to suggest that inflation might be lengthier and permanent as opposed to past projections with the effect of the assumptions that the supply chain issues would also live on in 2022. The Fed, which kept the policy rate unchanged in the 0-0.25 interval during 2021, maintained its direction until the last quarter that asset purchases initiated in March 2020 would continue until employment and inflation targets have been achieved.

Having announced its asset purchase reduction program in November, the Fed accelerated its tapering and projected three rate hikes for 2022 in its December meeting.

2021 growth of the Euro Zone, which is Turkey's largest export market, displayed a positive performance enabled by vaccination and supportive fiscal and monetary policies. Tightening activity and high commodity prices drove the export growth and workers' remittance up in 2021, further strengthening the recuperation in the Euro Zone.

### Growth in global trade volume outdid the forecasts.

Macroeconomic indicators rebounded with a speed that matched that of their downfall, benefiting from the incentives introduced and the normalization steps. As the recovery in global trade outdid the forecasts, regional variations were noted.

The World Trade Organization (WTO) heightened global goods trade volume growth estimation to 10.8% which it had estimated as 8% in March, and projected 2022 growth at 4.7%.

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### **The soaring commodity prices made one of the headlines in 2021.**

Oil prices lagged behind in capturing the recovery that occurred in the prices of many commodities from the second half of 2020 due to the downside pressure the pandemic created upon global oil demand. This situation was reversed in 2021 as economies normalized, causing the per barrel price of Brent-type oil to skyrocket to USD 85.82 and end the year with a 50.83% rise. Similarly, gas, another member of the energy complex, closed 2021 with 46.85% increase.

On the agricultural commodities front, on the other hand, numerous factors ranging from climate change to rapidly increased global demand affected agricultural commodity prices in 2021, hence global food prices reached the peak of the past decade with 28.10% increase according to the Food and Agriculture Organization of the United Nations (FAO). On another note, the rise in fertilizer prices pushed farmers' fertilizer costs up, acting as one of the major causes of the overall rise in food prices.

### **Hopes grew stronger that the pandemic might come to an end in 2022.**

Projections relating to global economy vary depending on the outcomes of the vaccination. The continuation of the Covid-19 pandemic and the emergence of different variants that spread more rapidly such as the Omicron variant that followed the Delta variant indicate that the pandemic-associated uncertainties will continue to take a toll on the world economy. Yet, the increasingly milder symptoms in Omicron cases and loosening of restrictive measures implemented in the first quarter of 2022 nurture the hopes that the pandemic might come to an end.

A possible tightening beyond the forecasts in governments' fiscal policies in 2022, geopolitical developments centered around Russia-Ukraine, developments in the Chinese financial and property markets, and fluctuations in capital flows to developing countries gain the foreground as potential factors that may act upon global economy.

### **The Turkish economy outgrew the forecasts in 2021.**

Being one of the few countries to register positive growth in 2020, Turkey achieved a growth that outdid the forecasts and its potential in 2021, benefiting from internal and external demand. According to the chained volume measure, the Turkish economy grew by 7.3%, 21.9%, 7.5% and 9.1% in the four quarters of 2021. 2021 GDP growth was 11.0% year-on-year. The rapid growth performance was produced by the household consumption expenditures that increased significantly with the contribution of the low base effect and exports that experienced record levels.

Having ended 2021 with a double-digit growth figure, the Turkish economy is anticipated to maintain its positive growth performance in 2022 at a slower pace. The Medium Term Program (MTP) for 2022-2024 projects 5.5% growth for 2022.

### **The consumer prices index (CPI) has been high throughout the year.**

As the high levels in exchange rates and in global commodity and energy prices exacerbated inflationary pressures through the cost channel, the CPI that has been high throughout the year was up by 36.08% over its value in December 2020, marking the highest level of the past 19 years. The domestic producer prices index (D-PPI), on the other hand, surged by 79.89% as compared to December 2020.

### **Record levels were attained in exports in 2021.**

2021 was a year of difficulties for global trade due to the worldwide supply chain issues and the sharp rise in transportation costs, while Turkey was able to benefit from this situation owing to the advantage granted by its location. Export was responsible for about half of the growth in 2021.

Based on the general trade system, export grew by an annual 32.8% in the twelve months to end December 2021 and was worth USD 225.3 billion, whereas imports increased by 23.6% to USD 271.4 billion. The ratio of exports to imports was 83%.

In 2021, tourism revenues surpassed the forecasts as a result of vaccination, and together with exports, it has been telling upon the declined current deficit. The predicted abatement of the pandemic in 2022 with the support of vaccination and medications keep the positive expectations for tourism alive in 2022. While it is considered that the realization of postponed travel plans might positively affect the tourism industry in 2022, the developments in Russia and Ukraine, which have a significant share in the number of incoming tourists, will certainly be a determining factor for our country's tourism revenues.

### After starting the year with rate hikes, the CBRT ended 2021 with rate cuts.

The Central Bank of the Republic of Türkiye (CBRT) increased the policy rate from 17% to 19% in March 2021 due to the upside risks on inflation outlook. In September, however, the CBRT implemented a rate cut for the first time after 16 months as a result of its modified monetary policy.

The depreciation of the Turkish lira became even more evident as the anticipations grew stronger that the 400-bps rate cut in total made until the last month of the year would continue. The CBRT started directly intervening the market by selling due to unhealthy price formations in exchange rates. After the CBRT set the policy rate as 14% with a further 100 bps reduction in its December meeting, the depreciation of the Turkish currency accelerated. "FC-indexed TL Time Deposit" practice launched by the end of the year to curb the Turkish lira's loss of value and to encourage TL deposits was positively received by the markets and exchange rates declined somewhat.

### Turkey's New Economic Model

Concurrently with the developments in the money markets in the last quarter of the year, transition was made to Turkey's New Economic Model which prioritizes high growth and low current deficit.

While the Model basically focuses on stable and sustainable increase in the momentum of exports that is the driving engine of the national economy, it targets backing exports with value-added production, overcoming the middle income trap, accurate evaluation of the international conjuncture to climb up in the global value chains, and ultimately, resolving the current deficit issue permanently.

### In 2021, the world civil aviation industry partially compensated the damages sustained.

One of the sectors to take the hardest hit from the negative impacts of the pandemic in 2020, civil aviation partially compensated the damages sustained in 2021. Accelerated vaccination and elimination of the restrictions between countries made the highlights of the positive developments for the industry as it was preparing for the post-pandemic period.

While the sector approached the 2019 levels in the summer months of 2021, the higher infection rate of Omicron, the latest variant of the virus that emerged toward the end of the year, as compared to other variants led to reduced mobility and reconsideration of international restrictions. Travel restrictions resulted in low passenger numbers particularly in international air travel. Sector representatives project that the global air passenger numbers of 2019 will be captured in 2023, at best.

In its Annual Review 2021, the International Air Transport Association (IATA) reported that total demand in 2021 was down by 58.4% as compared to 2019. Taking into account that the same data for 2020 was 65.8%, the IATA underlined that the current figure points at a betterment.

In Turkey, which is fully integrated with global markets, domestic line commercial aircraft traffic registered 35% increase annually in 2021, whereas international commercial aircraft traffic was up by 73.8% and total commercial aircraft traffic was up by 51%. When compared to the 2019 data, on the other hand, domestic, international and total commercial aircraft traffic was down by 22.4%, 36.1%, and 29.5% respectively.

### In 2021, we authored results that are aligned with our long-term sustainable growth targets.

Amid the highly restrained predictability conditions presented by 2021, the volatilities in global and domestic money markets, the imbalanced supply and demand conditions, the soaring prices of raw materials and particularly of energy, accompanied by the negativities caused by global warming and climate change closely concerned and impacted our life, production and trade cycles.

At Çelebi Ground Handling, we have kept a careful eye on the impacts of global developments on our industry and the shifts in the markets, while we took accurate steps in line with our strategic roadmap. Despite the pandemic that heavily tainted particularly the first half of the year, we authored successful results in 2021.

In the twelve months to end-2021, Çelebi Ground Handling serviced 63,686 flights in Turkey. As the pandemic effects subsided with the accelerated vaccination campaigns in 2021, all global subsidiaries of our Company attained significant improvements in the number of operational services as compared to 2020.

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Our Company sustained its consistent financial performance also in 2021 thanks to its strong capitalization coupled with its ability to accurately assess risks and opportunities.

Çelebi Ground Handling's total assets were worth TL 5,465 million and its shareholders' equity amounted to TL 1,670 million as at year-end 2021. In the same period, our Company booked TL 2,560 million in consolidated turnover, TL 831 million in consolidated gross profit, and TL 526 million in operating profit.

**We are targeting to carry our achievements into the future with the confidence we draw from being a strong and deep-rooted company.**

Although there is a long and challenging journey and there are hurdles to overtake ahead of us all, it is encouraging that we possess the knowledge, competence, skills and technology necessary for the solution. So long as we are able to take collective action, we sincerely believe that we will be able to overcome all the challenges and difficulties we are experiencing.

With an experience of more than 60 years, our Company focuses on the future by carefully monitoring the implications of global developments for our industry and the shifts in the market.

In closing, I endlessly thank all our stakeholders, but first and foremost our employees, shareholders and business partners for the invaluable support and contribution they extend under any circumstance.

Truly yours,



**Can Çelebioğlu**  
Chairman

# BOARD OF DIRECTORS 2021 Annual Report

## I - OVERVIEW

### 1. FIELD OF ACTIVITY

Çelebi Hava Servisi A.Ş. (Çelebi Ground Handling Inc., "the Company") was the first privately-owned ground handling services company in the Turkish aviation industry and has been in business since 1958. The Company carries out its activities under the Çelebi Holding A.Ş. organization. The Company is registered with the Capital Markets Board of Turkey (CMB) and its shares began trading in Borsa İstanbul (BIST) on 18 November 1996. The Company's principal business activity consists of providing domestic and foreign airlines and air cargo companies with ground handling services (representation, traffic, ramp, cargo, flight operations, and similar services) and refueling services. The Company's operations take place in Turkey at total 31 stations located in Adana, Ankara, Antalya, Bingöl, Bodrum, Bursa Yenişehir, Çorlu, Dalaman, Diyarbakır, Erzurum, İzmir, Isparta, Kars, Kayseri, Malatya, Mardin, Samsun, Trabzon, Van, Denizli, Hatay, Kahramanmaraş, Erzincan, Balıkesir Edremit, Çanakkale, Iğdır, Kocaeli, Hakkari and Uşak airports which are under the control of State Airports Authority ("DHMI"), in İstanbul Airport which is under the control of İGA Havalimanı İşletmesi A.Ş. ("İGA") and in İstanbul Sabiha Gökçen Airport which is under the control of Airport Administration and Aviation Industries ("HEAŞ").

The Company is registered with the İstanbul Trade Registry (192002-139527). Its address of record is:  
Çelebi Ground Handling Inc.

Tayakadın Mahallesi Nuri Demirağ Caddesi Bina No: 39 Arnavutköy İstanbul, Turkey

The Company's website is located at the address [www.celebiaviation.com](http://www.celebiaviation.com). The internet address for the Company's investor relations is [www.celebiyatirimci.com](http://www.celebiyatirimci.com).

### 2. BOARD OF DIRECTORS, AUDITORS, COMMITTEES AND SENIOR MANAGEMENT

The Company's Board of Directors is formed of the following members:

Name	Position	Independent Member or Not
Can Çelebioğlu	Chairman	Non-independent Member
İsak Antika	Vice Chairman	Non-independent Member
Canan Çelebioğlu	Board Member	Non-independent Member
Turgay Kuttaş	Board Member	Non-independent Member
Mehmet Murat Çavuşoğlu	Board Member	Non-independent Member
Mehmet Yağız Çekin	Board Member	Non-independent Member
Uğur Tevfik Doğan	Board Member	Independent Member
Halil Yurdakul Yiğitgüden	Board Member	Independent Member

The members of the Board of Directors have been elected for one year at the Ordinary General Meeting convened on 15 April 2021 until the next Ordinary General Meeting.

According to the provisions of Corporate Governance Principles and the Company's articles of incorporation, Halil Yurdakul Yiğitgüden and Uğur Tevfik Doğan, whose candidacy for independent membership on the Board of Directors has been deemed appropriate, have been elected as Independent Board Members to serve a term of office of 1 (one) year (for the period between the two Ordinary General Meetings).

The members of our Company's Board of Directors are nominated and elected from among individuals possessing the high level of knowledge and skills, the qualifications, specific experience and background in accordance with the Company's articles of incorporation. All our Board members have the capability to read and analyze financial statements and reports, as well as the necessary basic knowledge of legal regulations governing the Company in respect of its long-term acts and transactions, and have the means and commitment to participate in all Board of Directors meetings planned for the relevant fiscal year.

According to "Article 8- Representing and Binding the Company" of the Company's articles of incorporation, the Company is administered and externally represented by the Board of Directors. Pursuant to Article 367 of the Turkish Commercial Code (TCC), the Board of Directors may delegate management, in part or in whole (excluding the Non-Delegable Duties and Powers of the Board of Directors as stipulated by Article 375 of the TCC), to one or more Board of Directors members or third parties. The Board of Directors may also delegate the power to represent, jointly or individually, to one or more senior executives of the Company who are not members of the Board under Article 370 of the TCC. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the Board and duly registered and announced.



In order for any documents issued by the Company or for any contracts that are entered into to be valid, they must be signed, below the Company's legal name, by an individual or by individuals authorized to do so by the Board of Directors. Pursuant to Article 1526 of the TCC, the transactions carried out by the Company may be done so with the secure electronic signatures of the individuals possessing the power to represent.

The authorities and responsibilities of our Company's Board members and managers are stated in signature circular IX setting down the powers to represent and bind the Company that was registered by the İstanbul Trade Registry on 18 August 2015 and announced as having been registered in issue 8890 of the Turkish Trade Registry Gazette dated 24 August 2015.

As per the assignment of duties among the Board Members elected at the Ordinary General Meeting of 15 April 2021, the Company's Board of Directors decided to elect Mr. Can Çelebioğlu as the Chairman and Mr. İsak Antika as Vice Chairman of the Board.

At the Ordinary General Meeting held on 15 April 2021, the shareholders having management control over the Company, members of the Board of Directors, senior executives and their spouses and relatives by blood and marriage unto the second degree have been authorized, as per Article 395 of the Turkish Commercial Code (TCC), to enter into transactions that are of a nature that might lead to conflict of interest with the Company or its subsidiaries, and deal with the Company on their own or others' behalf; no transactions took place within the scope of the said authorization granted during the reporting period.

#### Auditors

In a resolution passed on 23 March 2021, the Board of Directors voted to recommend the appointment of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Deloitte) as the Company's independent auditor to be charged with independently auditing the Company's consolidated financial statements for 2021 in compliance with Turkish Commercial Code and Capital Markets Board rules and regulations pertaining to the independent auditing of such statements prior to their public disclosure. At the annual general meeting of the Company held on 15 April 2021, the appointment of Deloitte as the Company's independent auditor was approved by unanimous vote of the participants.

#### Corporate Governance, Audit, and Early Detection of Risk Committees

Of those who were elected to seats on the Board of Directors at the 15 April 2021 annual general meeting of the Company, it has been decided at the Board of Directors meeting dated 16 April 2021, to elect Uğur Tefik Doğan and Halil Yurdakul Yiğitgüden as members of the Audit Committee, to elect Mehmet Yağz Çekin and Uğur Tefik Doğan as members of the Corporate Governance Committee, and to elect our Company's Financial Affairs Director Deniz Bal, Turgay Kuttaş and Halil Yurdakul Yiğitgüden as members of the Risk Detection Committee, within the framework both of the applicable clause of Capital Markets Board Communiqué X: 22 Concerning Independent Auditing Standards in Capital Markets and of the applicable provisions of Capital Markets Board Corporate Governance Communiqué II-17.1.

#### Senior Management

The names of the executives who served at the Company within the 12-month period ending on 31 December 2021 are presented below:

Name	Title	Effective from	Joined the Company in
Osman Yılmaz	Chief Executive Officer	2016	1993
Deniz Bal	Financial Affairs Director	2013	2003
Bekir Güneş	Commercial Director	2019	2009
Gökçen Dervişoğlu	Human Resources Director	2015	2015

### Investor Relations Unit and Coordination of Corporate Governance Practices

Within the framework of our Company's efforts to achieve full compliance with the provisions of Article 11 of the Capital Markets Board's Corporate Governance Communiqué Serial II: 17-1 with the circular number 2014/04 and dated 03 January 2014 and to ensure their strict implementation:

- There is an Investor Relations Unit, which handles exercising of shareholding rights at our Company that is listed on the Borsa İstanbul (BIST). This unit reports to the Board of Directors and maintains communication between the Board of Directors and shareholders. In this context, Deniz Bal, who is the Company's Financial Affairs Director and who was entitled to receive a "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise License", served during the reporting period as the head of Investor Relations Unit. (Tel: +90-212-952 9200, e-mail: deniz.bal@celebiaviation.com)
- Tolga Akdoğan, a full-time employee of the Company who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses, served as "Investor Relations Unit Employee" during 2021. (Tel: +90-212-952 9200, e-mail: tolga.akdogan@celebiaviation.com)
- Deniz Bal, who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses and was serving in the capacity of Investor Relations Unit Manager, was charged during the reporting period with the additional duties of fulfilling obligations arising from capital market laws and regulations, of coordinating corporate governance practices, and of reporting on such matters to the Company's general manager.

### Information on General Meetings

<u>General meetings held during the reporting period</u>	<u>Date</u>	<u>% of shares in attendance</u>	<u>Meeting announcements and invitations</u>
Ordinary General Meeting	15 April 2021	94.30%	Place, date, time and agenda of the Annual General Meeting were announced via: 1- Material event disclosure placed on the Public Disclosure Platform (KAP) on 23 March 2021. 2- Announcements published in the 23 March 2021 issue of the Turkish Trade Registry Gazette no: 10293 and the Dünya newspaper dated 24 March 2021. 3- Announcement on the Company's website. 4- Letters sent to registered shareholders. 5- Announcement made through the Electronic General Meeting system.

The Company's annual general meeting was held on 15 April 2021 during which the following resolutions were passed:

- The Board of Directors' annual report and the independent auditors' report are approved.
- The financial statements for the fiscal year 2020 are approved.
- Net loss for the period after deduction of the taxes and legal liabilities in our Consolidated Financial Statements dated 31 December 2020 amounted to TL 169,179,611.

## ÇELEBİ HAVA SERVİSİ A.Ş. Profit Distribution Table for 2020 (TL)

	According to CMB legislation	According to legal records
Net Profit for the Period	-169,179,611.00	-157,612,989.62
Prior Year Loss (-)	0.00	0.00
General Legal Reserves	0.00	0.00
<b>Net Distributable Profit for the Period</b>	<b>-169,179,611.00</b>	<b>-157,612,989.62</b>
First Dividend to Shareholders	0.00	0.00
Second Dividend to Shareholders	0.00	0.00
Other Funds for Distribution	0.00	0.00
General Legal Reserves	0.00	0.00
<b>Transferred to Extraordinary Reserves</b>	<b>0.00</b>	<b>0.00</b>

In this framework, in compliance with CMB regulations pertaining to profit distribution and with respect to the period beginning on 1 January 2020 and ending on 31 December 2020:

- It was unanimously decided not to distribute dividends.
- The members of the Board of Directors and the Company's statutory auditors are acquitted of their fiduciary responsibilities.
- Board of Directors members Canan Çelebioğlu, Mehmet Murat Çavuşoğlu, Mehmet Yağız Çekin, and Turgay Kuttaş, whose terms of office have expired, are elected to serve as board members for a period of one year (the period between two consecutive annual general meetings).
- Uğur Tevfik Doğan and Halil Yurdakul Yiğitgüden are elected to serve as independent board members for a period of one year (the period between two consecutive annual general meetings).
- Independent board members are to be paid a monthly fee/honorarium of gross TL 10,500.00 but no such fees or honoraria are to be paid to board members other than the independent ones.
- DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi ("Deloitte") is designated as the independent audit firm ("Auditor") to carry out the independent audit of the financial statements for 2021 fiscal year and other activities falling under the arrangements in the said laws.
- The Board of Directors will be authorized for a period of 15 months to issue borrowing instruments in an amount of up to TL 500,000,000.00, to determine all matters associated with the issuance and to carry out the related transactions and formalities under the provisions of the Turkish Commercial Code and CMB legislation in force.
- An upper limit of TL 500,000.00 is set on charitable donations that are to be made by the Company during 2021 (1 January 2021-31 December 2021).
- Shareholders holding management control, the members of the Board of Directors, senior executives and their spouses and relatives by blood or marriage unto the second degree have been authorized, as per Article 395 of the Turkish Commercial Code no. 6102, to deal in transactions with the Company and its subsidiaries that might lead to conflict of interest, and to deal with the Company on their own or others' behalf.

Information was also provided to shareholders about;

- the guarantees, pledges, and mortgages granted and the revenues and benefits received by the Company to/from third parties during 2020 fiscal year,
- related-party transactions engaged in 2020 fiscal year, and
- TL 2,176,265.00 worth of charitable donations to various foundations, associations, professional chambers, and public agencies and organizations during the period beginning on 1 January 2020 and ending on 31 December 2020.

### Participation in general meetings

The Ordinary General Meeting held on 15 April 2021 was attended by shareholders responding either in person or in proxy to invitations sent out, as well as by one member of the Company's Board of Directors, senior managers and Company's Investor Relations Unit personnel.

### Entries in the shareholders' register

There is no period of time stipulated in the Company's articles of incorporation in which the holders of registered shares must have entries made in the shareholders' register in order to take part in general meetings. The provisions of the Turkish Commercial Law (TCC) governing such matters are complied with by the Company. Shares corresponding to more than 99% of our Company's capital have been duly registered as required by Capital Markets Board regulations. Shares belonging to our shareholders are retained in custody in the investor subaccounts of our Company as issuer and/or of brokerage concerns held by the Central Registry Agency.

### Information announced to shareholders

With regard to the agenda of the Annual General Meeting on 15 April 2021, the Board of Directors membership candidate list, the Board of Directors' annual report for 2020 calendar year, the Company's remuneration policy, and the resolution for profit distribution for 2020 calendar year were all made available to shareholders and other stakeholders for their review through the Electronic General Meeting system and the Company's website on the date on which the general meeting was announced.

### Shareholders' exercise of their right to ask questions at general meetings

The shareholders exercised their right to ask questions at the ordinary general meeting held on 15 April 2021, these questions were answered by the Company board members and executives that attended the meeting.

### Motions made by shareholders at general meetings

During the Annual General Meeting on 15 April 2021, a total of 8 resolutions as listed below were made by shareholders, 4 of which were accepted by the participants by majority of votes and 4 by unanimous vote:

- Election of the Presiding Board.
- While the annual report of the Board of Directors was made available for shareholders to examine before the general meeting and handed out to those present at the meeting, and because the 'profit distribution' section of the annual report is also to be read during the discussion of item 6 on the agenda, the general meeting agrees to approve the annual report without reading during the discussion of item 3 on the agenda.
- While the annual report of the Board of Directors was made available for shareholders to examine before the general meeting and handed out to those present at the meeting, the general meeting agrees to approve the Independent Auditors' Report without reading during the discussion of item 4 on the agenda.
- While the balance sheet and income statement included in the annex to the annual report were made available for shareholders to examine before the general meeting and both were handed out to those present at the meeting, the general meeting agrees that a reading of the main headings of both balance sheet and income statement would suffice for the discussion of item 5 on the agenda.
- It was unanimously decided not to distribute dividends.
- The candidates designated to serve as members of the Board of Directors until the next ordinary general meeting are hereby elected; Mrs. Canan Çelebioğlu, Mr. Mehmet Murat Çavuşoğlu, Mr. Mehmet Yağız Çekin and Mr. Turgay Kuttaş are to be elected as board members representing Group A shareholders (Çelebi Havacılık Holding A.Ş.) and Mr. Can Çelebioğlu and Mr. İsak Antika as board members representing Group B shareholders.
- Elected independent board members are to be paid a monthly fee/honorarium of gross TL 10,500.00, while board members elected to represent Group A and B shareholders shall not be paid any wages for this period.
- The Board of Directors will be authorized for a period of 15 months to issue borrowing instruments in an amount of up to TL 500,000,000.00, determine all matters associated with the issuance and carry out the issue transactions and formalities under the provisions of the Turkish Commercial Code and CMB legislation in force.
- An upper limit of TL 500,000.00 is set on charitable donations that are to be made by the Company during 2021.

### Action taken to facilitate participation in general meetings

To facilitate participation in general meetings, a material event disclosure concerning them is made as required by CMB regulations while invitations announcing the meetings are published within the framework of the provisions of TCC and the Company's articles of incorporation at least 21 days before the meeting date in the Turkish Trade Registry Gazette and one newspaper published in the place where our headquarters are located and announced in our Company's internet site. Media organizations are also contacted to have the meeting announced in the press and electronic media.

### Availability of general meeting minutes for inspection by shareholders

After they have been registered in accordance with applicable laws, regulations, and administrative provisions, general meeting minutes are published in the Turkish Trade Registry Gazette and are always available for the inspection of stakeholders at our Company's headquarters and on its corporate website.

