

**Çelebi Hava Servisi Anonim Şirketi**

**Condensed consolidated financial statements  
for the interim period 1 January – 30 June 2023**

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

**(Convenience translation into English of the review report originally issued in Turkish)**  
**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

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

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Çelebi Hava Servisi A.Ş. (“the Company”) and its subsidiaries (together “the Group”) as at 30 June 2023, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended. The Group management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of Review*

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

*Conclusion*

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

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

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Cem Tovil  
Partner

Istanbul, 21 August 2023

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ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2023

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

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1.691.089.633	1.928.963.765
Financial investments		194.378.844	117.856.757
-Restricted cash	5	65.730.899	60.756.407
-Time deposits	5	128.647.945	57.100.350
Trade receivables		1.135.038.003	561.665.795
- Trade receivables from related parties	8	42.981.001	1.682.036
- Trade receivables from third parties	8	1.092.057.002	559.983.759
Other receivables		367.628.397	382.034.765
- Other receivables from related parties	9	72.672.541	84.869.838
- Other receivables from third parties	9	294.955.856	297.164.927
Inventories	10	120.131.901	64.668.039
Prepaid expenses	16	377.481.407	95.196.252
Other current assets	15	59.203.264	42.507.926
<b>Total current assets</b>		<b>3.944.951.449</b>	<b>3.192.893.299</b>
<b>Non-current assets</b>			
Financial investments	5	86.737.882	47.877.504
- Restricted cash	5	86.709.521	47.832.174
- Other financial assets at fair value through profit/loss	5	28.361	45.330
Other receivables		1.348.152.855	423.549.399
- Other receivables from related parties	9	733.324.800	-
- Other receivables from third parties	9	614.828.055	423.549.399
Investments accounted using equity method	6	22.637.278	19.463.360
Property, plant and equipment	11	1.826.585.656	1.265.612.918
Right-of-use assets	12	2.042.350.172	1.491.722.409
Intangible assets		1.534.888.559	1.093.201.305
- Goodwill	13	186.435.096	124.300.843
- Other intangible assets	13	1.348.453.463	968.900.462
Prepaid expenses	16	160.036.617	84.120.073
Deferred tax asset	23	462.891.857	340.335.572
Other non-current assets	15	149.731.562	91.811.185
<b>Total non-current assets</b>		<b>7.634.012.438</b>	<b>4.857.693.725</b>
<b>Total assets</b>		<b>11.578.963.887</b>	<b>8.050.587.024</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

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

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term financial liabilities	7	788.324.160	-
Short-term portion of long-term financial liabilities	7	654.738.966	692.168.864
Short-term lease payables	7	475.783.079	317.667.889
Trade payables		587.909.475	446.286.492
- Trade payables to related parties	8	31.068.590	3.291.944
- Trade payables to third parties	8	556.840.885	442.994.548
Employee benefit obligations	18	388.394.503	219.634.885
Other payables		84.214.613	28.420.155
- Other short-term payables to third parties	9	84.214.613	28.420.155
Deferred income	17	129.389.205	94.585.719
Current profit tax liability	23	228.997.871	47.980.681
Short-term provisions		90.526.173	57.192.656
- Provisions for employment termination benefits	14	77.887.609	46.513.558
- Other short-term provisions	14	12.638.564	10.679.098
Other current liabilities	15	367.530.178	235.610.233
<b>Total current liabilities</b>		<b>3.795.808.223</b>	<b>2.139.547.574</b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	1.174.816.960	498.445.840
Long-term lease payables	7	1.992.896.515	1.501.108.498
Other payables		48.687.467	54.166.153
- Other long-term payables to third parties	9	48.687.467	54.166.153
Deferred income	17	11.467.498	15.269.112
Long-term provisions		156.469.024	143.103.765
- Provisions for employment termination benefits	14	156.469.024	143.103.765
Deferred tax liability	23	229.752.249	122.139.556
Other non-current liabilities	15	470.626.735	324.900.195
<b>Total non-current liabilities</b>		<b>4.084.716.448</b>	<b>2.659.133.119</b>
<b>Total liabilities</b>		<b>7.880.524.671</b>	<b>4.798.680.693</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Paid-in capital	19	24.300.000	24.300.000
Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		561.574.982	340.290.526
- Foreign currency translation differences		675.448.902	416.969.078
- Remeasurement losses of defined benefit plans		(113.873.920)	(76.678.552)
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		1.396.272.106	881.598.528
- Foreign currency translation differences		1.396.272.106	881.598.528
Restricted reserves appropriated from profit	19	195.490.565	91.996.776
Prior years' profit		319.097.790	374.299.405
Net profit for the period		589.305.345	1.079.953.824
<b>Non-controlling interests</b>		<b>612.398.428</b>	<b>459.467.272</b>
<b>Total equity</b>		<b>3.698.439.216</b>	<b>3.251.906.331</b>
<b>Total liabilities and equity</b>		<b>11.578.963.887</b>	<b>8.050.587.024</b>

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

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF PROFIT OR LOSS  
FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2023**

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

	Notes	<i>Reviewed</i>		<i>Reviewed</i>	
		1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Revenue	20	4.080.793.676	2.334.576.479	2.480.897.820	1.386.139.161
Cost of sales (-)	20	(2.839.988.439)	(1.497.927.864)	(1.646.293.587)	(894.670.320)
<b>GROSS PROFIT</b>	<b>20</b>	<b>1.240.805.237</b>	<b>836.648.615</b>	<b>834.604.233</b>	<b>491.468.841</b>
General administrative expenses (-)		(439.403.472)	(233.690.360)	(266.837.739)	(145.033.085)
Other operating income		283.179.172	236.662.609	72.297.634	46.513.409
Other operating expenses (-)		(117.198.004)	(65.942.062)	(47.365.724)	(2.539.363)
<b>OPERATING PROFIT</b>		<b>967.382.933</b>	<b>773.678.802</b>	<b>592.698.404</b>	<b>390.409.802</b>
Income from investment activities		19.361.389	19.336.118	439.257	319.204
Expenses from investment activities (-)		(1.673.114)	(850.273)	(3.235)	(2.448)
Shares of profit/(losses) from of investments valued by equity method		-	-	(1.910.106)	-
<b>OPERATING PROFIT BEFORE FINANCE EXPENSE</b>		<b>985.071.208</b>	<b>792.164.647</b>	<b>591.224.320</b>	<b>390.726.558</b>
Financial income	21	130.470.186	75.223.299	84.666.085	39.872.742
Financial expenses (-)	22	(121.658.239)	(84.515.474)	(152.046.049)	(94.058.168)
<b>PROFIT BEFORE TAX</b>		<b>993.883.155</b>	<b>782.872.472</b>	<b>523.844.356</b>	<b>336.541.132</b>
<b>Profit / (loss) from discontinued operations</b>	6	<b>417.547</b>	<b>179.158</b>	<b>(4.195.834)</b>	<b>(4.195.834)</b>
<b>Tax expense</b>		<b>(340.190.573)</b>	<b>(268.010.672)</b>	<b>(112.282.331)</b>	<b>(66.607.924)</b>
Current tax expense	23	(269.838.833)	(157.766.951)	(97.846.804)	(63.827.086)
Deferred tax expense	23	(70.351.740)	(110.243.721)	(14.435.527)	(2.780.838)
<b>PROFIT FOR THE PERIOD</b>		<b>654.110.129</b>	<b>515.040.958</b>	<b>407.366.191</b>	<b>265.737.374</b>
<b>Profit for the Period Attributable to:</b>					
Non-controlling interests		64.804.784	39.961.304	30.363.087	17.456.353
Equity holder of the parent		589.305.345	475.079.654	377.003.104	248.281.021
		<b>654.110.129</b>	<b>515.040.958</b>	<b>407.366.191</b>	<b>265.737.374</b>
Earnings per share (Kr)	24	0,243	0,196	0,155	0,102

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

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ****CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2023**

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

	<i>Reviewed</i>		<i>Reviewed</i>	
	<b>1 January- 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April – 30 June 2022</b>
<b>Net profit for the period</b>	<b>654.110.129</b>	<b>515.040.958</b>	<b>407.366.191</b>	<b>265.737.374</b>
<b>Items that will not be reclassified to profit or loss</b>				
-Foreign currency translation differences	258.479.824	192.168.790	92.987.316	42.491.112
-Remeasurement losses of defined benefit plans	(37.326.699)	(37.326.699)	-	-
<b>Items that will be reclassified to profit or loss</b>				
-Foreign currency translation differences	685.464.583	623.970.320	251.489.290	111.002.724
<b>Other comprehensive income</b>	<b>906.617.708</b>	<b>778.812.411</b>	<b>344.476.606</b>	<b>153.493.836</b>
<b>Total comprehensive income</b>	<b>1.560.727.837</b>	<b>1.293.853.369</b>	<b>751.842.797</b>	<b>419.231.210</b>
<b>Distribution of total comprehensive income:</b>				
Non-controlling interests	235.464.458	197.305.910	98.742.491	51.802.069
Equity holders of the parent	1.325.263.379	1.096.547.459	653.100.306	367.429.141
	<b>1.560.727.837</b>	<b>1.293.853.369</b>	<b>751.842.797</b>	<b>419.231.210</b>

