

# **Çelebi Hava Servisi Anonim Şirketi**

## **Condensed consolidated financial statements for the interim period 1 January – 30 September 2021**

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

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME.....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY .....</b>	<b>5-6</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>7-8</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>9-53</b>
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP .....	9-12
NOTE 2 BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .	12-18
NOTE 3 SEGMENT REPORTING.....	19-21
NOTE 4 CASH AND CASH EQUIVALENTS .....	22
NOTE 5 FINANCIAL INVESTMENTS.....	22
NOTE 6 INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD.....	23
NOTE 7 SHORT-TERM AND LONG-TERM FINANCIAL LIABILITIES.....	24-27
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	27
NOTE 9 OTHER RECEIVABLES AND PAYABLES.....	28
NOTE 10 INVENTORIES .....	28
NOTE 11 PROPERTY, PLANT AND EQUIPMENT .....	29-30
NOTE 12 RIGHT-OF-USE ASSETS .....	31-32
NOTE 13 INTANGIBLE ASSETS .....	33-35
NOTE 14 PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES .....	35-38
NOTE 15 OTHER ASSETS AND LIABILITIES .....	39
NOTE 16 PREPAID EXPENSES.....	40
NOTE 17 DEFERRED INCOME.....	40
NOTE 18 PAYABLES RELATED TO EMPLOYEE BENEFITS.....	40
NOTE 19 EQUITY .....	41
NOTE 20 REVENUE AND COST OF SALES .....	42
NOTE 21 FINANCIAL INCOME.....	42
NOTE 22 FINANCIAL EXPENSES.....	42
NOTE 23 TAX ASSETS AND LIABILITIES.....	43-45
NOTE 24 EARNINGS PER SHARE .....	45
NOTE 25 RELATED PARTY DISCLOSURES.....	46-48
NOTE 26 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS .....	49-52
NOTE 27 FINANCIAL INSTRUMENTS .....	52-53
NOTE 28 SUBSEQUENT EVENTS .....	53

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2021

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

		<i>Unaudited</i>	<i>Audited</i>
	Notes	30 September 2021	31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	587.350.071	571.830.186
Financial investments		62.110.060	9.435.386
- <i>Restricted bank balances</i>	5	14.212.145	9.435.386
- <i>Time deposits</i>	5	47.897.915	-
Trade receivables		301.589.558	168.762.629
- <i>Due from related parties</i>	8	2.444.153	5.343.963
- <i>Due from third parties</i>	8	299.145.405	163.418.666
Other receivables		177.719.808	108.639.964
- <i>Due from related parties</i>	9	42.380.305	36.106.731
- <i>Due from third parties</i>	9	135.339.503	72.533.233
Inventories	10	23.408.398	19.545.205
Prepaid expenses	16	34.982.309	27.722.513
Current tax assets	23	7.339.620	2.777.130
Other current assets	15	21.285.648	17.087.134
<b>Total current assets</b>		<b>1.215.785.472</b>	<b>925.800.147</b>
<b>Non-current assets</b>			
Financial investments	5	40.655.820	18.361.495
- <i>Restricted bank balances</i>	5	34.381.960	9.007.900
- <i>Time deposits</i>	5	6.107.210	9.019.305
- <i>Other financial assets at fair value through profit/loss</i>	5	166.650	334.290
Other receivables		262.838.295	133.821.116
- <i>Due from related parties</i>	9	64.490.856	74.351.957
- <i>Due from third parties</i>	9	198.347.439	59.469.159
Investments accounted using equity method	6	12.920.675	157.711.645
Property, plant and equipment	11	523.191.843	489.167.243
Right of use assets	12	476.397.464	510.665.322
Intangible assets		574.989.122	338.120.218
- <i>Goodwill</i>	13	85.474.267	73.295.661
- <i>Other intangible assets</i>	13	489.514.855	264.824.557
Prepaid expenses	16	19.725.162	7.710.156
Deferred tax asset	23	198.543.661	156.752.202
Other non-current assets	15	38.914.015	24.059.858
<b>Total non-current assets</b>		<b>2.148.176.057</b>	<b>1.836.369.255</b>
<b>Total assets</b>		<b>3.363.961.529</b>	<b>2.762.169.402</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2021

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

	Notes	<i>Unaudited</i> 30 September 2021	<i>Audited</i> 31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term financial liabilities	7	173.655.002	149.354.675
Short-term portion of long-term financial liabilities	7	443.715.704	436.473.537
Short-term lease payables	7	102.318.769	132.582.488
Trade payables		183.694.441	128.227.619
-Due to related parties	8	9.159.464	8.892.303
-Due to third parties	8	174.534.977	119.335.316
Payables related to employee benefits	18	78.968.454	35.804.414
Other payables		38.413.826	86.794.158
-Other short-term payables to related parties	9	-	57.712.500
-Other short-term payables to third parties	9	38.413.826	29.081.658
Deferred income	17	25.158.451	24.101.894
Current income tax liabilities	23	28.894.826	28.760.852
Short-term provisions		47.094.885	33.709.370
-Provisions for employment termination benefits	14	39.239.770	25.614.891
-Other short-term provisions	14	7.855.115	8.094.479
Other current liabilities	15	15.117.733	10.700.345
<b>Total current liabilities</b>		<b>1.137.032.091</b>	<b>1.066.509.352</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	7	478.298.967	505.135.294
Long-term lease payables	7	628.268.109	582.117.286
Other payables		25.986.122	20.323.200
-Other long-term payables to third parties	9	25.986.122	20.323.200
Deferred income		2.017.947	2.000.589
Long-term provisions		35.306.256	34.788.905
- Provisions for employment termination benefits	14	35.306.256	34.788.905
Deferred tax liability	23	34.996.041	29.562.138
Other non-current liabilities	15	158.911.814	75.435.163
<b>Total non-current liabilities</b>		<b>1.363.785.256</b>	<b>1.249.362.575</b>
<b>Total liabilities</b>		<b>2.500.817.347</b>	<b>2.315.871.927</b>
<b>SHAREHOLDER'S EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>		<b>614.690.858</b>	<b>356.603.862</b>
Paid-in capital	19	24.300.000	24.300.000
Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(28.161.716)	(27.110.446)
-Gains / (losses) on remeasurement of defined benefit plans		(28.161.716)	(27.110.446)
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		388.666.930	262.085.889
-Foreign currency translation differences		388.666.930	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		133.018.359	(169.179.611)
<b>Non-controlling interests</b>		<b>248.453.324</b>	<b>89.693.613</b>
<b>Total shareholder's equity</b>		<b>863.144.182</b>	<b>446.297.475</b>
<b>Total liabilities and shareholder's equity</b>		<b>3.363.961.529</b>	<b>2.762.169.402</b>

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF PROFIT OR LOSS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

		<i>Unaudited</i>		<i>Unaudited</i>	
	Notes	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Revenue	20	1.716.699.052	742.294.006	1.106.897.254	453.845.974
Cost of sales (-)	20	(1.156.251.572)	(440.157.599)	(835.743.959)	(288.281.690)
<b>GROSS PROFIT</b>	<b>20</b>	<b>560.447.480</b>	<b>302.136.407</b>	<b>271.153.295</b>	<b>165.564.284</b>
General administrative expenses (-)		(198.527.086)	(66.260.961)	(149.279.667)	(49.223.277)
Other operating income		203.689.098	32.348.223	360.363.347	201.040.698
Other operating expenses (-)		(240.626.591)	(44.557.623)	(340.212.955)	(194.607.280)
<b>OPERATING PROFIT</b>		<b>324.982.901</b>	<b>223.666.046</b>	<b>142.024.020</b>	<b>122.774.425</b>
Income from investment activities		18.134.145	18.048.566	3.191.086	189.210
Expenses from investment activities (-)		(5.449.674)	(5.000.452)	(1.399.125)	(64.476)
Shares of profits/(losses) from of investments valued by equity method		2.658.502	454.346	(4.226.941)	(235.386)
<b>OPERATING PROFIT BEFORE FINANCE EXPENSE</b>		<b>340.325.874</b>	<b>237.168.506</b>	<b>139.589.040</b>	<b>122.663.773</b>
Financial income	21	127.125.317	19.561.562	107.615.146	59.758.346
Financial expenses (-)	22	(301.955.018)	(46.777.892)	(432.109.134)	(222.248.346)
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>165.496.173</b>	<b>209.952.176</b>	<b>(184.904.948)</b>	<b>(39.826.227)</b>
<b>Tax income / (expense)</b>		<b>(11.029.328)</b>	<b>(14.528.329)</b>	<b>(6.044.980)</b>	<b>(419.202)</b>
Current tax expense	23	(39.302.013)	(13.586.282)	(38.318.871)	(19.010.330)
Deferred tax income / (expense)	23	28.272.685	(942.047)	32.273.891	18.591.128
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>154.466.845</b>	<b>195.423.847</b>	<b>(190.949.928)</b>	<b>(40.245.429)</b>
<b>Profit / (Loss) for the Period Attributable to:</b>					
Non-controlling interests		21.448.486	8.634.377	13.223.600	6.070.272
Equity holder of the parent		133.018.359	186.789.470	(204.173.528)	(46.315.701)
		<b>154.466.845</b>	<b>195.423.847</b>	<b>(190.949.928)</b>	<b>(40.245.429)</b>
Earnings/(loss) per share (Kr)	24	0,055	0,077	(0,084)	(0,019)

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

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

	<i>Unaudited</i>		<i>Unaudited</i>	
	<b>1 January- 30 September 2021</b>	<b>1 July – 30 September 2021</b>	<b>1 January– 30 September 2020</b>	<b>1 July – 30 September 2020</b>
<b>Net profit / (loss) for the period</b>	<b>154.466.845</b>	<b>195.423.847</b>	<b>(190.949.928)</b>	<b>(40.245.429)</b>
<b>Items that will not be reclassified to profit or loss</b>				
- Losses on remeasurement of defined benefit plans	(925.967)	(1.091.845)	(394.160)	(55.176)
Shares of other comprehensive income of investments accounted by the equity method that will not be classified in profit or loss				
- Remeasurement gains / (losses) on remeasurement of defined benefit plans of investments valued by equity method	-	-	(256.881)	(9.083)
Taxes regarding other comprehensive income that will not be reclassified to profit or loss				
- Remeasurement gains / (losses) of defined benefit plans	(7.464)	4.712	24.528	3.214
- Shares of other comprehensive income of investments accounted by equity method that will not be classified in profit or loss, tax effect	-	-	66.045	2.336
<b>Items that will be reclassified to profit or loss</b>				
- Foreign currency translation differences	208.860.751	15.625.458	179.310.448	121.393.019
<b>Other comprehensive income</b>	<b>207.927.320</b>	<b>14.538.325</b>	<b>178.749.980</b>	<b>121.334.310</b>
<b>Total comprehensive income / (expense)</b>	<b>362.394.165</b>	<b>209.962.172</b>	<b>(12.199.948)</b>	<b>81.088.881</b>
<b>Total comprehensive income / (expense) attributable to:</b>				
Non-controlling interests	103.846.035	13.705.360	33.350.178	19.799.058
Equity holders of the parent	258.548.130	196.256.812	(45.550.126)	61.289.823
	<b>362.394.165</b>	<b>209.962.172</b>	<b>(12.199.948)</b>	<b>81.088.881</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

	Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss		Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Retained earnings				
	Share capital	Gains/(losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit / (loss) for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>As of 1 January 2021</b>	<b>24.300.000</b>	<b>(27.110.446)</b>	<b>262.085.889</b>	<b>74.387.905</b>	<b>192.120.125</b>	<b>(169.179.611)</b>	<b>356.603.862</b>	<b>89.693.613</b>	<b>446.297.475</b>
Transfers	-	-	-	-	(169.179.611)	169.179.611	-	-	-
Dividend payment	-	-	-	-	-	-	-	(7.710.730)	(7.710.730)
Increase due to other changes (*)	-	-	-	-	(461.134)	-	(461.134)	-	(461.134)
Increase in minority shares of subsidiary (**)	-	-	-	-	-	-	-	62.624.406	62.624.406
<b>Other comprehensive income / (expense)</b>									
-Foreign currency translation difference	-	-	126.581.041	-	-	-	126.581.041	82.279.710	208.860.751
-Losses on remeasurement of defined benefit plans	-	(1.051.270)	-	-	-	-	(1.051.270)	117.839	(933.431)
<b>Total other comprehensive income</b>	-	<b>(1.051.270)</b>	<b>126.581.041</b>	-	-	-	<b>125.529.771</b>	<b>82.397.549</b>	<b>207.927.320</b>
Net profit / (loss) for the period	-	-	-	-	-	133.018.359	133.018.359	21.448.486	154.466.845
<b>Total comprehensive income / (expense)</b>	-	<b>(1.051.270)</b>	<b>126.581.041</b>	-	-	<b>133.018.359</b>	<b>258.548.130</b>	<b>103.846.035</b>	<b>362.394.165</b>
<b>As of 30 September 2021</b>	<b>24.300.000</b>	<b>(28.161.716)</b>	<b>388.666.930</b>	<b>74.387.905</b>	<b>22.479.380</b>	<b>133.018.359</b>	<b>614.690.858</b>	<b>248.453.324</b>	<b>863.144.182</b>

(\*) The Company affiliated with Celebi Tanzania Aviation Services Limited (“Celebi Tanzania”), residing in Dar es Salaam, Tanzania, with a total capital of 100 million Tanzania Shillings (approximately 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.

(\*\*) 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 Celebi Nas in line with the Company's interests. In this framework, Celebi 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.

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

		Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss	Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Retained earnings				
	Share capital	Losses on remeasurement of defined benefit plans	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years’ losses	Net profit for the period	Equity attributable to equity holders of the parent	Non- controlling interests	Total equity
<b>As of 1 January 2020</b>	<b>24.300.000</b>	<b>(24.024.964)</b>	<b>136.376.158</b>	<b>63.387.956</b>	<b>117.783.967</b>	<b>192.355.079</b>	<b>510.178.196</b>	<b>62.258.768</b>	<b>572.436.964</b>
Transfers	-	-	-	10.999.950	181.355.129	(192.355.079)	-	-	-
Dividend payment (*)	-	-	-	-	(105.705.000)	-	(105.705.000)	-	(105.705.000)
Subsidiary share purchase (**)	-	-	-	-	(1.313.971)	-	(1.313.971)	1.313.971	-
<b>Other comprehensive income / (expense)</b>									
-Foreign currency translation difference			159.158.262				159.158.262	20.152.186	179.310.448
-Losses on remeasurement of defined benefit plans	-	(534.860)	-	-	-	-	(534.860)	(25.608)	(560.468)
<b>Total other comprehensive income</b>	<b>-</b>	<b>(534.860)</b>	<b>159.158.262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158.623.402</b>	<b>20.126.578</b>	<b>178.749.980</b>
Net profit for the period	-	-	-	-	-	(204.173.528)	(204.173.528)	13.223.600	(190.949.928)
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>(534.860)</b>	<b>159.158.262</b>	<b>-</b>	<b>-</b>	<b>(204.173.528)</b>	<b>(45.550.126)</b>	<b>33.350.178</b>	<b>(12.199.948)</b>
<b>As of 30 September 2020</b>	<b>24.300.000</b>	<b>(24.559.824)</b>	<b>295.534.420</b>	<b>74.387.906</b>	<b>192.120.125</b>	<b>(204.173.528)</b>	<b>357.609.099</b>	<b>96.922.917</b>	<b>454.532.016</b>

(\*) It has been decided to be paid to the Company’s shareholders in two installments as TL 47.992.500 on 31 August 2020 and TL 57.712.500 on 1 October 2020.

(\*\*) The related amount consists of the equity effect of capital increase to KSU. The capital increase consists of the payment by the Company amounting to Euro 1.297.017 and was made by premium capital increase under the legislation in India and the Company’s shareholding rate in KSU reached to 57,65%.

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



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Unaudited</i>	<i>Unaudited</i>
		<b>1 January –</b>	<b>1 January –</b>
		<b>30 September</b>	<b>30 September</b>
	Notes	<b>2021</b>	<b>2020</b>
<b>A. Cash flows from operating activities</b>		<b>355.644.435</b>	<b>312.302.280</b>
<b>Net profit / (loss) for the period</b>		<b>154.466.845</b>	<b>(190.949.928)</b>
<b>Adjustments for reconciliation of net profit/loss for the period</b>		<b>290.655.474</b>	<b>463.231.019</b>
Adjustments related to depreciation and amortization expenses	11,12,13	128.878.619	114.565.509
Adjustments related to impairment (reversal)		6.879.479	11.973.217
Adjustments related to provisions		23.811.905	11.962.820
- Adjustments related to provisions for employee benefits		23.811.905	11.962.820
Adjustments related to interest income and expenses		72.530.746	50.296.221
- Adjustments related to interest income		(22.310.658)	(20.807.669)
- Adjustments related to interest expenses		94.841.404	71.103.890
Adjustments related to unrealized foreign currency translation differences		63.045.417	267.352.417
Adjustments related to tax (income) expenses		11.029.328	6.044.980
Adjustments related to undistributed profit of investments that are accounted by the equity method	6	(2.658.502)	4.226.941
Adjustments related to gains/losses on disposal of non-current assets		(12.861.518)	(3.191.086)
<b>Changes in working capital</b>		<b>(52.926.391)</b>	<b>56.974.129</b>
Decrease (increase) in financial investments		-	35.842.597
Adjustments related to increase/decrease in trade receivables		(114.708.822)	(19.624.611)
-Decrease/increase in due from related parties		2.975.005	(1.009.726)
-Decrease/increase in due from third parties		(117.683.827)	(18.614.885)
Adjustments related to increase/decrease in other receivables related to operations		(58.360.814)	(29.070.017)
Adjustments related to increase/decrease in inventories		378.819	(3.080.559)
Decrease (increase) in prepaid expenses		(6.922.183)	(12.993.709)
Adjustments related to increase/decrease in trade payables		51.125.534	21.284.621
-Increase (decrease) in due to related parties		(1.654.890)	(14.911.761)
-Increase (decrease) in due to third parties		52.780.424	36.196.382
Increase (decrease) in payables related to employee benefits		29.704.036	4.940.155
Adjustments related to increase/decrease in other payables related to operations		45.857.039	59.675.652
<b>Cash flows generated from operations</b>		<b>392.195.928</b>	<b>329.255.220</b>
Payments related to provisions for employee benefits	14	(19.198.035)	(7.346.087)
Payments related to other provisions		(1.739.096)	(1.047.363)
Tax returns (payments)		(35.614.362)	(8.559.490)

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

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Unaudited</i>	<i>Unaudited</i>
		<b>1 January –</b>	<b>1 January –</b>
		<b>30 September</b>	<b>30 September</b>
	Notes	<b>2021</b>	<b>2020</b>
<b>B. Cash flows from investing activities</b>		<b>(66.802.203)</b>	<b>(34.983.570)</b>
Cash inflows from sale of property, plant and equipment and intangible assets		13.221.588	4.589.449
-Cash inflows from sale of property, plant and equipment	11	13.221.588	4.530.727
-Cash inflows from sale of intangible assets	13	-	58.722
Cash outflows from purchase of property, plant and equipment and intangible assets		(27.176.234)	(56.522.609)
-Cash outflows from purchase of property, plant and equipment	11	(24.050.715)	(41.176.975)
-Cash outflows from purchase of intangible assets	13	(3.125.519)	(15.345.634)
Dividends received		2.886.345	-
Cash inflows from cash advances and debts given to related parties		19.576.501	16.949.590
Other cash outflows		(75.310.403)	-
<b>C. Cash flows from financing activities</b>		<b>(398.658.482)</b>	<b>(18.948.864)</b>
Lease payments		(83.188.376)	(58.478.547)
Cash inflows from financial liabilities		411.282.557	597.563.053
Cash outflows due to debt payments		(666.962.012)	(499.961.784)
Dividends paid		(57.712.500)	(47.992.500)
Interest paid		(54.471.898)	(30.886.755)
Interest received		22.310.658	20.807.669
Other cash inflows		30.083.089	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES</b>		<b>(129.816.250)</b>	<b>258.369.846</b>
<b>D.Foreign currency translation differences</b>		<b>144.994.730</b>	<b>115.851.243</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>15.178.480</b>	<b>374.221.089</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>	4	<b>571.428.818</b>	<b>208.942.627</b>
<b>Cash and cash equivalents at the end of the period</b>	4	<b>586.607.298</b>	<b>583.163.716</b>

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

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

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

Tayakadın Mahallesi Nuri Demirağ Caddesi No: 39  
Arnavutköy / İstanbul

The average number of employees working for the Group for the period ended 30 September 2021 is 9.848 (31 December 2020: 10.009).

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

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

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

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

(\*) As of 30 September 2021, Celebi Spain and Celebi GH India Private Limited have no operational activity and they are inactive.