### Presentation of information to shareholders regarding the amount and recipients of grants and donations during the reporting period under a dedicated agenda item in the general meeting

At the Ordinary General Meeting held on 15 April 2021, information has been presented to shareholders about the donations and grants made during the reporting period to various foundations, associations, chambers, public institutions and organizations amounting TL 2,176,265.00.

While there is no specific policy for donations and grants that is approved by the General Assembly of Shareholders, grants and donations are made subject to the provisions of Article 3.9 of the Company's articles of incorporation, which reads "Donations and grants may be made to social foundations, associations, universities and similar institutions and public institutions subject to the principles set forth in the CMB legislation, by providing information to the shareholders at the general meeting and by complying with the public disclosure obligation pursuant to the Capital Market Legislation."

### Financial rights provided to the members of the Governing Body and senior managers

The Company designated its consolidated senior management team as the members of the Board of Directors, the Chief Executive Officer and Directors. Short-term benefits provided include salary, bonus, social security institution deductions and other fringe benefits.

The breakdown of the benefits provided to senior managers is presented in the table below:

	1 January- 31 December 2021	1 January- 31 December 2020
Short-term benefits to senior managers	32,978,958	20,962,306
	<b>32,978,958</b>	<b>20,962,306</b>

### 3. NATURE AND VALUE OF ISSUED CAPITAL MARKET INSTRUMENTS

As of 31 December 2021, our Company's issued capital amounted to TL 24,300,000. Our Company's capital structure on 31 December 2021 and 31 December 2020 was as follows:

Shareholders	(%)	31 December 2021	(%)	31 December 2020
Çelebi Havacılık Holding A.Ş.	89.91	21,848,528	89.91	21,848,528
Others	10.09	2,451,472	10.09	2,451,472
	<b>100.00</b>	<b>24,300,000</b>	<b>100.00</b>	<b>24,300,000</b>

### Ultimate Non-Corporate Controlling Shareholders

The names of our Company's ultimate non-corporate controlling shareholders, who have been identified, purged of all cross-shareholding interests, and their shareholding interests in the Company as of 31 December 2021 are presented below:

Shareholders	31 December 2021 (%)	31 December 2020 (%)
Zeus Aviation Services Investments B.V.	44.96	44.96
Can Çelebioğlu	15.73	15.73
Canan Çelebioğlu	15.73	15.73
Hana Investment Company WLL	5.75	5.75
Racer S.r.l.	2.9	2.9
57 Stars Global Opportunity Fund 3 (KIA), L.P.	2.01	2.01
Pantheon Global Secondary Fund VI (US)	2.34	2.34
Pantheon Access Secondary Program SCSp (Lux)	0.48	0.48
Others	10.09	10.09
	<b>100.00</b>	<b>100.00</b>

The Company's articles of incorporation contain no provisions pertaining to special voting rights. However the shares representing the Company's issued capital are divided into three classes designated "A", "B", and "C" and only those who hold "A" and "B" shares are entitled to designate candidates for seats on the Company's Board of Directors and Board of Statutory Auditors.

### 4. INFORMATION ON PERSONNEL

The average number of personnel employed by the Company as at 31 December 2021 is 3,207 (31 December 2020: 2,839 people). The average number of personnel, including the subcontractor personnel was 9,902 and 10,722 people on 31 December 2021 and 31 December 2020, respectively.

Average Number of Employees of the Group (Consolidated)	January-December 2021	January-December 2020
Çelebi Hava Servisi A.Ş. ("Company")*	3,207	2,839
Celebi Ground Handling Hungary	617	771
Celebi Nas (India)	1,406	1,960
Celebi Delhi Cargo (India, including subcontractor personnel)	2,356	2,326
Celebi Aviation Services (India)	2,050	2,575
Celebi Cargo GmbH (Germany, including subcontractor personnel)	247	251
Celebi Tanzania (Tanzania)	3	-
KSU (India)	16	-
<b>Total</b>	<b>9,902</b>	<b>10,722</b>

\* The effects of short-working and unpaid leave practices are excluded when calculating the number of employees.

### 5. INFORMATION ON THE EMPLOYEES AND THE HUMAN RESOURCES POLICY

#### Human Resources ("HR") Policy

In order to sustain the image and success of the Company, in the eyes of the society and the employees, the Human Resources Department monitors and develops all practices supported by the documentation and systems related to Human Resources, and the resulting human resources culture.

By supporting participation, teamwork, entrepreneurship, creativity and productivity, making our Company be preferred to work for in Turkey, and making it a big family with happy and loyal employees and to perpetuate this, form the basis of our Company's HR Policy.

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The Station Managers are responsible for the dissemination of the HR policies, which were determined without discriminating language, religion, race, sect and gender with the participation of the Station Managers who are determined as our employee representatives, at the stations. The main responsibilities of these managers are to share the decisions taken with respect to the employees or the developments concerning the employees with the employees.

### Elements of the Human Resources Policies

By supporting participation, teamwork, entrepreneurship, creativity and productivity, ensuring our Company is the preferred place to work in Turkey, making it a big family with happy and loyal employees, and ensuring its continuity.

#### Human Resources Systems:

##### - Selection and Placement

- Selection Process
- Orientation

##### - Performance Management

- Target and Competency Management
- Compensation

##### - Talent and Career Management

##### - Training

- Mentoring System
- Career Planning
- Personal Development Trainings

##### - Remuneration Management

##### - Organization Development Activities

- Corporate Culture, Vision, Mission
- Employee Loyalty and Satisfaction Practices
- Regulatory Work
- Organizational Work

### Selection and Placement

#### Selection Process and Placement/Creating a candidate pool at the Group Companies

The main principle in selection and placement is to meet workforce needs in the most efficient and shortest time with the logic of "the right person for the right job". In this context, personnel needs are determined within the framework of the human resources plan determined in line with the Company's goals and strategies, and the profile required by the position is determined based on the job description and competencies. The Human Resources Department checks to see if there is a sufficient budget for the staff while requesting personnel. Staff planning should be done carefully by paying attention to efficiency. The Human Resources Department and department managers share the responsibility of select personnel who are in compliance with the mission and vision of the Company, who can fulfill the responsibilities required for the job, adapt to the working conditions, and who have the necessary competencies and the qualifications required for the position to at least at the minimum expected level. Part of our Human Resources policy is to prioritize all Company employees among the Company and Group companies in the work opportunities appropriate to their career development and potential.

The candidate pool in general;

The candidate pool in general consists of the potential candidates proposed by the Çelebi employees, candidates who apply directly by submitting a CV or by filling in a form, those candidates who apply by responding to an advertisement, applications collected in career days at universities, applications received from university preparation courses and educational institutions with which efforts have been taken to develop cooperation, or general applications made electronically online. In the selection of personnel, the order that is followed according to priorities is as follows:

- Employees who apply through internal announcements,
- Candidates recommended by Çelebi employees,
- Candidates who have previously applied through an advertisement or directly,
- Candidates who in response to an advertisement,
- Candidates who are referred to the organization by external consulting firms.

A new regulation on selection and placement of employees is in place and the Human Resources departments of associated companies execute all recruitment in compliance with the regulations.

For the selection of candidates, foreign language and general aptitude tests prepared by professional organizations, and assessment center applications are used. For all recruitments, candidate references are checked.

### **Orientation**

Newly recruited employees are included in the orientation program in order to inform them of the Company mission, vision, principles and policies, and the working conditions of the Group Companies and their fields of activity.

### **Performance Management**

#### **Performance Appraisal**

The performance appraisal system aims to provide the appropriate environment for the fulfillment of the objectives, which can identify and improve levels of competency, provide support for appointments, rotations and career planning, strengthen the communication between the subordinates and their superiors, improve the managerial competencies of our managers and to accelerate the flow of information that will be given to the management by all our staff with the feedback to be given.

Under our performance appraisal system, which aims to conduct an objective assessment based on the determined targets and competencies, the performance of all our white collar employees are assessed twice a year in 2021 as a first. The performance assessments of those in Assistant Manager or higher positions are carried out on the basis of competence and target. In the 2021 mid-term performance appraisal, all positions (excluding trainees) at the Head Office and Regional Directorates, and supervisors and higher positions at stations are being assessed by objectives and competencies. 2021 performance appraisal completed at year-end.

#### **Performance Rewarding**

According to the results of performance evaluation that is realized at year-end, employees who achieved outstanding success were rewarded within a certain proportion of their annual salary.

### **Talent and Career Management**

The purpose of the Talent and Career Management activities is to provide a candidate pool at Çelebi for placing candidates in positions within Çelebi Ground Handling which match the expectations of employees with those of the Company. Between 2009-2021, a total of 22 senior managers were trained for service in critical positions in ground handling services and cargo operations in Mumbai and Delhi in India, in Hungary and in Frankfurt.

Within this context, in all our companies;

- Career maps are established in accordance with previously set up competency and qualification scales, and the training and rotations necessary for each career step are continuously monitored.
- A backup policy is developed for critical positions.



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The Talent Management process has been designed to ensure a more systematic career management function in the Head Office, Regions and stations, and Talent Committees have been created. These committees have the following general purpose;

- To provide realistic backup planning
- To assign the right employees for critical roles
- To be able to assign, develop and follow high caliber employees
- To review and check the employee profile

Opportunities for promotion or rotation are offered to employees within internal assignment criteria. When there is a need for positions, these are first announced to Çelebi Ground Handling employees. Our employees are given priority in the evaluation process.

### **Training**

Work on training and developing programs has been organized at different levels to identify where there is room for improvement in terms of enhancing the knowledge, skills and behavior of Çelebi's employees as required for their assignments, to develop and fulfill their potential and advance it further and to prepare all employees for the responsibilities of future.

For supervisor positions, which are the first stage of management and for Supervisor candidates, the "New Manager Program" has been put into operation. This program includes Management Skills Training and intra-corporate department presentations.

The Human Resources Directorate annually plans the personal and professional development trainings. The personal and professional development trainings are identified and included in the plan as a result of the Performance Appraisal and Talent Management Project conducted annually throughout the Company.

Çelebi Academy is responsible for managing the mandatory sectoral training programs for those employed in operational roles as identified by national and international aviation authorities, for managing the development processes that are necessary for enabling the organization to achieve its operational targets, for creating the infrastructure necessary to ensure employees' development with respect to operational aspects, and for coordinating and running all the processes related to the training department.

For the mandatory refresher trainings included in the Training Instruction of the Civil Aviation General Directorate and in the General Directorate of State Airports Authority's (DHMI) Driving on the PAT Areas Guidelines, e-learning project works that will provide remote access were completed and are being implemented successfully.

A total of 11 training modules, including Ramp Safety and Apron Rules Refresher Training, Passenger Services Refresher Training, Travel Documents Refresher Training, Driving on the PAT Areas Refresher Training, Transfer of Disabled Passengers Refresher Training, Pushback-Head Set Refresher Training and Ramp Equipment Operation Refresher Training, SMS (Safety Management System) Refresher Training, SMS (Safety Management System – Refresher for Practitioners), Course-1 Security Awareness Basic and Refresher Training, were included in the e-learning program, and they were put into use following approval from the related authorities. Furthermore, Global Orientation and Çelebi Code of Ethics e-learning module has been brought to completion and trainings were assigned to employees.

In addition, KVKK (Personal Data Protection Law), ISO27001 and Waste Management training programs that employees are obliged to take under other applicable legislation are being prepared in the form of e-learning training modules and assigned to relevant employees.

Our Company's employees have actively used the Çelebi distance-school application with great interest. Joint training programs and operational trainings specific for the relevant department that they work in are assigned to each employee.

The use of our mobile application which aims to support our classroom training modules, to keep the employees up-to-date, and let them consolidate the information they receive successfully continued.

All training reports can be accessed over the SAP system. Çelebi Academy prepares periodic training budget planning and reporting based on these records.

All operational technical training is provided by internal trainers. All documents, training modules and exams used in the training are updated every 2 years under the revisions carried out with internal trainers, and this is announced.

In the January-December 2021 period, training per person was 6.2 days (2019: 5.3). In 2020, in addition to classroom training, 37 different e-training programs were produced, 27 of which were operational, and online training per person was 520 minutes. During 2021, 42 different e-training programs were produced, 26 being operational.

Support is obtained from the training and consulting companies for personal and professional development trainings. (Presentation Techniques, Team Work, Management Skills Development etc.)

### Remuneration Management

In line with the Company's vision and goals, the Çelebi Ground Handling remuneration system was established based on the prevailing market conditions and the developments in the aviation sector, and a remuneration scale was created to ensure the Company's internal consistency and reflect these conditions. In short, the pay should be the same for any two people working on the same task and the value of their work is the same if it does not differ from each other in terms of content, time, source, position profile etc., even if their personal traits and skills may be different.

The Head Office and administrative staff's remuneration scale is periodically compared with data received from market remuneration survey companies, and the scale is established in a way to include the results in these surveys. When determining the pay of senior managers, who are included in the Head Office remuneration scale, these criteria are taken as a basis. It is updated every year by market surveys.

Remuneration for operational staff is determined according to the titles in the organizational structure, but based on a tariff linked to station sizes. It is updated every year by market surveys.

The results of the regularly conducted performance assessments affect the pay rises and year-end bonuses.

In addition to the current base salary, a foreign language allowance is given for personnel who pass the examinations applied for positions that require knowledge of a foreign language. In addition to the foreign language allowance, personnel working as drivers are paid a vehicle bonus depending on the type of vehicle they use. Furthermore, various role-based responsibility premiums are being paid for qualifications required on the basis of roles.

### Organizational Development Activities

#### **Employee Satisfaction Applications**

The action plans that are created with the participation of a wide range of employees in order to increase employee satisfaction continued as an important project process under the leadership of the consultant company. The Employee Loyalty and Satisfaction survey is repeated every year.

#### **Regulation Work**

In addition to the HR and Training Regulations established and used, regulations on operational and other issues continue to be created and revised with the projects that will be carried out jointly for the issues needed.

#### **Organization Work**

The Company ensures that the organizational structures are rendered effective and standardized in accordance with the requirements, and organizational changes are monitored and published. Work on determining hierarchical levels and revising the roles according to the prevailing conditions are the primary issues of the HR policies.

#### **Communication**

With the aim of creating participative management and a secure working place for employees and to meet the requirements, personnel are informed of the Company's financial status, wages, career opportunities, training programs, health policies through meetings held and every opportunity is taken to send such messages. The suggestions, complaints, opinions and comments received from employees serves as a starting point for the required work.

#### **Occupational Safety**

Our Company has a management system that provides a secure and healthy work place for its employees and which uses risk evaluation to determine the risks and dangers employees may face, and which takes precautions, develops activities to reduce these dangers and risks in line with the requirements set out in labor law. The system's OHS performance is continuously tracked where OHS aims are put into practice with management programs. Furthermore, our 30 stations and the Head Office hold the OHSAS 18001 certification.

#### **Social Activities & Internal Communication**

The Çelebi anniversary and seniority ceremonies, which are held at the Head Office and all our stations in honor of employees completing 5 years of service - and for each 5 years of subsequent service - are organized yearly at the Head Office and our stations.

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## II - FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR MANAGEMENT

At the annual general meeting of the Company held on 15 April 2021, shareholders approved the payment of a monthly honorarium of TL 10,500 to the independent members of the Company's board and also voted not to pay any other honoraria to board members who are elected to represent Class A and Class B shareholders. Payments were made to the Company's independent directors in the first quarter of 2021.

No member of the Board of Directors has any outstanding obligations towards the Company that were carried forward from 2020. No member of the Board of Directors was given a loan or paid an advance by the Company in January-December 2021 period.

In the January-December 2021 period, TL 115,000 has been paid as advances to our Company's directors. TL 76,668 of this amount has been repaid during the reporting period and the outstanding advances carried forward from 2021 as at 31 December 2021 amount to TL 38,332.

There are no loans made by the Company to its Board members or managers whose terms have been extended or otherwise improved; no sums have been lent to them as personal loans through third parties; neither have they been granted any form of surety such as guarantees etc. on their behalf.

## III - THE COMPANY'S ACTIVITIES AND MATERIAL DEVELOPMENTS IN ACTIVITIES

### 6. THE RELEVANT SECTOR, 2021 ACTIVITIES AND PERFORMANCE

#### Civil Aviation Industry

##### In the World...

In the Annual Review 2021 that it has released, the International Air Transport Association (IATA) reported that the total demand that would form in 2021 was down by 58.4% as compared to 2019 which is a pre-pandemic period. Taking into account that the demand formed in 2020 was 65.8% lower than in the pre-pandemic 2019, the IATA underlined that 2021 represented a betterment as compared to the previous year.

In 2021, international passenger demand was 75.5% below 2019 levels. Capacity decreased by 65.3% and the load factor slid down by 24 points to 58%. Domestic demand, on the other hand, decreased by 28.2% as compared to 2019. Capacity shrank by 19.2%, as load factor slid down by 9.3 percentage points to 74.3%.

December 2021 total traffic was 45.1% below the same month in the pre-pandemic 2019, little improved from the 47% decline in November despite the effects of the Omicron variant that plagued the last months of 2021.

Bookings for future domestic and international travel that went down as compared to 2019, conventionally less intense months of January and February, and the effect of the Omicron variant are all anticipated to further weaken the flight traffic in 2021.

#### International passenger transport traffic by regions:

**European** carriers saw a 67.6% air traffic decline in 2021 when their year-end data are compared to 2019. Capacity fell 57.4% and load factor decreased 20.6 percentage points to 65%. In December 2021, traffic slid 41.5% compared to December 2019, which still represented a 2% improvement over the data for November 2021 compared to November 2019 data.

**Asia-Pacific** airlines' international traffic crashed by 93.2% at 2021 year-end compared to 2019, making the region the one that suffered the highest fall in all geographies. Capacity was down 84.9% and load factor fell 44.3 percentage points to 36.5%. Despite 87.5% fall in airline traffic in December 2021 compared to December 2019, there was a slight improvement of 2% over the November data for the same years.

**Middle Eastern** airlines' annual passenger volume at year-end 2021 was 71.6% below 2019. Annual capacity fell 57.7% and load factor plummeted 25.1 percentage points to 51.1%. Despite 51.2% decline in traffic in December 2021 over that in December 2019, it still shows a slight betterment of 3% as compared to the November data for the same years.

**North American** airlines' full year traffic fell 65.6% compared to 2019 according to year-end 2021 data. Capacity dropped 52%, and load factor sank 23.8 percentage points to 60.2%. December demand was down 79.6% compared to the same month in 2019, a 3% pick-up over November data for the same years.

**Latin American** airlines had a 66.9% full year traffic decline compared to 2019 according to their year-end 2021 data. Capacity fell 62.2% and load factor dropped 10.2 percentage points to 72.6%. Although the traffic fell 40.4% for the month of December 2021 compared to December 2019, there was a 7% improvement over the November data for the same years.

**African** airlines' annual traffic fell 65.2% according to year-end 2021 data compared to 2019. Capacity dropped 56.7%, and load factor sank 14.1 percentage points to 57.3%. Compared to December 2019, airline traffic was down by 60.5% in December 2021. November has been a more positive month as compared to other regions due to the travel restrictions imposed by the governments due to the Omicron variant.

**China's** passenger traffic fell 24.4% in 2021 compared to 2019. It was down 39.6% for December 2021 versus December 2019, which was an 11% betterment over November data for the same years.

**Russia's** domestic traffic increased 24.2% for the full year and 23.2% for the month of December. Russia has been the only market that expanded in 2021 as compared to 2019.

#### **In Turkey...**

Domestic line commercial aircraft traffic increased by 35% in the January-December 2021 period in Turkey compared to the same period of the previous year, while international commercial aircraft traffic augmented by 73.8% in the same timeframe. When 2021 data are compared to 2019 data, domestic line and international commercial aircraft traffic declined by 22.4% and 36.1% respectively. Based on these results, total commercial aircraft traffic decreased by 29.5%.

#### **January-December 2021 Activities and Performance**

Although governments adopted numerous measures that restrained the aviation industry due to the crisis and the pandemic caused by the Covid-19 virus that has affected the whole world, borders were reopened and flights started in the January-December period. Warehouse and Cargo Services division was much less affected by the pandemic, and continued service normally also amid the altered conditions.

Since March 2020, the Group Management has suspended all outlays that are not urgent, postponed investments, and put its employees on paid and unpaid leave. In order to cut fixed costs, the Group considered the supports provided by the governments of countries in which it is active, necessary applications were filed therefor, and the Company has made use of various supports. In addition, deals were reached with airport operators and country aviation authorities, whereby licensee and rental fee payments were waived, deferred or discounted. The Group Management closely monitored its cash flow in a bid to maintain the strength of its liquidity position.

As the rate of vaccination against Covid-19 increased in Turkey and in the world as of 31 December 2021, travel demand showed an upturn, which positively affected the aviation industry. While preparing its consolidated financial statements for the year ended 31 December 2021, the Group has evaluated the potential effects of the Covid-19 pandemic, and reviewed the projections and assumptions used. In this context, possible value losses that may descend in the consolidated financial statements for the period ended 31 December 2021 were assessed and no material impact was ascertained.

A total of 63,686 flights were serviced by the Company in the Turkish market during January-December 2021 period, corresponding to a 35% year-on-year increase over the 2020 figure of 47,125 flights.

All subsidiaries of our Company sustained significant decreases in the numbers of operational services due to the Covid-19 pandemic in 2020. As vaccination campaigns helped mitigate the effects of the pandemic in the January-December 2021 period, service numbers improved as compared to the same period in 2020.

Our subsidiary, Çelebi Airport Services India Private Limited (formerly known as Çelebi Ground Handling Delhi Private Limited), which started to provide services at the Indira Gandhi International Airport in Delhi, India from June 2010, served 27,289 flights at the Delhi, Ahmedabad, Kochin, Bangalore and Hyderabad stations in the January-December 2020 period. In the January-December 2021 period, the number of flights served rose to 29,746 registering an 8.6% increase. Service has been provided at the Hyderabad station since 1 April 2019.

Our Celebi Delhi Cargo Terminal Management India Pvt. Ltd. subsidiary has been providing cargo warehousing and handling services in 77,000 m<sup>2</sup> of space at Delhi International Indira Gandhi Airport since November 2009. While the company had handled 353,056 tons of cargo in 2020, the same went up by 9.7% to 387,333 tons in the January-December 2021 period.

Celebi NAS, another subsidiary that began services at Chhatrapati Shivaji International Airport in Mumbai (Bombay) in July 2009, serviced 13,635 flights during January-December 2020 period. In the January-December 2021 period, 14,647 flights have been served with an increase of 7.4% year-on-year.

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Çelebi Ground Handling's first international subsidiary, Celebi Ground Handling Hungary served a total of 17,614 flights in January-December 2021 period, as compared with 13,204 flights serviced in 2020.

Celebi Ground Handling Hungary started cargo handling operations in January 2011 in its new warehouse located outside the airport. While the company had provided service for a total of 67,503 tons during 2020, the same registered as 67,148 tons in January-December 2021 period.

Celebi Cargo GmbH entered operation in 2011 to offer air cargo storage and handling services in its storage facilities at the International Frankfurt Airport's "Cargo City Süd". Having handled 141,433 tons of cargo in 2020, that figure went up to 184,893 tons in January-December 2021 period.

The Group's consolidated gross profit as of the end of 2021 was up by 113.4% to TL 831,869,475 (2020: TL 389,861,407). As of the end of 2021, the Company posted an operating profit of TL 525,755,696 (2020 operating profit: TL 205,735,543).

As of the end of 2021, the total amount set aside for legal and compensation provisions of our Company was TL 9,047,150 (31 December 2020: TL 8,094,479). There was no legal action or demands for compensation against the Company during the period which would significantly affect the Company's financial status or activities.

## **7. DEVELOPMENTS IN INVESTMENTS; INVESTMENT INCENTIVES USED**

Tangible fixed asset investments realized by the Group during the year ended on 31 December 2021 amounted to TL 86,876,891 (31 December 2020: TL 49,567,215). 45.9% of these investments consisted of investments in progress, 37.1% of investments in machinery, equipment and appliances, 8.3% in investments in vehicles, 5.7% in investments in leasehold improvements, and 3% in investments in fixtures.

Total consolidated investment outlays of the Group in tangible and intangible assets as of 31 December 2021 were worth TL 90,471,984. (2020: TL 72,868,016).

Our Company holds the Large Scale Investments incentive certificate obtained from the Ministry of the Trade, the General Directorate of Incentive Implementation and Foreign Investment based on the buildings, facilities, machinery and equipment investments that our Company undertook at the Istanbul Airport. The total amount of investment undertaken by our Company under this incentive certificate until 31 December 2021 stood at TL 227,981,615.

## **8. DIRECT OR INDIRECT ASSOCIATES OF THE COMPANY AND INFORMATION ON SHAREHOLDING THEREIN**

In 2006, the Company has acquired the shares in Budapest Airport Handling, a company which has been providing ground handling service at Budapest Airport, and the company's name was changed to Celebi Ground Handling Hungary ("CGHH").

As at 31 December 2021, the paid in capital of CGHH is HUF 200,000,000, while the Company holds 100% of the shares.