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

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

(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		Restricted reserves appropriated from profit	Retained earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share capital	Gains/(losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Foreign currency translation differences		Prior years' profit / (losses)	Net profit / (loss) for the period			
<b>As of 1 January 2023</b>	<b>24.300.000</b>	<b>(76.678.552)</b>	<b>416.969.078</b>	<b>881.598.528</b>	<b>91.996.776</b>	<b>374.299.405</b>	<b>1.079.953.824</b>	<b>2.792.439.059</b>	<b>459.467.272</b>	<b>3.251.906.331</b>
Transfers	-	-	-	-	-	1.079.953.824	(1.079.953.824)	-	-	-
Dividend payment	-	-	-	-	103.493.789	(1.133.813.789)	-	(1.030.320.000)	(68.501.888)	(1.098.821.888)
Subsidiary additional share purchase effect (*)	-	-	-	-	-	(1.341.650)	-	(1.341.650)	(14.031.414)	(15.373.064)
<b>Other comprehensive income / (expense)</b>										
- Foreign currency translation difference	-	-	258.479.824	514.673.578	-	-	-	773.153.402	170.791.005	943.944.407
- Defined benefit plans remeasurement gains/(losses)	-	(37.195.368)	-	-	-	-	-	(37.195.368)	(131.331)	(37.326.699)
<b>Total other comprehensive income</b>	<b>-</b>	<b>(37.195.368)</b>	<b>258.479.824</b>	<b>514.673.578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>735.958.034</b>	<b>170.659.674</b>	<b>906.617.708</b>
Net profit for the period	-	-	-	-	-	-	589.305.345	589.305.345	64.804.784	654.110.129
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>(37.195.368)</b>	<b>258.479.824</b>	<b>514.673.578</b>	<b>-</b>	<b>-</b>	<b>589.305.345</b>	<b>1.325.263.379</b>	<b>235.464.458</b>	<b>1.560.727.837</b>
<b>As of 30 June 2023</b>	<b>24.300.000</b>	<b>(113.873.920)</b>	<b>675.448.902</b>	<b>1.396.272.106</b>	<b>195.490.565</b>	<b>319.097.790</b>	<b>589.305.345</b>	<b>3.086.040.788</b>	<b>612.398.428</b>	<b>3.698.439.216</b>

(\*) The related amount consists of the equity effect arising from the purchase of an additional 2% share from Celebi Nas capital in the current period.

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



# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

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

	Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss			Accumulated other comprehensive income and expenses that will be reclassified subsequently to profit or loss		Retained earnings				
	Share capital	Gains/(losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Foreign currency translation differences	Restricted reserves appropriated from profit	Prior years' profit / (losses)	Net profit / (loss) for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>As of 1 January 2022</b>	<b>24.300.000</b>	<b>(34.956.456)</b>	<b>121.050.632</b>	<b>613.208.705</b>	<b>74.387.905</b>	<b>22.479.380</b>	<b>533.453.896</b>	<b>1.353.924.062</b>	<b>315.921.024</b>	<b>1.669.845.086</b>
Transfers	-	-	-	-	-	533.453.896	(533.453.896)	-	-	-
Dividend payment	-	-	-	-	17.608.871	(181.633.871)	-	(164.025.000)	-	(164.025.000)
<b>Other comprehensive income / (expense)</b>										
- Foreign currency translation difference	-	-	92.987.316	183.109.886	-	-	-	276.097.202	68.379.404	344.476.606
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>92.987.316</b>	<b>183.109.886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276.097.202</b>	<b>68.379.404</b>	<b>344.476.606</b>
Net profit for the period	-	-	-	-	-	-	377.003.104	377.003.104	30.363.087	407.366.191
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>92.987.316</b>	<b>183.109.886</b>	<b>-</b>	<b>-</b>	<b>377.003.104</b>	<b>653.100.306</b>	<b>98.742.491</b>	<b>751.842.797</b>
<b>As of 30 June 2022</b>	<b>24.300.000</b>	<b>(34.956.456)</b>	<b>214.037.948</b>	<b>796.318.591</b>	<b>91.996.776</b>	<b>374.299.405</b>	<b>377.003.104</b>	<b>1.842.999.368</b>	<b>414.663.515</b>	<b>2.257.662.883</b>

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

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

		<i>Current Period Reviewed</i>	<i>Prior Period Reviewed</i>
		<b>1 January – 30 June 2023</b>	<b>1 January – 30 June 2022</b>
	Notes		
<b>A. Cash flows from operating activities</b>		<b>559.073.060</b>	<b>493.143.777</b>
<b>Net profit for the period</b>		<b>654.110.129</b>	<b>407.366.191</b>
<b>Adjustments for reconciliation of net profit/loss for the period</b>		<b>670.468.649</b>	<b>378.589.226</b>
Adjustments related to depreciation and amortization expenses	11,12,13	252.424.850	166.042.234
Adjustments related to impairment (reversal)		10.755.002	4.367.037
Adjustments related to provisions		42.346.757	22.400.079
- <i>Adjustments related to provisions for employee benefits</i>		42.346.757	22.400.079
Adjustments related to interest income and expenses		43.195.547	81.451.571
- <i>Adjustments related to interest income</i>	21	(41.900.714)	(22.868.175)
- <i>Adjustments related to interest expenses</i>		85.096.261	104.319.746
Adjustments related to unrealized foreign currency translation differences		(338.258)	(13.623.943)
Adjustments related to tax (income) expenses		340.190.573	112.282.330
Adjustments related to undistributed profit of investments that are accounted by the equity method	6	(417.547)	6.105.940
Adjustments related to gains/losses on disposal of non-current assets		(17.688.275)	(436.022)
<b>Changes in working capital</b>		<b>(591.824.490)</b>	<b>(227.491.389)</b>
Adjustments related to (increase)/decrease in trade receivables		(618.442.672)	(226.006.483)
- <i>(Increase)/decrease in trade receivables from related parties</i>		(41.298.965)	(2.804.097)
- <i>(Increase)/decrease in trade receivables from third parties</i>		(577.143.707)	(223.202.386)
Adjustments related to increase/decrease in other receivables related to operations		(234.608.314)	(166.479.140)
Adjustments related to (increase)/decrease in inventories		(55.463.862)	(4.475.440)
Adjustments related to (increase)/decrease in prepaid expenses		(358.201.699)	(67.561.797)
Adjustments related to increase/(decrease) in trade payables		141.622.983	77.778.629
- <i>(Decrease)/increase in due to related parties</i>		27.776.646	(3.845.054)
- <i>Increase (decrease) in due to third parties</i>		113.846.337	81.623.683
Increase (decrease) in payables related to employee benefits		167.451.405	52.521.271
Adjustments related to (decrease)/increase in other payables related to operations		365.817.669	106.731.571
<b>Cash flows generated from operations</b>		<b>732.754.288</b>	<b>558.464.028</b>
Payments related to provisions for employee benefits	14	(79.965.511)	(10.256.123)
Payments related to other provisions		(4.894.074)	(2.064.926)
Tax returns (payments)		(88.821.643)	(52.999.202)

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

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023**

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

		<i>Current Period</i>	<i>Prior Period</i>
		<i>Reviewed</i>	<i>Reviewed</i>
		<b>1 January –</b>	<b>1 January –</b>
		<b>30 June</b>	<b>30 June</b>
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>B. Cash flows from investing activities</b>		<b>(986.517.729)</b>	<b>(177.633.203)</b>
Cash inflows from sale of property, plant and equipment and intangible assets		20.716.346	823.702
-Cash inflows from sale of property, plant and equipment	11	20.686.219	823.702
-Cash inflows from sale of intangible assets		30.127	-
Cash outflows from purchase of property, plant and equipment and intangible assets		(206.069.102)	(128.239.710)
-Cash outflows from purchase of property, plant and equipment	11	(149.643.706)	(77.659.814)
-Cash outflows from purchase of intangible assets	13	(56.425.396)	(50.579.896)
Cash inflows from cash advances and debts given to related parties		(686.135.502)	34.833.593
Other cash inflows/(outflows)		(115.029.471)	(85.050.788)
<b>C. Cash flows from financing activities</b>		<b>(558.438.235)</b>	<b>(607.763.986)</b>
Lease payments		(130.661.878)	(79.836.657)
Cash inflows from financial liabilities		810.403.240	208.765.093
Cash outflows due to debt payments		(141.296.206)	(553.208.001)
Dividends paid		(1.098.821.888)	(164.025.000)
Interest paid		(24.491.791)	(42.327.596)
Interest received	21	41.900.714	22.868.175
Cash outflows from changes in ownership interests that do not result in loss of control in subsidiaries		(15.470.426)	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES</b>		<b>(985.882.904)</b>	<b>(292.253.412)</b>
<b>D. Foreign currency translation differences</b>		<b>748.361.766</b>	<b>228.462.905</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(237.521.138)</b>	<b>(63.790.507)</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>		<b>1.927.530.563</b>	<b>1.093.574.832</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>1.690.009.425</b>	<b>1.029.784.325</b>

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

The Company is registered in Capital Markets Board (“CMB”) and has been listed in Borsa İstanbul (“BIST”) since 18 November 1996. The percentage of shares which are publicly traded is 10,09% (31 December 2022: 10,09%).

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

Tayakadın Mahallesi Nuri Demirağ Caddesi No: 39  
Arnavutköy / İstanbul

The average number of employees working for the Group as of the interim period ended on 30 June 2023 is 13.471 (2022: 11.228).

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

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

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

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

(\*) As of 30 June 2023, it has no activity and is inactive.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

In 2006, the Company acquired the shares of Budapest Airport Handling, which provides airport ground handling services at Budapest Airport, and its trade name was changed to Celebi Ground Handling Hungary ("CGHH"). The Company currently owns 100% of the capital of CGHH and as of 30 June 2023, the paid-in capital of CGHH is Hungarian Forints 200.000.000.

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

As a result of the winning the tender for providing ground handling services at Delhi International Airport for a 10 years period, in order to fulfill the requirements to meet the obligations and make the planned investments outlined in the Concession Agreement signed between Celebi GH Delhi and the tender to authority, under the legal legislation in India, the Company has made a premium capital payment amounting to Indian Rupee 2.293.943.760 on its subsidiary of Çelebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), which was established on 18 November 2009 with a shareholding rate of 74%. The Company currently operates ground handling services in New Delhi, Ahmedabad, Cochin, Bangalore and Hyderabad Airports in India as part of the ongoing concession agreements. On 15 March 2018, the Company's title was changed to Celebi Airport Services India Private Limited ("CASI"). CASI will continue to deliver ground handling services at Delhi International Airport for 10 years subsequent to the termination of the existing concession agreement with the authority given on 9 December 2019.

Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo") was established on 20 November 2008 to carry out transportation, cargo storage and distribution activities. Celebi Cargo GmbH ("Celebi Cargo"), the subsidiary of Çelebi Kargo with a 100% ownership, was established on November 2009 and has share capital amounting to EUR 11.140.000, rented storage and warehouse facilities at International Frankfurt Airport Cargo (Frankfurt Cargo City Süd) and carry out flight cargo storage and handling services.

The Company became a 58,70% partner in KSU Aviation Private Limited ("KSU"), a company established in India on 8 May 2019, to provide "taxiing" services to aircrafts in India. For this purpose, a capital payment of 435 million Indian Rupees is made by the Company.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

Celebi Nas Airport Services India Private Limited (“Celebi Nas”) was established on 12 December 2008 to provide ground handling services for 10 years at Mumbai Chhatrapati Shivaji International Airport (CSIA) in India. The capital share in Celebi Nas is 59% and the paid-in capital of Celebi Nas is INR 552.000.000. In addition, a premium capital payment of INR 228.000.000 was made by the partners of Celebi Nas. With this agreement, Celebi Nas has been granted the concession rights regarding the provision of ventilation and generator services installed on the passenger bridges at the airport passenger terminal until May 2036. Within the scope of the concession agreement signed between Celebi Nas and MIAL, Celebi Nas will continue to provide ground handling services for an additional 10 (ten) years from 1 January 2020 to 31 December 2029, following the expiration of the current concession period at CSIA airport on 31 December 2019.

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

##### Associate

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

<u>Associate</u>	<u>Registered country</u>	<u>Geographical 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 24,99%, DASPL is resident in New Delhi, India and operating in rendering services of air conditioners, water providing systems and generators mounted on passenger boarding bridges with international standards established with a share capital is Indian Rupee 250.000.000. On 14 November 2016, Çelebi GH Delhi has acquired 8,33% of additional shares of DASPL and reached to a shareholding rate of 24,99%. The Group accounts DASPL by using the equity method in its condensed consolidated financial statements. DASPL's operations ended as of 1 April 2022, and the net loss for the period after 31 March 2022 has been indicated under “Profit for the period / (loss) from discontinued operations”.

As of 30 June 2023, the condensed consolidated financial statements of the Group contains the Company, Celebi Nas, CGHH, Celebi Delhi Cargo, CASI, Çelebi Kargo, DASPL, Celebi Cargo, Celebi Tanzania, CGHI and CGSC (all together will be referred to as “the Group”).

The condensed consolidated financial statements of the Group for the period 1 January – 30 June 2023 have been approved for the issuance by the Board of Directors at the meeting on 21 August 2023 and signed by General Manager Osman Yılmaz and Financial Affairs Director Deniz Bal on behalf of the Board of Directors.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023**

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

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

**2.1. Basis of Presentation**

**2.1.1 Accounting Standards Applied**

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

The Group has presented its condensed financial statements for the interim period ended on 30 June 2023 according to Turkish Accounting Standards No. 34 Interim Financial Reporting. In addition, interim condensed consolidated financial statements as of 30 June 2023 have been prepared by applying the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2022. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

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

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

POA made an announcement on 20 January 2022 regarding the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 2023. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying condensed consolidated financial statements as of 30 June 2023 in accordance with TAS 29.

# ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

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

#### Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates. The condensed consolidated financial statements are presented in TL, which is the functional currency of Çelebi Hava and the presentation currency of the Group. As of 30 June 2023, the functional currency of the Group’s entities is shown below.

<u>Company</u>	<u>Currency</u>
Çelebi Hava	Euro (EUR)
CGHH	Hungarian Forint (HUF)
Celebi Delhi Cargo	Indian Rupee (INR)
CASI	Indian Rupee (INR)
Celebi Nas	Indian Rupee (INR)
Çelebi Kargo	Turkish Lira (TL)
Celebi Cargo	Euro (EUR)
CGHI	Indian Rupee (INR)
CGSC	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 2023

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

#### **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.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

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

###### a) Amendments that are mandatorily effective from 2023 (cont’d)

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

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

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

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

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

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

Amendments are effective with the first application of TFRS 17.

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</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 2024 for insurance and reinsurance and pension companies.

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

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

(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 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 2024 and earlier application is permitted.

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

##### **Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback***

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

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

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

##### **Amendments to TAS 1 *Non-current Liabilities with Covenants***

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

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

##### 2.1.3 Basis of Consolidation

- a) The consolidated financial statements include the accounts of the parent company. Çelebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the “Group”) on the basis set out in sections (b), to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries and Joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.
- 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 June 2023	31 December 2022
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
CASI	99,9	99,9
Celebi Nas	59,0	57,0
CGHI	61,0	61,0
CGSC	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9
KSU	58,7	58,7
Celebi Tanzania	65,0	65,0

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

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

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

Associate ownership interest (%)	30 June 2023	31 December 2022
DASPL	24,99	24,99

##### 2.2. Change in Accounting Policies

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

The condensed consolidated financial statements of the Group have been prepared comparatively with the prior period in order to evaluate financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

The Group presented the condensed consolidated statement of financial position as of 30 June 2023 comparatively with the consolidated statement of financial position as of 31 December 2022, presented the condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the interim period ended on 30 June 2023 comparatively with the condensed consolidated profit or loss, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and condensed consolidated statement of other comprehensive income for the interim period ended 30 June 2022.

Income accruals amounting to TL 9.011.527, which were shown under other receivables in the consolidated statement of financial position as of 31 December 2022, were reclassified to trade receivables.

Other tax liabilities amounting to TL 117.874.307, which were shown under the current income tax liability in the consolidated statement of financial position as of 31 December 2022, were reclassified to other current liabilities.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

##### 2.3. Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ended on 30 June 2023, have been prepared in compliance with TAS 34, the TFRS standard on interim financial reporting. Furthermore, the condensed consolidated financial statements as of 30 June 2023 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 2022. Thus, these interim condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

If changes in accounting estimates relate only for one period, changes are applied only in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively. Significant estimates used in preparing the condensed financial statements for the period ended on 30 June 2023 are consistent with those used in preparing the consolidated financial statements for the year ended 31 December 2022. Significant accounting errors are applied retrospectively, and the prior period financial statements are restated.

#### NOTE 3 – SEGMENT REPORTING

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

The operational segment information provided to the board of directors as of 30 June 2023 is as follows:

	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	After Consolidation
<b>1 January - 30 June 2023</b>				
Revenue	2.685.841.589	1.396.573.930	(1.621.843)	<b>4.080.793.676</b>
Cost of sales	(1.886.211.081)	(950.180.904)	(3.596.454)	<b>(2.839.988.439)</b>
<b>Gross profit</b>	<b>799.630.508</b>	<b>446.393.026</b>	<b>(5.218.297)</b>	<b>1.240.805.237</b>
General administrative expenses	(359.160.718)	(85.646.747)	5.403.993	<b>(439.403.472)</b>
Addition: Depreciation and amortization	164.869.762	87.555.088	-	<b>252.424.850</b>
Addition: TFRIC -12 effect shares	-	9.550.858	-	<b>9.550.858</b>
Addition: Provision for employment termination benefit and unused vacation	38.097.618	4.249.139	-	<b>42.346.757</b>
EBITDA effect of investments accounted by using equity method	(81.477)	-	-	<b>(81.477)</b>
<b>EBITDA</b>	<b>643.355.693</b>	<b>462.101.364</b>	<b>185.696</b>	<b>1.105.642.753</b>
Lease expenses under TFRS 16	(101.167.913)	(29.493.965)	-	<b>(130.661.878)</b>
<b>EBITDA (Except for TFRS 16)</b>	<b>542.187.780</b>	<b>432.607.399</b>	<b>185.696</b>	<b>974.980.875</b>

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NOTE 3 – SEGMENT REPORTING (cont’d)

1 April - 30 June 2023	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	After Consolidation
Revenue	1.584.307.561	753.493.759	(3.224.841)	<b>2.334.576.479</b>
Cost of sales	(1.048.128.857)	(447.846.692)	(1.952.315)	<b>(1.497.927.864)</b>
<b>Gross profit</b>	<b>536.178.704</b>	<b>305.647.067</b>	<b>(5.177.156)</b>	<b>836.648.615</b>
General administrative expenses	(193.434.558)	(45.477.576)	5.221.774	<b>(233.690.360)</b>
Addition: Depreciation and amortization	90.670.763	46.830.865	-	<b>137.501.628</b>
Addition: TFRIC -12 effect shares	-	(30.506.153)	-	<b>(30.506.153)</b>
Addition: Provision for employment termination benefit and unused vacation	5.124.789	2.170.508	-	<b>7.295.297</b>
EBITDA effect of investments accounted by using equity method	(19.902)	-	-	<b>(19.902)</b>
<b>EBITDA</b>	<b>438.519.796</b>	<b>278.664.711</b>	<b>44.618</b>	<b>717.229.125</b>
Lease expenses under TFRS 16	(55.489.253)	(15.937.518)	-	<b>(71.426.771)</b>
<b>EBITDA (Except for TFRS 16)</b>	<b>383.030.543</b>	<b>262.727.193</b>	<b>44.618</b>	<b>645.802.354</b>

The operating segment information presented to the board of directors as of 30 June 2023 is as follows:

1 January - 30 June 2022	Operation Groups			
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	After Consolidation
Revenue	1.459.131.105	1.033.857.810	(12.091.095)	<b>2.480.897.820</b>
Cost of sales	(954.593.333)	(698.454.944)	6.754.690	<b>(1.646.293.587)</b>
<b>Gross profit</b>	<b>504.537.772</b>	<b>335.402.866</b>	<b>(5.336.405)</b>	<b>834.604.233</b>
General administrative expenses	(205.921.910)	(67.178.408)	6.262.579	<b>(266.837.739)</b>
Addition: Depreciation and amortization	105.788.049	60.254.185	-	<b>166.042.234</b>
Addition: TFRIC -12 effect shares	-	9.344.513	-	<b>9.344.513</b>
Addition: Provision for employment termination benefit and unused vacation	19.120.811	3.279.268	-	<b>22.400.079</b>
EBITDA effect of investments accounted by using equity method	2.650.540	-	-	<b>2.650.540</b>
<b>EBITDA</b>	<b>426.175.262</b>	<b>341.102.424</b>	<b>926.174</b>	<b>768.203.860</b>
Lease expenses under TFRS 16	(60.240.268)	(19.596.389)	-	<b>(79.836.657)</b>
<b>EBITDA (Except for TFRS 16)</b>	<b>365.934.994</b>	<b>321.506.035</b>	<b>926.174</b>	<b>688.367.203</b>

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NOTE 3 – SEGMENT REPORTING (cont’d)

1 April - 30 June 2022	Operation Groups			After Consolidation
	Ground Handling	Cargo and Warehouse Services	Consolidation Adjustments	
Revenue	820.872.884	571.459.780	(6.193.503)	<b>1.386.139.161</b>
Cost of sales	(522.151.068)	(377.453.904)	4.934.652	<b>(894.670.320)</b>
<b>Gross profit</b>	<b>298.721.816</b>	<b>194.005.876</b>	<b>(1.258.851)</b>	<b>491.468.841</b>
General administrative expenses	(113.013.981)	(34.248.507)	2.229.403	<b>(145.033.085)</b>
Addition: Depreciation and amortization	56.097.107	31.440.896	-	<b>87.538.003</b>
Addition: TFRIC -12 effect shares	-	5.885.966	-	<b>5.885.966</b>
Addition: Provision for employment termination benefit and unused vacation	8.574.316	512.890	-	<b>9.087.206</b>
EBITDA effect of investments accounted by using equity method	(117.227)	-	-	<b>(117.227)</b>
<b>EBITDA</b>	<b>250.262.031</b>	<b>197.597.121</b>	<b>970.552</b>	<b>448.829.704</b>
Lease expenses under TFRS 16	(33.050.311)	(10.303.810)	-	<b>(43.354.121)</b>
<b>EBITDA (Except for TFRS 16)</b>	<b>217.211.720</b>	<b>187.293.311</b>	<b>970.552</b>	<b>405.475.583</b>

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

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
EBITDA for reported segments	1.105.642.753	717.229.125	768.203.860	448.829.704
Depreciation and amortization	(252.424.850)	(137.501.628)	(166.042.234)	(87.538.003)
TFRIC 12 effect	(9.550.858)	30.506.153	(9.344.513)	(5.885.966)
Provisions for employment termination benefit and unused vacation	(42.346.757)	(7.295.297)	(22.400.079)	(9.087.206)
Other operating income	283.179.172	236.662.609	72.297.634	46.513.409
Other operating expenses (-)	(117.198.004)	(65.942.062)	(47.365.724)	(2.539.363)
EBITDA effect of investments accounted by using equity method	81.477	19.902	(2.650.540)	117.227
<b>Operating profit</b>	<b>967.382.933</b>	<b>773.678.802</b>	<b>592.698.404</b>	<b>390.409.802</b>
Income from investment activities	19.361.389	19.336.118	439.257	319.204
Expenses from investment activities (-)	(1.673.114)	(850.273)	(3.235)	(2.448)
Financial income	130.470.186	75.223.299	84.666.085	39.872.742
Financial expenses (-)	(121.658.239)	(84.515.474)	(152.046.049)	(94.058.168)
Shares in profit from investments accounted by equity method (from continuing operations)	-	-	(1.910.106)	-
<b>Profit / (loss) before tax</b>	<b>993.883.155</b>	<b>782.872.472</b>	<b>523.844.356</b>	<b>336.541.132</b>

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#### NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash	2.338.508	1.735.686
Banks	1.688.751.125	1.927.228.079
- time deposit	842.471.267	1.255.465.152
- demand deposit	846.279.858	671.762.927
	<b>1.691.089.633</b>	<b>1.928.963.765</b>

As of 30 June 2023, effective interest rates on TL, EUR, USD and INR denominated time deposits are 32,57%, 0,89%, 1,15% ve 3,45% (31 December 2022: TL 15,21%, EUR 1,46%, USD 1,33%, INR 5,38%). As of 30 June 2023, the maturity of denominated time deposits are 1 day for EUR , USD and TL, 7-85 days for INR, respectively (31 December 2022: TL, EUR and USD 1 day, INR 45 days).

The details of cash and cash equivalents presented in the statements of cash flows as of 30 June 2023 and 2022 are as follows:

	30 June 2023	30 June 2022
Cash on hand and cash at banks	1.691.089.633	1.030.394.590
Less: Interest accruals	(1.080.208)	(610.265)
	<b>1.690.009.425</b>	<b>1.029.784.325</b>

#### NOTE 5 - FINANCIAL INVESTMENTS

##### *Restricted bank balances:*

	30 June 2023	31 December 2022
Restricted bank balances (Between 3 months and 365 days) (*)	65.730.899	60.756.407
Restricted bank balances (Longer than 365 days) (*)	86.709.521	47.832.174
	<b>152.440.420</b>	<b>108.588.581</b>

##### *Time deposits:*

	30 June 2023	31 December 2022
Time deposits (Between 3 months and 365 days)	128.647.945	57.100.350
	<b>128.647.945</b>	<b>57.100.350</b>

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

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

	Percentage of Shares	30 June 2023	Percentage of Shares	31 December 2022
Celebi Ground Handling India Private Limited	-	-	61%	22.665
Celebi Ground Services Chennai Private Limited	-	-	100%	22.665
Celebi Shared Services India Private Limited	0,1%	28.361	-	-
		<b>28.361</b>		<b>45.330</b>



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

	Percentage of Shares %	30 June 2023	Percentage of Shares %	31 December 2022
DASPL	24,99%	22.637.278	24,99%	19.463.360
		<b>22.637.278</b>		<b>19.463.360</b>

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

	30 June 2023	30 June 2022
<b>As of 1 January</b>	<b>19.463.360</b>	<b>20.391.743</b>
Transfers (*)	-	(21.119)
Shares of profit/loss	417.547	(6.105.940)
Foreign currency translation differences	2.756.371	3.834.927
<b>As of 30 June</b>	<b>22.637.278</b>	<b>18.099.611</b>

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

	1 January- 30 June 2023	1 January- 30 June 2022
DASPL	417.547	(6.105.940)
	<b>417.547</b>	<b>(6.105.940)</b>

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

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

	30 June 2023	31 December 2022
Total Assets	99.718.032	69.559.096
Total Liabilities	7.596.272	4.866.078
	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
Total Sales Income	-	24.320.667
Profit / (Loss) for the Period (*)	1.670.188	(24.433.531)

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

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NOTE 7 – SHORT-TERM AND LONG-TERM BORROWINGS

*Short-term borrowings:*

			30 June 2023
	Effective interest rate (%)	Original balance	TL
<i>Short-term loans:</i>			
EUR borrowings	6,50-9,50	27.950.000	788.324.160
<b>Total short-term loans</b>			<b>788.324.160</b>

*Short-term finance lease obligations:*

INR finance lease obligation		351.624.229	110.803.827
EUR finance lease obligation		11.647.295	328.509.640
TL finance lease obligation		33.041.089	33.041.089
HUF finance lease obligation		44.870.082	3.428.523
<b>Total short-term finance lease obligations</b>			<b>475.783.079</b>

			30 June 2023
	Effective interest rate (%)	Original balance	TL
<i>Short-term portion of long-term borrowings:</i>			
Interest expense accrual – EUR		1.310.425	36.960.262
Interest expense accrual –INR		3.196.611	1.007.316
Interest expense accrual –TL		1.005.156	1.005.156
EUR borrowings	3,01-7,79	16.256.238	458.503.929
TL borrowings	18,27	20.724.031	20.724.031
INR borrowings	5,50-9,35	433.289.769	136.538.272
<b>Total short-term portion of long-term borrowings</b>			<b>654.738.966</b>
<b>Total short-term borrowings:</b>			<b>1.918.846.205</b>

*Long-term borrowings:*

			30 June 2023
	Effective interest rate (%)	Original balance	TL
INR borrowings	5,50-9,35	1.274.668.821	401.673.639
EUR borrowings	3,01-7,79	27.411.764	773.143.321
			<b>1.174.816.960</b>
<i>Long-term finance lease obligations:</i>			
INR finance lease obligation		621.089.417	195.717.697
EUR finance lease obligation		62.496.116	1.762.690.446
TL finance lease obligation		27.725.368	27.725.368
HUR finance lease obligation		88.509.410	6.763.004
<b>Total long-term finance lease obligations</b>			<b>1.992.896.515</b>
<b>Total long-term borrowings</b>			<b>3.167.713.475</b>
<b>Total financial liabilities</b>			<b>5.086.559.680</b>

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

			31 December 2022
	Effective interest rate (%)	Original balance	TL
<b>Short-term finance lease obligations:</b>			
INR finance lease obligations		329.465.625	74.673.384
EUR finance lease obligations		10.653.137	212.751.662
TL finance lease obligations		29.552.607	29.552.607
HUF finance lease obligations		13.829.613	690.236
<b>Total short-term finance lease obligations</b>			<b>317.667.889</b>
<b>Short-term portion of long-term borrowings:</b>			
			31 December 2022
	Effective interest rate (%)	Original balance	TL
<b>Short-term portion of long-term loans:</b>			
Interest expense accrual – EUR		721.399	14.406.916
Interest expense accrual –INR		9.941.977	2.253.349
Interest expense accrual –TL		12.554	12.554
INR borrowings	5,50-10,00	448.722.912	101.703.048
EUR borrowings	2,75-6,07	27.209.646	543.398.396
TL borrowings	16,00-19,75	30.394.601	30.394.601
<b>Total short-term portion of long-term borrowings:</b>			<b>692.168.864</b>
<b>Total short-term borrowings:</b>			<b>1.009.836.753</b>
<b>Long-term borrowings:</b>			
			31 December 2022
	Effective interest rate (%)	Original balance	TL
<b>Long-term loans:</b>			
INR Borrowings	5,50-10,00	1.328.424.112	301.087.325
EUR Borrowings	2,75-6,07	9.882.354	197.358.515
			<b>498.445.840</b>
<b>Long-term finance lease obligations:</b>			
INR finance lease obligations		720.977.079	163.409.455
EUR finance lease obligations		65.277.757	1.303.649.028
TL finance lease obligations		34.050.015	34.050.015
<b>Total payables from long-term leases</b>			<b>1.501.108.498</b>
<b>Total long-term borrowings</b>			<b>1.999.554.338</b>
<b>Total borrowings</b>			<b>3.009.391.091</b>