(\*\*) On 8 May 2019, the Company signed a partnership agreement with Mr. Ashwani Khanna and Mrs. Zaheda Khanna, the founders of KSU company the shareholders owning all the shares constituting its capital, by participating in the capital increase to be made in order to become a 50% partner of KSU Aviation Private Limited (“KSU”) residing in India and established to provide “taxiing” services to aircraft at airports in India. For this purpose, a capital payment of 420 million Indian Rupees (approximately EUR 5,56 million) was made by the Company.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

The Company won the tender offer on acquisition of Budapest Airport Handling Kereskedelmi es Szolgáltato Korlatolt Felelőssegu Tarsasag (“BAGH”) which provides ground handling service in Budapest Airport, and participated in the “Celebi Tanacsado Korlatolt Felelőssegu Tarsasag” (“Celebi Kft”) that was founded on 22 September 2006 as founding shareholder for the realization of the above mentioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Foldi Kiszolgalo Korlatolt Felelőssegu Tarsasag (“CGHH”). Celebi Kft was taken over by CGHH, in which the Company has 70% shares, with all assets and liabilities and merger transactions have been completed at 31 October 2007 in accordance with the legal framework effective in Hungary. In 2011, the Company increased its share in CGHH to 100% by purchasing the shares representing 30% of the capital of CGHH from Çelebi Aviation Holding Anonim Şirketi for Turkish Liras 33.712.020. As of 30 September 2021, paid-in capital of CGHH is Hungarian Forint 200.000.000.

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

As a result of the winning the tender for providing ground handling services at Delhi International Airport for a 10 years period in order to fulfill the requirements to meet the obligations and make the planned investments outlined in the Concession Agreement signed between Celebi GH Delhi and the tender to authority, under the legal legislation in India, the Company has made a premium capital increase amounting to Indian Rupee 1.380.897.000 on its subsidiary of Çelebi Ground Handling Delhi Private Limited (“Celebi GH Delhi”), which was established on 18 November 2009 with a shareholding rate of 74%. On 22 May 2017, the Company acquired 25,9% share of Çelebi GH Delhi and reached to an ownership rate of 99,9% and a share capital of Indian Rupee 24.430.000. The Company currently operates ground handling services in New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India as part of the ongoing concession agreements. On 15 March 2018, the Company's title was changed to Celebi Airport Services India Private Limited (“CASI”). CASI will continue to deliver ground handling services at Delhi International Airport for 10 years subsequent to the termination of the existing concession agreement with the authority given on 9 December 2019.

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

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

On 8 May 2019, the Company signed a partnership agreement with Mr. Ashwani Khanna and Mrs. Zaheda Khanna, the founders of KSU company the shareholders owning all the shares constituting its capital, by participating in the capital increase to be made in order to become a 50% partner of KSU Aviation Private Limited (“KSU”) residing in India and established to provide “taxiing” services to aircraft at airports in India. For this purpose, a capital payment of 420 million Indian Rupees (approximately EUR 5,56 million) was made by the Company.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

In the sequel of winning the tender of rendering ground handling services for a 10 years period in Mumbai Chhatrapati Shivaji International Airport (CSIA) in Mumbai, India by the consortium in which the Company takes part, a joint venture of the Company has been established on 12 December 2008 with the trade name of “Celebi Nas Airport Services India Private Limited (“Celebi Nas”) resident in Maharashtra, Mumbai, India. The Company has participated as the founding partner in Celebi Nas and has 57% shareholding where the share capital of Celebi Nas is Indian Rupee 552.000.000. A premium capital increase of Indian Rupee 228.000.000 has been paid by the shareholders of Celebi Nas in previous years. Although the Company has 57% shareholding, in accordance with the conditions in Articles of Association signed between the Company and the counterparty shareholder until 8 February 2021, Celebi Nas is accounted using the equity method and treated as a joint venture. On 8 April 2015, Celebi Nas has signed a “concession agreement” with Mumbai International Airport Private Limited (“MIAL”), the operator of the CSIA International Airport, for rendering services of air conditioners and generators mounted on passenger boarding bridges in the passenger terminal. With this agreement, Celebi Nas has been granted the concession rights until May 2036. Within the scope of the concession agreement signed between Celebi Nas and MIAL, Celebi Nas will continue to provide ground handling services for an additional 10 (ten) years from 1 January 2020 to 31 December 2029, following the expiration of the current concession period at CSIA airport on 31 December 2019. In addition to the partnership agreement signed between the Company and other partners regarding Celebi Nas on 17 January 2021, with the additional protocol that was registered and entered into force on 8 February 2021, amendments were made in the “Reserve 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, Celebi Nas started to be consolidated in 2021 by using the full consolidation method from the date the control passed to the Company. This change is accounted for as a gradual business combination within the scope of TFRS 3 Business Combinations and in incremental transactions, the acquirer remeasures its previously held equity interest in the acquiree at its fair value at the transaction date and recognizes any resulting gain or loss in profit or loss. TFRS 3 Business Combinations standard allows for one year to complete the determination of fair values. As the transactions regarding the determination of the fair values of the identifiable assets, liabilities and contingent liabilities in the financial statements of Celebi Nas continue as of this reporting period, within the scope of TFRS 3 Business Combinations standard the Group, they has accounted for the consolidation scope change based on the net book values of the net assets of Celebi Nas as of 31 March 2021.

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

##### - Associate

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

<u>Associate</u>	<u>Registered country</u>	<u>Geographical region</u>	<u>Nature of business</u>
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 condensed consolidated financial statements.

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

The condensed consolidated financial statements of the Group for the interim period 1 January – 30 September 2021 has been approved for the issuance by the Board of Directors at the meeting on 8 November 2021 and signed by Osman Yılmaz, the General Manager and Deniz Bal, the Director of Financial Affairs on behalf of the Board of Directors.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### Covid-19 Effects

Due to the crisis and pandemic situation caused by the worldwide effective Covid-19 virus, although governments have taken many measures to restrict the aviation sector, borders have been opened in most regions and flights have started in January - September period. In addition, the Warehouse and Cargo Services segment has been affected much less by the pandemic and has operated in its normal activities under the changing conditions.

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

The progress in vaccinations against Covid-19 is expected to have positive effects on the aviation industry. While preparing the condensed consolidated financial statements as of 30 September 2021, the Group Management has evaluated the possible effects of the COVID-19 outbreak and reviewed the estimates and assumptions used in the preparation of the condensed consolidated financial statements. In this context, possible impairments in the condensed consolidated financial statements have been evaluated and no significant effect has been detected.

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

##### 2.1. Basis of Presentation

##### 2.1.1 Accounting Standards Applied

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

The Group has presented its condensed financial statements for the interim period ended on 30 September 2021 according to Turkish Accounting Standards No. 34 Interim Financial Reporting. In addition, interim condensed consolidated financial statements as of 30 September 2021 have been prepared by applying the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2020. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2020.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for listed companies in Turkey. The Company’s financial statements have been prepared in accordance with this decision.

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

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

##### Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates. The condensed consolidated financial statements are presented in TL, which is the functional currency of Çelebi Hava and the presentation currency of the Group. As of 30 September 2021, the functional currency of the Group’s entities is shown below.

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

##### Going Concern

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

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

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

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

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

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

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

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

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

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

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 *Proceeds before Intended Use***

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

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



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

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

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

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

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

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

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

###### Amendments to TFRS 1 *First time adoption of 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.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

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

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

##### **Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 September 2021 (cont’d)**

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.

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

##### 2.1.4 Basis of Consolidation

- 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 Turkish Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries, Joint Venture and Associate are included or excluded from their effective dates of acquisition or disposal respectively.
- 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.

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

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

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

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

- (1) As of 30 September 2021, the Group has directly and indirectly 100% voting right over Celebi Spain. However, Celebi Spain has not been consolidated in condensed consolidated financial statements but recognized as financial investment at cost, since the subsidiary's operations have not started yet.
- (2) The Company acquired 65% of Celebi Tanzania Aviation Services Limited (“Celebi Tanzania”), established in Darusselam, Tanzania to participate to the concession auctions to provide ground handling service. Its share capital is amounting to Tanzanian Shilling 100 million (approximately USD 40 thousand). The Company has already started its activities as of 1 February 2021, in line with the contract signed with the Tanzania Airport authority.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

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

- d) The Group recognizes the transactions of acquisitions and sales of shares of the subsidiaries, those are controlled by the Group, realized with the non-controlling interest as transactions of the Group with equity holders. Therefore, in transactions of additional share acquisition from non-controlling interest, the difference between the acquisition cost and the share of net assets of the additional shares acquired and in transactions of sale of shares to non-controlling interest, the difference between the consideration received and the share of net assets of the shares sold is recognised in equity.
- e) Associates of the Group are accounted by using the equity method.
- 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.

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

#### 2.2. Change in Accounting Policies

##### 2.2.1 Comparative Information

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

The Group presented the condensed consolidated statement of financial position as of 30 September 2021 comparatively with the consolidated statement of financial position as of 31 December 2020, presented the condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the interim period ended on 30 September 2021 comparatively with the condensed consolidated profit or loss, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and condensed consolidated statement of other comprehensive income for the interim period ended 30 September 2020.

#### 2.3. Summary of Significant Accounting Policies

Condensed consolidated financial statements for the interim period ended on 30 September 2021, have been prepared in compliance with TAS 34, the TFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 30 September 2021 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements for the year ended 31 December 2020. Thus, these interim condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2020.

If changes in accounting estimates relate only for one period, changes are applied only in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively. Significant estimates used in preparing the condensed financial statements for the period ended on 30 September 2021 are consistent with those used in preparing the consolidated financial statements in the consolidated financial statements for the year ended 31 December 2020. Significant accounting errors are applied retrospectively and the prior period financial statements are restated.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

### NOTE 3 – SEGMENT REPORTING

Management determines the operating segments based on the reports analyzed by the key management personnel, and found effective in strategically decision taking. The management evaluates the Group in two different ways: geographical and operational segments. They are assessing the Group's performance on an operational segment basis as; Ground Handling Services, Security Services, Cargo and Warehouse Services. Since the Group's income consists primarily of these operational segments, Ground Handling Services and Cargo and Warehouse Services are regarded as reportable operating segment revenues. The management assesses the performance of the operational segments based on a measure of earnings before interest tax depreciation and amortization ("EBITDA") after deduction of the impact of TFRS Interpretation ("TFRIC 12"), retirement pay liability and unused vacation provisions from earnings before interest, tax depreciation and amortization.