As a result of the tender put out for the performance of ground handling services for a period of 10 years at the Mumbai Chhatrapati Shivaji International Airport in India, which has been contracted out to a consortium that also included the Company, a company with the name "Celebi Nas Airport Services India Private Limited ("Celebi Nas") and based in the Maharashtra state in Mumbai has been incorporated on 12 December 2008 to provide ground handling services at the said airport. Celebi Nas has a capital of INR 100,000,000, in which the Company controls 57% stake as a founding partner. The paid-in capital of Celebi Nas is INR 552,000,000. Besides, INR 228,000,000 has been paid as advance capital by the shareholders in Celebi Nas. Celebi Nas has been granted the concession rights concerning the rendering of services regarding air conditioners and generators mounted on passenger boarding bridges in the passenger terminal of that airport until May 2036. As per the concession contract between Celebi Nas and the tender authority MIAL, Celebi Nas will continue to provide ground handling services for a period of 10 (ten) years from 1 January 2020 to 31 December 2029 following the expiry of the current concession period on 31 December 2019 at the CSIA airport in Mumbai, India.

The additional protocol that concerns Celebi Nas and that came into force upon its registration on 8 February 2021 made various modifications to the "Reserve Matters" articles. These modifications created changes in favor of the Company in the Company's controlling power in connection with its possessing a power on the company/asset that is being invested in, its being open or entitled to variable returns to be derived on the company/asset being invested in, and its capability to exercise its power so as to have impact on these returns. In this framework, Celebi Nas started to be consolidated in 2021 using the full consolidation method from the date control was handed over to the Company.

The Company acquired 65% of Celebi Tanzania Aviation Services Limited ("Celebi Tanzania"), established in Darussalam, Tanzania to participate in the concession auctions for provision of ground handling services. The said company's share capital is 100 million Tanzanian Shillings (approximately USD 40 thousand). In line with the agreement signed with Tanzania's Airport Authority, the company has started its operations from 1 February 2021.

In 6 May 2019, the Company established Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") in which it controls a 74% share as a founding partner and which will be engaged in the brownfield development, modernization and financing of the existing cargo terminal in the airport in New Delhi, India, and in its operation for a period of 25 years. The paid-in capital of Celebi Delhi Cargo is INR 1,120,000,000.

Upon winning the contract for the execution of airport ground handling services for a period of 10 years at the Delhi International Airport, a total of INR 1,351,916,730 has been paid in legal and premium share capital until today. Under the ongoing concession agreements, the Company carries on with ground handling services at New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad airports. On 15 March 2018, the company's name was changed as Celebi Airport Services India Private Limited ("CASI"). Based on the authorization granted on 9 December 2019, CASI will continue to provide ground handling services for another 10 years following the expiration of the existing concession period at the Delhi International Airport.

Celebi GH Delhi, a subsidiary of the Group, participated in DASPL by acquiring 16.66% stake in the company. DASPL resides in New Delhi, India, has a paid-in capital of INR 250,000,000 and was set up to ensure execution of air conditioning units installed on passenger bridges in the airport's passenger terminal, generator and utility water services in compliance with international standards. On 14 November 2016, Celebi GH Delhi acquired an additional 8.33% share in DASPL, and the Group's shareholding interest in DASPL rose to 24.99%. The Group recognizes DASPL in its consolidated financial statements by equity method.

The liquidation of Celebi Spain has been finalized during 2021.

Çelebi Cargo is engaged in air cargo storage and handling at the storage/warehouse facility in Frankfurt Cargo City Süd located in Frankfurt International Airport. Çelebi Cargo rented the facility from Celebi Cargo GmbH ("Celebi Cargo"). Residing in Frankfurt, Germany, Celebi Cargo GmbH is a wholly owned subsidiary of the Company founded in November 2009, and has a paid-in capital of EUR 11,140,000.

The Company acquired 57.65% stake in KSU Aviation Pvt Ltd ("KSU"), a company established in India on 8 May 2019 to provide "taxiing" services to aircrafts in the airports in India. For this purpose, the Company made a capital payment of 420 million Indian Rupees (approximately EUR 5.56 million) in total.

## **9. INFORMATION ABOUT FINANCIAL STATEMENTS AND REPORTS**

The summary consolidated financial statements of the Group are issued in compliance with the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No: 14.1 on Principles of Financial Reporting in the Capital Markets, which is published in the Official Gazette no. 28676 and dated 13 June 2013. In accordance with Article 5 of the communiqué, the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) released by the Public Oversight Accounting and Auditing Standards Authority (KGK) and the related annexes and comments were taken as a basis in the publication of the consolidated financial statements.

Moreover, the financial statements are presented in accordance with the formats specified in the "Announcement regarding IFRS Taxonomy" published by the KGK on 15 April 2019, and in the Illustrative Financial Statements and User Guide published by the CMB. By its decision passed on 17 March 2005, the CMB announced that publicly-held companies operating in Turkey did not need to apply inflation accounting effective 1 January 2005. The Company's financial statements have been drawn up within the frame of this decision.

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When keeping their accounting records and preparing their mandatory financial statements, the Group and the Group companies located in Turkey conform to the principles and conditions set forth by KGK, as well as the Turkish Commercial Code (TCC), tax legislation, and the requirements of the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Treasury and Finance. The accounting records and financial statements of the subsidiaries, joint venture and associate operating in foreign countries, on the other hand, have been drawn up in accordance with the laws and regulations applicable in the countries where they are active. Consolidated financial statements are based on the statutory records of the Company, its subsidiaries, JV and associate, and have been issued to incorporate the required adjustments and reclassifications for the purpose of fair presentation pursuant to the Turkish Financial Reporting Standards. Assets and liabilities of consolidated foreign partnerships have been translated into Turkish lira using the exchange rate on the date of the consolidated financial condition statement, whereas income and expenses have been translated using the average exchange rate. Exchange differences resulting from the closing and the use of average exchange rate are followed up under the FC translation differences account under shareholders' equity.

The Group's reporting currency is Turkish lira. Under TAS 21 ("The Effects of Changes in Foreign Exchange Rates"), financial statements prepared in terms of Euro were converted into TL using the method described below:

- a) Assets and liabilities on the balance sheet were translated into TL using the Euro FC buy and sell rate announced by the Central Bank of the Republic of Türkiye (CBRT) on the balance sheet date.
- b) Profit or loss and other comprehensive income statement was translated into TL using the average or, whenever possible, daily Euro buy and sell rates announced by the CBRT.
- c) All arising exchange rate differences were reported as a separate element of equity under the name translation differences.

The effect of the said accounting standard upon financial statements has been explained in detail under the footnote 2.1.1 in the financial report.

#### The Companies Incorporated into Consolidation

The Company's consolidated financial statements for the period ending 31 December 2021 include the results of the Company, Celebi Nas, CGHH, Celebi Delhi Cargo, CASI, Çelebi Cargo, DASPL, Celebi Cargo GmbH, KSU and Celebi Tanzania which are jointly referred to as the "Group".

#### **10. DONATIONS**

In the year ending 31 December 2021, the Group's donations and grants to various foundations, associations, chambers, public institutions and organizations amounted to TL 394,266.

## IV - FINANCIAL STANDING

### 11. KEY FINANCIAL RATIOS

The key ratios showing our Company's financial structure, profitability, and debt-servicing were calculated on the basis of the consolidated financial statements dated 31 December 2021 and 31 December 2020 mentioned above.

	31 December 2021	31 December 2020
Current Ratio (Current Assets/Current Liability)	1.14	0.87
Cash Ratio (Cash Assets/Current Liabilities)	0.68	0.55
Short-Term Liabilities/Total Liabilities	44.52%	46.05%
External Resources/Shareholders' Equity	227.27%	518.91%
	31 December 2021	31 December 2020
Average Collection Time	38.21	43.97
Gross Profit Margin	32.49%	25.29%
Operating Profit (Loss)/Net Sales Revenues	20.54%	13.35%
Operating Profit (Loss)/Total Assets	9.62%	7.45%
EBITDA/Net Sales Revenues	31.77%	25.09%

### 12. INFORMATION ABOUT PRODUCTION AND SALES OF GOODS AND SERVICES

The number of aircraft serviced by our Company in the year ended 31 December 2021 is stated below:

Number of Aircraft Serviced	2021	2020	2021-2020 %
	January-December	January-December	
International Flights	23,449	14,617	60.4
Domestic Flights	40,237	32,508	23.8
<b>Turkey Total</b>	<b>63,686</b>	<b>47,125</b>	<b>35.1</b>
Hungary	17,614	13,204	33.4
India	44,393	41,024	8.2
<b>Grand Total</b>	<b>125,693</b>	<b>101,353</b>	<b>24.0</b>

The weights of cargo handled by the Company in 2021 are stated below:

Group (Consolidated)	31 December 2021				31 December 2020			
	Express Cargo	Domestic	WT (Import)	WT (Export)	Express Cargo	Domestic	WT (Import)	WT (Export)
Çelebi Ground Handling Inc.	-	-	17,967	30,261	-	-	21,454	44,455
Celebi Delhi Cargo (India)	19,154	68,058	161,777	138,344	11,158	66,610	149,370	125,918
Celebi GHH (Hungary)	-	-	41,566	25,582	-	-	39,334	28,169
Celebi Cargo GmbH (Germany)	-	-	78,157	106,736	-	-	60,083	81,350
<b>Total Ton</b>	<b>19,154</b>	<b>68,058</b>	<b>299,467</b>	<b>300,923</b>	<b>11,158</b>	<b>66,610</b>	<b>270,241</b>	<b>279,892</b>



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### 13. DIVIDEND POLICY AND TIMING

On 8 April 2014 our Company's Board of Directors passed a resolution to approve the revision of the Company's Dividend Policy pursuant to the requirements of Capital Markets Board Dividend Communiqué II-19.1, which went into effect with its publication in issue 28891 of Official Gazette dated 23 January 2014; to publicly disclose this revision; and to submit this revised Dividend Policy for the consideration and approval of shareholders at the upcoming annual general meeting. At the Ordinary General Meeting held on 8 May 2014, the Board of Directors resolution concerning the Dividend Policy passed on 8 April 2014 was discussed and unanimously approved by shareholders.

#### Çelebi Ground Handling Inc. Dividend Policy

- Taking our Company's medium- and long-term strategies, its investment and financing policies, and its profitability and cash situation into account and in the absence of any extraordinary developments in our Company's investment and/or financing needs and/or occurrences in its industry or the economy, at least 50% of net distributable profit shall be paid out as a dividend. When determining the dividend rate, attention shall be given to medium- and long-term investments that may require short-term cash outflows, material events that affect our Company's financial structure, and significant developments in the sector and/or in the economy and/or in markets.
- Dividends whose payment has been decided upon may take the form of cash, of bonus shares, or of some mix of the two.
- Dividend and payment-timing Board of Directors resolutions shall be in compliance both with this Dividend Policy and with currently applicable laws, regulations, and administrative provisions and then publicly disclosed. Board of Directors dividend and payment-timing proposals shall be considered and decided upon by shareholders convened in a general assembly. The payment of dividends shall begin within maximum thirty days of the date of the general meeting at which the decision to pay them is taken and in all cases within statutorily-mandated periods of time. The Board of Directors may decide to have dividends paid in installments provided that a general assembly of shareholders shall have authorized it to do so.
- Provided that a general assembly of shareholders shall have authorized it to do so, the Board of Directors may decide to have advances paid against dividends and may affect the payment of such advances subject always to the Capital Markets Law and Capital Markets Board regulations and decisions and to the Company's own articles of incorporation.

With the decision of the Board of Directors taken at the Ordinary General Meeting convened on 15 April 2021, our financial statements, prepared on the basis of our legal books of account dated 31 December 2020, show a net current loss of TL 157,612,990 remaining after the deduction of all taxes and other legal obligations.

According to our Company's independently-audited consolidated financial statements dated 31 December 2020 prepared in accordance with Turkish Accounting Standards & Turkish Financial Reporting Standards (TMS/TFRS) and in CMB-specified formats pursuant to the requirements of CMB Communiqué II: 14.1 Concerning Financial Reporting Principles In Capital Markets, the net current loss remaining after the deduction of taxes and other statutory obligations amounts to TL 169,179,611.

Within the framework of CMB legislation, since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period and no first legal reserves that need to be set aside pursuant to the Turkish Commercial Code (TCC), the net current loss is TL 169,179,611.

The entirety of the Net Profit for the Period in the amount of TL 169,179,611 descended in the Company's Consolidated Financial Statements dated 31 December 2020 is as follows:

<b>ÇELEBİ HAVA SERVİSİ A.Ş. Profit Distribution Table for 2020 (TL)</b>		
	<b>According to CMB legislation</b>	<b>According to legal records</b>
Net Profit for the Period (-)	-169,179,611.00	-157,612,990.00
Prior Year Loss (-)	0.00	0.00
General Legal Reserves	0.00	0.00
<b>Net Distributable Profit for the Period</b>	<b>-169,179,611.00</b>	<b>-157,612,990.00</b>
First Dividend to Shareholders	0.00	0.00
Second Dividend to Shareholders	0.00	0.00
Other Funds for Distribution	-	0.00
General Legal Reserves	0.00	0.00
<b>Transferred to Extraordinary Reserves</b>	<b>0.00</b>	<b>0.00</b>

In this framework, under the CMB's regulations concerning profit distribution, it was decided by unanimous votes of the meeting attendants against distributing profit for 1 January 2020- 31 December 2020 fiscal year.

## **14. MISSION AND VISION**

### **Mission**

To be the global solution partner, adding value to its shareholders while correctly perceiving the needs of airport users and sustaining quality.

### **Vision**

With a team fully identified with the collective "Çelebi spirit", being an internationally leading and trustworthy company that creates changes in its sector and produces value for all stakeholders.

### **Strategic Objectives**

The strategic objectives of Çelebi Ground Handling are to maintain its position as the leader of the ground handling services sector in Turkey, to take part in ventures in ground handling services and terminal management and operations inside/outside Turkey.

## **V - RISKS AND AN ASSESSMENT BY THE GOVERNING BODY**

### **15. BASIC FINANCIAL RISKS AND MANAGEMENT POLICIES**

Due to the nature of its activities, the Group is focused on managing various financial risks including the effect of changes in exchange and interest rates. By its risk management program, the Group aims to minimize the potential negative effect to be caused by the volatilities in the markets.

Risk management is carried out within the frame of policies approved by the Board of Directors. The tasks of planning risk management, overseeing its operations and effectiveness, and ensuring that the internal audit team carries out its activities within the framework of the risk management plan are the duty of the Audit Committee, which has been set up by a Board of Directors resolution pursuant to CMB regulations and of the Corporate Governance Committee pursuant to the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles. The Audit Committee formulates a risk management and internal audit system capable of minimizing the risks that the Company could be exposed to and takes such measures as are needed to ensure that the system functions reliably. The Corporate Governance Committee sets up the necessary mechanisms for the early detection of operational and financial risks, implementation of necessary actions in relation to identified risks, and management of risk, and takes the necessary steps for their healthy operation.

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### Interest Rate Risk

The Company is exposed to interest rate risk due to the effect of the changes in interest rates on interest-bearing assets and liabilities. This risk is managed through balancing assets and liabilities that are sensitive to interest rates. Within the frame of its principle to manage risk with natural actions consisting of balancing the maturities of assets and liabilities sensitive to interest rates, the Company management utilizes its interest-bearing assets in matching-term investments. In addition, the Company protects itself from the interest risk arising from floating-rate bank loans through limited use of interest rate swap agreements that take place among derivative instruments as and when deemed necessary.

### Liquidity Risk

The cash flow, made up of repayment times and amounts of loans, is managed in view of the amount of free cash flow to be generated by the Group on its activities. Therefore, while the option of debt repayment with the cash generated on activities when necessary is kept available on one hand, sufficient number of reliable and high-quality lending resources are kept accessible on the other.

### Credit Risk

Credit risk consists of cash and cash equivalents, deposits held with banks, and customers exposed to credit risk that cover uncollected receivables.

With respect to the management of the credit risk concerning its receivables from customers, the Company identifies a risk limit individually for each customer (excluding related parties) using bank and other guarantees, and the customer carries out its business transactions so as not to exceed this risk limit. In the absence of these guarantees or in cases where they are required to be exceeded, transactions are carried out within internal limits set by procedures.

### Exchange Rate Risk

Taking into consideration the significantly volatile course adopted in the past by the Turkish Lira against major foreign currencies and its over-valuation, the Group espoused a conservative monetary position and financial risk management policy. The Group is exposed to exchange rate risk due to its operations conducted in numerous currency units. Efforts are spent to keep the ratio of the amount of positions of these currencies among themselves or against Turkish Lira to total shareholders' equity within certain limits. To this end, foreign currency position is continually analyzed, and the exchange rate risk is managed using balance sheet transactions, or when necessary, off-balance sheet derivative instruments.

### Capital Risk

The Company's goals in managing the capital is to be able to ensure the continuity of the Company's activities to sustain the optimum capital structure for the purpose of providing returns for its shareholders and benefits for its other stakeholders, and for minimizing the cost of capital. The Company's shareholders may, to the extent allowed by the CMB legislation, alter the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares and sell its assets to decrease indebtedness in order to preserve or reformulate the capital structure. Along with the other companies in the sector, the Company monitors the capital by utilizing the debt/capital ratio, which is net indebtedness divided by total capital. Net debt is total debt less cash and cash-equivalent assets and deferred tax liabilities. Total capital is the shareholders' equity and net debt as shown in the balance sheet.

## VI - OTHER MATTERS

### 16. CHANGES TO THE ARTICLES OF INCORPORATION AND COMPANY POLICIES

There was no change in our Company's articles of incorporation and policies between 1 January-31 December 2021.

### 17- ENVIRONMENT AND NATURE, SUSTAINABILITY

Ever since its incorporation, our Company has in place an environmental management system that is sustainable, focused on contributing value, and open to continuous improvement in order to systematically mitigate, and even eliminate, if possible, actual or potential harms it may cause to the environment by reason of its operations.

## **Our Sustainability Vision and Mission**

Within the scope of our sustainability vision, we envisage to manage our activities globally so as to encompass environmental, social and economic issues and by involving not just our customers, but also our employees, investors and all our stakeholders.

Being "an environmentally-sensitive company with its actions in the aviation industry", our Company has set itself the target of safeguarding and enhancing the quality of life of its employees and customers through its environmental policy.

## **ISO 14001:2015 Our Environmental Management System**

Our Environmental Management System makes up a key component of our sustainability strategy, which is aimed at determining the environmental factors at every stage from service design to its delivery to customers, taking these factors under control with a proactive approach, precluding any harm to the environment, and continuously enhancing environmental performance.

In 2019, we defined our ISO 14001:2015 Environmental Management System to cover our 21 stations and our Head Office. In 2022, we are intending to expand this coverage to include all our 31 stations.

Through our Environmental Management System, we, as Çelebi Ground Handling, pledge to our investors and all related parties that we will:

- manage programs aimed at minimizing our wastes and achieving compliance with the regulatory framework,
- implement environmental sustainability programs aimed at reducing our use of natural resources,
- strive to employ environment-friendly technologies in our operations at the maximum extent possible.

## **Our Environmental Activities**

Recognizing the absolute necessity to sustainably use natural resources that humans need to maintain their lives healthily by thinking about the future generations and aware of the responsibility that falls upon it in this respect, our Company carries out the following activities to ensure optimum use of natural resources, to combat climate change, and to minimize environmental pollution:

### **Combating Climate Change**

- Calculation and public disclosure of our GHG inventory on a voluntary basis within the scope of Carbon Disclosure Project (CDP),
- Purchasing and using electric-powered vehicles (tractors, stairs, push-back, etc.) instead of fossil-fuel consuming ones as much as possible for our apron services,
- Having our flue gases analyzed annually by accredited organizations and keeping our sources of carbon emissions under control,
- Carry on work aiming to reduce carbon emissions by participating in the Carbon-Neutral Airport Project conducted by the General Directorate of State Airports Authority (DHMI)

### **Natural Resources Management**

- Sorting recyclable (paper, plastic, etc.) and recoverable (waste batteries, toners/cartridges, electronic waste, etc.) wastes resulting from our operations at source and having them recycled/recovered via licensed facilities,
- Having wastes with high calorific values such as waste lubricants, end-of-life tires etc. resulting from our operations disposed of at licensed thermal treatment facilities for waste-to-energy recovery,
- Reducing electricity consumption at buildings by using photocell systems and energy-efficient bulbs for the lighting systems,
- Reducing water consumption at buildings by using electronically operated taps at lavatories,
- Ensuring 50% water saving and 30% electrical energy saving at our buildings by obtaining LEED certification during the construction and operation phases of our Cargo & Head Office and Technical Buildings at Istanbul New Airport within the scope of the Green Buildings (LEED) project.

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## Waste Management

- Having our wastewater discharge under control through regular analyses of our wastewater sources by accredited institutions,
- Sorting our waste at source, which result from our operations, and ensure that the eligible ones are recycled/recovered/reused within the scope of the Zero Waste Regulation; having hazardous waste that cannot be won back transported and disposed of by companies licensed by the Ministry of Environment and Urbanisation so as to prevent them from causing environmental damage,
- Obtaining Point of Engine Oil Change Authorization Certificate and regularly monitoring our waste oil resulting from equipment maintenance performed at our technical buildings via the MOYDEN (Point of Engine Oil Change) system of the Ministry of Environment and Urbanisation and spending efforts for reduction,
- Creating a non-hazardous waste management information video and environmental training that can be easily reached by all our employees via our online learning platform (Çelebi e-school) with the aim of raising increased environmental awareness of our employees,
- Establishing a Pandemic Waste Management System incorporating a Company-wide uniform infrastructure and substructure for the management of pandemic waste that emerged in 2020; separately giving a Pandemic Waste Management training to related cleaning squads.

Each year, our waste inventory is calculated to evaluate our environmental performance and is announced to third institutions and organizations as the Company "Environmental Performance Reports".

Within the scope of the Carbon Disclosure Project (CDP) constituted by investors representing USD 100 trillion worth of assets worldwide, our Company annually reports its GHG emissions, energy consumption and its data associated with the climate-related risks and opportunities to the CDP.

We have made our CDP reporting also in 2019 and we have been one of the 5,800 companies worldwide representing 58% of the total global market capital. Our sustainability efforts put us on the C band, whereas we were graded in Supplier Engagement Rating (SER) B band for our GHG emissions reduction efforts, natural resource management efforts and environmental strategies. We have planned to make our reporting to the CDP platform in July 2021 after a one-year break from the CDP reporting in connection with our declined operations as a result of the pandemic-imposed conditions in 2020.

Environmental committees were set up at our stations and environmental training modules specific to our operations were developed to keep all our environmental processes alive and to contribute to continuous improvement. Our environmental committees produced projects for improving or complementing our environmental processes, as the case may be, and began implementing them.

Furthermore, on the occasion of the World Environment Day on June 5<sup>th</sup> in 2021, an online Zero Waste and Management training themed "act now" was given to 7<sup>th</sup> grade students at İstek Bilge Kağan School with the aim of protecting the environment and to pass on a livable world to the future generations. Three students that achieved the highest scores in the environmental knowledge game held at the end of the training were presented awards in a ceremony carried out at the school.

As a result of all these efforts and activities, there were no lawsuits brought or complaints filed against our Company on account of environmental issues (environmental damage etc.) as of fourth quarter of 2021.

## 18. EVENTS AFTER THE FINANCIAL STATEMENT DATE

The conflict that started off by the end of February between Russia and Ukraine is ongoing as of the date of this writing. The Group's management is closely monitoring the effects of the economic consequences of the said campaign upon the Group's operations.

## 19. PROFIT DISTRIBUTION PROPOSAL OF THE BOARD OF DIRECTORS

Our financial statements prepared on the basis of our legal books of account dated 31 December 2021 show a net current profit in the amount of TL 339,246,860.33 remaining after the deduction of all taxes and other legal obligations.

After deduction of the Prior Year Loss in the amount of TL 157,612,989.62 that needs to be deducted from the Net Profit for the Period, the Net Distributable Profit that needs to be taken into account for profit distribution according to our Company's legal records is TL 181,633,870.71.

## BOARD OF DIRECTORS 2021 Annual Report

The net profit for the period, after the deduction of tax and legal liabilities, in our consolidated financial statements dated 31 December 2021 that were prepared in accordance with the formats specified by CMB and in the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) pursuant to the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No: 14.1 on the "Principles of Financial Reporting in the Capital Markets", and which have been audited by independent organizations, amounted to TL 533,453,896.00

Within the framework of CMB legislation, since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period in our Company's consolidated financial statements and no first legal reserves that needs to be set aside pursuant to the Turkish Commercial Code (TCC), the Net Distributable Profit for the period is TL 533,453,896.00.