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

As of 30 June 2023 and 31 December 2022, the repayment maturities of the Group's borrowings are as follows:

	30 June 2023	31 December 2022
Less than 3 months	384.371.218	344.118.211
Between 3-12 months	1.534.474.987	665.718.542
Between 1-5 years	1.936.937.978	1.235.910.398
More than 5 years	1.230.775.497	763.643.940
	<b>5.086.559.680</b>	<b>3.009.391.091</b>

As of 30 June 2023 and 31 December 2022, the repayment schedule of long-term loans is as follows:

	30 June 2023	31 December 2022
Between 1-2 years	283.217.821	231.250.652
Between 2-3 years	208.044.420	161.789.233
Between 3-4 years	206.804.610	55.409.809
4 years and more	476.750.109	49.996.146
	<b>1.174.816.960</b>	<b>498.445.840</b>

As of 30 June 2023 and 31 December 2022, the repayment maturities of the debts from the lease transactions are as follows:

	30 June 2023	31 December 2022
Up to 1 year	475.783.079	317.667.889
Between 1-5 years	900.483.678	669.482.757
More than 5 years	1.092.412.837	831.625.741
	<b>2.468.679.594</b>	<b>1.818.776.387</b>

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#### NOTE 8 - TRADE RECEIVABLES AND PAYABLES

##### Short-term trade receivables

	30 June 2023	31 December 2022
Trade receivables from third parties	1.233.471.708	658.660.045
Less: Provision for impairment	(141.414.706)	(98.676.286)
<b>Trade receivables from third parties (net)</b>	<b>1.092.057.002</b>	<b>559.983.759</b>
Trade receivables from related parties (Note 25)	42.981.001	1.682.036
<b>Total short-term trade receivables</b>	<b>1.135.038.003</b>	<b>561.665.795</b>

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

	30 June 2023	30 June 2022
Opening balance	98.676.286	79.272.561
Additional provisions in current period	10.755.002	4.367.037
Foreign currency translation differences	34.315.462	9.434.066
Written-off of uncollectible receivables	(2.332.044)	-
<b>Closing balance</b>	<b>141.414.706</b>	<b>93.073.664</b>

##### Short-term trade payables

	30 June 2023	31 December 2022
Trade payables to third parties	396.304.538	290.011.726
Accrued liabilities	160.536.347	152.982.822
<b>Total trade payables to third parties</b>	<b>556.840.885</b>	<b>442.994.548</b>
Payables to related parties (Note 25)	31.068.590	3.291.944
<b>Total short-term trade payables</b>	<b>587.909.475</b>	<b>446.286.492</b>

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#### NOTE 9 - OTHER RECEIVABLES AND PAYABLES

##### Other short-term receivables

	30 June 2023	31 December 2022
Receivables from tax office	27.759.660	11.700.900
Deposits and guarantees given	41.476.224	30.787.836
Other miscellaneous receivables (*)	99.671.972	41.625.191
Airline tax (**)	126.048.000	213.051.000
<b>Other short-term receivables from third parties</b>	<b>294.955.856</b>	<b>297.164.927</b>
Other receivables from related parties (Note 25)	72.672.541	84.869.838
<b>Total short-term other receivables</b>	<b>367.628.397</b>	<b>382.034.765</b>

(\*) Related to airline tax effective in Hungary from 1 July 2022.

(\*\*) The majority of other miscellaneous receivables consist of loans of INR 400.000.000 that Delhi Cargo has given to GMR Group companies (31 December 2022: INR 940.000.000).

##### Other long-term receivables

	30 June 2023	31 December 2022
Deposits and guarantees given (*)	614.828.055	423.549.399
<b>Other long-term receivables from third parties</b>	<b>614.828.055</b>	<b>423.549.399</b>
Receivables from related parties (Note 25)	733.324.800	-
<b>Total long-term other receivables</b>	<b>1.348.152.855</b>	<b>423.549.399</b>

(\*) As of 30 June 2023, deposits and guarantees given predominantly consists of the deposits given for the subsidiaries of the Group located in India, CASI, Celebi Delhi Cargo and Celebi Nas, amounting to TL 55.947.496 (31 December 2022: TL 63.602.687), TL 108.925.470 (31 December 2022: TL 123.667.741) and TL 209,646,070 (31 December 2022: TL 236.159.046), respectively, to local authorities and companies and the amounts shown in the blockage at banks.

##### Other short-term payables

	30 June 2023	31 December 2022
Other short-term payables	70.515.126	15.249.336
Deposits and guarantees received	13.699.487	13.170.819
<b>Total short-term other payables</b>	<b>84.214.613</b>	<b>28.420.155</b>

##### Other long-term payables

	30 June 2023	31 December 2022
Deposits and guarantees received	48.687.467	54.166.153
	<b>48.687.467</b>	<b>54.166.153</b>

#### NOTE 10 – INVENTORIES

	30 June 2023	31 December 2022
Trade goods	35.086.822	16.234.843
Other inventories (*)	85.045.079	48.433.196
	<b>120.131.901</b>	<b>64.668.039</b>

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

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

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

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

Movements in property, plant and equipment for the period ended on 30 June 2023 are as follows:

	<b>Opening 1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Foreign currency translation differences</b>	<b>Closing 30 June 2023</b>
<b>Cost</b>						
Plant, machinery and equipment	1.489.198.096	67.642.327	(27.334.656)	7.423.374	626.534.927	2.163.464.068
Motor vehicles	323.134.741	24.704.610	(3.474.388)	-	149.003.775	493.368.738
Furniture and fixtures	161.464.516	6.202.369	(8.436.370)	(32.762)	67.582.687	226.780.440
Leasehold improvements	522.334.696	10.288.675	-	3.794.915	222.579.220	758.997.506
Construction in progress	120.831.028	40.805.725	-	(40.262.513)	52.457.523	173.831.763
	<b>2.616.963.077</b>	<b>149.643.706</b>	<b>(39.245.414)</b>	<b>(29.076.986)</b>	<b>1.118.158.132</b>	<b>3.816.442.515</b>
<b>Accumulated depreciation</b>						
Plant, machinery and equipment	(925.053.586)	(55.814.489)	24.622.408	758	(383.939.515)	(1.340.184.424)
Motor vehicles	(190.978.302)	(11.409.113)	3.253.391	-	(86.567.876)	(285.701.900)
Furniture and fixtures	(92.351.471)	(12.251.192)	8.371.671	6.548	(41.258.819)	(137.483.263)
Leasehold improvements	(142.966.800)	(16.920.991)	-	(7.306)	(66.592.175)	(226.487.272)
	<b>(1.351.350.159)</b>	<b>(96.395.785)</b>	<b>36.247.470</b>	<b>-</b>	<b>(578.358.385)</b>	<b>(1.989.856.859)</b>
<b>Net book value</b>	<b>1.265.612.918</b>					<b>1.826.585.656</b>

Depreciation cost amounting to TL 93.706.701 for the period ended on 30 June 2023 was included in cost of sales and TL 2.689.084 was included in general administrative expenses.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

	Opening 1 January 2022	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 30 June 2022
<b>Cost</b>						
Plant, machinery and equipment	1.057.610.398	58.094.731	(1.851.219)	12.641.212	197.877.614	1.324.372.736
Motor vehicles	216.485.771	7.948.333	(286.990)	-	30.913.343	255.060.457
Furniture and fixtures	111.376.561	8.798.907	(28.820)	(13.974)	17.808.459	137.941.133
Leasehold improvements	380.342.541	2.578.439	-	-	57.512.412	440.433.392
Construction in progress	61.419.347	239.404	-	(12.627.238)	11.496.782	60.528.295
	<b>1.827.234.618</b>	<b>77.659.814</b>	<b>(2.167.029)</b>	<b>-</b>	<b>315.608.610</b>	<b>2.218.336.013</b>
<b>Accumulated depreciation</b>						
Plant, machinery and equipment	(656.222.085)	(36.590.038)	1.544.036	(13.974)	(122.872.317)	(814.154.378)
Motor vehicles	(138.059.005)	(6.792.936)	213.061	-	(20.583.892)	(165.222.772)
Furniture and fixtures	(62.554.261)	(6.620.668)	22.252	13.974	(10.038.691)	(79.177.394)
Leasehold improvements	(95.597.428)	(9.274.456)	-	-	(15.112.220)	(119.984.104)
	<b>(952.432.779)</b>	<b>(59.278.098)</b>	<b>1.779.349</b>	<b>-</b>	<b>(168.607.120)</b>	<b>(1.178.538.648)</b>
<b>Net book value</b>	<b>874.801.839</b>					<b>1.039.797.365</b>

Depreciation cost amounting to TL 56.598.395 for the period ended on 30 June 2022 was included in cost of sales and TL 2.679.703 was included in operating expenses.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

#### NOTE 12 – RIGHT-OF-USE ASSETS

Movements in right of use assets for the interim period ended on 30 June 2023 are as follows:

	<b>Opening 1 January 2023</b>	<b>Additions</b>	<b>Modifications</b>	<b>Foreign currency translation differences</b>	<b>Closing 30 June 2023</b>
<b>Cost</b>					
Buildings and land	2.024.032.245	13.269.675	28.176.481	879.340.943	2.944.819.344
Machinery, plant and equipment	94.103.174	-	-	38.798.459	132.901.633
Motor vehicles	50.311.689	-	(57.937)	21.529.380	71.783.132
	<b>2.168.447.108</b>	<b>13.269.675</b>	<b>28.118.544</b>	<b>939.668.782</b>	<b>3.149.504.109</b>
<b>Accumulated depreciation</b>					
Buildings and land	(551.172.927)	(93.388.031)	-	(275.765.111)	(920.326.069)
Machinery, plant and equipment	(94.103.174)	-	-	(38.798.459)	(132.901.633)
Motor vehicles	(31.448.598)	(6.363.066)	-	(16.114.571)	(53.926.235)
	<b>(676.724.699)</b>	<b>(99.751.097)</b>	<b>-</b>	<b>(330.678.141)</b>	<b>(1.107.153.937)</b>
<b>Net book value</b>	<b>1.491.722.409</b>				<b>2.042.350.172</b>

Depreciation expense for the period ended on 30 June 2023 amounting to TL 99.751.097 is included in cost of sales.