The operational segment information provided to the board of directors as of 30 September 2021 is as follows:

	Operation Groups			
	Ground	Cargo and	Consolidation	
1 January - 30 September 2021	Handling	Warehouse	Adjustments	Consolidated
Revenue	946.713.647	773.096.424	(3.111.019)	1.716.699.052
Cost of sales	(594.396.969)	(562.839.619)	985.016	(1.156.251.572)
<b>Gross profit</b>	<b>352.316.678</b>	<b>210.256.805</b>	<b>(2.126.003)</b>	<b>560.447.480</b>
General administrative expenses	(145.715.580)	(55.317.197)	2.505.691	(198.527.086)
Addition: Depreciation and amortization	74.538.508	54.340.111	-	128.878.619
Addition: TFRIC -12 effect shares	-	8.493.038	-	8.493.038
Addition: Provision for employment termination benefit and unused vacation	20.742.978	4.260.041	-	25.003.019
EBITDA effect of investments accounted by using equity method	4.516.291	-	-	4.516.291
<b>EBITDA</b>	<b>306.398.875</b>	<b>222.032.798</b>	<b>379.688</b>	<b>528.811.361</b>
Lease expenses under TFRS 16	(42.908.553)	(16.264.066)	-	(59.172.619)
<b>EBITDA (Except for TFRS 16)</b>	<b>263.490.322</b>	<b>205.768.732</b>	<b>379.688</b>	<b>469.638.742</b>
	Operation Groups			
	Ground	Cargo and	Consolidation	
1 July - 30 September 2021	Handling	Warehouse	Adjustments	Consolidated
Revenue	501.260.822	240.477.052	556.132	742.294.006
Cost of sales	(236.191.673)	(203.545.142)	(420.784)	(440.157.599)
<b>Gross profit</b>	<b>265.069.149</b>	<b>36.931.910</b>	<b>135.348</b>	<b>302.136.407</b>
General administrative expenses	(47.960.919)	(18.278.202)	(21.840)	(66.260.961)
Addition: Depreciation and amortization	25.733.878	17.985.246	-	43.719.124
Addition: TFRIC -12 effect shares	-	3.362.107	-	3.362.107
Addition: Provision for employment termination benefit and unused vacation	9.258.039	1.821.444	-	11.079.483
EBITDA effect of investments accounted by using equity method	1.555.440	-	-	1.555.440
<b>EBITDA</b>	<b>253.655.587</b>	<b>41.822.505</b>	<b>113.508</b>	<b>295.591.600</b>
Lease expenses under TFRS 16	(15.443.312)	(5.576.908)	-	(21.020.220)
<b>EBITDA (Except for TFRS 16)</b>	<b>238.212.275</b>	<b>36.245.597</b>	<b>113.508</b>	<b>274.571.380</b>

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

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

The operating segment information presented to the board of directors as of 30 September 2020 is as follows:

	<b>Operation Groups</b>			
	<b>Ground Handling</b>	<b>Cargo and Warehouse Services</b>	<b>Consolidation Adjustments</b>	<b>Consolidated</b>
<b>1 January - 30 September 2020</b>				
Revenue	482.526.380	631.650.691	(7.279.817)	1.106.897.254
Cost of sales	(398.825.575)	(444.363.181)	7.444.797	(835.743.959)
<b>Gross profit</b>	<b>83.700.805</b>	<b>187.287.510</b>	<b>164.980</b>	<b>271.153.295</b>
General administrative expenses	(105.236.981)	(44.152.263)	109.577	(149.279.667)
Addition: Depreciation and amortization	65.731.839	48.833.670	-	114.565.509
Addition: TFRIC -12 effect shares	-	7.266.724	-	7.266.724
Addition: Provision for employment termination benefit and unused vacation	9.972.233	2.553.827	-	12.526.060
EBITDA effect of investments accounted by using equity method	11.471.750	(1.123.363)	-	10.348.387
<b>EBITDA</b>	<b>65.639.646</b>	<b>200.666.105</b>	<b>274.557</b>	<b>266.580.308</b>
Lease expenses under TFRS 16	(61.857.336)	(12.739.562)	-	(74.596.898)
<b>EBITDA (Except for TFRS 16)</b>	<b>3.782.310</b>	<b>187.926.543</b>	<b>274.557</b>	<b>191.983.410</b>

	<b>Operation Groups</b>			
	<b>Ground Handling</b>	<b>Cargo and Warehouse Services</b>	<b>Consolidation Adjustments</b>	<b>Consolidated</b>
<b>1 July - 30 September 2020</b>				
Revenue	200.968.586	255.771.880	(2.894.492)	453.845.974
Cost of sales	(116.537.160)	(174.506.206)	2.761.676	(288.281.690)
<b>Gross profit</b>	<b>84.431.426</b>	<b>81.265.674</b>	<b>(132.816)</b>	<b>165.564.284</b>
General administrative expenses	(32.327.358)	(16.998.420)	102.501	(49.223.277)
Addition: Depreciation and amortization	14.854.822	25.122.433	-	39.977.255
Addition: TFRIC -12 effect shares	-	3.442.984	-	3.442.984
Addition: Provision for employment termination benefit and unused vacation	2.848.898	802.776	-	3.651.674
EBITDA effect of investments accounted by using equity method	4.206.308	(290.080)	-	3.916.228
<b>EBITDA</b>	<b>74.014.096</b>	<b>93.345.367</b>	<b>(30.315)</b>	<b>167.329.148</b>
Lease expenses under TFRS 16	(21.284.721)	(4.726.497)	-	(26.011.218)
<b>EBITDA (Except for TFRS 16)</b>	<b>52.729.375</b>	<b>88.618.870</b>	<b>(30.315)</b>	<b>141.317.930</b>

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

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

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

	<b>1 January – 30 September 2021</b>	<b>1 July– 30 September 2021</b>	<b>1 January – 30 September 2020</b>	<b>1 July– 30 September 2020</b>
EBITDA for reported segments	528.811.361	295.591.600	266.580.308	167.329.148
Depreciation and amortization	(128.878.619)	(43.719.124)	(114.565.509)	(39.977.255)
TFRIC -12 effect	(8.493.038)	(3.362.107)	(7.266.724)	(3.442.984)
Provisions for employment termination benefit and unused vacation	(25.003.019)	(11.079.483)	(12.526.060)	(3.651.674)
Other operating income	203.689.098	32.348.223	360.363.347	201.040.698
Other operating expenses (-)	(240.626.591)	(44.557.623)	(340.212.955)	(194.607.280)
EBITDA effect of investments accounted by using equity method	(4.516.291)	(1.555.440)	(10.348.387)	(3.916.228)
<b>Operating profit</b>	<b>324.982.901</b>	<b>223.666.046</b>	<b>142.024.020</b>	<b>122.774.425</b>
Income from investment activities	18.134.145	18.048.566	3.191.086	189.210
Expenses from investment activities (-)	(5.449.674)	(5.000.452)	(1.399.125)	(64.476)
Financial income	127.125.317	19.561.562	107.615.146	59.758.346
Financial expenses (-)	(301.955.018)	(46.777.892)	(432.109.134)	(222.248.346)
Shares in profit from investments accounted by equity method	2.658.502	454.346	(4.226.941)	(235.386)
<b>Profit / (loss) before tax</b>	<b>165.496.173</b>	<b>209.952.176</b>	<b>(184.904.948)</b>	<b>(39.826.227)</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2021	31 December 2020
Cash	769.401	736.957
Banks	586.580.670	571.093.229
- time deposit	392.297.493	418.194.336
- demand deposit	194.283.177	152.898.893
	<b>587.350.071</b>	<b>571.830.186</b>

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

	30 September 2021	30 September 2020
Cash on hand and cash at banks	587.350.071	583.952.878
Less: Interest accruals	(742.773)	(789.162)
	<b>586.607.298</b>	<b>583.163.716</b>

#### NOTE 5 - FINANCIAL INVESTMENTS

##### *Restricted bank balances:*

	30 September 2021	31 December 2020
Restricted bank balances (Between 3 months and 365 days) (*)	62.110.060	9.435.386
Restricted bank balances (Longer than 365 days) (*)	40.489.170	9.007.900
	<b>102.599.230</b>	<b>18.443.286</b>

##### *Time deposits:*

	30 September 2021	31 December 2020
Time deposits (Between 3 months and 365 days)	47.897.915	-
Time deposits (Longer than 365 days)	6.107.210	9.019.305
	<b>54.005.125</b>	<b>9.019.305</b>

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

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

	Percentage of Shares %	30 September 2021 TL	Percentage of Shares %	31 December 2020 TL
Celebi Spain (*)	100,00	166.650	100,00	166.650
Celebi Tanzania	100,00	-	65,00	167.640
		<b>166.650</b>		<b>334.290</b>

(\*) As of 30 September 2021, Celebi Spain has not been consolidated in the consolidated financial statements since it is inactive for the Group, and has been accounted for as financial investments at fair value through other comprehensive income after deducting any impairment over cost and reflected in the consolidated financial statements.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

	Percentage of Shares%	30 September 2021	Percentage of Shares%	31 December 2020
Çelebi Nas	57,00	-	57,00	146.706.781
DASPL	24,99	12.920.675	24,99	11.004.864
		<b>12.920.675</b>		<b>157.711.645</b>

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

	30 September 2021	30 September 2020
<b>As of 1 January</b>	<b>157.711.645</b>	<b>129.954.118</b>
Transfers (*)	(146.706.781)	-
Shares of profit/loss	2.658.502	(4.226.941)
Foreign currency translation differences	2.143.654	34.039.461
Dividends paid	(2.886.345)	-
Remeasurement losses of defined benefit plans	-	(190.836)
<b>As of 30 September</b>	<b>12.920.675</b>	<b>159.575.802</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" articles in favor of the Company, which would affect Çelebi 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 - 30 September 2021	1 January - 30 September 2020
Çelebi Nas	-	(4.746.916)
DASPL	2.658.502	519.975
	<b>2.658.502</b>	<b>(4.226.941)</b>

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

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

	30 September 2021	31 December 2020
Total Assets	58.862.789	53.299.466
Total Liabilities	6.197.060	7.745.258
	<b>1 January - 30 September 2021</b>	<b>1 January - 30 September 2020</b>
Total Sales Income	46.609.693	114.784.739
Profit / (Loss) for the Period	10.638.264	(8.327.922)

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

NOTE 7 – SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

*Short-term borrowings:*

		<b>30 September 2021</b>	
	<b>Effective interest rate (%)</b>	<b>Original balance</b>	<b>TL</b>
<b>Short-term borrowings</b>			
TL borrowings	18,27-21,00	106.076.363	106.076.363
EUR borrowings	1,89-5,75	6.553.525	67.578.639
<b>Total short-term borrowings</b>		<b>173.655.002</b>	
<b>Short-term finance lease obligations:</b>			
INR finance lease obligation		112.201.266	13.383.367
EUR finance lease obligation		7.261.838	74.882.624
TL finance lease obligation		13.353.670	13.353.670
HUF finance lease obligation		24.384.653	699.108
<b>Total short-term finance lease obligations</b>		<b>102.318.769</b>	
<b>Short-term portion of long-term borrowings:</b>			
	<b>Effective interest rate (%)</b>	<b>Original balance</b>	<b>TL</b>
Interest expense accrual - EUR	-	573.015	5.908.820
Interest expense accrual - INR	-	3.750.285	447.334
Interest expense accrual - TL	-	11.289.206	11.289.206
EUR borrowings	1,89-5,75	26.440.840	272.652.651
TL borrowings	9,95-21,00	70.000.000	70.000.000
INR borrowings	8,10-9,40	699.343.503	83.417.693
<b>Total short-term portion of long-term borrowings</b>		<b>443.715.704</b>	
<b>Total short-term borrowings:</b>		<b>719.689.475</b>	