Accordingly, the Net Profit for the Period in the amount of TL 533,453,896.00 descended in the Company's Consolidated Financial Statements dated 31 December 2021 will be distributed as follows:

<b>ÇELEBİ HAVA SERVİSİ A.Ş. Profit Distribution Table for 2021 (TL)</b>		
	<b>According to CMB legislation</b>	<b>According to legal records</b>
Net Profit for the Period	533,453,896.00	339,246,860.33
Prior Year Loss (-)	0.00	157,612,989.62
General Legal Reserves	0.00	0.00
<b>Net Distributable Profit for the Period</b>	<b>533,453,896.00</b>	<b>181,633,870.71</b>
First Dividend to Shareholders	1,215,000.00	1,215,000.00
Second Dividend to Shareholders	162,810,000.00	162,810,000.00
Other Funds for Distribution	0.00	0.00
General Legal Reserves	16,281,000.00	16,281,000.00
<b>Transferred to Extraordinary Reserves</b>	<b>353,147,896.00</b>	<b>1,327,870.71</b>

In this framework, in accordance with the CMB regulations pertaining to profit distribution and with respect to the period from 1 January 2021 until 31 December 2021, we hereby present for the approval of the Ordinary General Assembly that will convene on 21 April 2022 that:

- Shareholders who are resident corporate entities and shareholders who are non-resident corporate entities but earn dividends through a place of business or permanent representative based in Turkey be paid a TL 6.7500 TL gross=net cash dividend for each share of stock with a nominal value of TL 1.00 that they hold corresponding to a ratio of 675.00%;
- Other shareholders be paid a TL 6.7500 gross cash dividend for each share of stock with a nominal value of TL 1.00 that they hold, which corresponds to a ratio of 675.00%, and TL 6.0750 net cash dividend for each share of stock with a nominal value of TL 1.00 that they hold, which corresponds to a ratio of 607.50%;
- The dividend payout date be set as 27 April 2022.

Very truly yours,

**ÇELEBİ HAVA SERVİSİ A.Ş.**

**BOARD OF DIRECTORS**



## CORPORATE GOVERNANCE INFORMATION FORM

### 1. SHAREHOLDERS

#### 1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organized by the company during the year 4

#### 1.2. Right to Obtain and Examine Information

The number of special audit request(s) 0

The number of special audit requests that were accepted at the General Shareholders' Meeting 0

#### 1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d) <https://www.kap.org.tr/tr/Bildirim/930822>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time Provided in Turkish.

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9 -

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1) -

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II- 17.1) -

The name of the section on the corporate website that demonstrates the donation policy of the company -

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved -

The number of the provisions of the articles of incorporation that discuss the participation of stakeholders to the General Shareholders' Meeting 10

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any <https://www.kap.org.tr/tr/Bildirim/930822>

#### 1.4. Voting Rights

Whether the shares of the company have differential voting rights No

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares. -

The percentage of ownership of the largest shareholder 89.91

#### 1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association No

If yes, specify the relevant provision of the articles of association. -

#### 1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy [www.celebiyatirimci.com](http://www.celebiyatirimci.com) >> Stock Information >> Dividend Policy

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend. [www.celebiyatirimci.com.tr](http://www.celebiyatirimci.com.tr) >> Information about General Assembly >> Minutes of General Assembly Meetings and List of Attendees >> Ordinary General Assembly Meeting dated 15 April 2021 >> Minutes of the Meeting

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends <https://www.kap.org.tr/tr/Bildirim/928518>



## General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
15.04.2021	0	94.30%	0.00%	94.30%	www.celebiyatirimci.com.tr >> Information about General Assembly >> Minutes of General Assembly Meetings and List of Attendees >> Ordinary General Assembly Meeting dated 15 April 2021 >> Minutes of the Meeting	www.celebiyatirimci.com.tr >> Information about General Assembly >> Minutes of General Assembly Meetings and List of Attendees >> Ordinary General Assembly Meeting dated 15 April 2021 >> Minutes of the Meeting	-	41	<a href="https://www.kap.org.tr/tr/Bildirim/930822">https://www.kap.org.tr/tr/Bildirim/930822</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1. [www.celebiyatirimci.com.tr](http://www.celebiyatirimci.com.tr)

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares. [www.celebiyatirimci.com](http://www.celebiyatirimci.com) >> About Us >> Shareholding Structure

List of languages for which the website is available Turkish and English

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

- |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members                                                                                               | Board of Directors, Audit, Committees and Senior Management                                                                       |
| b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure                                                                                                                                                                                                    | Board of Directors, Audit, Committees and Senior Management >> Corporate Governance, Audit and Early Detection of Risk Committees |
| c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings                                                                                                                                                      | The Board of Directors held 69 meetings in 2021.                                                                                  |
| ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation                                                                                                                                                  | -                                                                                                                                 |
| d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof                                                                                                                                                             | -                                                                                                                                 |
| e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest | -                                                                                                                                 |
| f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%                                                                                                                                                         | Direct or Indirect Associates of the Company and Information on Shareholding Therein                                              |
| g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results                                                  | Information on Personnel and Human Resources Policy                                                                               |

## CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.ea. whistleblowing mechanism)	Members of the Ethics Board
The contact detail of the company alert mechanism	ethics@celebiaviation.com
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	Employee Committee
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Defined in the Company's Human Resources Policy.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Defined in the Human Resources section at the <a href="http://www.celebiaviation.com">www.celebiaviation.com</a>
Whether the company provides an employee stock ownership program	-
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Defined in the Human Resources section at the <a href="http://www.celebiaviation.com">www.celebiaviation.com</a>
The number of definitive convictions the company is subject to in relation to health and safety measures	-
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	<a href="http://www.celebiyatirimci.com.tr">www.celebiyatirimci.com.tr</a> >> Disclosures >> Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	-
Any measures combating any kind of corruption including embezzlement and bribery	<a href="http://www.celebiyatirimci.com.tr">www.celebiyatirimci.com.tr</a> >> Disclosures >> Code of Ethics
<b>4. BOARD OF DIRECTORS-I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	-
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Can Çelebioğlu: Chairman of the Board of Directors İsak Antika: Vice Chairman of the Board of Directors
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	54
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	-
Name of the Chairman	Can Çelebioğlu
Name of the CEO	Osman Yılmaz
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	The number of female members is 1 and the ratio to the total number of members is 12.5%.

## Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/ Or Finance Or Not
Can Çelebioğlu	Yes	Not Independent Director	06.01.1983	-	-	-	Yes
İsak Antika	Yes	Not Independent Director	17.05.2013	-	-	-	Yes
Canan Çelebioğlu	No	Not Independent Director	06.01.1983	-	-	-	Yes
Turgay Kuttaş	No	Not Independent Director	24.05.2012	-	-	-	Yes
Mehmet Murat Çavuşoğlu	No	Not Independent Director	17.05.2013	-	-	-	Yes
Mehmet Yağız Çekin	No	Not Independent Director	17.05.2013	-	-	-	Yes
Uğur Tefrik Doğan	No	Independent Director	19.04.2018	<a href="https://www.kap.org.tr/Bildirim/919949">https://www.kap.org.tr/Bildirim/919949</a>	Considered by the Corporate Governance Committee	No	Yes
Halil Yurdakul Yiğitgüden	No	Independent Director	09.04.2019	<a href="https://www.kap.org.tr/Bildirim/919949">https://www.kap.org.tr/Bildirim/919949</a>	Considered by the Corporate Governance Committee	No	Yes

4. BOARD OF DIRECTORS-II	4. BOARD OF DIRECTORS-I
4.4. Meeting Procedures of the Board of Directors	4.2. Activity of the Board of Directors
Number of physical board meetings in the reporting period (meetings in person)	69
Director average attendance rate at board meetings	82%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3
The name of the section on the corporate website that demonstrates information about the board charter	-
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	The upper limit specified in sub-clause (i) of Article 4.3.6 of the CMB Corporate Governance Principles is accepted.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Board of Directors, Audit, Committees and Senior Management >> Corporate Governance, Audit and Early Detection of Risk Committees
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/Bildirim/929095">https://www.kap.org.tr/Bildirim/929095</a>

## Composition of Board Committees-I

Names of the Board Committees	Name of Committees Defined As "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Uğur Tefrik Doğan	-	Board Member
Audit Committee	-	Halil Yurdakul Yiğitgüden	-	Board Member
Corporate Governance Committee	-	Uğur Tefrik Doğan	-	Board Member
Corporate Governance Committee	-	Mehmet Yağız Çekin	-	Board Member
Corporate Governance Committee	-	Deniz Bal	-	Board Member
Early Detection of Risk Committee	-	Halil Yurdakul Yiğitgüden	-	Board Member
Early Detection of Risk Committee	-	Turgay Kuttaş	-	Board Member

## CORPORATE GOVERNANCE INFORMATION FORM

### 4. BOARD OF DIRECTORS-III

#### 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="http://www.celebiyatirimci.com.tr">www.celebiyatirimci.com.tr</a> >> Disclosures >> Working Principles of the Audit Committee
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="http://www.celebiyatirimci.com.tr">www.celebiyatirimci.com.tr</a> >> Disclosures >> Working Principles of the Corporate Governance Committee
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Corporate Governance Committee undertakes the duties of the Nominating Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="http://www.celebiyatirimci.com.tr">www.celebiyatirimci.com.tr</a> >> Disclosures >> Working Principles of the Early Detection of Risk Committee
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Corporate Governance Committee undertakes the duties of the Remuneration Committee.
<b>4.6. Financial Rights</b>	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report >> The Relevant Sector, 2021 Activities and Performance
Specify the section of website where remuneration policy for executive and non-executive directors is presented.	<a href="http://www.celebiyatirimci.com.tr">www.celebiyatirimci.com.tr</a> >> Disclosures >> Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report >> Financial Rights Provided to the Members of the Governing Body and Senior Management

#### Composition of Board Committees-II

Names of the Board Committees	Name of committees defined as "Other" in the first column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on Its Activities Submitted to the Board
Audit Committee	-	100%	100%	5	-
Corporate Governance Committee	-	100%	33%	6	-
Early Detection of Risk Committee	-	100%	50%	5	-

	Compliance Status				Explanation
	Yes	Partial	No	Exempted	
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>					
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X				
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>					
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X				
<b>1.3. GENERAL ASSEMBLY</b>					
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X				
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X				
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X				
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X				
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X				
<b>1.4. VOTING RIGHTS</b>					
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X				
1.4.2 - The company does not have shares that carry privileged voting rights.	X				
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X				
<b>1.5. MINORITY RIGHTS</b>					
1.5.1 - The company pays maximum diligence to the exercise of minority rights.			X		Minority shareholdings interests are not represented in the Company's administration because there is are no minority shareholders who have been designated as candidates in elections for Company directors or statutory auditors and elected to such positions.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The Company's articles of incorporation contain no provisions concerning the representation of minority shareholding interests on the Board of Directors or governing the accumulated voting method.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					Decisions that may affect the employees are notified to themselves and to the employee representatives, but since there is no union structure at Çelebi Hava Servisi A.Ş., it is not applicable to get union opinion.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					

## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.					X	
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					



	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				There is a female member at the Board of Directors of our Company. Although a policy has not been established yet, our Company strives to increase the number of female members.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	X					

## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			Since the Company's Board of Directors consists of 6 members other than the chairman and the vice chairman and there are 3 different committees formed, some members serve on more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees formed under the Board of Directors did not receive any external consultancy services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			The remunerations and all other benefits provided to the members of the Board of Directors and to the executives with administrative responsibility are disclosed in the "Financial Rights Provided to the Members of the Governing Body and Senior Managers" section of the annual report.

## ACKNOWLEDGEMENT OF RESPONSIBILITY

### BOARD OF DIRECTORS DECISION ESPOUSING THE FINANCIAL STATEMENTS AND ANNUAL REPORTS

DECISION DATE : 11.03.2022

DECISION NUMBER : 12

### ACKNOWLEDGEMENT OF RESPONSIBILITY PURSUANT TO THE CMB COMMUNIQUÉ NO: II-14.1, ARTICLE 9

We hereby represent that;

- a) we have examined the independently audited consolidated financial statements which have been approved by our Company's Board of Directors decision dated 11.03.2022 and numbered 2022/12, and by the Audit Committee decision no. 2022/2 dated 09.03.2022, which are prepared pursuant to the CMB Communiqué No: II-14.1, article 9 on Principles of Financial Reporting in Capital Markets and drawn up in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS"), and the Board of Directors' Annual Report for the year ended 31 December 2021,
- b) to the best of our knowledge we have with respect to our positions and responsibilities in the Company, these financial statements and annual report contain no misrepresentations on material matters or no omissions whose absence could be misleading as of the date on which the statement was made; and
- c) to the best of our knowledge we have with respect to our positions and responsibilities in the Company, the financial statements drawn up in accordance with the CMB Communiqué No: II-14.1, article 9 on Principles of Financial Reporting in Capital Markets -inclusive of those subject to consolidation- represent a true and fair view of the Company's assets, liabilities, financial status and profit/loss, and that the annual report presents a fair view of the development and performance of the business -inclusive of those subject to consolidation-, the Company's financial standing, and the key risks and uncertainties it is exposed to.

Yours sincerely,

ÇELEBİ GROUND HANDLING INC.



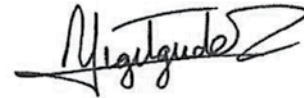
Deniz BAL  
Financial Affairs Director



Osman YILMAZ  
CEO



Uğur Tefrik DOĞAN  
Audit Committee Member



Halil Yurdakul YİĞİTGÜDEN  
Audit Committee Member

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
1 JANUARY - 31 DECEMBER 2021 AND INDEPENDENT AUDIT REPORT**

(Convenience translation of consolidated financial statements and independent auditor's report originally issued in Turkish into English)



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

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

Mersis No: 0291001097600016  
Ticari Sicil No : 304099

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

## A) Audit of the Consolidated Financial Statements

### 1) Opinion

We have audited the consolidated financial statements of Çelebi Hava Servisi A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

### 2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by Capital Markets Board of Turkey and the Standards of Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3) Emphasis of Matter

Covid-19 pandemic negatively affecting economic conditions regionally as well as globally continued to affect the Group's operations in 2021. The Management disclosed the impacts of Covid-19 to its activities and the measures taken in Note 1. Our opinion is not modified in respect of this matter.

### 4) Key Audit Matters

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



Key Audit Matter	How the Matter was Addressed in the Audit
<p>Accounting of Right-of-Use Assets and Lease Liabilities and Presentation in the Consolidated Financial Statements</p> <p>TFRS 16 provides a tenant accounting model based on specific measurement methods. Accordingly, it requires the accounting of assets and liabilities. The lessee recognises a right-of-use assets that represents the right to use of the leased assets and a lease obligation that represents the obligation to pay for the leased asstes.</p> <p>The Group has lease agreements for land and buildings, machinery, plant and equipments and vehicles. As of 31 December 2021, TL 1.063.607.040 of right-of-use assets is recognized in the consolidated statement of financial position. The share of the right-of-use assets in non-current assets is 30%. As of 31 December 2021, the Group has recognized TL 1.262.208.003 of lease liabilities for the lease agreements.</p> <p>The amounts recognized as a result of the application of TFRS 16 are significant for the consolidated financial statements. In addition, the calculation of the right-to-use assets and lease obligations includes significant estimates and assumptions of the management. The substantial part of these estimates are interest rates used to discount cash flows and assessment of options to extend or terminate lease contracts.</p> <p>Considering these reasons, the impacts of the accounting of TFRS 16 on the consolidated financial statements and the notes to the consolidated financial statements are determined as a key audit matter for our audit. Please refer to Notes 2, 7 and 12 to the consolidated financial statements for the amounts and disclosures, including the related accounting policies.</p>	<p>The audit procedures applied including but not limited to the following are:</p> <p>Understanding and evaluating the significant processes affecting financial reporting related to the calculation of TFRS 16,</p> <p>Evaluating the completeness of the contract lists obtained from the Group management, assessment of selected contracts whether they are a service or lease contract and evaluating whether the contracts defined by the Group as leases are in scope of TFRS 16,</p> <p>Recalculation of the right-of-use assets and related financial lease liabilities recognised in the consolidated financial statements by using rates such as interest rate, rent increase rate etc. for the selected lease contracts that are in scope of TFRS 16,</p> <p>Evaluating the compliance of inputs used in the calculation like rent increase rate, interest rate etc,</p> <p>Selecting the lease contracts used in the calculation of right-of-use assets and financial lease liabilities on a sample basis and testing the compliance of the term of the lease contacts and the assessment of the extension options applied if such options exist with the provision of the contract,</p> <p>Evaluating the adequacy of the disclosures in the consolidated financial statements in relation to the application of TFRS 16.</p>

Key Audit Matter	How the Matter was Addressed in the Audit
<p>Functional Currency Change</p> <p>As detailed in Note 2.1.1., in the current period, the Group changed the functional currency of Çelebi Hava Servis A.Ş., which provides services to domestic and foreign airlines and private cargo companies in the field of ground handling, cargo and warehouse services, from Turkish Lira to Euro.</p> <p>As of 1 January 2021, all forward transactions have been accounted for in Euro, which is determined as the change date of the financial statements in accordance with the provisions of the TAS 21 Effects of Changes in Exchange Rates section "Change in the functional currency".</p> <p>While making the this change, the Group management; basically took into account the increase in the share of the services it provides to foreign airlines in its operations in Turkey, and the significant increase in the impact of the Euro on operations as a result of the long-term lease agreements concluded with airport operators in Euro.</p> <p>Since the effect of the amount of the functional currency change is material to the consolidated financial statements, this matter has been determined as a key audit matter.</p>	<p>The audit procedures applied including but not limited to the following are:</p> <p>Understanding the Group's financial reporting process, including the functional currency changes and similar evaluations, and evaluating the internal control structure,</p> <p>The analysis and calculations of the change application made within the framework of TAS 21 Effects of Exchange Rate Changes were taken from the Group management, the appropriateness of the analysis and calculations were evaluated within the framework of the "Change in the functional currency" clauses and tested within the framework of the recalculation method.</p> <p>The data used in these calculations were compared with the current exchange rate information and audited financial data, and the mathematical accuracy has been tested.</p> <p>Testing the explanations included in the notes to the consolidated financial statements regarding the application of TAS 21 Change in Currency - Change in the functional currency and evaluating the adequacy of the information included in these notes according to the relevant rules.</p>



## 5) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

## 6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



#### B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 10 March 2022.

In accordance with paragraph four of the article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January - 31 December 2021 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

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

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

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Cem Tovil  
Partner

Istanbul, 11 March 2022

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2021

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

	Notes	<i>Current Period</i>	<i>Prior Period</i>
		<i>Audited</i>	<i>Audited</i>
		31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1.093.962.834	571.830.186
Financial investments		63.208.735	
- Restricted bank balances	5	49.130.668	9.435.386
- Time deposits	5	14.078.067	-
Trade receivables		380.688.778	168.762.629
- Trade receivables from related parties	8	589.742	5.343.963
- Trade receivables from third parties	8	380.099.036	163.418.666
Other receivables		279.619.410	108.639.964
- Other receivables from related parties	9	60.554.654	36.106.731
- Other receivables from third parties	9	219.064.756	72.533.233
Inventories	10	40.821.021	19.545.205
Prepaid expenses	16	48.588.050	27.722.513
Current tax assets	29	8.197.661	2.777.130
Other current assets	15	14.666.920	17.087.134
<b>Total current assets</b>		<b>1.929.753.409</b>	<b>925.800.147</b>
<b>Non-current assets</b>			
Financial investments		53.479.264	18.361.495
- Restricted bank balances	5	53.479.264	9.007.900
- Time deposits	5	-	9.019.305
- Other financial assets at fair value through profit/loss	5	-	334.290
Other receivables		361.676.712	133.821.116
- Other receivables from related parties	9	64.295.790	74.351.957
- Other receivables from third parties	9	297.380.922	59.469.159
Investments accounted using equity method	6	20.391.743	157.711.645
Property, plant and equipment	11	874.801.839	489.167.243
Right-of-use assets	12	1.063.607.040	510.665.322
Intangible assets		821.266.380	338.120.218
- Goodwill	13	119.963.138	73.295.661
- Other intangible assets	13	701.303.242	264.824.557
Prepaid expenses	16	26.277.786	7.710.156
Deferred tax asset	29	256.168.334	156.752.202
Other non-current assets	15	57.404.380	24.059.858
<b>Total non-current assets</b>		<b>3.535.073.478</b>	<b>1.836.369.255</b>
<b>Total assets</b>		<b>5.464.826.887</b>	<b>2.762.169.402</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2021

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

	Notes	Current Period	Prior Period
		Audited 31 December 2021	Audited 31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term financial liabilities	7	170.104.575	149.354.675
Short-term portion of long-term financial liabilities	7	674.004.935	436.473.537
Lease payables	7	199.077.376	132.582.488
Trade payables		293.952.430	128.227.619
- Trade payables to related parties	8	11.780.141	8.892.303
- Trade payables to third parties	8	282.172.289	119.335.316
Payables related to employee benefits	18	102.203.827	35.804.414
Other payables		58.426.581	86.794.158
- Other short-term payables to related parties	9	-	57.712.500
- Other long-term payables to third parties	9	58.426.581	29.081.658
Deferred income	17	53.572.646	24.101.894
Current profit tax liability	29	49.917.869	28.760.852
Short-term provisions		63.115.169	33.709.370
- Provisions for employee benefits	14	54.068.019	25.614.891
- Other short-term provisions	14	9.047.150	8.094.479
Other current liabilities	15	25.182.643	10.700.345
<b>Total current liabilities</b>		<b>1.689.558.051</b>	<b>1.066.509.352</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	7	634.359.293	505.135.294
Lease liabilities	7	1.063.130.627	582.117.286
Other payables		39.168.652	20.323.200
- Other long-term payables to third parties	9	39.168.652	20.323.200
Long-term provisions		45.879.138	34.788.905
- Provisions related to employee benefits	14	45.879.138	34.788.905
Deferred tax liability	29	85.460.436	29.562.138
Other non-current liabilities	15	235.346.924	75.435.163
Deferred income	17	2.078.680	2.000.589
<b>Total non-current liabilities</b>		<b>2.105.423.750</b>	<b>1.249.362.575</b>
<b>Total liabilities</b>		<b>3.794.981.801</b>	<b>2.315.871.927</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</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		86.094.176	(27.110.446)
- Foreign currency translation differences		121.050.632	-
- Loss on remeasurement of defined benefit plans		(34.956.456)	(27.110.446)
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		613.208.705	262.085.889
- Foreign currency translation differences		613.208.705	262.085.889
Restricted reserves appropriated from profit	19	74.387.905	74.387.905
Prior years' profit		22.479.380	192.120.125
Net profit/(loss) for the period		533.453.896	(169.179.611)
<b>Non-controlling interests</b>		<b>315.921.024</b>	<b>89.693.613</b>
<b>Total equity</b>		<b>1.669.845.086</b>	<b>446.297.475</b>
<b>Total liabilities and equity</b>		<b>5.464.826.887</b>	<b>2.762.169.402</b>

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

**CONSOLIDATED FINANCIAL STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Audited</i>	<i>Audited</i>
	Notes	1 January - 31 December 2021	1 January - 31 December 2020
<b>CONTINUING OPERATIONS</b>			
Revenue	20	2.560.188.835	1.541.501.101
Cost of sales (-)	20	(1.728.319.360)	(1.151.639.694)
<b>GROSS PROFIT</b>		<b>831.869.475</b>	<b>389.861.407</b>
General administrative expenses (-)	22	(278.201.455)	(203.731.823)
Other operating income	23	60.483.487	373.026.812
Other operating expenses (-)	24	(88.395.811)	(353.420.853)
<b>OPERATING PROFIT</b>		<b>525.755.696</b>	<b>205.735.543</b>
Income from investing activities	25	84.541.331	11.666.817
Expenses from investing activities (-)	26	(1.219.124)	(1.453.891)
Shares of profits from of investments valued by equity method	6	3.781.303	3.059.271
<b>OPERATING PROFIT BEFORE FINANCE EXPENSE</b>		<b>612.859.206</b>	<b>219.007.740</b>
Finance income	27	188.534.725	109.917.535
Finance expenses (-)	28	(171.358.032)	(462.002.557)
<b>(LOSS) / PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>630.035.899</b>	<b>(133.077.282)</b>
<b>Tax expense</b>		<b>(65.112.502)</b>	<b>(16.868.774)</b>
Current tax expense	29	(60.961.994)	(49.742.669)
Deferred tax income/(expense)	29	(4.150.508)	32.873.895
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>564.923.397</b>	<b>(149.946.056)</b>
<b>Profit for the Period Attributable to</b>			
Non-controlling interests		31.469.501	19.233.555
Equity holder of the Parent		533.453.896	(169.179.611)
		<b>564.923.397</b>	<b>(149.946.056)</b>
Earnings/(loss) per share (Kr)	30	0,220	(0,070)

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

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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

	<i>Current Period</i>		<i>Prior Period</i>	
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
Notes	1 January - 31 December 2021	1 January - 31 December 2020	1 January - 31 December 2020	1 January - 31 December 2020
Net (loss) / profit for the period	564.923.397		(149.946.056)	
<b>Other comprehensive income / (expense)</b>				
<b>Items that will not be reclassified to profit or loss</b>				
- (Losses) / gains on remeasurement of defined benefit plans Shares of other comprehensive income of investments accounted by the equity method that will not be classified in profit or loss	(9.792.230)		(3.921.804)	
- Gains / (losses) on remeasurement of defined benefit plans of investments valued by equity method	-		(374.070)	
- Foreign currency translation differences	121.050.632		-	
Taxes related to other comprehensive income that will not be reclassified to profit or loss				
- Gains / (losses) on remeasurement of defined benefit plans, tax effect	1.992.825		1.006.918	
- Shares of other comprehensive income of investments accounted by equity method that will not be classified in profit or loss, tax effect	-		96.174	
<b>Items that will be reclassified to profit or loss</b>				
- Foreign currency translation differences	531.570.262		139.109.826	
<b>Other comprehensive income</b>	<b>644.821.489</b>		<b>135.917.044</b>	
<b>Total comprehensive (expense) / income</b>	<b>1.209.744.886</b>		<b>(14.029.012)</b>	
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	211.963.552		32.526.350	
Equity holders of the parent	997.781.334		(46.555.362)	
	<b>1.209.744.886</b>		<b>(14.029.012)</b>	

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

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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

	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		
	Share capital	Gains/(losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Foreign currency translation differences	Restricted reserves appropriated from profit
<b>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>
Transfers	-	-	-	-	-
Dividend payment	-	-	-	-	-
Increase in minority shares of subsidiary <sup>(*)</sup>	-	-	-	-	-
Increase due to other changes <sup>(**)</sup>	-	-	-	-	-
<b>Other comprehensive income / (expense)</b>					
- Foreign currency translation difference	-	-	121.050.632	351.122.816	-
- Gains/(losses) on remeasurement of defined benefit plans	-	(7.846.010)	-	-	-
<b>Total other comprehensive income / (expenses)</b>	<b>-</b>	<b>(7.846.010)</b>	<b>121.050.632</b>	<b>351.122.816</b>	<b>-</b>
Net profit/(loss) for the period	-	-	-	-	-
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>(7.846.010)</b>	<b>121.050.632</b>	<b>351.122.816</b>	<b>-</b>
<b>As of 31 December 2021</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>

<sup>(\*)</sup> In addition to the partnership agreement signed between the Company and other partners on 17 January 2021 regarding Celebi Nas Airport Services India Private Limited (Celebi Nas), the joint venture of the Company residing in Mumbai, India, with a 57% stake, amendments were made in the "Reserve Matters/ Privileged Matters" articles in favor of the Company, with the additional protocol registered and entered into force on 8 February 2021, which will affect the authority and power to control the financial and operating policies of Çelebi Nas in line with the Company's interests. In this framework, Çelebi Nas started to be consolidated in 2021 by using the full consolidation method as of the date on which the control passed to the Company.