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

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

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

Movements in right of use assets for the interim period ended on 30 June 2022 are as follows:

	<b>Opening 1 January 2022</b>	<b>Additions</b>	<b>Modifications</b>	<b>Foreign currency translation differences</b>	<b>Closing 30 June 2022</b>
<b>Cost</b>					
Buildings and land	1.338.033.236	577.540	2.878.555	211.520.011	1.553.009.342
Machinery, plant and equipment	71.217.129	1.368.948	-	10.876.366	83.462.443
Motor vehicles	31.825.926	-	274.102	4.655.830	36.755.858
	<b>1.441.076.291</b>	<b>1.946.488</b>	<b>3.152.657</b>	<b>227.052.207</b>	<b>1.673.227.643</b>
<b>Accumulated depreciation</b>					
Buildings and land	(289.166.353)	(64.292.356)	-	(48.960.074)	(402.418.783)
Machinery, plant and equipment	(71.217.129)	(195.564)	-	(10.792.777)	(82.205.470)
Motor vehicles	(17.085.769)	(3.356.714)	-	(2.671.972)	(23.114.455)
	<b>(377.469.251)</b>	<b>(67.844.634)</b>	<b>-</b>	<b>(62.424.823)</b>	<b>(507.738.708)</b>
<b>Net book value</b>	<b>1.063.607.040</b>				<b>1.165.488.935</b>

Depreciation expense for the period ended on 30 June 2022 amounting to TL 67.844.634 is included in cost of sales.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

#### NOTE 13 - INTANGIBLE ASSETS

##### Other Intangible Assets

Movements in other intangible assets for the interim period ended on 30 June 2023 are as follows:

	Opening 1 January 2023	Additions	Disposals	Foreign currency translation differences	Closing 30 June 2023
<b>Cost</b>					
Rights	23.312.907	-	-	9.611.166	32.924.073
Software	96.345.005	3.667.624	(1.682.109)	42.066.601	140.397.121
Concession rights (*)	540.520.369	-	-	210.985.380	751.505.749
Build-operate-transfer investments (**)	1.035.701.453	52.757.772	-	420.229.821	1.508.689.046
	<b>1.695.879.734</b>	<b>56.425.396</b>	<b>(1.682.109)</b>	<b>682.892.968</b>	<b>2.433.515.989</b>
<b>Accumulated depreciation</b>					
Rights	(15.774.894)	(1.637.596)	-	(7.144.728)	(24.557.218)
Software	(74.720.298)	(4.544.223)	1.651.982	(32.719.927)	(110.332.466)
Concession rights (*)	(285.446.461)	(23.059.987)	-	(103.976.900)	(412.483.348)
Build-operate-transfer investments (**)	(351.037.619)	(27.036.162)	-	(159.615.713)	(537.689.494)
	<b>(726.979.272)</b>	<b>(56.277.968)</b>	<b>1.651.982</b>	<b>(303.457.268)</b>	<b>(1.085.062.526)</b>
<b>Net book value</b>	<b>968.900.462</b>				<b>1.348.453.463</b>

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

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

For the period ending on 30 June 2023, TL 52.805.126 of amortization was included in cost of sales and TL 3.472.842 was included in operating expenses.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

Movements in other intangible assets for the interim period ended on 30 June 2022 are as follows:

	Opening 1 January 2022	Additions	Foreign currency translation differences	Closing 30 June 2022
<b>Cost</b>				
Rights	17.595.437	-	5.914.724	23.510.161
Software	69.214.586	564.225	11.777.727	81.556.538
Concession rights (*)	410.413.586	2.570.040	86.169.018	499.152.644
Build-operate-transfer investments (**)	689.286.987	47.445.631	148.351.211	885.083.829
	<b>1.186.510.596</b>	<b>50.579.896</b>	<b>252.212.680</b>	<b>1.489.303.172</b>
<b>Accumulated depreciation</b>				
Rights	(10.229.325)	(1.050.314)	(1.622.606)	(12.902.245)
Software	(52.133.841)	(3.157.088)	(8.419.816)	(63.710.745)
Concession rights (*)	(202.933.140)	(9.429.447)	(43.297.876)	(255.660.463)
Build-operate-transfer investments (**)	(219.911.048)	(25.282.653)	(48.174.458)	(293.368.159)
	<b>(485.207.354)</b>	<b>(38.919.502)</b>	<b>(101.514.756)</b>	<b>(625.641.612)</b>
<b>Net book value</b>	<b>701.303.242</b>			<b>863.661.560</b>

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

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

For the period ended 30 June 2022, TL 36.541.810 of amortization was included in cost of sales and TL 2.377.692 was included in operating expenses.

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

##### Goodwill

Goodwill as of 30 June 2023 and 31 December 2022 is as follows:

	30 June 2023	31 December 2022
Goodwill due to acquisition of CGHH	178.527.733	116.611.951
Goodwill due to acquisition of KSU	7.907.363	7.688.892
	<b>186.435.096</b>	<b>124.300.843</b>

As of 30 June 2023, movement of goodwill is as follows:

	30 June 2023	30 June 2022
As of 1 January	124.300.843	119.963.138
Foreign currency translation differences	62.134.253	16.673.004
<b>Goodwill</b>	<b>186.435.096</b>	<b>136.636.142</b>

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

##### a) Short-term Provisions

##### Other short-term provisions

	30 June 2023	31 December 2022
Provision for litigation and obligation	12.638.564	10.679.098
	<b>12.638.564</b>	<b>10.679.098</b>

Movements of other short-term provisions for the period 1 January – 30 June 2023 are as follows:

	30 June 2023	30 June 2022
<b>1 January</b>	<b>10.679.098</b>	<b>9.047.150</b>
Addition during the year	5.008.782	2.093.748
Payments during the year	(4.894.074)	(2.064.926)
Foreign currency translation differences	1.844.758	(823.858)
<b>As of end of the period</b>	<b>12.638.564</b>	<b>8.252.114</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

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

	30 June 2023	31 December 2022
Provision for employment termination benefits (*)	14.417.388	7.767.888
Provision for unused vacation	63.470.221	38.745.670
	<b>77.887.609</b>	<b>46.513.558</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 June 2023	31 December 2022
Provision for employment termination benefits	156.469.024	143.103.765
	<b>156.469.024</b>	<b>143.103.765</b>

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

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

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

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 30 June 2023 consists of one month’s salary limited to a maximum of TL 19.982,83 (31 December 2022: TL 15.371,40) for each year of service.

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

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

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

##### b) Long-term provisions (cont’d)

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

Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 23.489,83 which is effective from 1 July 2023 (1 January 2023: TL 19.982,83) 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 1 January 2023 – 30 June 2023 are as follows:

	30 June 2023	30 June 2022
<b>As of 1 January</b>	<b>150.871.653</b>	<b>80.970.229</b>
Payments of provisions during the period	(76.984.169)	(9.460.209)
Actuarial (gain) / loss	46.659.231	-
Service cost	17.256.669	13.119.092
Interest cost	8.263.630	2.956.172
Foreign currency translation differences	26.127.611	10.847.761
Transfers	(1.308.213)	-
<b>Balance at the end of the period</b>	<b>170.886.412</b>	<b>98.433.045</b>

The provisions for unused vacation rights for the period 1 January 2023 – 30 June 2023 are as follows:

	30 June 2023	30 June 2022
<b>As of 1 January</b>	<b>38.745.670</b>	<b>18.976.928</b>
Payments of provisions during the period	(2.981.342)	(795.914)
Increase in unused vacation rights during the period	16.826.458	6.324.815
Foreign currency translation differences	10.879.435	1.730.709
<b>Balance at the end of the period</b>	<b>63.470.221</b>	<b>26.236.538</b>

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

<b>Guarantees received</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Guarantee letters	94.295.731	69.992.103
Guarantee cheques	7.838.865	4.872.917
Guarantee notes	4.947.595	4.746.045
	<b>107.082.191</b>	<b>79.611.065</b>
<b>Guarantees given</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Guarantee letters	564.238.861	383.465.116
Collaterals (*)	845.556.816	607.519.810
Pledged shares (*)	129.610.116	92.471.387
	<b>1.539.405.793</b>	<b>1.083.456.313</b>

(\*) Collaterals and pledged shares amounting to TL 975.166.932 consist of collaterals given to the Group's subsidiaries and joint venture partners (31 December 2022: TL 699.991.197) (Note 25).