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

NOTE 7 – SHORT TERM AND LONG TERM FINANCIAL LIABILITIES (cont’d)

*Long-term borrowings:*

30 September 2021			
	Effective interest rate (%)	Original balance	TL
INR borrowings	8,80-9,75	1.243.185.018	148.287.109
EUR borrowings	1,89-5,75	28.160.872	290.389.282
TL borrowings	9,95-21,00	39.622.576	39.622.576
			<b>478.298.967</b>
<i>Long-term finance lease obligations:</i>			
INR finance lease obligation		193.481.975	23.078.530
EUR finance lease obligation		56.748.312	585.177.246
TL finance lease obligation		19.632.289	19.632.289
HUF finance lease obligation		13.255.807	380.044
<b>Total long-term finance lease obligations</b>			<b>628.268.109</b>
<b>Total long-term liabilities</b>			<b>1.106.567.076</b>
<b>Total financial liabilities</b>			<b>1.826.256.551</b>

*Short-term borrowings:*

31 December 2020			
	Effective interest rate (%)	Original balance	TL
<i>Short-term borrowings:</i>			
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 finance lease obligations:*

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

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

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

NOTE 7 – SHORT TERM AND LONG TERM FINANCIAL LIABILITIES (cont’d)

*Long-term borrowings:*

		31 December 2020	
	Effective interest rate (%)	Original balance	TL
<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 finance lease obligations:</i>			
INR finance lease obligations		224.774.913	22.533.685
EUR finance lease obligations		46.109.976	415.354.049
TL finance lease obligations		11.482.008	11.482.008
HUF finance lease obligations		5.370.046.278	132.747.544
			<b>582.117.286</b>
<b>Total payables from long-term leases</b>			<b>582.117.286</b>
			<b>1.087.252.580</b>
<b>Total long-term borrowings</b>			<b>1.087.252.580</b>
			<b>1.805.663.280</b>
<b>Total borrowings</b>			<b>1.805.663.280</b>

As of 30 September 2021 and 31 December 2020, the repayment maturities of the Group's borrowings are as follows:

	30 September 2021	31 December 2020
Less than 3 months	103.895.955	245.906.622
Between 3-12 months	615.793.520	472.504.078
Between 1-5 years	745.524.304	748.068.226
More than 5 years	361.042.772	339.184.354
	<b>1.826.256.551</b>	<b>1.805.663.280</b>

As of 30 September 2021 and 31 December 2020, the repayment schedule of long-term loans is as follows:

	30 September 2021	31 December 2020
Between 1-2 years	343.729.385	312.405.888
Between 2-3 years	66.479.596	129.905.313
Between 3-4 years	46.043.406	20.548.119
4 years and more	22.046.580	42.275.974
	<b>478.298.967</b>	<b>505.135.294</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 7 – SHORT TERM AND LONG TERM FINANCIAL LIABILITIES (cont’d)

As of 30 September 2021 and 31 December 2020, the repayment maturities of the debts from the lease transactions are as follows:

	30 September 2021	31 December 2020
Up to 1 year	102.318.769	132.582.488
Between 1-5 years	287.848.937	260.948.734
More than 5 years	340.419.172	321.168.552
	<b>730.586.878</b>	<b>714.699.774</b>

#### NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	30 September 2021	31 December 2020
Trade receivables from third parties	356.496.590	216.660.285
Less: Provision for impairment	(57.351.185)	(53.241.619)
<b>Trade receivables from third parties (net)</b>	<b>299.145.405</b>	<b>163.418.666</b>
Trade receivables from related parties (Note 25)	2.444.153	5.343.963
<b>Total short-term trade receivables</b>	<b>301.589.558</b>	<b>168.762.629</b>

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

	30 September 2021	30 September 2020
Opening balance	53.241.619	36.457.770
Additional provision made during the period	6.879.479	11.973.217
Foreign currency translation differences	593.268	1.444.025
Collections and reversed provisions	(3.363.181)	(2.219.294)
<b>Closing balance</b>	<b>57.351.185</b>	<b>47.655.718</b>

#### Short-term trade borrowings

	30 September 2021	31 December 2020
Trade payables to third parties	118.683.300	101.380.826
Debt accruals	55.851.677	17.954.490
<b>Total trade payables to third parties</b>	<b>174.534.977</b>	<b>119.335.316</b>
Payables to related parties (Note 25)	9.159.464	8.892.303
<b>Total short-term trade payables</b>	<b>183.694.441</b>	<b>128.227.619</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 9 - OTHER RECEIVABLES AND PAYABLES

##### Other short-term receivables

	30 September 2021	31 December 2020
Receivables from tax office	5.977.375	8.578.852
Deposits and guarantees given	16.587.939	4.806.881
Other miscellaneous receivables (**)	112.774.189	59.147.500
<b>Other short-term receivables from third parties</b>	<b>135.339.503</b>	<b>72.533.233</b>
Other receivables from related parties (Note 25)	42.380.305	36.106.731
<b>Total short-term other receivables</b>	<b>177.719.808</b>	<b>108.639.964</b>

##### Other long-term receivables

	30 September 2021	31 December 2020
Deposits and guarantees given (*)	198.347.439	59.469.159
<b>Other long-term receivables from third parties</b>	<b>193.347.439</b>	<b>59.469.159</b>
Other receivables from related parties (Note 25)	64.490.856	74.351.957
<b>Total long-term other receivables</b>	<b>262.838.295</b>	<b>133.821.116</b>

(\*) As of 30 September 2021, deposits and guarantees given predominantly consists of the deposits given for the subsidiaries of the Group located in India, CASI, Celebi Delhi Cargo and Celebi Nas, amounting to TL 50.384.072 (31 December 2020: TL 39.109.208), TL 122.365.899 (31 December 2020: TL 19.806.821) and TL 24.964.272 (31 December 2020: None), respectively, to local authorities and companies.

(\*\*) Other miscellaneous receivables consist of INR 940.000.000 receivables from Delhi Cargo to GMR Group (31 December 2020: INR 590.000.000).

##### Other short-term borrowings

	30 September 2021	31 December 2020
Other short-term payables (*)	32.094.249	26.378.518
Deposits and guarantees received	6.319.577	2.703.140
	<b>38.413.826</b>	<b>29.081.658</b>
Other payables to related parties (Note 25)	-	57.712.500
<b>Total short-term other payables</b>	<b>38.413.826</b>	<b>86.794.158</b>

(\*) As of 30 September 2021, TL 24.460.102 (31 December 2020: TL 24.811.759) of other short-term payables are payables of Celebi Delhi Cargo, the Company's subsidiary in India, to its other shareholder Delhi International Airport Private Limited'e (DIAL) due to the concession contract signed between the parties.

##### Other long-term borrowings

	30 September 2021	31 December 2020
Deposits and guarantees received	25.986.122	20.323.200
	<b>25.986.122</b>	<b>20.323.200</b>

#### NOTE 10 – INVENTORIES

	30 September 2021	31 December 2020
Trade goods	2.109.588	3.958.977
Other inventories (*)	21.298.810	15.586.228
	<b>23.408.398</b>	<b>19.545.205</b>

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

Movements in property, plant and equipment for the period ended on 30 September 2021 are as follows:

	<b>Opening 1 January 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers(*)</b>	<b>Foreign currency translation differences</b>	<b>Closing 30 September 2021</b>
<b>Cost</b>						
Plant, machinery and equipment	484.734.159	15.112.475	(4.115.567)	126.546.123	67.247.121	689.524.311
Motor vehicles	130.986.095	6.214.436	(1.067.446)	3.923.090	21.301.957	161.358.132
Furniture and fixtures	67.853.295	1.201.548	(655.449)	3.359.535	4.003.969	75.762.898
Leasehold improvements	221.780.258	1.522.256	-	2.140.086	4.378.781	229.821.381
Construction in progress	3.392.979	-	-	(752.558)	441.561	3.081.982
	<b>908.746.786</b>	<b>24.050.715</b>	<b>(5.838.462)</b>	<b>135.216.276</b>	<b>97.373.389</b>	<b>1.159.548.704</b>
<b>Accumulated depreciation</b>						
Plant, machinery and equipment	(255.533.905)	(30.322.484)	3.772.457	(109.050.309)	(40.570.770)	(431.705.011)
Motor vehicles	(82.459.525)	(4.545.525)	1.062.868	(2.465.700)	(13.522.888)	(101.930.770)
Furniture and fixtures	(34.771.503)	(5.336.469)	643.067	(2.729.991)	(2.840.872)	(45.035.768)
Leasehold improvements	(46.814.610)	(7.936.641)	-	(410.620)	(2.523.441)	(57.685.312)
	<b>(419.579.543)</b>	<b>(48.141.119)</b>	<b>5.478.392</b>	<b>(114.656.620)</b>	<b>(59.457.971)</b>	<b>(636.356.861)</b>
<b>Net book value</b>	<b>489.167.243</b>					<b>523.191.843</b>

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

Depreciation expense for the period ended 30 September 2020 amounting to TL 46.423.488 and TL 1.717.631 are respectively included in cost of sales and operating expenses.

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Movements in property, plant and equipment for the interim period ended on 30 September 2020 are as follows:

	<b>Opening 1 January 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Foreign currency translation differences</b>	<b>Closing 30 September 2020</b>
<b>Cost</b>						
Plant, machinery and equipment	421.874.528	31.474.534	(1.959.681)	5.147.269	52.930.033	509.466.683
Motor vehicles	109.354.697	1.895.360	(3.737.363)	498.395	25.297.672	133.308.761
Furniture and fixtures	55.331.330	3.591.553	(16.354)	399.817	2.924.439	62.230.785
Leasehold improvements	204.766.495	3.485.972	-	(99.787)	3.750.857	211.903.537
Construction in progress	6.941.410	729.556	-	(5.945.694)	1.114.275	2.839.547
	<b>798.268.460</b>	<b>41.176.975</b>	<b>(5.713.398)</b>	<b>-</b>	<b>86.017.276</b>	<b>919.749.313</b>
<b>Accumulated depreciation</b>						
Plant, machinery and equipment	(222.190.447)	(21.745.939)	1.865.623	-	(23.897.077)	(265.967.840)
Motor vehicles	(65.138.374)	(4.706.952)	2.500.426	-	(15.724.842)	(83.069.742)
Furniture and fixtures	(21.577.390)	(5.059.965)	7.708	-	(1.551.896)	(28.181.543)
Leasehold improvements	(32.203.167)	(8.361.819)	-	-	(2.206.399)	(42.771.385)
	<b>(341.109.378)</b>	<b>(39.874.675)</b>	<b>4.373.757</b>	<b>-</b>	<b>(43.380.214)</b>	<b>(419.990.510)</b>
<b>Net book value</b>	<b>457.159.082</b>					<b>499.758.803</b>

Depreciation expense for the period ended 30 September 2020 amounting to TL 38.126.211 and TL 1.748.464 are respectively included in cost of sales and operating expenses.