<sup>(\*\*)</sup> 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 40 thousand USD) 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 consolidated financial statements.



Retained earnings
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Prior years' profit / (losses)	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
192.120.125	(169.179.611)	356.603.862	89.693.613	446.297.475
(169.179.611)	169.179.611	-	-	-
-	-	-	(48.360.547)	(48.360.547)
-	-	-	62.624.406	62.624.406
(461.134)	-	(461.134)	-	(461.134)
-	-	472.173.448	180.447.446	652.620.894
-	-	(7.846.010)	46.605	(7.799.405)
-	-	464.327.438	180.494.051	644.821.489
-	533.453.896	533.453.896	31.469.501	564.923.397
-	533.453.896	997.781.334	211.963.552	1.209.744.886
22.479.380	533.453.896	1.353.924.062	315.921.024	1.669.845.086

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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

		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	
	Share capital	Gains/(losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Restricted reserves appropriated from profit
<b>As of 1 January 2020</b>	<b>24.300.000</b>	<b>(24.024.964)</b>	<b>136.376.158</b>	<b>63.387.956</b>
Transfers	-	-	-	10.999.949
Dividend payment	-	-	-	-
Subsidiary share purchase <sup>(*)</sup>	-	-	-	-
<b>Other comprehensive income / (expense)</b>				
- Foreign currency translation difference	-	-	125.709.731	-
- Gain/ (losses) on remeasurement of defined benefit plans	-	(3.085.482)	-	-
<b>Total other comprehensive income / (expenses)</b>		<b>(3.085.482)</b>	<b>125.709.731</b>	<b>-</b>
Net profit/(loss) for the period	-	-	-	-
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>(3.085.482)</b>	<b>125.709.731</b>	<b>-</b>
<b>As of 31 December 2020</b>	<b>24.300.000</b>	<b>(27.110.446)</b>	<b>262.085.889</b>	<b>74.387.905</b>

<sup>(\*)</sup> The capital payment of INR 100.000.000 required by KSU Aviation Private Limited ("KSU") to realize the estimated investments was made by making a premium capital increase in accordance with the applicable legislation in India and the Company became a shareholder in KSU by 57,65%.

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

Retained earnings

Prior years' profits / (losses)	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
117.783.967	192.355.079	510.178.196	62.258.768	572.436.964
181.355.130	(192.355.079)	-	-	-
(105.705.001)	-	(105.705.001)	(6.405.476)	(112.110.477)
(1.313.971)	-	(1.313.971)	1.313.971	-
-	-	125.709.731	13.400.095	139.109.826
-	-	(3.085.482)	(107.300)	(3.192.782)
		122.624.249	13.292.795	135.917.044
-	(169.179.611)	(169.179.611)	19.233.555	(149.946.056)
-	(169.179.611)	(46.555.362)	32.526.350	(14.029.012)
192.120.125	(169.179.611)	356.603.862	89.693.613	446.297.475

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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

	Notes	<i>Current Period</i>	<i>Prior Period</i>
		<i>Audited</i>	<i>Audited</i>
		1 January - 31 December 2021	1 January - 31 December 2020
<b>A. Cash flows from operating activities</b>		<b>627.218.008</b>	<b>423.381.185</b>
<b>Net profit/loss for the period</b>		<b>564.923.397</b>	<b>(149.946.056)</b>
<b>Adjustments for reconciliation of net profit/loss for the period</b>		<b>232.799.893</b>	<b>520.477.875</b>
Adjustments related to depreciation and amortization expenses	11,12,13	206.052.038	154.426.575
Adjustments related to impairment (reversal)	8	10.510.962	18.146.502
Adjustments related to provisions		29.559.459	16.101.962
- Adjustments related to provisions for employee benefits		29.559.459	16.101.962
Adjustments related to interest income and expenses	7, 27, 28	102.433.593	79.919.144
- Adjustments related to interest income	27	(30.069.307)	(23.934.579)
- Adjustments related to interest expenses		132.502.900	103.853.723
Adjustments related to unrealized foreign currency translation differences		(93.588.104)	248.287.115
Adjustments related to tax (income) expenses	29	65.112.502	16.868.774
Adjustments related to undistributed profit of investments that are accounted by the equity method	6	(3.781.303)	(3.059.271)
Adjustments related to gains/losses on disposal of non-current assets		(10.518.438)	(10.212.926)
Adjustments related to Losses (Gains) Due to Disposal of Associates, Joint Ventures and Financial Investments or Changes in Shares	23	(72.980.816)	-
<b>Changes in working capital</b>		<b>(103.509.462)</b>	<b>70.957.369</b>
Decrease/increase in financial investments		-	30.071.403
Adjustments related to increase/decrease in trade receivables		(216.025.989)	28.796.490
- Decrease/increase in trade receivables from related parties		4.829.416	(1.470.577)
- Decrease/increase in trade receivables from third parties		(220.855.405)	30.267.067
Adjustments related to decrease/increase in other receivables related to operations		(252.991.187)	(21.626.040)
Adjustments related to increase/decrease in inventories		(17.033.804)	(3.020.471)
Decrease/increase in prepaid expenses		(27.080.548)	14.107.777
Adjustments related to increase/decrease in trade payables		161.383.523	(6.472.007)
- Increase/decrease in trade payables to related parties		965.787	(13.055.710)
- Increase/decrease in trade payables to third parties		160.417.736	6.583.703
Decrease/increase in payables related to employee benefits		52.939.409	(18.182.093)
Adjustments related to increase/decrease in other payables related to operations		195.299.134	47.282.310
<b>Cash flows generated from operations</b>		<b>694.213.828</b>	<b>441.489.188</b>
Payments related to provisions for employee benefits		(23.611.829)	(9.718.824)
Payments related to other provisions		(1.818.923)	(632.701)
Tax returns (payments)		(41.565.068)	(7.756.478)

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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

	Notes	<i>Current Period</i>	<i>Prior Period</i>
		<i>Audited</i>	<i>Audited</i>
		1 January - 31 December 2021	1 January - 31 December 2020
<b>B. Cash flows from investing activities</b>		<b>(66.612.483)</b>	<b>(22.213.580)</b>
Cash inflows from sale of property, plant and equipment and intangible assets		19.030.691	13.453.860
- Cash inflows from sale of property, plant and equipment		19.030.691	12.454.713
- Cash inflows from sale of intangible assets		-	999.147
Cash outflows from purchase of property, plant and equipment and intangible assets		(90.471.984)	(72.868.016)
- Cash outflows from purchase of property, plant and equipment	11	(86.876.891)	(49.567.215)
- Cash outflows from purchase of intangible assets	13	(3.595.093)	(23.300.801)
Dividends received	6	3.140.868	1.182.500
Cash inflows from cash advances and debts given to related parties		60.482.604	36.018.076
Other cash inflows / (outflows)		(58.794.662)	-
<b>C. Cash flows from financing activities</b>		<b>(498.536.736)</b>	<b>(118.723.983)</b>
Lease payments		(119.119.474)	(70.424.046)
Cash inflows from borrowings	7	497.012.095	629.080.104
Cash outflows due to debt payments	7	(768.216.693)	(597.816.388)
Dividends paid	31	(57.712.500)	(47.992.500)
Interest paid		(80.569.471)	(55.505.732)
Interest received	27	30.069.307	23.934.579
<b>Net increase in cash and cash equivalents before the effect of foreign currency translation differences</b>		<b>62.068.789</b>	<b>282.443.622</b>
<b>D. Foreign currency translation differences</b>		<b>460.077.226</b>	<b>80.042.568</b>
<b>Net increase in cash and cash equivalents</b>		<b>522.146.015</b>	<b>362.486.190</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>	4	<b>571.428.817</b>	<b>208.942.627</b>
<b>Cash and cash equivalents at the end of the period</b>	4	<b>1.093.574.832</b>	<b>571.428.817</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### 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 Gokcen 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. As of 31 December 2021, the percentage of shares which are publicly traded is 10,09% (31 December 2020: 10,09%).

The address of the headquarters of the Company is as follows:  
Tayakadın Mahallesi Nuri Demirağ Caddesi No: 39  
Arnavutköy / İstanbul

The Group consists of the Company and its subsidiaries, joint ventures and associate. The average number of employees employed by the Group for the year ended 31 December 2021 is 9.902 (31 December 2020: 10.722).

#### Information on Subsidiaries, Joint Ventures, and Associate:

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 below:

Subsidiary	Registered country	Geographical region	Nature of business
CGHH	Hungary	Hungary	Ground handling services
Celebi Delhi Cargo	India	India	Warehouse and cargo services
CASI	India	India	Ground handling services
Çelebi Kargo	Turkey	Turkey	Warehouse and cargo services
Celebi Cargo	Germany	Germany	Warehouse and cargo services
Celebi Tanzania	Tanzania	Tanzania	Ground handling services
Celebi GH India Private Limited	India	India	Ground handling services
KSU	India	India	Ground handling services

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 200.000.000 Hungarian Forints.

The Company participated as a co-founder in the Company with capital of 100.000 Indian Rupee 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, the Company has made legal and premium capital payment amounting to Indian Rupee 1.351.916.730 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 99,9%. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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 has a 57,65% share in KSU Aviation Private Limited ("KSU") located in India, which was established on 8 May 2019 to provide "taxiing" services to aircraft at airports in India. For this purpose, a premium capital payment of Indian Rupee 420 million (approximately EUR 5.56 million) was made by the Company.

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 Company has 57% shareholding where the share capital of Çelebi Nas is Indian Rupee 552.000.000. In addition, a premium capital increase of Indian Rupee 228.000.000 has been paid by the shareholders of Celebi Nas. Celebi Nas has obtained a concession right until May 2036 for the provision of ventilation and generator services installed on the passenger bridges at the airport passenger terminal. 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. With the additional protocol regarding Celebi Nas, which was registered and entered into force on 8 February 2021, various changes were made in the "Reserve Matters/Privileged Matters" articles. There have been changes in the Company's control power in favor of the Company, depending on the fact that it has power over the invested company/asset, is open to variable returns from the invested company/asset, or has the right to these returns, and can use its power to have an effect on the returns. In this framework, Celebi Nas started to be consolidated in 2021 by using the full consolidation method from the date the control passed to the Company.

In order to participate in ground handling concession tenders to be opened at airports in Tanzania, the Company has a 65% stake 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:

Joint venture	Registered country	Geographical region	Nature of business
DASPL	India	India	Ground handling services

Çelebi 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 consolidated financial statements.

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

### Approval of Consolidated Financial Statements

The consolidated financial statements for the period 1 January - 31 December 2021 has been approved for the issuance by the Board of Directors on 11 March 2022, and signed by Osman Yılmaz, the General Manager, and Deniz Bal, the Director of Financial Affairs, on behalf of Board of Directors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Covid-19 Effects

Due to the crisis and pandemic situation caused by the worldwide effective Covid-19 virus, although measures were taken by governments, borders were opened in certain regions in the following months in June-December period and flights started. In addition, the operating unit of Warehouse and Cargo Services was much less affected by the pandemic process and provided services in their normal activities under changing conditions.

The Group Management has stopped all non-urgent expenditures, postponed investments and directed employees to paid and unpaid leave since March 2020. In order to reduce fixed costs, the supports provided by the governments of the countries in which the Group operates were evaluated, necessary applications were made and various supports were used. In addition, waiver, discount or postponement of license and lease payments was provided with airport operators and country aviation authorities. The Group Management closely monitors cash flow in order to maintain the strength of its liquidity position.

As of 31 December 2021, with the increase in the vaccination rate against Covid-19 in Turkey and in the world, an increase in travel demand has been observed, and this development has positively affected the aviation industry. While preparing the consolidated financial statements as at 31 December 2021, the Group evaluated the possible effects of the Covid-19 outbreak on the financial statements and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. In this context, possible impairment losses in the consolidated financial statements as at 31 December 2021 were evaluated and no significant impact was detected.

## NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. Basis of Presentation

#### 2.1.1 Accounting standards applied

The Group's 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 Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") and appendix and interpretations related to them.

In addition, the financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 15 April 2019 and the Financial Statement Examples and User Guide published by the CMB.

The Company and the Group companies 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. The consolidated financial statements are based on the legal records of the Company, its subsidiaries, joint ventures and associates, and have been prepared in accordance with Turkish Financial Reporting Standards, reflecting the necessary adjustments and classifications for accurate presentation.

Assets and liabilities of the joint ventures within the scope of consolidation are translated into Turkish Lira using the exchange rate, income and expenses are translated by using the average exchange rate on the date of the consolidated statement of financial position. Exchange differences resulting from the use of closing and average exchange rates are followed under the foreign currency translation differences account in shareholders' equity.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Functional and Reporting 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 consolidated financial statements are presented in TL, which are the functional currency of the Çelebi Hava and the presentation currency of the Group. As of 31 December 2021, the currency of Group's entities are as below.

Company	Currency
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	Euro (EUR)
DASPL	Indian Rupee (INR)
Celebi GH India Private Limited	Indian Rupee (INR)
KSU	Indian Rupee (INR)
Celebi Tanzania	Tanzanian Shilling (TZS)

The Company operates in the fields of airport ground handling services, cargo and warehouse services, and due to the nature of the service provided, the aviation sector is a sector open to international competition. For this reason, activities in the sector are constantly carried out using multiple currencies. 83% of the Company's service income in Turkey originate from foreign airlines and overseas service income (2020: 73%). The prices in the Company's field of activity are mostly determined in foreign currency in accordance with the contracts concluded with the airlines, taking into account the relative competition and market conditions.

The Company's operating income and operating expenses are mainly in EUR, and also US Dollar. Similarly, a significant portion of the Company's financial assets and debts consists of EUR and US Dollar items.

A significant portion of the right-of-use assets, which are the most important asset item in the Company's statement of financial position, are evaluated in EUR and US Dollars. As of 31 December 2021, the ratio of these assets of the Company to total intangible assets and total assets is as high as 97% and 20%, respectively. The ratio of debts to total liabilities from lease transactions of the same date is 40%. The ratio of total liabilities in foreign currency to total liabilities is 77%.

Due to the increase in the share of the services provided to foreign airlines in the airport ground handling activities of the Company, the effect of TL in reflecting the basic economic environment in terms of competition/operation factors has decreased. In other words, the impact of the Euro on the Company's current operations has increased.

Based on the above developments, it has been decided by the Company Management to change the functional currency of the Company from Turkish Lira to Euro.

The aforementioned functional currency change was implemented by Çelebi Hava Servis A.Ş., which operates only in Turkey. There is no change in the functional currencies of the Company's associates and subsidiaries located abroad.

### Conversion to presentation currency

The presentation currency of the Group is TL. The financial statements prepared in EUR within the scope of TAS 21 ("Effects of Exchange Changes") have been translated into TL using the following method:

- Assets and liabilities in the balance sheet are translated into TL using the Euro buying and selling rate announced by the Central Bank of the Republic of Turkey on the balance sheet date.
- The profit or loss and other comprehensive income statement has been translated into TL using the average or, where possible, daily EUR buying and selling rates announced by the Central Bank of the Republic of Turkey.
- All the resulting exchange differences are presented as a separate component of equity under the name of translation differences.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The differences between the financial statements announced after the functional currency was changed to EUR as of 1 January 2021 and the financial statements as at 31 December 2021 that would have been announced according to the Turkish Lira functional currency if the functional currency had not been changed are as follows:

	(Turkish Lira announced to the public with the Euro functional currency application)	(Turkish Lira to be announced to the public if the functional currency change had not been made)	Difference
Current assets	1.929.753.409	1.915.913.779	13.839.630
Non-current assets	3.535.073.478	3.233.384.506	301.688.972
<b>Total assets</b>	<b>5.464.826.887</b>	<b>5.149.298.285</b>	<b>315.528.602</b>
Short-term liabilities	1.689.558.051	1.689.558.051	-
Long-term liabilities	2.105.423.750	2.105.423.750	-
Equity	1.669.845.086	1.354.316.484	315.528.602
Equity of the parent	1.353.924.062	1.038.395.460	315.528.602
Non-controlling interests	315.921.024	315.921.024	-
<b>Total equity and liabilities</b>	<b>5.464.826.887</b>	<b>5.149.298.285</b>	<b>315.528.602</b>
Revenue	2.560.188.835	2.560.188.835	-
Cost of sales	(1.728.319.360)	(1.721.549.412)	(6.769.948)
Gross profit	831.869.475	838.639.423	(6.769.948)
Finance income	188.534.725	278.828.435	(90.293.710)
Finance expenses	(171.358.032)	(783.758.621)	612.400.589
Profit before tax	630.035.899	147.943.150	482.092.749
<b>Profit for the period</b>	<b>564.923.397</b>	<b>162.955.440</b>	<b>401.967.957</b>

### Going Concern

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

### 2.1.2. New and Amended Turkish Financial Reporting Standards (TFRS)

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

### TFRS 17 *Insurance Contracts*

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

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

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

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

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

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

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### *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.

### *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 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

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

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

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

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

### *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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### 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.

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

### 2.1.3 Financial statements of subsidiaries and joint ventures operating in foreign countries

Financial statements of subsidiaries and joint ventures operating in foreign countries are prepared according to the legislation of the country in which they operate, and adjusted to the Turkish Financial Reporting Standards to reflect the proper presentation and content. Foreign joint ventures' assets and liabilities are translated into TL with the foreign exchange rate at the consolidated statement of financial position date, and income and expenses are translated into Turkish Lira using the average exchange rate. Exchange differences arising from the use of closing and average exchange rates are followed under the foreign currency translation differences account in shareholders' equity.

### 2.1.4 Basis of Consolidation

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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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.

Consolidation of a subsidiary begins when the Company has control over the subsidiary and ends when it loses control. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

c) The direct and indirect ownership interests held by the Group in its subsidiaries are provided below, the direct and indirect ownership interest is equal to the proportion of effective interest:

Subsidiary	Ownership interest (%)	
	31 December 2021	31 December 2020
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
CASI	99,9	99,9
Celebi Spain <sup>(1)</sup>	-	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9
KSU	57,6	57,6
Celebi Tanzania <sup>(2)</sup>	65,0	65,0
Celebi Nas <sup>(3)</sup>	57,0	57,0
Celebi GH India Private Limited	61,0	100,0

<sup>(1)</sup> Celebi Spain was liquidated in 2021.

<sup>(2)</sup> The Company has a 65% stake 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), to participate in ground handling concession tenders to be opened at airports in Tanzania.

<sup>(3)</sup> In addition to the partnership agreement signed between the Company and other partners on 17 January 2021 regarding Celebi Nas Airport Services India Private Limited (Celebi Nas), the joint venture of the Company residing in Mumbai, India, with a 57% stake, changes have been made in the "Reserve Matters/ Privileged Matters" articles of the additional protocol, which was registered and entered into force on 8 February 2021, in favor of the Company, in a way that would affect Celebi Nas's authority and power to control its financial and operating policies in line with the Company's interests. Within this framework, Celebi Nas started to be consolidated in 2021 using the full consolidation method, from the date on which the control passed to the Company. At the time the change was made, INR 745.920.032 (TL 72.980.816), which is the difference between INR 2.570.717.780, which is the net assets of Celebi Nas, and INR 3.879.349.415, which is the fair value of Celebi Nas' equity, corresponding to the shares of Celebi Hava, have been recognized as right-of-use assets and bargain purchase gain. The net cash amount acquired as a result of these transactions is TL 30.083.089.

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) It is accounted by using the equity method.

The capital share of the Group, directly or indirectly, in its subsidiary is shown below, the said capital share is equal to the Group's effective ratio in the related companies:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Financial investment	Ownership interest (%)	
	31 December 2021	31 December 2020
Celebi Spain	-	100,00

### 2.2. Change in accounting policies

#### 2.2.1 Comparative information

The financial statements of the Group have been prepared comparatively with the prior period in order to evaluate financial position and performance trends. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

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

### 2.3 Changes in significant accounting policies

#### 2.3.1 Changes in significant accounting policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Group has made some changes in its accounting policies in the current year due to the effects of changes in the standards. There has not been any significant change in the accounting policies of the Group in the current year.

If the changes in accounting estimates are for only one period, they are applied prospectively in the current period when the change is made. If the changes in accounting estimates are related to future periods, they are applied prospectively both in the period when the change was made and in the future periods. There has not been any significant change in the accounting estimates of the Group in the current year.

#### Restatement of financial statements during periods of high inflation

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

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in High Inflation Economies". In the accompanying consolidated financial statements, no inflation adjustment has been made in accordance with TAS 29.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### 2.4 Summary of significant accounting policies

#### 2.4.1 Accounting of Income

Revenue is recognized on an accrual basis at the fair value of the consideration received or receivable from the sale of goods and services. Net sales represent the invoiced value of goods delivered and services rendered free of sales discounts and returns. In the event that there is an important financing element in the sales, the fair value is determined by deducting the future collections from the interest rate within the financing element. The difference is recognized as other income from operating activities on an accrual basis.

#### *Dividend Income*

Dividend income is recognized as income at the time of collection.

#### 2.4.2 Financial Assets

##### Classification

The Group classifies its financial assets in three categories of "financial assets measured at amortized cost", "financial assets measured at fair value through other comprehensive income" and "financial assets measured at fair value through profit or loss". The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase. Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

##### Recognition and Measurement

"*Financial assets measured at amortized cost*" are non-derivative financial assets held within the scope of a business model aimed at collecting contractual cash flows and with cash flows including interest payments arising solely on principal and principal balance at specific dates under contractual terms. The Group's financial assets are accounted at the amortized cost include items such as "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". Related assets are initially recognized at fair value in the financial statements; in subsequent accounting, measured at amortized cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

"*Financial assets at fair value through other comprehensive income*", are non-derivative financial assets that are held in the context of business model aimed at collecting contractual cash flows and selling financial assets, and cash flows include interest payments solely at principal and principal balance on contractual terms. Any gains or losses arising from the related financial assets are recognized in other comprehensive income except for impairment losses, gains or losses and exchange rate differences income or expenses. In the case of the sale of assets, the valuation differences classified as other comprehensive income are classified as retained earnings.

"*Financial assets at fair value through profit or loss*", are financial assets measured at amortized cost other than financial assets at fair value through comprehensive income. The resulting gains and losses from the valuation of such assets are recognized in the consolidated income statement of profit or loss.

##### Derecognition

The Group derecognizes the financial assets when it terminates the rights related to the cash flows due to the contract or when the related rights are transferred through a purchase and sale of all risks and rewards related to the financial asset. Any rights created or held by financial assets transferred by the Group are recognized as a separate asset or liability.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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### Impairment

The impairment of financial assets and contractual assets is calculated using the "expected credit loss" (ECL) model. The impairment model applies to amortized cost financial assets and contractual assets.

In the case of financial asset has a low credit risk at the reporting date, the Group can determine that the credit risk of the financial asset has not increased significantly. However, the lifetime ECL measurement (simplified approach) is always valid for commercial receivables and contract assets, without significant financing.

### 2.4.3 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value (Note 4).

### 2.4.4 Property, Plant and Equipment

Property, plant and equipment, on the other hand, are reflected in the consolidated financial statements with their net value after deduction of accumulated depreciation and impairment, if any, over their acquisition costs. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line method based on the estimated useful lives of the assets.

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

	Useful Lives (Year)
Machinery and equipment	1-20
Motor vehicles	2-10
Furniture and fixtures	1-20
Leasehold improvements	5-25

Depreciation is provided for assets when they are ready for use. Depreciation continues to be provided on assets when they become idle.