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

The litigations and claims those generate contingent assets and liabilities to the Group as of 30 June 2023 are as follows:

As of 30 June 2023, the Group has contingent liabilities amounting to TL 78.238.676 (31 December 2022: TL 53.326.350) 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 June 2023 and 31 December 2022 are as follows:

CPM given by the Group	30 June 2023		31 December 2022	
	Amount	TL Equivalent	Amount	TL Equivalent
<b>A. CPM given on behalf of the Group’s legal personality</b>		<b>564.238.861</b>		<b>383.465.116</b>
TL	30.374.463	30.374.463	22.702.874	22.702.874
EUR	6.407.798	180.730.661	5.772.771	115.286.855
USD	2.210.500	57.184.751	3.150.500	59.015.166
INR	793.505.645	250.049.499	712.421.284	161.470.284
HUF	600.700.000	45.899.487	500.700.000	24.989.937
<b>B. CPM given on behalf of fully consolidated subsidiaries</b>		<b>975.166.932</b>		<b>699.991.197</b>
EUR	2.050.000	57.819.840	2.050.000	40.940.140
INR	2.911.104.000	917.347.092	2.907.792.000	659.051.057
<b>C. CPM given for continuation of its economic activities on behalf of third parties</b>	-	-	-	-
<b>D. Total amount of other CPM</b>	-	-	-	-
		<b>1.539.405.793</b>		<b>1.083.456.313</b>



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

#### NOTE 15 – OTHER ASSETS AND LIABILITIES

##### Other Current Assets

	30 June 2023	31 December 2022
VAT and service tax receivables	56.296.562	37.576.262
Advances given to personnel	1.839.495	1.489.431
Other	1.067.207	3.442.233
	<b>59.203.264</b>	<b>42.507.926</b>

##### Other Non-Current Assets

	30 June 2023	31 December 2022
Prepaid taxes and funds (*)	124.217.444	73.360.108
VAT and service tax receivables	25.020.577	17.971.451
Other	493.541	479.626
	<b>149.731.562</b>	<b>91.811.185</b>

(\*) As of 30 June 2023, the related amount consists of prepaid taxes and funds to be used with maturities longer than 1 year.

##### Other Current Liabilities

	30 June 2023	31 December 2022
Taxes and funds payable	167.094.659	144.508.417
Airline tax (*)	143.308.847	78.892.182
Renovation investments liability	16.937.700	12.182.438
Other miscellaneous payables and liabilities	40.188.972	27.196
	<b>367.530.178</b>	<b>235.610.233</b>

(\*) As of 1 July 2022, it is related to the airline tax that entered into force in Hungary.

##### Other Non-Current Liabilities

	30 June 2023	31 December 2022
Maintenance obligation liability	470.626.735	324.900.195
	<b>470.626.735</b>	<b>324.900.195</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

#### NOTE 16 – PREPAID EXPENSES

##### Short-term prepaid expenses

	30 June 2023	31 December 2022
Prepaid expenses	226.354.424	55.232.004
Order advances given	151.126.983	39.964.248
	<b>377.481.407</b>	<b>95.196.252</b>

##### Long-term prepaid expenses

	30 June 2023	31 December 2022
Prepaid expenses	49.210.644	19.923.449
Advances given for fixed assets	110.825.973	64.196.624
	<b>160.036.617</b>	<b>84.120.073</b>

#### NOTE 17 – DEFERRED INCOME

##### Short-term deferred income

	30 June 2023	31 December 2022
Order advances received	121.083.522	85.728.516
Prepaid expenses	8.305.683	8.857.203
	<b>129.389.205</b>	<b>94.585.719</b>

##### Long-term deferred income

	30 June 2023	31 December 2022
Prepaid expenses	11.467.498	15.269.112
	<b>11.467.498</b>	<b>15.269.112</b>

#### NOTE 18 – LIABILITIES FOR EMPLOYEE BENEFITS

	30 June 2023	31 December 2022
Wages and salaries payable	137.515.105	82.627.848
Bonus payable accruals	145.870.659	90.538.189
Social security withholdings payable	105.008.739	46.468.848
	<b>388.394.503</b>	<b>219.634.885</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

#### NOTE 19 - EQUITY

##### Share Capital

As of 30 June 2023, the authorized share capital of the Group is TL 24.300.000 comprising of TL 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2022: 2.430.000.000 shares).

At 30 June 2023 and 31 December 2022, the shareholding structure of the Group is stated in historical amounts below:

Shareholders	30 June 2023		31 December 2022	
	Amount	Share%	Amount	Share%
Çelebi Havacılık Holding A.Ş. (ÇHH)	21.848.528	89,91	21.848.528	89,91
Other	2.451.472	10,09	2.451.472	10,09
	<b>24.300.000</b>	<b>100,00</b>	<b>24.300.000</b>	<b>100,00</b>

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

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

As of 30 June 2023, the amount of restricted reserves is TL 195.490.565 (31 December 2022: TL 91.996.776).

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 2014. 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.

##### Remeasurement losses on defined benefit plans

Consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19.

##### Foreign currency translation differences

**Accumulated foreign currency translation differences in other comprehensive income and expenses not to be reclassified to profit or loss:** Consist of exchange differences arising from the translation of the consolidated financial statements from Euro, the functional currency of the parent, to TL, the presentation currency.

**Accumulated foreign currency translation differences in other comprehensive income and expenses to be reclassified to profit or loss:** Consist of exchange differences arising from the translation of the financial statements of subsidiaries and associates whose functional currency is different from TL to TL, which is the presentation currency.

ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

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NOTE 20 – REVENUE AND COST OF SALES

	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
Ground handling services	2.734.435.536	1.612.099.975	1.478.386.776	865.009.205
Revenue from cargo and warehouse services	1.367.173.110	725.704.914	1.024.636.688	544.195.571
Rental revenue not related to aviation	94.444.319	53.802.536	64.487.043	33.247.623
Revenue in the context of TFRIC 12	-	-	2.570.040	2.570.040
Less: Returns and discounts	(115.259.289)	(57.030.946)	(89.182.727)	(58.883.278)
<b>Revenue</b>	<b>4.080.793.676</b>	<b>2.334.576.479</b>	<b>2.480.897.820</b>	<b>1.386.139.161</b>
<b>Cost of sales</b>	<b>(2.839.988.439)</b>	<b>(1.497.927.864)</b>	<b>(1.646.293.587)</b>	<b>(894.670.320)</b>
<b>Gross profit</b>	<b>1.240.805.237</b>	<b>836.648.615</b>	<b>834.604.233</b>	<b>491.468.841</b>

NOTE 21 - FINANCE INCOME

	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
Foreign exchange gains	55.788.760	42.447.327	37.157.104	14.314.609
Interest income	41.900.714	22.051.651	22.868.175	11.444.278
Other finance income	32.780.712	10.724.321	24.640.806	14.113.855
	<b>130.470.186</b>	<b>75.223.299</b>	<b>84.666.085</b>	<b>39.872.742</b>

NOTE 22 - FINANCE EXPENSES

	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
Foreign exchange losses	(15.514.814)	(13.435.095)	(30.601.506)	(22.121.061)
Interest expenses	(68.627.329)	(47.459.131)	(55.748.879)	(27.258.738)
Finance expenses incurred within the scope of TFRS 16 (*)	(16.468.932)	(11.760.588)	(48.570.867)	(33.747.550)
Other finance expenses	(21.047.164)	(11.860.660)	(17.124.797)	(10.930.819)
	<b>(121.658.239)</b>	<b>(84.515.474)</b>	<b>(152.046.049)</b>	<b>(94.058.168)</b>

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

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

#### NOTE 23 - TAX ASSETS AND LIABILITIES

	30 June 2023	31 December 2022
Current period corporate tax payable (*)	228.997.871	47.980.681
<b>Current profit tax liability, net</b>	<b>228.997.871</b>	<b>47.980.681</b>
Deferred tax assets	462.891.857	340.335.572
Deferred tax liability	(229.752.249)	(122.139.556)
<b>Deferred tax assets – net</b>	<b>233.139.608</b>	<b>218.196.016</b>

(\*) As of 31 March 2023, TL 39.439.723 of the related amount is related to the earthquake tax calculated over the 2022 corporate tax.

#### Income Tax

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

In Turkey, the corporate tax rate is 20% (31 December 2022: 23%). The corporate tax rate is applied to the net corporate income to be deducted from deduction of exemptions and reductions in tax laws and an addition of expenses not subject to deduction according to tax legislation. According to the Law No. 7352 Amending the Tax Procedure Law and the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the TPL financial statements was postponed to 31 December 2023.

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

Corporate tax in India for fiscal year 2023 is 25.17% (2022: 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 31.83% for fiscal year 2023 (2022: 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

##### Income Tax (cont’d)

For the periods ended on 30 June 2023 and 2022, tax expenses of the Group are as follows:

	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
- Current period corporate tax	(269.838.833)	(157.766.951)	(97.846.804)	(63.827.086)
- Deferred tax income	(70.351.740)	(110.243.721)	(14.435.527)	(2.780.838)
<b>Current tax income (expense) – net</b>	<b>(340.190.573)</b>	<b>(268.010.672)</b>	<b>(112.282.331)</b>	<b>(66.607.924)</b>

##### Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with TFRS in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and TFRS in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20%, 9%, 31.925% and 25.17% for Turkey, Hungary, Germany and India, respectively.