**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

**NOTE 12 – RIGHT-OF-USE ASSETS**

Movements in right of use assets for the interim period ended on 30 September 2021 are as follows:

	<b>Opening 1 January 2021</b>	<b>Additions</b>	<b>Modifications</b>	<b>Transfers (*)</b>	<b>Foreign currency translation differences</b>	<b>Closing 30 September 2021</b>
<b>Cost</b>						
Buildings and land	605.089.617	-	(26.574.158)	666.525	41.363.973	620.545.957
Machinery, plant and equipment	46.908.480	-	-	-	634.945	47.543.425
Motor vehicles	9.401.947	-	10.536.902		606.114	20.544.963
	<b>661.400.044</b>	<b>-</b>	<b>(16.037.256)</b>	<b>666.525</b>	<b>42.605.032</b>	<b>688.634.345</b>
<b>Accumulated depreciation</b>						
Buildings and land	(99.237.825)	(43.081.484)	-	(318.770)	(12.755.715)	(155.393.794)
Machinery, plant and equipment	(43.747.900)	(2.882.784)	-	-	(498.160)	(47.128.844)
Motor vehicles	(7.748.997)	(1.563.563)	-	-	(401.683)	(9.714.243)
	<b>(150.734.722)</b>	<b>(47.527.831)</b>	<b>-</b>	<b>(318.770)</b>	<b>(13.655.558)</b>	<b>(212.236.881)</b>
<b>Net book value</b>	<b>510.665.322</b>					<b>476.397.464</b>

(\*) Transfers with a net book value of TL 10.970.148 are related to the full consolidation of Çelebi Nas.

Depreciation expense for the period ended 30 September 2021 amounting to TL 47.527.831 is included in cost of sales.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

Movements in right of use assets for the interim period ended on 30 September 2020 are as follows:

	Opening 1 January 2020	Additions	Foreign currency translation differences	Closing 30 September 2020
<b>Cost</b>				
Buildings and land	435.309.266	129.404.666	45.436.020	610.149.952
Machinery, plant and equipment	45.760.572	-	1.206.440	46.967.012
Motor vehicles	7.905.523	-	637.716	8.543.239
	<b>488.975.361</b>	<b>129.404.666</b>	<b>47.280.176</b>	<b>665.660.203</b>
<b>Accumulated depreciation</b>				
Buildings and land	(35.982.511)	(37.916.493)	(11.557.803)	(85.456.807)
Machinery, plant and equipment	(21.490.992)	(16.228.730)	(593.863)	(38.313.585)
Motor vehicles	(3.445.845)	(2.653.312)	(290.012)	(6.389.169)
	<b>(60.919.348)</b>	<b>(56.798.535)</b>	<b>(12.441.678)</b>	<b>(130.159.561)</b>
<b>Net book value</b>	<b>428.056.013</b>			<b>535.500.642</b>

Depreciation expense for the period ended 30 September 2020 amounting to TL 56.798.535 is included in cost of sales.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 13 - INTANGIBLE ASSETS

##### Other Intangible Assets

Movements in other intangible assets for the interim period ended on 30 September 2021 are as follows:

	Opening 1 January 2021	Additions	Disposals	Transfers (**)	Foreign currency translation differences	Closing 30 September 2021
<b>Cost</b>						
Rights	10.390.233	-	(56.920)	-	-	10.333.313
Computer software	34.912.719	1.541.519	-	4.859.184	3.972.807	45.286.229
Concession rights	234.176.391	1.584.000	-	-	44.586.264	280.346.655
Build-operate-transfer investments (*)	186.488.027	-	-	212.159.634	72.225.904	470.873.565
	<b>465.967.370</b>	<b>3.125.519</b>	<b>(56.920)</b>	<b>217.018.818</b>	<b>120.784.975</b>	<b>806.839.762</b>
<b>Accumulated depreciation</b>						
Rights	(5.410.777)	(438.166)	56.920	-	-	(5.792.023)
Computer software	(24.349.092)	(3.022.648)	-	(2.498.565)	(3.267.579)	(33.137.884)
Concession rights	(105.930.028)	(8.948.974)	-	-	(20.862.932)	(135.741.934)
Build-operate-transfer investments (*)	(65.452.916)	(20.799.881)	-	(35.990.382)	(20.409.887)	(142.653.066)
	<b>(201.142.813)</b>	<b>(33.209.669)</b>	<b>56.920</b>	<b>(38.488.947)</b>	<b>(44.540.398)</b>	<b>(317.324.907)</b>
<b>Net book value</b>	<b>264.824.557</b>					<b>489.514.855</b>

(\*) The difference amounting to TL 120.950.350 between the discounted value of the deposit payment made amounting to INR 1.862.466.504 which is discounted with a discount rate of 11,46%, within the scope of the concession agreement signed for the development, modernization and the operation for 25 years of the existing cargo terminal of the New Delhi Airport, India is recognised as build-operate-transfer investment and will be amortised during the concession period of 25 years. In addition, ground handling services for 10 years at the airport in Mumbai, India and the net book value calculated by bringing the said amount to its present value with a ratio of 8,9% over a total deposit of INR 2.137.700.000 paid within the framework of the concession agreements signed for the provision of BME services for 20 years, with the difference of TL 193.138.179 and the net book value of TL 14.116.831, calculated as a result of bringing the said amount to its present value with a ratio of 10,82% over a total deposit of INR 532.220.000 paid within the framework of the concession agreements signed for the provision of ground handling services for 10 years at the airport in New Delhi, India and for 5+2 years at Cochin Airport, has been capitalized as a Build-Operate-Transfer investment and will be amortized during the terminal's contract term of 10 years.

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

Amortization expense for the period ended 30 September 2021 amounting to TL 31.205.986 and TL 2.003.683 are included in cost of sales and operating expenses, respectively.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

Movement of intangible assets for the interim accounting period ended 30 September 2020 is as follows:

	Opening 1 January 2020	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 30 September 2020
<b>Cost</b>						
Rights	10.445.953	1.200	(56.920)	-	-	10.390.233
Software	31.148.869	1.220.930	-	-	2.943.444	35.313.243
Concession rights	191.789.236	3.084.693	-	-	52.663.947	247.537.876
Build-operate-transfer investments (*)	160.438.380	-	(131.378)	(23.876.456)	-	136.430.546
	<b>393.822.438</b>	<b>4.306.823</b>	<b>(188.298)</b>	<b>(23.876.456)</b>	<b>55.607.391</b>	<b>429.671.898</b>
<b>Accumulated depreciation</b>						
Rights	(4.883.496)	(445.178)	56.920	-	-	(5.271.754)
Concession rights	(76.938.820)	(8.927.227)	-	-	(22.440.975)	(108.307.022)
Software	(19.200.403)	(2.000.923)	-	-	(2.191.780)	(23.393.106)
Build-operate-transfer investments (*)	(68.300.220)	(6.518.971)	72.656	23.876.456	(15.558.953)	(66.429.032)
	<b>(169.322.939)</b>	<b>(17.892.299)</b>	<b>129.576</b>	<b>23.876.456</b>	<b>(40.191.708)</b>	<b>(203.400.914)</b>
<b>Net book value</b>	<b>224.499.499</b>					<b>226.270.984</b>

(\*) TL 107.926.636 which is difference between discounted present value of deposits paid with interest rate, 11,46%, and the deposit amounting to INR 1.762.120.403, paid in accordance with the concession agreement on the development, modernization, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport. In addition, TL 14.482.463 which is difference between discounted present value of deposit paid with interest rate, 10,82%, and the deposit amounting to INR 252.500.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

Amortization expense for the period ended 30 September 2020 amounting to TL 1.832.907 and TL 16.059.392 are included in operating expenses and cost of sales, respectively.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### Goodwill

Goodwill as of 30 September 2021 and 31 December 2020 is as follows:

	30 September 2021	31 December 2020
Goodwill due to acquisition of CGHH	66.985.867	57.756.911
Goodwill due to acquisition of KSU	18.488.400	15.538.750
	<b>85.474.267</b>	<b>73.295.661</b>

As of 30 September 2021, movement of goodwill is as follows:

	30 September 2021	30 September 2020
1 January	57.848.159	60.932.159
Foreign currency translation differences	27.626.108	11.448.685
<b>Goodwill</b>	<b>85.474.267</b>	<b>72.380.844</b>

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

##### a) Short-Term Provisions

##### Other short-term provision

	30 September 2021	31 December 2020
Provision for litigation and obligation	7.855.115	8.094.479
	<b>7.855.115</b>	<b>8.094.479</b>

Movements of other short-term provisions for the period 1 January - 30 September 2021 are as follows:

	30 September 2021	30 September 2020
<b>As of 1 January</b>	<b>8.094.479</b>	<b>6.782.526</b>
Addition during the year	991.427	1.027.003
Payments during the year	(1.739.096)	(1.047.363)
Reversal of provision	-	204.812
Currency translation differences	508.305	-
<b>As of the end of the period</b>	<b>7.855.115</b>	<b>6.966.978</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### a) Short-Term Provisions (cont’d)

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

	30 September 2021	31 December 2020
Provision for employment termination benefits (*)	21.496.025	14.124.394
Provision for unused vacation	17.743.745	11.490.497
	<b>39.239.770</b>	<b>25.614.891</b>

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

##### b) Long-term provisions:

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

	30 September 2021	31 December 2020
Provision for employment termination benefits	35.306.256	34.788.905
	<b>35.306.256</b>	<b>34.788.905</b>

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

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

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

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable as of 30 September 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.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### b) Long-term provisions: (cont'd)

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

Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 8.284,51 which is effective from 1 July 2021 (1 January 2021: TL 7.638,96) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

The provisions for employee benefits for the period between 1 January 2021 and 30 September 2021 are as follows:

	30 September 2021	30 September 2020
<b>As of 1 January</b>	<b>48.913.299</b>	<b>37.411.145</b>
Payments made during the period	(17.506.558)	(7.029.485)
Actuarial (gain) / loss	(41.981)	394.161
Service cost	17.777.671	8.190.413
Interest cost	2.395.442	2.094.125
Foreign currency translation differences	4.308.057	4.776.186
Transfers (*)	956.351	-
<b>Balance as of the end of the period</b>	<b>56.802.281</b>	<b>45.836.545</b>

The provisions for unused vacation rights for the period between 1 January 2021 and 30 September 2021 are as follows:

	30 September 2021	30 September 2020
<b>As of 1 January</b>	<b>11.490.497</b>	<b>7.939.669</b>
Payments of provisions for unused vacation during the period	(1.691.477)	(316.602)
Increase in unused vacation rights during the period	8.109.120	6.574.480
Usage of vacation rights during the year	(3.279.214)	(4,921,807)
Foreign currency translation differences	1.329.482	916.599
Transfers (*)	1.785.337	-
<b>As of the end of the period</b>	<b>17.743.745</b>	<b>10.192.339</b>

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

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

<b>Guarantees received</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Guarantee letters	30.839.970	25.192.373
Guarantee notes	5.252.312	2.058.131
Guarantee cheques	2.407.855	5.151.487
	<b>38.500.137</b>	<b>32.401.991</b>
<b>Guarantees given</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Guarantee letters	162.038.753	186.916.431
Collaterals (*)	299.097.374	252.078.770
Pledged shares (*)	51.337.158	43.146.798
	<b>512.473.285</b>	<b>482.141.999</b>

(\*) Collaterals and pledged shares amounting to TL 350.434.532 consist of collaterals given to the Group's subsidiaries and joint venture partners (31 December 2020: TL 295.225.568) (Note 25).