Gains or losses on disposals of property, plant and equipment are determined by comparing the carrying amount at financial statements and collected amount and included in the other income or expense accounts, as appropriate.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Expenses arising from replacing any part of property, plant and equipment, together with maintenance and repair costs, can be capitalized if they increase the future economic benefit of the asset. All other expenses are accounted for as expense items in the income statement as they occur.

### 2.4.5 Intangible Assets

#### a) Goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

The estimations related with the future cash flows do not include cash inflows and outflows related with restructuring that the Group has not committed yet or the enhancing or the improving the performance of the asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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### b) Computer software

Rights arising on computer software are recognized at its acquisition cost. Computer software is amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is between 3-15 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

### c) Service Concession Arrangements and Build-operate-transfer investments

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop/upgrade, operate and maintain the grantor's infrastructure. During the arrangement period, operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

Since the Group has a right to charge to users regarding usage of investment, determined with Service Concession Agreements, the Group has applied an intangible asset model described in TFRIC 12 "Service Concession Agreements" for the agreements listed below.

Intangibles arising from concession service agreement classified as build- operate - transfer investment as intangible assets.

Operation or service income are recognized in the reporting period in which the services are rendered.

According to service concession agreements, maintenance and modernization within in the scope of the contractual obligations are accounted in accordance with TAS 37 ("Provisions, Contingent Liabilities and Contingent Assets").

Investment costs related to the construction of the terminal are amortized on a straight-line basis over the life of the terminal.

Borrowing costs that are directly attributable to the Build-Operate-Transfer investment are capitalized as part of the cost of that asset, if the amount of costs can be measured reliably and it is probable that the economic benefits associated with the qualifying asset will flow to the Group.

According to these concession agreements, the Group capitalized the differences between the paid deposit paid and its net present value as Build-Operate-Transfer investment and amortized the amount during the periods of concession agreements (Note 13).

### 2.4.6 Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition. Cost is determined by the monthly moving weighted average method. The cost of borrowings is not included in the costs of inventories. Net realizable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

### 2.4.7 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that deferred tax assets, an asset other than intangible assets with indefinite useful lives, and financial assets at fair value may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. The recoverable amount is determined by choosing the higher of fair value less cost of selling and value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognized immediately in statement of income. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets.

An impairment loss recognized in prior period for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount cannot be higher than the previously recognized impairment loss and shall not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized as income in the consolidated financial statements.

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### 2.4.8 Financial Liabilities and Borrowing Costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings.

If financing costs arising from loans are associated with acquisition and construction of qualifying assets, it has been included in the cost price of the qualifying assets. The qualifying assets refer to assets that are required for a long period of time to be ready for use or sale as intended. All other borrowing costs are recognized in the profit or loss statement in the period in which they are incurred.

### 2.4.9 Leases

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

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The right-of-use assets include the first measurement of the corresponding lease obligation, lease payments made before or before the lease actually starts, and other direct initial costs. These assets are subsequently measured at cost by deducting accumulated depreciation and impairment losses.

A provision is recognized in accordance with TAS 37 in cases where the Group is exposed to the costs required to disassemble and eliminate a lease asset, to restore the area on which the asset is located, or to restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right-of-use asset, unless they are incurred for inventory production.

The right-of-use assets are depreciated according to the shorter of the main asset's rental period and useful life. If ownership of the main asset is transferred in the lease or if the Group plans to implement a purchase option, right-of-use asset is depreciated over the useful life of the main asset. Depreciation starts on the date the lease actually starts.

The right-of-use assets are presented in a separate line in the consolidated financial statements.

The Group applies the TAS 36 to determine whether the right-of-use assets are impaired and for all identified impairment losses are accounted as specified in the 'Property, Plant and Equipment' policy.

### The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

### **2.4.10 Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **2.4.11 Business Combinations and Goodwill**

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method in accordance with TFRS 3 (Note 13).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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The cost of a business combination is allocated by recognizing the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill has been recognized as an asset and has initially been measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. In business combinations, the acquirer recognizes identifiable assets (such as deferred tax on carry forward losses), intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements at their fair values in the consolidated financial statements. The goodwill previously recognized in the financial statements of the acquiree is not considered as an identifiable asset.

Goodwill recognized as a result of business combinations is not amortized and its carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Provisions for goodwill impairment loss are not cancelled at subsequent periods. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

### 2.4.12 Foreign Currency Transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The daily or average exchange rate was used when converting the foreign currency assets and liabilities into the presentation currency.

### 2.4.13 Earnings per Share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned (Note 30).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

### 2.4.14 Events After the Balance Sheet Date

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements (Note 35).

### 2.4.15 Provisions, Contingent Liabilities and Contingent Assets

The conditions which are required to be met in order to recognize a provision in the consolidated financial statements are those that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation (Note 14).

Where the effect of the time value of money is significant, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Liabilities or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the entity are considered as contingent liabilities and assets, and not included in the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 2.4.16 Related Parties

Related party is the person or entity related to Company which is preparing financial statements ("reporting Company") (Note 31).

a) A person or a close member of that person's family is related to a reporting entity:

If that person;

- i) has control or joint control over the reporting entity;
- ii) has significant influence over the reporting entity; or
- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 2.4.17 Segment Reporting

The operating segments are evaluated in parallel to the internal reporting and strategic sections presented to the organs or persons authorized to make decisions regarding the activities of the Group. The organs and persons authorized to make strategic decisions regarding the Group's activities with respect to the resources to be allocated to these sections and their evaluation are defined as the Group's senior managers of the Group. The Group's senior managers follow up the Group's activities on activity basis as ground handling services and cargo and warehouse services.

### 2.4.18 Taxes on Income

#### *Current tax expense and deferred tax*

Tax expense includes current tax expense and deferred tax expense. The tax is included in the income statement, provided that it is not directly related to an operation accounted under equity. Otherwise, the tax is accounted under equity as well as the related transaction.

Current tax expense is calculated by taking into account the tax laws applicable in the countries where the Group's subsidiaries and investments accounted by using the equity method are active as of the date of statement of financial position.

#### Income tax

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates, and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The effective tax rate in 2021 is 25% (23% for 2022 and 20% in the following periods) (2020: 22%). The corporate tax rate is applied to the net corporate income calculated as a result of adding non-deductible expenses in accordance with the tax laws to the trade income of the corporations, and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month. However, according to Turkish tax legislation, corporations, legal or business centers of which are located in Turkey, calculate provisional tax on their quarterly financial profits and declare the results of the relevant period until the 14th day of the second month following the relevant period and pay the calculated temporary tax until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded or deducted in cash. As of 31 December 2021 and 2020, tax provision has been made in accordance with the applicable tax legislation.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations and non-resident corporations exempted from income and corporation tax. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

### Deferred tax

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is calculated using tax rates that are currently in effect as of the date of the statement of financial position.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are calculated to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset against each other if the same country is subject to tax legislation and there is a legally enforceable right to offset current tax assets against current tax liabilities.

In the deferred tax calculation as of 31 December 2021, a tax rate of 23% is used for temporary differences that are expected to be realized / closed in 2022. However, since the effective corporate tax rate after 2022 is 20%, 20% tax rate is used for the valid differences expected to be realized/closed after 2022.

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. The taxes payable on the statement of financial position as of 31 December 2021, and 2020, are netted off for each subsidiary and are separately classified in the consolidated financial statements.

### 2.4.19 Employee Benefits

#### Employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total reserve for future probable future obligations of the Group arising from the retirement of the personnel in accordance with the Turkish Labor Law and the laws of the countries in which the Subsidiaries operate. In accordance with the law and the Turkish Labor Law regulates the current working life in Turkey, the Group has completed at least one year of service, their request with redundancy or improper conduct on-off work for reasons other than termination of the results of the work contract, who passed away or retired each staff it is obliged to pay severance pay collectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Provision which is allocated by the present value of the defined benefit obligation is calculated using the projected liability method. All actuarial gains and losses are accounted under equity.

The employment termination liability is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees.

After the legislative amendment on 23 May 2002, some transition process items related to the previous service period before retirement were issued. The amount payable consists of one month's salary for each year of service and is limited to TL 8.284,51 as of 31 December 2021 (31 December 2020: TL 7.117,17).

### Provision for unused vacation

The Company records a liability by calculating the number of vacation days earned by its employees but not used, such amount is short-term and measured without being discounted, and is recognized as an expense in the profit or loss as the related service is fulfilled.

### 2.4.20 Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from main activities represent the cash flows of the Group generated from airport ground handling services, airport construction and operation activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

### 2.4.21 Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

### 2.4.22 Paid-in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.4.23 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function.

When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net provided that the nature of the transaction or the event will qualify for offsetting.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### 2.5 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that may have a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

#### (a) Goodwill impairment

As explained in Note 2.4.11 the Group performs impairment tests on goodwill annually as of 31 December or more frequently if events or changes in circumstances indicate that it might be impaired. As of 31 December 2021, the Group does not have any impairment as a result of the analyzes.

#### (b) Impairment of intangible assets

According to the accounting policy stated in Note 2.4.5 the intangible assets are disclosed with their net value after the deduction of the accumulated depreciation, and impairment, if any.

#### (c) Provisions

In accordance with the accounting policy mentioned in Note 2.4.15, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation. In this context, the Group has evaluated the legal proceedings and damage claims raised against in courts as of 31 December 2020 and for the ones where the Group estimates a probability of losing the cases in courts, necessary provisions are accounted for in the consolidated financial statements (Note 14).

#### (d) Taxes calculated on the basis of the Company's earnings

In accordance with the accounting policy mentioned in Note 2.4.18, a provision is made for the tax liability of current year calculated with tax rates which are valid on the balance sheet date over the portion of period income estimated based on period results of the Group as of balance sheet date. Tax legislation of jurisdictions, in which the subsidiaries and subsidiaries subject to joint control of the Group operates, are subject to different interpretations and may be amended. In this scope, interpretation of tax legislation by tax authorities related to operations of subsidiaries and subsidiaries subject to joint control of the Group may differ from the interpretation of the management. Therefore, transactions may be interpreted in a different manner by tax authorities and the Group may be exposed to additional tax, fines and interest payments.

As of 31 December 2021, the Group has reviewed possible tax fines which may source from its subsidiaries and subsidiaries subject to joint control and has not considered to make any provisions.

#### (e) Calculated deferred tax assets over tax deductions to be used

Tax receivable due to unused taxable losses is reflected on the records in the case of being most likely to have sufficient taxable profit in future periods.

#### (f) Investments made in the framework of concession arrangements in scope of TFRIC 12

Celebi Delhi Cargo, subsidiary of the Group resident in India, has signed a concession arrangement with Delhi International Airport Private Limited ("DIAL") on 6 May 2009 in order to operate in development, modernization, financing and management for 25 years of current cargo terminal in the airport located in New Delhi city of India.

Investment expenditures made by the Group within scope of aforementioned arrangement and concession arrangement signed by Çelebi Nas, which is a joint venture of the Group subject to joint control and resident in India, on 8 April 2015, are recognized in accordance with International Financial Reporting Interpretations Committee 12 ("TFRIC 12") Service Concession Arrangements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Preparation of the consolidated financial statements in accordance with TFRS requires the management to make decisions, estimations and assumptions affecting the implementation of policies and amounts of assets, liabilities, income and expense which are reported. Actual results may differ from those estimates.

Estimations and assumptions forming a basis for estimations are continuously reviewed. Updates made in accounting estimates are recorded in the period of update and following periods affected from the aforementioned updates.

Information on significant decisions applied to accounting policies which have the most significant impact on amounts recorded in consolidated financial statements is explained in the following notes:

Note 2.5 (f) - Application of profit margin to construction costs made in scope of TFRIC 12 "Service Concession Arrangements"

Information on estimates having significant impact on amounts recorded in consolidated financial statements is explained in the notes below:

Note 11 - Property, plant and equipment

Note 12 - Right-of-use assets

Note 13 - Intangible assets

Note 14 - Provision for employee benefits

Note 29 - Tax assets and liabilities

Note 31 - Related party disclosures

### NOTE 3 - SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Company's senior management and effective in making strategic decisions.

Management evaluates the Group's performance as operating segments, and Ground handling services and Cargo and Warehouse services are evaluated according to their activity segments. The management monitors the performance of the operating segments with the profit before interest tax and depreciation ("EBITDA"), which is the amount after deducting the expense equalization amount, the effect of TFRIC 12, severance pay and leave provisions, which do not create a cash movement related to operational leases from the profit before interest tax and depreciation.

The operational segment information provided to the board of directors as of 31 December 2021 and 2020 is as follows:

	Operation Groups			Consolidated
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	
<b>1 January - 31 December 2021</b>				
Revenue	1.357.651.028	1.216.065.914	(13.528.107)	2.560.188.835
Cost of sales	(911.136.650)	(824.822.022)	7.639.312	(1.728.319.360)
<b>Gross profit</b>	<b>446.514.378</b>	<b>391.243.892</b>	<b>(5.888.795)</b>	<b>831.869.475</b>
General administrative expenses	(207.015.461)	(78.712.535)	7.526.541	(278.201.455)
Addition: Depreciation and amortization	127.634.504	78.417.534	-	206.052.038
Addition: TFRIC -12 effect shares	-	12.647.486	-	12.647.486
Addition: Provision for employment termination benefit and unused vacation	20.747.420	8.382.575	-	29.129.995
EBITDA effect of investments accounted by using equity method	11.746.974	-	-	11.746.974
<b>EBITDA</b>	<b>399.627.815</b>	<b>411.978.952</b>	<b>1.637.746</b>	<b>813.244.513</b>
Lease expenses under TFRS 16	(71.579.125)	(23.351.867)	-	(94.930.992)
<b>EBITDA (Except for TFRS 16)</b>	<b>328.048.690</b>	<b>388.627.085</b>	<b>1.637.746</b>	<b>718.313.521</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

1 January - 31 December 2020	Operation Groups			Consolidated
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	
Revenue	656.286.585	894.666.247	(9.451.731)	1.541.501.101
Cost of sales	(533.520.680)	(628.049.778)	9.930.764	(1.151.639.694)
<b>Gross profit</b>	<b>122.765.905</b>	<b>266.616.469</b>	<b>479.033</b>	<b>389.861.407</b>
General administrative expenses	(141.181.694)	(62.632.539)	82.410	(203.731.823)
Addition: Depreciation and amortization	103.833.042	50.593.533	-	154.426.575
Addition: TFRIC -12 effect shares	-	9.502.102	-	9.502.102
Addition: Provision for employment termination benefit and unused vacation	12.745.059	4.194.140	-	16.939.199
EBITDA effect of investments accounted by using equity method	21.375.580	(1.644.405)	-	19.731.175
<b>EBITDA</b>	<b>119.537.892</b>	<b>266.629.300</b>	<b>561.443</b>	<b>386.728.635</b>
Lease expenses under TFRS 16	(75.957.835)	(18.012.341)	-	(93.970.176)
<b>EBITDA (Except for TFRS 16)</b>	<b>43.580.057</b>	<b>248.616.959</b>	<b>561.443</b>	<b>292.758.459</b>

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

	1 January - 31 December 2021	1 January - 31 December 2020
EBITDA for reported segments	813.244.513	386.728.635
Depreciation and amortization	(206.052.038)	(154.426.575)
TFRIC -12 effect	(12.647.486)	(9.502.102)
Other operating income	60.483.487	373.026.812
Other operating expenses (-)	(88.395.811)	(353.420.853)
Provisions for employment termination benefit and unused vacation	(29.129.995)	(16.939.199)
EBITDA effect of investments accounted by using equity method	(11.746.974)	(19.731.175)
<b>Operating profit</b>	<b>525.755.696</b>	<b>205.735.543</b>
Shares in profit from investments accounted by equity method	3.781.303	3.059.271
Income from investing activities	84.541.331	11.666.817
Expenses from investing activities (-)	(1.219.124)	(1.453.891)
Finance income	188.534.725	109.917.535
Finance expenses (-)	(171.358.032)	(462.002.557)
<b>Profit / (loss) before tax</b>	<b>630.035.899</b>	<b>(133.077.282)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash	941.624	736.957
Banks	1.093.021.210	571.093.229
- time deposit	744.666.178	418.194.336
- demand deposit	348.355.032	152.898.893
	<b>1.093.962.834</b>	<b>571.830.186</b>

As of 31 December 2021, effective interest rates on TL, EUR, USD and INR denominated time deposits are 15,73%, 3,95%, 0,37%, ve 5,22% (31 December 2020: TL 9,50%, EUR 4,50%, USD 3,50%, INR 7,20%). As of 31 December 2021, the maturity of denominated time deposits are 1 day for TL, USD and EUR, and 20-60 days for INR (31 December 2020: TL, EUR and USD 1 day, INR 20-60 days).

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

	31 December 2021	31 December 2020
Cash on hand and cash at banks	1.093.962.834	571.830.186
Less: Interest accruals	(388.002)	(401.369)
	<b>1.093.574.832</b>	<b>571.428.817</b>

### NOTE 5 - FINANCIAL INVESTMENTS

#### Restricted bank balances:

	31 December 2021	31 December 2020
Restricted bank balances (Between 3 months and 365 days) <sup>(*)</sup>	49.130.668	9.435.386
Restricted bank balances (Longer than 365 days) <sup>(*)</sup>	53.479.264	9.007.900
	<b>102.609.932</b>	<b>18.443.286</b>

#### Time deposits:

	31 December 2021	31 December 2020
Time deposits (Between 3 months and 365 days)	14.078.067	-
Time deposits (Longer than 365 days)	-	9.019.305
	<b>14.078.067</b>	<b>9.019.305</b>

<sup>(\*)</sup> 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 at New Delhi Airport, India, and the related balances are kept blocked in bank accounts with a maturity longer than 3 months.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Financial investments at fair value through other comprehensive income:

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

(\*) The liquidation process of Celebi Spain was completed in 2021.

(\*\*) Celebi Tanzania was included in full consolidation in 2021.

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

	31 December 2021		31 December 2020	
	Percentage of Shares %	TL	Percentage of Shares %	TL
Celebi Nas	-	-	57,00	146.706.781
DASPL	100,00	20.391.743	24,99	11.004.864
		<b>20.391.743</b>		<b>157.711.645</b>

The movements of investments accounted using the equity method during the period ended on 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
<b>As of 1 January</b>	<b>157.711.645</b>	<b>129.954.118</b>
Shares of net profits for the period	3.781.303	3.059.271
Foreign currency translation differences	8.746.444	26.158.652
Gains/(losses) on defined benefit plans remeasurement	-	(277.896)
Dividends paid	(3.140.868)	(1.182.500)
Transfers (*)	(146.706.781)	-
<b>As of 31 December</b>	<b>20.391.743</b>	<b>157.711.645</b>

(\*) In addition to the partnership agreement signed between the Company and other partners on 17 January 2021, regarding Celebi Nas, the Company's joint venture with a 57% shares, located in Mumbai, India, with the additional protocol that was registered and entered into force on 8 February 2021, amendments were made in the "Reserve Matters/ Privileged Matters" articles in favor of the Company, which would affect Celebi Nas's authority and power to control its financial and operating policies in line with the Company's interests. In this framework, it has been started to be consolidated in 2021 by using the full consolidation method from the date the control passed to the Company.

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

	1 January - 31 December 2021	1 January - 31 December 2020
Celebi Nas	-	1.508.931
DASPL	3.781.303	1.550.340
	<b>3.781.303</b>	<b>3.059.271</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

Summary information of DASPL is as follows:

	31 December 2021	31 December 2020
Total Assets	93.492.109	53.299.466
Total Liabilities	10.045.060	7.745.258
	1 January - 31 December 2021	1 January - 31 December 2020
Total Sales Income	61.779.125	37.845.244
Profit for the Period	15.131.266	6.203.840

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

#### Short-term borrowings:

	31 December 2021		TL
	Effective interest rate (%)	Original balance	
<i>Short-term borrowings:</i>			
TL borrowings	20,24-21,00	72.619.920	72.619.920
EUR borrowings	3,00-3,95	6.450.000	97.484.655
			<b>170.104.575</b>

#### Short-term lease obligations:

INR lease obligation		229.230.924	40.028.304
EUR lease obligation		9.335.527	141.096.228
TL lease obligation		16.991.050	16.991.050
HUF lease obligation		24.189.990	961.794
<b>Total short-term lease obligations</b>			<b>199.077.376</b>

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

	31 December 2021		TL
	Effective interest rate (%)	Original balance	
<i>Short-term portion of long-term financial liabilities:</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 financial liabilities:</b>			<b>674.004.935</b>
<b>Total short-term liabilities:</b>			<b>1.043.186.886</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Long-term borrowings:

	31 December 2021		TL
	Effective interest rate (%)	Original balance	
<b>Long-term borrowings:</b>			
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>

### Long-term lease obligations:

INR lease obligations		663.609.844	115.879.551
EUR lease obligations		61.252.779	925.768.383
TL lease obligations		21.098.468	21.098.468
HUF 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>

### Short-term borrowings:

	31 December 2020		TL
	Effective interest rate (%)	Original balance	
<b>Short-term borrowings:</b>			
EUR Borrowings	1,40-3,25	13.250.000	119.354.675
TL Borrowings	7,00	30.000.000	30.000.000
			<b>149.354.675</b>

### Short-term lease obligations:

INR lease obligations		98.771.501	9.901.843
EUR lease obligations		10.114.755	91.112.702
TL lease obligations		8.501.296	8.501.296
HUF lease obligations		933.116.788	23.066.647
<b>Total short-term lease obligations</b>			<b>132.582.488</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

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

### Long-term financial liabilities:

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

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

	31 December 2021	31 December 2020
Less than 3 months	337.616.272	245.906.622
Between 3-12 months	705.570.614	472.504.078
Between 1-5 years	1.168.656.947	748.068.226
5 years and more	528.832.973	339.184.354
	<b>2.740.676.806</b>	<b>1.805.663.280</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

As of 31 December 2021 and 2020, the repayment schedule of long-term loans is as follows:

	31 December 2021	31 December 2020
Between 1-2 years	428.956.323	312.405.888
Between 2-3 years	103.861.290	129.905.313
Between 3-4 years	73.988.108	20.548.119
4 years and more	27.553.572	42.275.974
	<b>634.359.293</b>	<b>505.135.294</b>

As of 31 December 2021 and 2020, the repayment terms of the debts from the lease transactions are as follows:

	31 December 2021	31 December 2020
Less than 1 year	199.077.376	132.582.488
Between 1-5 years	461.618.901	260.948.734
5 years and more	601.511.726	321.168.552
	<b>1.262.208.003</b>	<b>714.699.774</b>

The repayment schedule of the Group's floating rate borrowings as of 31 December 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
Less than 3 months	24.245.987	10.502.508
Between 3-12 months	83.966.052	30.308.581
Between 1-5 years	218.724.153	97.412.266
5 years and more	6.002.562	-
	<b>332.938.754</b>	<b>138.223.355</b>

The movement table of loans between 1 January 2021 and 31 December 2021 is as follows:

	2021	2020
<b>Beginning of the period - 1 January</b>	<b>1.090.963.506</b>	<b>802.214.655</b>
Celebi Nas beginning of the period <sup>(*)</sup>	111.712.766	-
New financial liabilities	497.012.095	629.080.104
Principal payments	(768.216.693)	(597.816.388)
Interest payments	(80.569.471)	(55.505.732)
Exchange differences and foreign currency translation differences	548.399.436	250.162.374
Change in interest accruals	79.167.164	62.828.493
<b>End of the period - 31 December</b>	<b>1.478.468.803</b>	<b>1.090.963.506</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The movement table of borrowings from lease transactions between 1 January 2021 and 31 December 2021 is as follows:

	2021	2020
<b>Beginning of the period - 1 January</b>	<b>714.699.774</b>	<b>458.746.839</b>
Celebi Nas beginning of the period <sup>(*)</sup>	399.928	-
Additions	145.158.142	136.734.310
Interest expense	39.980.238	36.552.454
Lease payments	(119.119.474)	(70.424.046)
Exchange differences and foreign currency translation differences	481.089.395	153.090.217
<b>End of the period - 31 December</b>	<b>1.262.208.003</b>	<b>714.699.774</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

### NOTE 8 - TRADE RECEIVABLES AND PAYABLES

#### Short-term trade receivables

	31 December 2021	31 December 2020
Trade receivables from third parties	459.371.597	216.660.285
Less: Provision for impairment	(79.272.561)	(53.241.619)
<b>Trade receivables from third parties (net)</b>	<b>380.099.036</b>	<b>163.418.666</b>
Trade receivables from related parties (Note 31)	589.742	5.343.963
<b>Total short-term trade receivables</b>	<b>380.688.778</b>	<b>168.762.629</b>

The average collection period of trade receivables is 0-2 months, and they are classified as short-term trade receivables. The Group holds its trade receivables to collect the contractual cash flows and therefore measures at amortized cost using the effective interest method.

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

	31 December 2021	31 December 2020
Opening balance	53.241.619	36.457.770
Foreign currency translation differences	19.179.732	1.293.422
Collections and provisions released	(3.659.752)	(2.656.075)
Additional provisions in the current period	10.510.962	18.146.502
<b>Closing balance</b>	<b>79.272.561</b>	<b>53.241.619</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Credit risks exposed by the Group for each financial instrument type as of 31 December 2021 and 2020 are shown below:

31 December 2021	Trade receivables		Other receivables		Bank deposits <sup>(*)</sup>
	Related party	Other	Related party	Other	
<b>Maximum of credit risk exposed as of the reporting date</b>	<b>589.742</b>	<b>380.099.036</b>	<b>124.850.444</b>	<b>516.445.678</b>	<b>1.146.500.474</b>
- Amount of risk covered by guarantees	-	22.884.231	-	-	-
Net carrying value of financial assets which are not due or not impaired	589.742	314.822.403	124.850.444	516.445.678	1.146.500.474
Net carrying value of financial assets which are overdue but not impaired	-	68.821.671	-	-	-
- Amount of risk covered by guarantees	-	16.146.391	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	79.272.561	-	-	-
- Impairment (-)	-	(79.272.561)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

31 December 2020	Trade receivables		Other receivables		Bank deposits <sup>(*)</sup>
	Related party	Other	Related party	Other	
<b>Maximum of credit risk exposed as of the reporting date</b>	<b>5.343.963</b>	<b>163.418.666</b>	<b>110.458.688</b>	<b>132.002.392</b>	<b>598.555.820</b>
- Amount of risk covered by guarantees	-	6.612.533	-	-	-
Net carrying value of financial assets which are not due or not impaired	5.343.963	92.846.199	110.458.688	132.002.392	598.555.820
Net carrying value of financial assets which are overdue but not impaired	-	70.572.469	-	-	-
- Amount of risk covered by guarantees	-	5.548.537	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	53.241.619	-	-	-
- Impairment (-)	-	(53.241.619)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

<sup>(\*)</sup> The related balance also includes time deposits classified under financial investments and restricted bank balances.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Aging which is prepared considering the overdue days of overdue receivables that are not impaired including receivables from related parties is as follows:

	31 December 2021	31 December 2020
Overdue 1 month	22.080.910	35.583.407
Overdue 1-3 months	26.888.511	10.889.376
Overdue 3-12 months	19.657.616	18.459.073
Overdue 1-5 years	194.634	5.640.613
	<b>68.821.671</b>	<b>70.572.469</b>

As of 31 December 2021, the portion of the Group's overdue but not impaired receivables secured by collateral is TL 16.146.391 (31 December 2020: TL 5.548.537).

### Short-term trade payables

	31 December 2021	31 December 2020
Trade payables to third parties	214.331.758	101.380.826
Accrued liabilities	67.840.531	17.954.490
<b>Total trade payables to third parties</b>	<b>282.172.289</b>	<b>119.335.316</b>
Due to third parties (Note 31)	11.780.141	8.892.303
<b>Total short-term trade payables</b>	<b>293.952.430</b>	<b>128.227.619</b>

### NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 December 2021	31 December 2020
Receivables from tax office	28.030.496	8.578.852
Deposits and guarantees given	23.489.205	4.806.881
Other miscellaneous receivables <sup>(*)</sup>	167.545.055	59.147.500
<b>Short-term other receivables from related parties</b>	<b>219.064.756</b>	<b>72.533.233</b>
Other receivables from related parties (Note 31)	60.554.654	36.106.731
<b>Total short-term other receivables</b>	<b>279.619.410</b>	<b>108.639.964</b>

<sup>(\*)</sup> Other miscellaneous receivables consist of short-term loan given by Delhi Cargo to GMR Infrastructure Limited in the amount of 940.000.000 Indian Rupee (31 December 2020: 540.000.000 Indian Rupee).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Other long-term receivables

	31 December 2021	31 December 2020
Deposits and guarantees given <sup>(*)</sup>	297.380.922	59.469.159
<b>Other long-term receivables from third parties</b>	<b>297.380.922</b>	<b>59.469.159</b>
Other receivables from related parties (Note 31)	64.295.790	74.351.957
<b>Total long-term other receivables</b>	<b>361.676.712</b>	<b>133.821.116</b>

<sup>(\*)</sup> As of 31 December 2021, deposits and guarantees given predominantly consists of the deposits given by the subsidiaries of the Group, CASI and Celebi Delhi Cargo, to the local authorities and companies amounting to TL 37.256.462 (31 December 2020: TL 39.109.208) and TL 75.878.570 (31 December 2020: TL 19.806.821).

### Other short-term payables

	31 December 2021	31 December 2020
Other short-term payables <sup>(*)</sup>	48.677.439	26.378.518
Deposits and guarantees received	9.749.142	2.703.140
Other payables to related parties (Note 31)	-	57.712.500
<b>Total short-term other payables</b>	<b>58.426.581</b>	<b>86.794.158</b>

<sup>(\*)</sup> As of 31 December 2021, TL 39.023.634 of other short-term payables (31 December 2020: TL 24.811.759) is due to the concession agreements of the subsidiaries of the Company in India to the relevant authorities.

### Other long-term payables

	31 December 2021	31 December 2020
Deposits and guarantees received	39.168.652	20.323.200
	<b>39.168.652</b>	<b>20.323.200</b>

### NOTE 10 - INVENTORIES

	31 December 2021	31 December 2020
Merchandises	10.475.951	3.958.977
Other inventories <sup>(*)</sup>	30.345.070	15.586.228
	<b>40.821.021</b>	<b>19.545.205</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

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

	Opening 1 January 2021	Celebi Nas opening <sup>(*)</sup>	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 December 2021
<b>Cost</b>							
Machinery, plant and equipment	484.734.159	127.523.040	32.208.802	(24.436.126)	(262.396)	437.842.919	1.057.610.398
Motor vehicles	130.986.095	3.923.090	7.212.515	(9.739.686)	-	84.103.757	216.485.771
Fixtures	67.853.295	3.359.524	2.628.694	(8.064.700)	27.727	45.572.021	111.376.561
Leasehold improvements	221.780.258	410.620	4.929.384	(502.013)	1.867.766	151.856.526	380.342.541
Construction in progress	3.392.979	-	39.897.496	-	(1.633.097)	19.761.969	61.419.347
	<b>908.746.786</b>	<b>135.216.274</b>	<b>86.876.891</b>	<b>(42.742.525)</b>	<b>-</b>	<b>739.137.192</b>	<b>1.827.234.618</b>
<b>Accumulated depreciation</b>							
Machinery, plant and equipment	(255.533.905)	(109.050.309)	(41.958.883)	17.067.281	27.727	(266.773.996)	(656.222.085)
Motor vehicles	(82.459.525)	(2.465.700)	(8.237.510)	8.800.248	-	(53.696.518)	(138.059.005)
Fixtures	(34.771.503)	(2.729.991)	(8.012.809)	8.015.010	(27.727)	(25.027.241)	(62.554.261)
Leasehold improvements	(46.814.610)	(410.620)	(12.171.569)	347.733	-	(36.548.362)	(95.597.428)
	<b>(419.579.543)</b>	<b>(114.656.620)</b>	<b>(70.380.771)</b>	<b>34.230.272</b>	<b>-</b>	<b>(382.046.117)</b>	<b>(952.432.779)</b>
<b>Net book value</b>	<b>489.167.243</b>						<b>874.801.839</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

Depreciation expense for the period ended 31 December 2021 in the amount of TL 66.945.234 and TL 3.435.537 are respectively included in cost of sales and operating expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

	Opening 1 January 2020	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 December 2020
<b>Cost</b>						
Machinery, plant and equipment	421.874.528	35.286.619	(3.171.636)	(7.829.827)	38.574.475	484.734.159
Motor vehicles	109.354.697	2.943.079	(5.615.450)	1.515.311	22.788.458	130.986.095
Fixtures	55.331.330	3.842.715	(318.889)	5.938.262	3.059.877	67.853.295
Leasehold improvements	204.766.495	6.233.215	(1.686)	6.563.317	4.218.917	221.780.258
Construction in progress	6.941.410	1.261.587	-	(6.216.979)	1.406.961	3.392.979
	<b>798.268.460</b>	<b>49.567.215</b>	<b>(9.107.661)</b>	<b>(29.916)</b>	<b>70.048.688</b>	<b>908.746.786</b>
<b>Accumulated depreciation</b>						
Machinery, plant and equipment	(222.190.447)	(29.056.942)	2.727.114	10.080.386	(17.094.016)	(255.533.905)
Motor vehicles	(65.138.374)	(6.232.413)	3.819.616	(986.331)	(13.922.023)	(82.459.525)
Fixtures	(21.577.390)	(6.333.811)	317.533	(5.158.299)	(2.019.536)	(34.771.503)
Leasehold improvements	(32.203.167)	(8.228.836)	1.611	(3.905.840)	(2.478.378)	(46.814.610)
	<b>(341.109.378)</b>	<b>(49.852.002)</b>	<b>6.865.874</b>	<b>29.916</b>	<b>(35.513.953)</b>	<b>(419.579.543)</b>
<b>Net book value</b>	<b>457.159.082</b>					<b>489.167.243</b>

Depreciation expense for the period ended 31 December 2020 in the amount of TL 47.766.427 and TL 2.085.575 are respectively included in cost of sales and operating expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 12 - RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the period ended 31 December 2021 are as follows:

	Opening 1 January 2021	Celebi Nas opening	Additions <sup>(**)</sup>	Foreign currency translation differences	Closing 31 December 2021
<b>Cost</b>					
Buildings and land	605.089.617	666.525	206.997.272	525.279.822	1.338.033.236
Machinery, plant and equipment	46.908.480	-	-	24.308.649	71.217.129
Vehicles	9.401.947	-	11.141.685	11.282.294	31.825.926
	<b>661.400.044</b>	<b>666.525</b>	<b>218.138.957</b>	<b>560.870.765</b>	<b>1.441.076.291</b>
<b>Accumulated depreciation</b>					
Buildings and land	(99.237.825)	(318.770)	(82.856.064)	(106.753.694)	(289.166.353)
Machinery, plant and equipment	(43.747.900)	-	(1.974.539)	(25.494.690)	(71.217.129)
Vehicles	(7.748.997)	-	(2.871.643)	(6.465.129)	(17.085.769)
	<b>(150.734.722)</b>	<b>(318.770)</b>	<b>(87.702.246)</b>	<b>(138.713.513)</b>	<b>(377.469.251)</b>
<b>Net book value</b>	<b>510.665.322</b>				<b>1.063.607.040</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

<sup>(\*\*)</sup> In 2021, the controlling power in Celebi Nas was reorganized in favor of Celebi Hava, and in accordance with TFRS 3, the difference between the net assets of the Company and the fair value of the Company's equity, amounting to TL 72.980.816, was recorded as a right-of-use asset.

Depreciation expense for the period ended 31 December 2021 in the amount of TL 87.702.246 is included in cost of sales.

Movements in right-of-use assets for the period ended 31 December 2020 are as follows:

	Opening 1 January 2020	Additions	Foreign currency translation differences	Closing 31 December 2020
<b>Cost</b>				
Buildings and land	435.309.266	136.069.788	33.710.563	605.089.617
Machinery, plant and equipment	45.760.572	-	1.147.908	46.908.480
Vehicles	7.905.523	664.522	831.902	9.401.947
	<b>488.975.361</b>	<b>136.734.310</b>	<b>35.690.373</b>	<b>661.400.044</b>
<b>Accumulated depreciation</b>				
Buildings and land	(35.982.511)	(53.327.304)	(9.928.010)	(99.237.825)
Machinery, plant and equipment	(21.490.992)	(21.712.485)	(544.423)	(43.747.900)
Vehicles	(3.445.845)	(4.001.395)	(301.757)	(7.748.997)
	<b>(60.919.348)</b>	<b>(79.041.184)</b>	<b>(10.774.190)</b>	<b>(150.734.722)</b>
<b>Net book value</b>	<b>428.056.013</b>			<b>510.665.322</b>

Depreciation expense for the period ended 31 December 2020 in the amount of TL 79.041.184 is included in cost of sales.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 13 - INTANGIBLE ASSETS

#### Other Intangible Assets

Movements in other intangible assets for the period ended 31 December 2021 are as follows:

	Opening 1 January 2021	Celebi Nas opening <sup>(*)</sup>	Additions	Foreign currency translation differences	Closing 31 December 2021
<b>Cost</b>					
Rights	10.390.233	-	2.852	7.202.352	17.595.437
Computer softwares	34.912.719	4.859.184	1.868.561	27.574.122	69.214.586
Concession rights <sup>(**)</sup>	234.176.391	-	1.723.680	174.513.515	410.413.586
Build-operate-transfer investments <sup>(***)</sup>	186.488.027	212.159.634	-	290.639.326	689.286.987
	<b>465.967.370</b>	<b>217.018.818</b>	<b>3.595.093</b>	<b>499.929.315</b>	<b>1.186.510.596</b>
<b>Accumulated depreciation</b>					
Rights	(5.410.777)	-	(678.246)	(4.140.302)	(10.229.325)
Computer softwares	(24.349.092)	(2.498.565)	(4.405.268)	(20.880.916)	(52.133.841)
Concession rights <sup>(**)</sup>	(105.930.028)	-	(12.626.961)	(84.376.151)	(202.933.140)
Build-operate-transfer investments <sup>(***)</sup>	(65.452.916)	(35.990.382)	(30.258.546)	(88.209.204)	(219.911.048)
	<b>(201.142.813)</b>	<b>(38.488.947)</b>	<b>(47.969.021)</b>	<b>(197.606.573)</b>	<b>(485.207.354)</b>
<b>Net book value</b>	<b>264.824.557</b>				<b>701.303.242</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

<sup>(\*\*)</sup> Refers to fixed asset expenditures made within within the scope of the concession agreement signed between DIAL Celebi Delhi Cargo and are recognized in accordance with TFRIC 12.

<sup>(\*\*\*)</sup> 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, are accounted for under the built government, to be amortized during the concession period.

Amortization expense for the period ended 31 December 2021 in the amount of TL 45.068.630 and TL 2.900.391 are included in operating expenses and cost of sales, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Movements in other intangible assets for the period ended 31 December 2020 are as follows:

	Opening 1 January 2020	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 December 2020
<b>Cost</b>						
Rights	10.445.953	1.200	(56.920)	-	-	10.390.233
Computer softwares	31.148.869	1.278.012	(1.534.885)	-	4.020.723	34.912.719
Concession rights (*)	191.789.236	3.224.441	-	-	39.162.714	234.176.391
Build-operate-transfer investments (**)	160.438.380	18.797.148	-	(24.958.152)	32.210.651	186.488.027
	<b>393.822.438</b>	<b>23.300.801</b>	<b>(1.591.805)</b>	<b>(24.958.152)</b>	<b>75.394.088</b>	<b>465.967.370</b>
<b>Accumulated depreciation</b>						
Rights	(4.883.496)	(584.201)	56.920	-	-	(5.410.777)
Computer softwares	(19.200.403)	(3.148.456)	535.738	-	(2.535.971)	(24.349.092)
Concession rights (*)	(76.938.820)	(12.605.232)	-	-	(16.385.976)	(105.930.028)
Build-operate-transfer investments (**)	(68.300.220)	(9.195.500)	-	24.958.152	(12.915.348)	(65.452.916)
	<b>(169.322.939)</b>	<b>(25.533.389)</b>	<b>592.658</b>	<b>24.958.152</b>	<b>(31.837.295)</b>	<b>(201.142.813)</b>
<b>Net book value</b>	<b>224.499.499</b>					<b>264.824.557</b>

(\*) Refers to fixed asset expenditures made within within the scope of the concession agreement signed between DIAL Celebi Delhi Cargo and are recognized in accordance with 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, are accounted for under the built government, to be amortized during the concession period.

Amortization expense for the period ended 31 December 2020 in the amount of TL 23.070.967 and TL 2.462.422 are included in cost of sales and operating expenses, respectively.

### Goodwill

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

	31 December 2021	31 December 2020
Goodwill due to acquisition of CGHH	92.897.038	57.756.911
Goodwill due to acquisition of KSU	27.066.100	15.538.750
	<b>119.963.138</b>	<b>73.295.661</b>

Goodwill movement table as of 31 December 2021 is as follows:

	31 December 2021	31 December 2020
1 January	73.295.661	60.932.266
Foreign currency translation differences	46.667.477	12.363.395
<b>Goodwill</b>	<b>119.963.138</b>	<b>73.295.661</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Goodwill impairment test

The Group tests goodwill at least once a year for the risk of impairment. A valuation report prepared by an independent valuation firm is based on for ordinary goodwill impairment test.

	31 December 2021	31 December 2020
<b>Ground handling services - CGHH</b>	92.897.038	57.756.911

The recoverable value of the aforementioned cash generating unit, has been determined by taking the usage calculations as a basis. These calculations are based on cash flow estimates covering the 5-year period, which have been approved by management and better reflect management's expectations and forecasts for the future development of the business. Growth rate used in the cash flows corresponding to be realized after 7 years ensured to be 2,0%. The fair value of Euro amount is calculated in terms of Hungarian Forint which converted with the exchange rates at the balance sheet date. Therefore, the said fair value model is affected by the fluctuations in the foreign exchange market.

Other important assumptions in the fair value calculation model are as follows;

<b>Discount rate</b>	<b>11,1%</b>
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The management bases its budget on previous performance and market growth expectations. The weighted average growth rates used are in line with the estimation stated in industry reports. The discount rate used is the before tax discount rate and includes the Company specific risk factors.

	31 December 2021	31 December 2020
<b>Ground handling services - KSU</b>	27.066.100	15.538.750

The recoverable value of the cash generating unit in question has been determined on the basis of usage calculations. In these calculations, cash flow estimates covering a 5-year period are based on, as they better reflect the expectations and estimations of the management on the future development of the business and approved by the management.

Other important assumptions in the fair value calculation model are as follows;

<b>Discount rate</b>	<b>15,15%</b>
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## NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

### a) Short-Term Provisions

#### Other short-term provisions

	31 December 2021	31 December 2020
Provision for litigation and indemnity	9.047.150	8.094.479
	<b>9.047.150</b>	<b>8.094.479</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Movements of provisions for other litigations and indemnities within the accounting period of 1 January - 31 December 2021 are as follows:

	2021	2020
<b>As of 1 January</b>	<b>8.094.479</b>	<b>6.782.526</b>
Addition during the period	1.263.592	1.944.654
Payments during the period	(1.818.923)	(632.701)
Foreign currency translation differences	1.508.002	-
<b>As of end of the period</b>	<b>9.047.150</b>	<b>8.094.479</b>

### Short-term provision for employee benefits

	31 December 2021	31 December 2020
Provision for employee termination benefits <sup>(*)</sup>	35.091.091	14.124.394
Provision for unused vacation rights	18.976.928	11.490.497
	<b>54.068.019</b>	<b>25.614.891</b>

<sup>(\*)</sup> Consists of employee termination benefits of the outsourced employees of CASI, Celebi Delhi Cargo and Çelebi Cargo, the subsidiaries of the Group.

### b) Long-term provisions

#### Long-term provision for employee benefits

	31 December 2021	31 December 2020
Provision for employee termination benefits	45.879.138	34.788.905
	<b>45.879.138</b>	<b>34.788.905</b>

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

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

Under the Turkish Labour 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 as of 31 December 2021 consists of one month's salary limited to a maximum of TL 8.284,51 (31 December 2020: TL 7.117,17) for each year of service.

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 10.596,74 which is effective from 1 January 2022 (1 January 2021: TL 7.638,96) has been taken into consideration in the calculations.

	2021	2020
<b>As of 1 January</b>	<b>48.913.299</b>	<b>37.411.145</b>
Payments of provisions during the period	(21.580.507)	(9.162.957)
Service cost of employee termination benefits	22.321.987	9.985.645
Interest cost of employee termination benefits	4.224.633	2.874.756
Actuarial gain / (loss)	9.792.230	3.921.804
Foreign currency translation differences	16.342.236	3.882.906
Transfers	956.351	-
<b>As of period end</b>	<b>80.970.229</b>	<b>48.913.299</b>

Movements in the provision for unused vacation rights for the period between 1 January 2021 - 31 December 2021 are as follows:

	2021	2020
<b>As of 1 January</b>	<b>11.490.497</b>	<b>7.939.669</b>
Celebi Nas opening <sup>(*)</sup>	1.785.337	-
Payments of provisions during the period	(2.031.322)	(555.867)
Increase in unused vacation rights during the period	9.704.006	8.196.919
Usage of vacation rights during the period	(6.539.235)	(5.062.658)
Foreign currency translation differences	4.567.645	972.434
<b>As of period end</b>	<b>18.976.928</b>	<b>11.490.497</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

### b) Contingent assets and liabilities

Guarantess received and given as of 31 December 2021 and 2020 are as follows:

#### Guarantees received:

	31 December 2021	31 December 2020
Guarantee letters	44.254.017	25.192.373
Guarantee cheques	5.547.267	2.058.131
Guarantee notes	3.485.511	5.151.487
	<b>53.286.795</b>	<b>32.401.991</b>

#### Guarantees given:

	31 December 2021	31 December 2020
Guarantee letters	228.624.438	186.916.431
Collaterals <sup>(*)</sup>	386.474.891	252.078.770
Pledged shares <sup>(*)</sup>	75.155.051	43.146.798
	<b>690.254.380</b>	<b>482.141.999</b>

<sup>(\*)</sup> TL 461.629.942 of the collaterals given and pledged shares are given to the banks for the loans borrowed by the subsidiaries and joint venture of the Group (31 December 2020: TL 295.225.568) (Note 31).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

As of 31 December 2021, the litigations those generate contingent assets and liabilities to the Group are as below:

As of 31 December 2021, the Group has contingent liabilities amounting to TL 39.894.723 (31 December 2020: TL 19.496.585) due to the legal cases, criminal liabilities and enforcement proceedings in progress against the Group.

The details of collaterals, pledges, guarantees and mortgages ("CPGM") of the Group as of 31 December 2021 and 2020 are as follows:

CPGM given by the Group	31 December 2021		31 December 2020	
	Amount	TL Equivalent	Amount	TL Equivalent
<b>A. CPGM given on behalf of the Group's legal personality</b>		<b>228.624.438</b>		<b>183.455.356</b>
TL	17.872.135	17.872.135	16.421.479	16.421.479
EUR	6.281.434	94.936.965	7.729.339	69.625.113
USD	2.210.500	29.516.807	2.210.500	16.226.175
INR	380.201.002	66.390.699	686.337.003	68.805.285
HUF	500.700.000	19.907.832	500.700.000	12.377.304
<b>B. CPGM given on behalf of fully consolidated subsidiaries</b>		<b>461.629.942</b>		<b>298.686.643</b>
EURO	2.050.000	30.983.495	2.050.000	18.466.195
USD	-	-	471.504	3.461.075
INR	2.466.192.000	430.646.447	2.760.692.000	276.759.373
<b>C. CPGM given for continuation of its economic activities on behalf of the third parties</b>	-	-	-	-
<b>D. Total amount of other CPGM</b>	-	-	-	-
i. Total amount of CPGM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPGM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPGM given on behalf of third Parties which are not in scope of C	-	-	-	-
		<b>690.254.380</b>		<b>482.141.999</b>

### NOTE 15 - OTHER ASSETS AND LIABILITIES

#### Other current assets

	31 December 2021	31 December 2020
VAT and service tax receivables	13.652.974	16.651.042
Advances given to personnel	1.013.946	436.092
	<b>14.666.920</b>	<b>17.087.134</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Other non-current assets

	31 December 2021	31 December 2020
Prepaid taxes and funds (*)	47.046.218	24.056.616
Other	10.358.162	3.242
	<b>57.404.380</b>	<b>24.059.858</b>

(\*) As of 31 December 2021, prepaid taxes and funds which can be offset more than 1 year, belong to CASI and Celebi Delhi Cargo with an amount of TL 31.041.990 (31 December 2020: TL 17.054.116) and TL 14.056.910, respectively (31 December 2020: TL 6.983.791).

### Other current liabilities

	31 December 2021	31 December 2020
Taxes and funds payable	22.188.928	9.439.921
Renewal investments obligation	1.762.171	1.011.669
Other	1.231.544	248.755
	<b>25.182.643</b>	<b>10.700.345</b>

### Other non-current liabilities

	31 December 2021	31 December 2020
Renewal investments obligation	235.346.924	75.418.498
Deferred insurance compensation income	-	16.665
	<b>235.346.924</b>	<b>75.435.163</b>

## NOTE 16 - PREPAID EXPENSES

### Short-term prepaid expenses

	31 December 2021	31 December 2020
Prepaid expenses	31.676.182	19.924.652
Order advances given	16.911.868	7.797.861
	<b>48.588.050</b>	<b>27.722.513</b>

### Long-term prepaid expenses

	31 December 2021	31 December 2020
Prepaid expenses	14.590.077	4.549.111
Advances given for fixed assets	11.687.709	3.161.045
	<b>26.277.786</b>	<b>7.710.156</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 17 - DEFERRED INCOME

#### Short-term deferred income

	31 December 2021	31 December 2020
Other advances received	53.489.033	23.058.109
Deferred income	83.613	1.043.785
	<b>53.572.646</b>	<b>24.101.894</b>

#### Long-term deferred income

	31 December 2021	31 December 2020
Deferred income	2.078.680	2.000.589
	<b>2.078.680</b>	<b>2.000.589</b>

### NOTE 18 - PAYABLES RELATED TO EMPLOYEE BENEFITS

	31 December 2021	31 December 2020
Bonus payable accruals	47.547.721	12.597.401
Wages and salaries payable	39.651.307	18.514.214
Social security withholdings payable	15.004.799	4.692.799
	<b>102.203.827</b>	<b>35.804.414</b>

### NOTE 19 - EQUITY

#### Share Capital

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Restricted reserves appropriated from profit (legal reserves)

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" 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):

- 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/loss",

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

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

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

Partnerships distribute their profits within the framework of profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Companies pay dividends as specified in their articles of association or profit distribution policies.