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

The litigations and claims those generate contingent assets and liabilities to the Group as of 30 September 2021 are as follows:

As of 30 September 2021, the Group has contingent liabilities amounting to TL 36.839.214 (31 December 2020: TL 19.496.585) due to the legal cases and enforcement proceedings in progress against the Group.

The details of collaterals, pledges and mortgages of the Group as of 30 September 2021 and 31 December 2020 are as follows:

CPGM given by the Group	30 September 2021		31 December 2020	
	Amount	TL Equivalent	Amount	TL Equivalent
<b>A. CPGM given on behalf of the Group’s legal personality</b>		<b>162.038.753</b>		<b>183.455.356</b>
TL	17.899.125	17.899.125	16.421.479	16.421.479
EUR	6.281.434	64.772.891	7.729.339	69.625.113
USD	2.210.500	19.661.292	2.210.500	16.226.175
INR	380.201.003	45.350.376	686.337.003	68.805.285
HUF	500.700.000	14.355.069	500.700.000	12.377.304
<b>B. CPGM given on behalf of fully consolidated subsidiaries</b>		<b>350.434.532</b>		<b>298.686.643</b>
EUR	2.050.000	21.139.190	2.050.000	18.466.195
USD	-	-	471.504	3.461.075
INR	2.760.692.000	329.295.342	2.760.692.000	276.759.373
		<b>512.473.285</b>		<b>482.141.999</b>



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 15 – OTHER ASSETS AND LIABILITIES

##### Other Current Assets

	30 September 2021	31 December 2020
Deferred VAT	20.580.725	16.651.042
Advances given to personnel	704.923	436.092
	<b>21.285.648</b>	<b>17.087.134</b>

##### Other Non-Current Assets

	30 September 2021	31 December 2020
Prepaid taxes and funds (*)	31.858.887	24.056.616
Other	7.055.128	3.242
	<b>38.914.015</b>	<b>24.059.858</b>

(\*) The related amount as of 30 September 2021, consist of prepaid taxes and funds, which can be offset in more than 1 year period of CASI, Celebi Delhi Cargo and Celebi Nas amounting to TL 19.303.314 (31 December 2020: TL 17.054.116), TL 11.098.158 (31 December 2020: TL 6.983.791) and TL 1.023.822 (31 December 2020: None) respectively.

##### Other Current Liabilities

	30 September 2021	31 December 2020
Taxes and funds payable	13.311.931	9.439.921
Renewal investments liability	1.203.710	1.011.669
Other miscellaneous payables and liabilities	602.092	248.755
	<b>15.117.733</b>	<b>10.700.345</b>

##### Other Non-Current Liabilities

	30 September 2021	31 December 2020
Renewal investments liability	158.911.814	75.418.498
Deferred income from insurance compensation	-	16.665
	<b>158.911.814</b>	<b>75.435.163</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 16 – PREPAID EXPENSES

##### Short-term prepaid expenses

	30 September 2021	31 December 2020
Order advances given	17.475.798	7.797.861
Prepaid expenses	17.506.511	19.924.652
	<b>34.982.309</b>	<b>27.722.513</b>

##### Long-term prepaid expenses

	30 September 2021	31 December 2020
Prepaid expenses	16.986.554	4.549.111
Advances given for fixed assets	2.738.608	3.161.045
	<b>19.725.162</b>	<b>7.710.156</b>

#### NOTE 17 – DEFERRED INCOME

##### Short-term deferred income

	30 September 2021	31 December 2020
Order advances received	24.880.146	23.058.109
Prepaid expenses	278.305	1.043.785
	<b>25.158.451</b>	<b>24.101.894</b>

##### Long-term deferred income

	30 September 2021	31 December 2020
Prepaid expenses	2.017.947	2.000.589
	<b>2.017.947</b>	<b>2.000.589</b>

#### NOTE 18 – PAYABLES RELATED TO EMPLOYEE BENEFITS

	30 September 2021	31 December 2020
Bonus accruals payable	40.264.567	12.597.401
Salaries and fees payable	29.996.453	18.514.214
Social security withholdings payable	8.707.434	4.692.799
	<b>78.968.454</b>	<b>35.804.414</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 19 - EQUITY

##### Share Capital

As of 30 September 2021, the authorized share capital of the Group is TL 24.300.000 comprising of 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2020: 2.430.000.000 shares).

At 30 September 2021 and 31 December 2020, the shareholding structure of the Group is stated in historical amounts below:

Shareholders	30 September 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>100,0</b>	<b>24.300.000</b>	<b>100,0</b>

##### Restricted Reserves Appropriated from Profit

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

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

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

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

As of 30 September 2021, the amount of restricted reserves appropriated from profit 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.

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 shareholders, members of the board of directors, partnership employees and persons other than the shareholders, and no dividends can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

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

	<b>1 January - 30 September 2021</b>	<b>1 July- 30 September 2021</b>	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>
Ground handling services	960.683.703	510.986.786	467.843.426	190.567.296
Revenue from cargo and warehouse services	765.306.746	233.230.060	618.086.484	252.733.501
Rental revenue not related to aviation	46.685.124	16.202.812	66.472.385	31.604.402
Revenue in the context of TFRIC 12	1.584.000	1.584.000	3.084.693	1.095.562
Less: Returns and discounts	(57.560.521)	(19.709.652)	(48.589.734)	(22.154.787)
<b>Revenue</b>	<b>1.716.699.052</b>	<b>742.294.006</b>	<b>1.106.897.254</b>	<b>453.845.974</b>
<b>Cost of sales</b>	<b>(1.156.251.572)</b>	<b>(440.157.599)</b>	<b>(835.743.959)</b>	<b>(288.281.690)</b>
<b>Gross profit</b>	<b>560.447.480</b>	<b>302.136.407</b>	<b>271.153.295</b>	<b>165.564.284</b>

**NOTE 21 - FINANCIAL INCOME**

	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>
Foreign exchange gains	88.617.230	5.679.369	81.441.268	45.975.063
Interest income	22.310.658	7.625.507	20.807.669	11.265.818
Other financial income	16.197.429	6.256.686	5.366.209	2.517.465
	<b>127.125.317</b>	<b>19.561.562</b>	<b>107.615.146</b>	<b>59.758.346</b>

**NOTE 22 - FINANCIAL EXPENSES**

	<b>1 January - 30 September 2021</b>	<b>1 July- 30 September 2021</b>	<b>1 January - 30 September 2020</b>	<b>1 July- 30 September 2020</b>
Foreign exchange losses	(132.123.478)	(9.689.499)	(221.383.966)	(115.650.394)
Interest expenses	(72.117.258)	(25.415.816)	(42.606.669)	(20.460.297)
Financial expenses not realized within the scope of TFRS 16 (*)	(86.681.080)	(6.266.444)	(161.101.971)	(83.639.987)
Other financial expenses	(11.033.202)	(5.406.133)	(7.016.528)	(2.497.668)
	<b>(301.955.018)</b>	<b>(46.777.892)</b>	<b>(432.109.134)</b>	<b>(222.248.346)</b>

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 23 - TAX ASSETS AND LIABILITIES

	30 September 2021	31 December 2020
Current period corporate tax payable	36.336.619	28.760.852
Less prepaid corporate tax	(14.781.413)	(2.777.130)
<b>Current profit tax liability, net (*)</b>	<b>21.555.206</b>	<b>25.983.722</b>
Deferred tax assets	198.543.661	156.752.202
Deferred tax liabilities	(34.996.041)	(29.562.138)
<b>Deferred tax assets – net</b>	<b>163.547.620</b>	<b>127.190.064</b>

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

#### Income Tax

Turkish tax legislation does not permit a parent company, its subsidiaries and its associates 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.

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

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### Income Tax (cont’d)

For the periods ended on 30 September 2021 and 2020, tax expenses of the Group are as follows:

	1 January - 30 September 2021	1 July- 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
- Current period corporate tax	(39.302.013)	(13.586.282)	(38.318.871)	(19.010.330)
- Deferred tax income	28.272.685	(942.047)	32.273.891	18.591.128
<b>Current tax income (expense) – net</b>	<b>(11.029.328)</b>	<b>(14.528.329)</b>	<b>(6.044.980)</b>	<b>(419.202)</b>

##### Deferred Taxes

The Group considers the temporary differences arising from different valuation of the balance-sheet items in the legal financial statements and financial statements prepared in accordance with TFRS in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and TFRS in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred tax asset and liabilities are 20%-25%, 9%, 31,925% and 25,17% - 34,94% for Turkey, Hungary, Germany, India, respectively.