The profit distribution of capital companies was adjusted with the temporary article added to the Turkish Commercial Code, the Article 12 of the "Law on Reducing the Effects of the New Coronavirus (Covid-19) Pandemic on Economic and Social Life and Amending Some Laws" dated 17 April 2020 and numbered 7244 until 31 December 2020. The implementation period regarding the regulation has been extended until 31 December 2020 with the Presidential Decree No. 2948. According to this regulation, capital companies may decide to distribute only up to twenty-five percent of the net profit for 2019, prior years' profits and free reserves cannot be distributed, and the board of directors cannot be authorized to distribute dividends in advance.

Capital inflation adjustment differences and carrying values of extraordinary reserves can be used for free capital increase, cash dividend distribution or loss deduction. However, capital inflation adjustment differences will be subject to corporate tax if used in cash profit distribution.

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 to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 20 - REVENUE AND COST OF SALES

	1 January - 31 December 2021	1 January - 31 December 2020
Ground handling services	1.373.592.512	653.386.481
Revenue from cargo and warehouse services	1.203.739.029	879.802.681
Rent and allocation revenue not related to aviation	71.032.024	84.814.041
Revenue in the context of TFRIC 12	1.723.680	3.224.441
Less: Returns and discounts	(89.898.410)	(79.726.543)
<b>Revenue</b>	<b>2.560.188.835</b>	<b>1.541.501.101</b>
<b>Cost of sales</b>	<b>(1.728.319.360)</b>	<b>(1.151.639.694)</b>
<b>Gross profit</b>	<b>831.869.475</b>	<b>389.861.407</b>

### NOTE 21 - EXPENSES BY NATURE

	1 January - 31 December 2021	1 January - 31 December 2020
Personnel expenses	(828.802.760)	(536.566.502)
Concession expenses	(340.139.936)	(232.913.425)
Depreciation and amortization expense	(206.052.038)	(154.426.575)
Payments to authorities and terminal managements <sup>(*)</sup>	(179.692.394)	(83.662.713)
Technical maintenance of equipment, fuel and security expenses	(158.203.180)	(103.570.862)
Consultancy expense <sup>(****)</sup>	(125.300.924)	(100.003.862)
Insurance expense	(23.236.101)	(12.945.877)
Expenses within the scope of TFRIC 12 <sup>(**)</sup>	(14.371.166)	(12.726.543)
Cost of sales <sup>(***)</sup>	(7.756.626)	(2.916.343)
Travel and transportation expense	(7.651.102)	(4.930.163)
Other expenses	(115.314.588)	(110.708.652)
	<b>(2.006.520.815)</b>	<b>(1.355.371.517)</b>

<sup>(\*)</sup> Payments to authorities and terminal managements are composed of royalty, rental facilities and check-in desks within the airport area, working licenses and similar expenses, office rental expenses and other miscellaneous expenses related to utilization of office area.

<sup>(\*\*)</sup> Aforementioned expenses are composed of construction costs calculated in accordance with TFRIC 12 and provisions for other liabilities within the scope of concession agreement

<sup>(\*\*\*)</sup> Aforementioned expenses are composed of sales and utilization cost of de-icing and spare part inventories.

<sup>(\*\*\*\*)</sup> TL 97.329.153 of the consultancy expenses are comprised of share of holding company expenses (1 January - 31 December 2020: TL 76.359.579) .

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Consultancy expenses	(123.232.807)	(99.083.009)
Personnel expenses	(107.171.550)	(63.360.783)
Technical maintenance of equipment, fuel and security expenses	(17.924.148)	(15.341.816)
Depreciation and amortization expense	(6.335.928)	(4.547.997)
Insurance expense	(5.671.365)	(3.765.623)
Travel and transportation expense	(5.240.656)	(3.852.261)
Payments to authorities and terminal managements <sup>(*)</sup>	(5.165.229)	(5.398.712)
Other expenses	(7.459.772)	(8.381.622)
	<b>(278.201.455)</b>	<b>(203.731.823)</b>

<sup>(\*)</sup> Payments to authorities and terminal managements are composed of office rental expenses and other miscellaneous expenses related to utilization of office area.

### NOTE 23 - OTHER OPERATING INCOME

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange income <sup>(*)</sup>	34.311.447	352.468.778
Maturity difference income	2.694.586	4.956.186
Provision reversal income	591.203	2.998.903
Income from insurance claim	600.388	764.146
Other income	22.285.863	11.838.799
	<b>60.483.487</b>	<b>373.026.812</b>

<sup>(\*)</sup> Translation differences arising from functional currency changes are accounted for net in foreign exchange income.

### NOTE 24 - OTHER OPERATING EXPENSE

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange expenses	(20.972.871)	(304.654.324)
Litigation and indemnity provision expenses	(16.972.119)	(1.851.841)
Provision for doubtful receivables	(10.510.962)	(18.146.502)
Donation and aid expenses	(394.266)	(2.176.265)
Damage and indemnity expenses	(327.335)	(340.446)
Other expenses	(39.218.258)	(26.251.475)
	<b>(88.395.811)</b>	<b>(353.420.853)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 25 - INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2021	1 January - 31 December 2020
Profit from bargain purchase <sup>(*)</sup>	72.980.816	-
Profit from the sale of fixed assets	11.560.515	11.666.817
	<b>84.541.331</b>	<b>11.666.817</b>

<sup>(\*)</sup> In 2021, the controlling power in Celebi Nas was reorganized in favor of Celebi Hava, and in accordance with TFRS 3, the difference between the net assets of the Company and the fair value of the company's equity, amounting to TL 72.980.816, was recorded as a right-of-use asset.

### NOTE 26 - EXPENSES FROM INVESTING ACTIVITIES

	1 January - 31 December 2021	1 January - 31 December 2020
Loss from the sale of fixed assets and abandonment	(1.219.124)	(1.453.891)
	<b>(1.219.124)</b>	<b>(1.453.891)</b>

### NOTE 27 - FINANCE INCOME

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange income <sup>(*)</sup>	133.395.201	79.904.342
Interest income	30.069.307	23.934.579
Other financial income	25.070.217	6.078.614
	<b>188.534.725</b>	<b>109.917.535</b>

<sup>(\*)</sup> Translation differences arising from functional currency changes are accounted for net in foreign exchange income.

### NOTE 28 - FINANCE EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange losses	(20.149.933)	(221.143.230)
Financial expenses incurred within the scope of TFRS 16 <sup>(*)</sup>	(39.980.238)	(162.994.239)
Interest expenses	(92.122.734)	(67.301.269)
Financial expenses incurred within the scope of TFRIC 12	(2.554.578)	(2.457.451)
Other finance expenses	(16.550.549)	(8.106.368)
	<b>(171.358.032)</b>	<b>(462.002.557)</b>

<sup>(\*)</sup> It consists of expenses that do not generate cash outflows within the scope of TFRS 16.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 29 - TAX ASSETS AND LIABILITIES

	31 December 2021	31 December 2020
Current period corporate tax provision	49.917.869	28.760.852
Less: prepaid corporate taxes	(8.197.661)	(2.777.130)
<b>Current income tax (asset) / liability, net <sup>(*)</sup></b>	<b>41.720.208</b>	<b>25.983.722</b>
Deferred tax assets	256.168.334	156.752.202
Deferred tax liabilities	(85.460.436)	(29.562.138)
<b>Deferred tax assets - net</b>	<b>170.707.898</b>	<b>127.190.064</b>

<sup>(\*)</sup> Current income tax assets and current income tax liabilities from the different subsidiaries of the Group have been separately presented as net in the balance sheet.

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 25% (31 December 2020: 22%). The corporate tax rate is applied to the net corporate income to be deducted from deduction of exemptions and reductions in tax laws and an addition of expenses not subject to deduction according to tax legislation.

The corporate tax rate in force in Hungary is 9% effective as of 1 January 2018.

In India, the corporate tax rate is reduced to 25,17% from 34,6% as of 1 April 2020 and companies can choose to apply either rate (2020: 29,12% and 34,94%).

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

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

	1 January - 31 December 2021	1 January - 31 December 2020
- Current period corporate tax	(60.961.994)	(49.742.669)
- Deferred tax income/ (expense)	(4.150.508)	32.873.895
	<b>(65.112.502)</b>	<b>(16.868.774)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Reconciliation of tax expenses presented in consolidated statements of income for the periods ended 31 December 2021 and 2020 are as follows:

	2021	2020
<b>Profit before tax in the financial statements</b>	<b>630.035.899</b>	<b>(133.077.282)</b>
Expected tax expense according to parent company tax rate	(157.508.973)	29.277.001
Differences in tax rates of subsidiaries	(1.635.997)	(16.260.997)
<b>Expected tax expense of the Group</b>	<b>(159.144.970)</b>	<b>13.016.004</b>
Non-deductible expenses	(11.735.833)	(3.782.563)
Reductions	27.855.134	4.095.778
Offset previous year profit loss	49.503.059	-
Tax incentive effect <sup>(*)</sup>	2.230.859	-
Investments accounted using the equity method effect	1.101.115	936.562
Deferred tax income calculated over unused previous years' losses	2.350.173	8.191.198
Temporary tax effect not calculated on legal loss	-	(34.674.858)
The effect of non-temporary differences	54.025.854	-
Effect of non-monetary items translated from TL to Euro under TAS 21	(27.165.395)	-
Other	(4.132.498)	(4.650.895)
<b>Current period tax expense of the Group</b>	<b>(65.112.502)</b>	<b>(16.868.774)</b>

<sup>(\*)</sup> The Company was entitled to receive a corporate income tax incentive from the Ministry of Economy for its investments in Istanbul Airport. At present, TL 217.352.779 of the total investment amounting to TL 57.171.594 has been granted and TL 22.079.486 of this amount has been deducted from the temporary tax amount calculated.

### Deferred taxes

The Group calculates deferred tax assets and liabilities on temporary differences on statement of financial position items arising from different evaluation of financial statements prepared in accordance with TAS and statutory accounting standards. In general, such temporary differences are resulted from accounting of income and expenses in different reporting periods in accordance with Tax laws and TAS accounting standards. Rates for deferred tax assets and liabilities calculated by liability method over temporary differences to be realized in future periods are 20% - 23%, 9%, 31,925% and 25,17% for Turkey, Hungary, Germany and India, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The details of cumulative temporary differences and the related deferred tax assets and liabilities calculated with currently enacted tax rates as at 31 December 2021 and 2020 are as follows:

	Total temporary differences		Deferred tax assets (liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Deferred tax assets</b>				
Personnel bonus accrual	(7.127.065)	(859.180)	1.639.225	171.836
Accrued sales commissions	(22.159.939)	(14.714.401)	5.096.786	2.942.880
Provision for employment termination benefits	(35.006.953)	(29.441.003)	7.061.027	5.941.291
Provision for unused vacation rights	(8.529.739)	(6.723.227)	1.961.840	1.344.645
Provision for litigation and indemnity	(6.641.030)	(6.521.835)	1.527.437	1.304.367
Adjustments related to property plant and equipment and intangible assets	(246.589.798)	(132.026.613)	62.367.605	33.403.749
Investment incentives	(175.460.540)	(164.306.245)	35.092.107	32.861.248
Deferred tax asset calculated over unused previous years' losses	(178.385.549)	(99.726.146)	57.078.802	31.914.441
Adjustments related with TFRS 16	(329.821.517)	(187.135.577)	64.264.030	35.921.620
Other	(88.535.944)	(52.441.122)	20.079.475	10.946.125
			256.168.334	156.752.202
<b>Deferred tax assets</b>			<b>256.168.334</b>	<b>156.752.202</b>
<b>Deferred tax liabilities</b>				
Adjustments related to property, plant and equipment and intangible assets	391.512.286	159.257.675	(79.162.260)	(28.695.272)
Other	27.636.357	4.334.340	(6.298.176)	(866.866)
			(85.460.436)	(29.562.138)
<b>Deferred tax liabilities</b>			<b>(85.460.436)</b>	<b>(29.562.138)</b>
<b>Deferred tax assets, net</b>			<b>170.707.898</b>	<b>127.190.064</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The table of deferred tax movement is as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
<b>As of 1 January</b>	<b>127.190.064</b>	<b>81.090.397</b>
Celebi Nas at the beginning of the period <sup>(*)</sup>	(3.285.288)	-
Foreign currency translation differences	48.960.805	12.218.854
Deferred tax income/(expense) for the current year	(4.150.508)	32.873.895
Recognized in other comprehensive income	1.992.825	1.006.918
<b>As of the end of the period</b>	<b>170.707.898</b>	<b>127.190.064</b>

<sup>(\*)</sup> It is related to the full consolidation of Celebi Nas.

### NOTE 30 - 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 relevant period.

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

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

	1 January - 31 December 2021	1 January - 31 December 2020
<b>Net profit / (loss) attributable to the parent company</b>	<b>533.453.896</b>	<b>(169.179.611)</b>
Weighted average number of shares with 1 KR face value each	2.430.000.000	2.430.000.000
<b>Earnings per share (Kr)</b>	<b>0,220</b>	<b>(0,070)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### NOTE 31 - RELATED PARTY DISCLOSURES

The balances of due from related parties, other receivables from related parties and payables to related parties as of the end of the period and a summary of transactions with related parties during the period are given below:

#### i) Balances with related parties

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

	31 December 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1)</sup>	577.289	4.480
Celebi Nas <sup>(4)</sup>	-	2.116.861
Celebi Ground Services Austria <sup>(2)</sup>	-	1.652.895
Other	12.453	1.569.727
	<b>589.742</b>	<b>5.343.963</b>

##### Other receivables from related parties

	31 December 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1) (*)</sup>	124.850.444	110.458.688
	<b>124.850.444</b>	<b>110.458.688</b>

<sup>(\*)</sup> The relevant amount consists of intragroup loan receivables of EUR 20.000.000 with maturity 30 June 2023 and interest rate of 3,95%, which ÇGHH has extended to ÇHH.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Payables to related parties

	31 December 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1) (*)</sup>	7.255.171	5.452.917
DASPL <sup>(5)</sup>	4.521.662	2.577.045
CGSA <sup>(5)</sup>	3.308	-
Celebi Nas <sup>(4)</sup>	-	182.065
Other	-	680.276
	<b>11.780.141</b>	<b>8.892.303</b>

### Other payables to related parties

	31 December 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1) (**)</sup>	-	51.890.232
Other shareholders <sup>(5) (**)</sup>	-	5.822.268
	-	<b>57.712.500</b>

(\*) As of 31 December 2020, the relevant amount is the Group's legal, financial affairs, human resources, management, corporate communication, purchasing, information processing and business development services received from ÇHH and business development services and projects and cost reflections carried out by ÇHH on behalf of the Company and its account.

(\*\*) The relevant amount consists of debts to the shareholders based on the Company's decision to distribute dividends for 2019. It has been decided to pay the dividend in two installments as TL 47.992.500 on 31 August 2020 and TL 57.712.500 on 4 January 2021.

### ii) Significant transactions with related parties

#### Miscellaneous sales to related parties

	1 January - 31 December 2021	1 January - 31 December 2020
Çelebi Havacılık Holding <sup>(1)</sup>	5.104.350	5.599.347
DASPL <sup>(3)</sup>	-	988.484
Other	49.168	190.479
	<b>5.153.518</b>	<b>6.778.310</b>

#### Employee and customer transportation expenses paid to related parties

	1 January - 31 December 2021	1 January - 31 December 2020
Çe-Tur Çelebi Turizm Tic. A.Ş. <sup>(4)</sup>	-	10.243.574
	-	<b>10.243.574</b>

#### Contribution to holding expenses <sup>(\*)</sup>

	1 January - 31 December 2021	1 January - 31 December 2020
Çelebi Havacılık Holding <sup>(1)</sup>	97.329.153	76.359.579
	<b>97.329.153</b>	<b>76.359.579</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Other purchases from related parties

	1 January - 31 December 2021	1 January - 31 December 2020
DASPL <sup>(3)</sup> (**)	15.437.702	12.361.015
Çelebi Havacılık Holding <sup>(1)</sup> (*)	8.810.120	5.943.216
Celebi Nas <sup>(3)</sup> (***)	-	1.902.352
Other	-	1.732.108
	<b>24.247.822</b>	<b>21.938.691</b>

<sup>(1)</sup> Parent company

<sup>(2)</sup> Subsidiary of the Group

<sup>(3)</sup> Joint venture of the Group

<sup>(4)</sup> Other related party

<sup>(5)</sup> Associate of the Group

<sup>(6)</sup> Other related party

<sup>(\*)</sup> The purchases made from Çelebi Havacılık Holding consist of expenses directly reflected the Company regarding business development projects and tenders conducted by Çelebi Aviation Holding on behalf and account of the Company.

<sup>(\*\*)</sup> Purchases from DASPL that are related to services provided for the aeration, generator and utility water installed in passenger bridges.

<sup>(\*\*\*)</sup> Purchases from Celebi Nas that are related to expenses reflected of equipment rent and staff fees.

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

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

<sup>(1)</sup> 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 December 2021, the risk of the cash loan in the respective bank is amounting to INR 783.828.059.

<sup>(2)</sup> Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Delhi Cargo and a bank resident in India amounting to INR 1.200.000.000 cash and INR 100.000.000 non-cash, 30% of the shares of the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of December 2021, the risk of the cash loan in the respective bank is amounting to INR 540.232.707.

<sup>(3)</sup> 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 31 December 2021, the risk of the cash loan in the respective bank is amounting to INR 584.171.733.

<sup>(4)</sup> As of 31 December 2021, the cash credit risk amount in the relevant banks is EUR 2.000.000 for financial liabilities arising from cash and non-cash loan agreements amounting to EUR 2.000.000 and EUR 50.000, respectively signed between Celebi Cargo GmbH and banks residing in Germany.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers. Key management compensation includes salaries, bonuses, social security contributions and other benefits provided to key management of the Group:

	1 January - 31 December 2021	1 January - 31 December 2020
Short-term key management compensation	32.978.958	20.962.306
	<b>32.978.958</b>	<b>20.962.306</b>

### NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

#### Financial risk management

The Group focused to manage miscellaneous financial risks including changes in foreign currency exchange rates and interest rates because of activities of the Group. The Group purposes to minimize potential adverse effects arising from fluctuations in financial markets with overall risk management program.

Risk management is carried out under policies approved by the Boards of Directors.

#### Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Interest rate positions of the Group as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
<b>Fixed interest rate financial instruments</b>		
Financial Assets	758.744.245	427.629.722
- Cash and cash equivalents	758.744.245	427.629.722
Financial Liabilities	2.407.738.052	1.667.439.926
<b>Floating interest rate financial instruments</b>		
Financial Liabilities	332.938.754	138.223.354

If other variables are kept constant and the interest rates were 1% higher/lower, interest expense due to financial liabilities would have been TL 921.227 higher or lower for the period ended 31 December 2021 (2020: TL 1.382.234).

Expected repricing and maturity dates are not disclosed in an additional table because they are not different from contractual maturity dates for non-credit financial assets and liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Group management meets these risks by restricting the average risk for each counterparty (excluding related parties) and receiving collateral if necessary. Explanations for credit risk are disclosed in Note 8.

### Liquidity risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities if necessary and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities with maturity more than one year amounting to TL 1.697.489.920 as at 31 December 2021 (31 December 2020: TL 1.087.252.580) (Note 7).

The table below demonstrates the Group's liquidity risk arising from financial liabilities:

31 December 2021	Contractual					
	Book value	Total cash out flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Loans	1.478.468.803	1.563.553.025	319.120.639	588.176.959	642.032.830	14.222.597
Liabilities from leasing obligations	1.262.208.003	1.463.290.074	34.237.857	102.713.570	498.474.045	827.864.602
Trade payables						
- Related party	11.780.141	11.780.141	11.780.141	-	-	-
- Other	268.410.695	268.410.695	67.840.531	200.570.164	-	-
Other liabilities	97.595.233	97.595.233	4.719.572	53.707.009	39.168.652	-
<b>31 December 2020</b>						
31 December 2020	Contractual					
	Book value	Total cash out flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Loans	1.090.963.506	1.168.733.366	251.912.747	384.232.766	525.115.523	7.472.330
Liabilities from leasing obligations	714.699.774	1.055.527.803	27.319.306	81.957.918	242.114.535	704.136.044
Trade payables						
- Related party	8.892.303	8.892.303	8.892.303	-	-	-
- Other	119.335.316	119.335.316	17.954.490	101.380.826	-	-
Other liabilities	107.117.358	107.117.358	7.193.642	79.600.516	20.323.200	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

### *Foreign 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 to total equity amount 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, USD and GBP.

As of 31 December 2021, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the USD, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 18.667.730 (31 December 2020: TL 7.072.936).

As of 31 December 2021, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the EUR, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 7.945.935 (31 December 2020: TL 87.325.685 ).

As of 31 December 2021, while other variables being constant, if the TL was to appreciate/depreciate by 10% against the GBP, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 129.049 (31 December 2020: TL 223.796).

As of 31 December 2021, while other variables being constant, if the TL was to appreciate/depreciate by 10%, the net profit/loss arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 27.707.551.

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

	31 December 2021	31 December 2020
Assets denominated in foreign currency	570.324.424	473.184.688
Liabilities denominated in foreign currency (-)	(582.553.765)	(1.275.474.228)
<b>Net foreign currency position</b>	<b>(12.229.341)</b>	<b>(802.289.540)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

31 December 2021	TL Equivalent	USD	EUR	GBP	TL
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 <sup>(5)</sup></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. Short-term 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. Long-Term 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>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

### Capital risk management

The Group's objectives when managing capital is able to maintain operations of the Group for maintaining optimal capital structure in order to provide return for its shareholders, reduce capital cost and benefit for other shareholders.

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, in consistency 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 found by dividing net debt to total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital invested is calculated as equity, as shown in the balance sheet, plus net debt.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

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

	31 December 2021	31 December 2020
Total financial liabilities <sup>(*)</sup>	2.740.676.806	1.805.663.280
Less: Cash and cash equivalents	(1.093.574.832)	(571.830.186)
Less: Time deposits	(14.078.067)	(9.019.305)
Less: Restricted bank balances	(102.609.932)	(18.443.286)
Net debt	1.530.025.975	1.206.370.503
Net debt (Except for the impact of TFRS 16)	267.817.972	491.670.729
Shareholder's equity	1.669.845.086	446.297.475
Capital invested	3.199.871.061	1.652.667.978
Net debt/capital invested	0,48	0,73

<sup>(\*)</sup> As of 31 December 2021, TL 1.262.208.003 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective as of 1 January 2019 (31 December 2020: TL 714.699.774).

### NOTE 33 - FINANCIAL INSTRUMENTS

#### Fair value disclosures of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Estimated fair values of financial instruments have been determined by the Group by using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

#### Monetary assets

Financial assets that are carried at cost value including cash and cash equivalents are assumed to reflect their fair values due to their short-term nature.

The carrying value of trade receivables, with related impairments is assumed to reflect their fair values.

#### Monetary liabilities

Short-term bank loans and other monetary liabilities are foreseen to approximate their carrying values due to their short-term nature and the significant portion of long-term bank loans and other monetary liabilities having variable interest rates.

The Group classifies the fair value measurements of financial instruments at fair value on the financial statements into the following categories, using three levels of hierarchy, according to the sources of each class of financial instruments.

- Level 1: Valuation techniques using market prices (unadjusted) in the active market for the identified financial instruments.
- Level 2: Other valuation techniques, including indirect or direct observable input. The fair value of financial assets that are not traded in an active market is calculated using the observations on the market at the highest level that can be used and the assumptions at the lowest level for the company.
- Level 3: Valuation techniques that do not include observable market inputs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

The fair value measurement hierarchy table as of 31 December 2020 is as follows:

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

### NOTE 34 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees for the services received by the Company from the Independent Audit Firm (IAF) in the periods of 1 January - 31 December 2021 and 1 January - 31 December 2020 are as follows:

	2021			2020		
	IAF	Other IAF	Total	IAF	Other IAF	Total
Independent audit fee for the reporting period	3.396.715	-	3.396.715	2.459.736	-	2.459.736
Fees for tax advisory services	701.846	-	701.846	318.607	-	318.607
Fee for other assurance services	125.616	-	125.616	95.063	-	95.063
Fees for services other than independent audit	265.853	-	265.853	-	-	-
	<u>4.490.030</u>		<u>4.490.030</u>	<u>2.873.406</u>		<u>2.873.406</u>

### NOTE 35 - EVENTS AFTER THE BALANCE SHEET DATE

The events that started between Russia and Ukraine as of the end of February continue as of the date of the report. The Group management closely monitors the effects of the economic results of the operation on the Group's operations.



Tayakadın Mahallesi,  
Nuri Demirağ Caddesi No: 39  
Arnavutköy/İstanbul-TURKEY

**Phone:** +90 212 952 92 00

[www.celebiaviation.com](http://www.celebiaviation.com)  
[www.celebiyatirimci.com](http://www.celebiyatirimci.com)