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 September 2021 and 31 December 2020 using the enacted tax rates are as follows:

	Total temporary differences		Deferred tax assets (liabilities)	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b>Deferred tax assets</b>				
Personnel bonus accruals	(4.499.824)	(859.180)	1.124.956	171.836
Accrued sales commissions	(20.656.449)	(14.714.401)	5.164.112	2.942.880
Provision for employment termination benefits	(27.210.851)	(29.441.003)	5.479.260	5.941.291
TFRS 16 adjustments	(269.985.358)	(187.135.577)	53.128.624	35.921.620
Provision for unused vacation liability	(9.270.768)	(6.723.227)	2.317.692	1.344.645
Provision for litigation and indemnity	(6.398.749)	(6.521.835)	1.599.687	1.304.367
Adjustments related to property, plant and equipment and intangible assets	(168.074.651)	(132.026.613)	42.372.095	33.403.749
Investment incentives	(164.306.245)	(164.306.245)	32.861.248	32.861.248
Deferred tax income calculated over unused prior years’ losses	(121.249.109)	(99.726.146)	38.797.646	31.914.441
Other	(66.222.866)	(52.441.122)	15.698.341	10.946.125
<b>Deferred tax assets</b>			<b>198.543.661</b>	<b>156.752.202</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### Deferred Tax (cont’d)

	Total temporary differences		Deferred tax assets (liabilities)	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b>Deferred tax liabilities</b>				
Adjustments related to property, plant and equipment and intangible assets	185.643.779	159.257.675	(34.402.315)	(28.695.272)
Other	2.684.624	4.334.340	(593.726)	(866.866)
<b>Deferred tax liabilities</b>			<b>(34.996.041)</b>	<b>(29.562.138)</b>
<b>Deferred tax assets, net</b>			<b>163.547.620</b>	<b>127.190.064</b>

Deferred tax movement table is as follows:

	30 September 2021	30 September 2020
<b>1 January</b>	<b>127.190.064</b>	<b>81.090.397</b>
Foreign currency translation differences	10.615.790	5.087.528
Deferred tax income / (expenses) for the current period	29.214.732	13.682.763
Remeasurement gain/losses of defined benefit plans	(12.176)	21.314
Transfers (*)	(3.285.288)	-
<b>30 September</b>	<b>163.723.122</b>	<b>99.882.002</b>

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

#### NOTE 24 - EARNINGS PER SHARE

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

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

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

	1 January - 30 September 2021	1 July- 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Net profit / (loss) attributable to the parent</b>	<b>133.018.359</b>	<b>186.789.470</b>	<b>(204.173.528)</b>	<b>(46.315.701)</b>
Weighted average number of shares with 1 KR face value each	2.430.000.000	2.430.000.000	2.430.000.000	2.430.000.000
<b>Earnings per share (Kr)</b>	<b>0,055</b>	<b>0,077</b>	<b>(0,084)</b>	<b>(0,019)</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 25 - RELATED PARTY DISCLOSURES

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

##### i) Balances with related parties

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

	30 September 2021	31 December 2020
Celebi Ground Handling Services Austria <sup>(2)</sup>	1.890.856	1.652.895
Çelebi Havacılık Holding <sup>(1)</sup>	540.705	4.480
Çelebi Nas <sup>(3)</sup>	-	2.116.861
Other	12.592	1.569.727
	<b>2.444.153</b>	<b>5.343.963</b>

###### Other receivables from related parties

	30 September 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1) (*)</sup>	106.871.161	110.458.688
	<b>106.871.161</b>	<b>110.458.688</b>

###### Payables to related parties

	30 September 2021	31 December 2020
Çelebi Havacılık Holding <sup>(1) (**)</sup>	6.242.212	5.452.917
DASPL <sup>(4)</sup>	2.917.252	2.577.045
Other	-	862.341
	<b>9.159.464</b>	<b>8.892.303</b>

###### Other payables to related parties

	30 September 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>

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

(\*) The related amount consists of EUR 10.260.532 remaining from intra-group loan receivables from ÇGHH, amounting to EUR 20.000.000, with a maturity of 30 June 2023 and an interest rate of 3,95%. TL 42.380.305 of the total amount has a maturity of less than a year.

(\*\*) As of 30 September 2021, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, information technologies and business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.

(\*\*\*) The related amount is comprised of the Company’s payables to the shareholders pursuant to the decision of dividend distribution of 2019. It has been decided to pay the dividend in two installments as TL 47.992.500 on 31 August 2020 and TL 57.712.500 on 1 January 2021.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

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

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Miscellaneous sales to related parties</b>				
Çelebi Havacılık Holding <sup>(1)</sup>	3.716.525	1.219.733	3.979.847	1.360.522
Other	-	-	782.373	379.290
	<b>3.716.525</b>	<b>1.219.733</b>	<b>4.762.220</b>	<b>1.739.812</b>

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Contribution to holding expenses (*)</b>				
Çelebi Havacılık Holding <sup>(1)</sup>	68.735.789	22.945.168	58.178.103	19.239.481

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

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Other purchases from related parties</b>				
DASPL <sup>(3)</sup>	6.791.853	154.360	7.957.585	2.866.784
Çelebi Havacılık Holding <sup>(1) (*)</sup>	5.237.713	1.792.043	2.643.706	984.204
Other	2.296	-	1.909.450	42.292
	<b>12.031.862</b>	<b>1.948.699</b>	<b>12.510.741</b>	<b>3.893.280</b>

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

As of 30 September 2021 and 31 December 2020, collaterals given for the loans borrowed by the subsidiaries and joint venture of the Group are as follows:

<b>30 September 2021</b>	<b>EUR</b>	<b>INR</b>	<b>Total TL</b>
Celebi Nas <sup>(1)</sup>	-	94.392.000	11.259.078
Celebi Delhi Cargo <sup>(2)</sup>	-	336.000.000	40.078.080
CASI <sup>(3)</sup>	-	2.330.300.000	277.958.184
Celebi Cargo GmbH <sup>(4)</sup>	2.050.000	-	21.139.190
	<b>2.050.000</b>	<b>2.760.692.000</b>	<b>350.434.532</b>

<b>31 December 2020</b>	<b>EUR</b>	<b>INR</b>	<b>Total TL</b>
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>

- (1) Within the scope of the long-term project finance and working capital loan agreement signed between Celebi Nas and a bank resident in India amounting to INR 2.345.000.000 cash and INR 845.000.000 non-cash, 30% of the 57% shares of Celebi Nas owned by the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 30 September 2021, the risk of the cash loan in the respective bank is amounting to INR 871.038.752.
- (2) 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 Company’s shares has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 30 September 2021, the risk of the cash loan in the respective bank is amounting to INR 570.283.597.
- (3) Celebi Airport Services has a borrowing amounting to INR 1.619.300.000 cash and INR 711.000.000 non-cash within the scope of the long-term project finance and working capital loan agreement signed between the Company and banks resident in India. As of 30 September 2021, the risk of the cash loan in the respective bank is amounting to INR 509.280.190.
- (4) As of 30 September 2021, the cash credit risk amount at the relevant banks for the financial liabilities arising from the EUR 2.000.000 cash and EUR 50.000 non-cash loan agreements signed between Celebi Cargo GmbH and the banks residing in Germany is amounting to EUR 2.000.000.

#### Compensation to key management:

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

	<b>1 January - 30 September 2021</b>	<b>1 July- 30 September 2021</b>	<b>1 January - 30 September 2020</b>	<b>1 July- 30 September 2020</b>
Short-term benefits provided to the key management	20.132.049	5.192.594	20.306.157	9.116.542

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### *Currency risk*

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

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

As of 30 September 2021, other things being constant, if the TL was to depreciate/appreciate by 10% against the USD, the net profit arising from foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would decrease/increase by TL 3.025.735 (2020: TL 8.936.102).

As of 30 September 2021, other things being constant, if the TL was to depreciate/appreciate by 10% against the Euro, the net profit arising from foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease by TL 68.283.746 (2020: TL 85.485.139).

As of 30 September 2021, other things being constant, if the TL was to depreciate/appreciate by 10% against the GBP, the net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 74.983 (2020: TL 20,869).

Foreign currency denominated assets and liabilities of the Group as of 30 September 2021 and 31 December 2020 are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Assets denominated in foreign currency	494.348.692	473.184.688
Liabilities denominated in foreign currency (-)	(1.147.678.643)	(1.275.474.228)
<b>Net foreign currency position (*)</b>	<b>(653.329.951)</b>	<b>(802.289.540)</b>

(\*) TL 660.059.870 of the foreign currency liabilities consists of the discounted lease amounts discounted in accordance with TFRS 16 effective as of 1 January 2019.

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

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

The table below summarizes TL equivalent of the Group’s foreign currency denominated assets and liabilities as of 30 September 2021 and 31 December 2020:

<b>30 September 2021</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>
1. Trade Receivables	151.887.272	2.499.594	12.573.424	-
2. Monetary Financial Assets (Including Cash on hand and at Banks)	230.733.215	2.126.142	20.539.318	2.079
3. Other	47.237.352	383.103	4.250.455	-
<b>4. Current Assets (1+2+3)</b>	<b>429.857.839</b>	<b>5.008.839</b>	<b>37.363.197</b>	<b>2.079</b>
5. Other	64.490.853	-	6.254.083	-
<b>6. Non-Current Assets (5)</b>	<b>64.490.853</b>	<b>-</b>	<b>6.254.083</b>	<b>-</b>
<b>7. Total Assets (4+6)</b>	<b>494.348.692</b>	<b>5.008.839</b>	<b>43.617.280</b>	<b>2.079</b>
8. Trade Payables	31.192.924	1.272.567	1.927.314	-
9. Financial Liabilities	391.618.684	-	37.977.723	-
10. Other Monetary Liabilities	9.293.481	334.468	537.619	64.671
<b>11. Current Liabilities (8+9+10)</b>	<b>432.105.089</b>	<b>1.607.035</b>	<b>40.442.656</b>	<b>64.671</b>
12. Financial Liabilities	715.377.609	-	69.374.659	-
13. Other Monetary Liabilities	195.945	-	19.002	-
<b>14. Non-Current Liabilities (12+13)</b>	<b>715.573.554</b>	<b>-</b>	<b>69.393.661</b>	<b>-</b>
<b>15. Total Liabilities (11+14)</b>	<b>1.147.678.643</b>	<b>1.607.035</b>	<b>109.836.317</b>	<b>64.671</b>
<b>16. Net Foreign Currency Asset/Liability Position (7-15)</b>	<b>(653.329.951)</b>	<b>3.401.804</b>	<b>(66.219.037)</b>	<b>(62.592)</b>
<b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(653.329.951)</b>	<b>3.401.804</b>	<b>(66.219.037)</b>	<b>(62.592)</b>

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021**

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

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

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

##### Capital risk management

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

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

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

The ratio of net debt / (equity+net debt) at 30 September 2021 and 31 December 2020 is as follows:

	30 September 2021	31 December 2020
Total financial liabilities	1.826.256.551	1.805.663.280
Less: Cash and cash equivalents	(587.350.071)	(571.830.186)
Less: Time deposits	(54.005.125)	(9.019.305)
Less: Restricted bank balances	(48.594.105)	(18.443.286)
Net debt (*)	1.136.307.250	1.206.370.503
Net debt (Excluding TFRS 16 effect)	405.720.372	491.670.729
Shareholder’s equity	863.144.182	446.297.475
Capital invested	1.999.451.432	1.652.667.978
Net debt/capital invested	0,57	0,73

(\*) As of 30 September 2021, TL 730.586.878 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 27 - FINANCIAL INSTRUMENTS

##### Fair value estimation

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

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021

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

#### NOTE 27 - FINANCIAL INSTRUMENTS (cont’d)

The Group's assets and liabilities measured fair value at 30 September 2021 and 31 December 2020 are as follows:

<b>30 September 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Financial investments at fair value through other comprehensive income (Note 5)	-	-	166.650	166.650
<hr/>				
<b>31 December 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Financial investments at fair value through other comprehensive income (Note 5)	-	-	334.290	334.290

#### NOTE 28 - SUBSEQUENT EVENTS

None.