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 30 June 2023 and 31 December 2022 using the enacted tax rates are as follows:

	Total temporary differences		Deferred tax assets (liabilities)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Deferred tax assets</b>				
Personnel bonus accrual	(17.386.625)	(7.127.060)	3.477.325	1.425.412
Accrued sales commissions	(98.826.290)	(62.898.275)	19.765.258	12.579.655
Provision for employment termination benefits	(78.653.983)	(91.158.560)	15.875.728	18.319.742
TFRS 16 adjustments	(585.010.323)	(450.277.924)	113.278.105	85.157.166
Provision for unused vacation liability	(29.789.315)	(16.404.015)	5.957.863	3.280.803
Provision for litigation and indemnity	(10.722.335)	(8.995.985)	2.144.467	1.799.197
Adjustments related to property, plant and equipment and intangible assets	(521.389.861)	(338.237.990)	138.336.602	86.680.356
Investment incentives	-	(120.194.455)	-	24.038.891
Deferred tax income calculated over unused previous years’ losses	(333.230.413)	(247.056.923)	106.605.677	79.025.120
Other	(234.709.431)	(127.587.624)	57.450.832	28.029.230
<b>Deferred tax assets</b>			<b>462.891.857</b>	<b>340.335.572</b>

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

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

**Deferred Tax (cont'd)**

	Total temporary differences		Deferred tax assets (liabilities)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Deferred tax liabilities</b>				
Adjustments related to property, plant and equipment and intangible assets	1.070.053.103	575.731.893	(210.601.940)	(113.448.241)
Other	95.751.550	43.456.585	(19.150.309)	(8.691.315)
<b>Deferred tax liabilities</b>			<b>(229.752.249)</b>	<b>(122.139.556)</b>
<b>Deferred tax assets, net</b>			<b>233.139.608</b>	<b>218.196.016</b>

Deferred tax movement table is as follows:

	30 June 2023	30 June 2022
<b>1 January</b>	<b>218.196.016</b>	<b>170.707.898</b>
Foreign currency translation differences	75.962.799	22.221.634
Deferred tax income / (expenses) for the current period	(70.351.740)	(14.435.527)
Remeasurement gain/losses of defined benefit plans	9.332.533	-
<b>30 June</b>	<b>233.139.608</b>	<b>178.494.005</b>

**NOTE 24 - EARNINGS PER SHARE**

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

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

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

	1 January - 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
<b>Net profit attributable to the parent</b>	<b>589.305.345</b>	<b>475.079.654</b>	<b>377.003.104</b>	<b>248.281.021</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>0,243</b>	<b>0,196</b>	<b>0,155</b>	<b>0,102</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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#### NOTE 25 - RELATED PARTY DISCLOSURES

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

##### i) Balances with related parties

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

	30 June 2023	31 December 2022
Çelebi Havacılık Holding <sup>(1)</sup>	42.981.001	1.653.638
Other	-	28.398
	<b>42.981.001</b>	<b>1.682.036</b>

###### Other receivables from related parties

	30 June 2023	31 December 2022
Çelebi Havacılık Holding <sup>(1) (*)</sup>	805.997.341	84.869.838
	<b>805.997.341</b>	<b>84.869.838</b>

###### Payables to related parties

	30 June 2023	31 December 2022
Çelebi Havacılık Holding <sup>(1) (**)</sup>	31.034.179	3.267.192
DASPL <sup>(4)</sup>	34.411	24.752
	<b>31.068.590</b>	<b>3.291.944</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 is comprised of the CHH's group loan receivable from CGHH and Celebi Cargo amounting to EUR 30.000.000.

(\*\*) As of 30 June 2023, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, information technologies and business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.



## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

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

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
<b>Miscellaneous sales to related parties</b>				
Çelebi Havacılık Holding <sup>(1)</sup>	1.316.399	1.316.399	5.347.130	4.093.050
Other	6.815	6.815	49.168	-
	<b>1.323.214</b>	<b>1.323.214</b>	<b>5.396.298</b>	<b>4.093.050</b>
<b>Contribution to holding expenses (*)</b>				
Çelebi Havacılık Holding <sup>(1)</sup>	158.809.406	86.666.378	92.385.883	52.073.865
	<b>158.809.406</b>	<b>86.666.378</b>	<b>92.385.883</b>	<b>52.073.865</b>
<b>Other purchases from related parties</b>				
DASPL <sup>(3)</sup>	-	-	8.842.707	3.739.867
Çelebi Havacılık Holding <sup>(1)(*)</sup>	8.045.008	1.860.126	10.526.151	7.733.119
	<b>8.045.008</b>	<b>1.860.126</b>	<b>19.368.858</b>	<b>11.472.986</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.

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

As of 30 June 2023 and 31 December 2022, collaterals given in favour of the subsidiaries and joint venture of the Group for the loans borrowed by them are as follows:

<b>30 June 2023</b>	<b>EUR</b>	<b>INR</b>	<b>Total TL</b>
Celebi Nas <sup>(1)</sup>	-	94.392.000	30.788.484
Celebi Delhi Cargo <sup>(2)</sup>	-	313.600.000	98.821.632
CASI <sup>(3)</sup>	-	2.499.800.000	787.736.976
Celebi Cargo <sup>(4)</sup>	2.050.000	-	57.819.840
	<b>2.050.000</b>	<b>2.907.792.000</b>	<b>975.166.932</b>

<b>31 December 2022</b>	<b>EUR</b>	<b>INR</b>	<b>Total TL</b>
Celebi Nas <sup>(1)</sup>	-	94.392.000	21.393.947
Celebi Delhi Cargo <sup>(2)</sup>	-	313.600.000	71.077.440
CASI <sup>(3)</sup>	-	2.499.800.000	566.579.670
Celebi Cargo <sup>(4)</sup>	2.050.000	-	40.940.140
	<b>2.050.000</b>	<b>2.907.792.000</b>	<b>699.991.197</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 59% shares of Celebi Nas owned by the Company has been pledged in favor of the lender bank to fulfill financial obligations arising from the agreement. As of 30 June 2023, the risk of the cash loan in the respective bank is amounting INR 516.703.260.
- (2) Guarantee at an equivalent amount to the loan amount is given to aforementioned banks for the financial liabilities sourcing from agreements concluded with related banks regarding long term cash project loan at an amount of cash INR 1.800.000.000 and non-cash INR 100.000.000 concluded between Celebi Delhi Cargo and an India resident bank and 28% portion of the owned by the Company are pledged on behalf of the bank. As of 30 June 2023, the risk of the cash loan in the respective bank is amounting INR 500.311.847.
- (3) Celebi Airport Services has a borrowing amounting to INR 2.049.800.000 cash and INR 600.000.000 non-cash within the scope of the long-term project finance and working capital loan agreement signed between the Company and a bank resident in India. As of 30 June 2023, the risk of the cash loan in the respective bank is amounting to INR 699.258.762.
- (4) As of 30 June 2023, the cash credit risk amount at the relevant banks for the financial liabilities arising from the EUR 2.000.000 cash and EUR 50.000 non-cash loan agreements signed between Celebi Cargo GmbH and the banks residing in Germany is EUR 2.000.000.

#### Key management compensation:

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

	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January - 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Short-term employee benefits to key management	57.928.929	31.475.163	42.157.502	25.001.215

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

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

##### *Currency risk*

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

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

As of 30 June 2023, other things being constant, if the TL was to depreciate/appreciate by 10% against the USD, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency decrease/increase net income by TL 13.983.735 (31 December 2022: TL 21.325.183).

As of 30 June 2023, other things being constant, if the TL was to depreciate/appreciate by 10% against the Euro, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease net income by TL 26.869.774 (31 December 2022: TL 4.170.738).

As of 30 June 2023, other things being constant, if the TL was to depreciate/appreciate by 10% against the GBP, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 229.594 (31 December 2022: TL 160.309).

As of 30 June 2023, if the Turkish Lira exchange rate was 10% lower/higher and all other variables remained constant, net profit arising from foreign exchange gains/losses resulting over net foreign currency position in this currency would increase/decrease by TL 34.061.532 (31 December 2022: TL 22.152.406).

Foreign currency denominated assets and liabilities of the Group as of 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Assets denominated in foreign currency	1.138.153.727	768.816.458
Liabilities denominated in foreign currency (-)	(1.609.925.370)	(820.399.159)
<b>Net foreign currency position</b>	<b>(471.771.643)</b>	<b>(51.582.701)</b>

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

The table below summarizes TL equivalent of the Group’s foreign currency denominated assets and liabilities as of 30 June 2023 and 31 December 2022:

<b>30 June 2023</b>	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Turkish Lira</b>
1. Trade Receivables	142.238.098	4.017.630	355	-	38.293.604
2. Monetary Financial Assets	334.746.979	3.111.871	7.434.728	7.963	44.286.496
3. Other	161.551.438	578.929	2.576.602	600	73.882.445
<b>4. Current Assets (1+2+3)</b>	<b>638.536.515</b>	<b>7.708.430</b>	<b>10.011.685</b>	<b>8.563</b>	<b>156.462.545</b>
5. Other	499.617.212	-	17.500.000	-	6.033.212
<b>6. Non-Current Assets (5)</b>	<b>499.617.212</b>	<b>-</b>	<b>17.500.000</b>	<b>-</b>	<b>6.033.212</b>
<b>7. Total Assets (4+6)</b>	<b>1.138.153.727</b>	<b>7.708.430</b>	<b>27.511.685</b>	<b>8.563</b>	<b>162.495.757</b>
8. Trade Payables	127.186.550	1.852.121	28.672	-	78.464.233
9. Financial Liabilities	232.683.108	-	6.307.892	-	54.770.276
10. Other Monetary Liabilities	354.668.681	450.839	-	78.182	340.427.324
<b>11. Current Liabilities (8+9+10)</b>	<b>714.538.339</b>	<b>2.302.960</b>	<b>6.336.564</b>	<b>78.182</b>	<b>473.661.833</b>
12. Financial Liabilities	893.663.158	-	30.701.788	-	27.725.368
13. Other Monetary Liabilities	1.723.873	-	-	-	1.723.873
<b>14. Non-Current Liabilities (12+13)</b>	<b>895.387.031</b>	<b>-</b>	<b>30.701.788</b>	<b>-</b>	<b>29.449.241</b>
<b>15. Total Liabilities (11+14)</b>	<b>1.609.925.370</b>	<b>2.302.960</b>	<b>37.038.352</b>	<b>78.182</b>	<b>503.111.074</b>
<b>16. Net Foreign Currency Asset/Liability Position (7-15)</b>	<b>(471.771.643)</b>	<b>5.405.470</b>	<b>(9.526.667)</b>	<b>(69.619)</b>	<b>(340.615.317)</b>
<b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(471.771.643)</b>	<b>5.405.470</b>	<b>(9.526.667)</b>	<b>(69.619)</b>	<b>(340.615.317)</b>

**ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023**

(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 2022</b>	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Turkish Lira</b>
1. Trade Receivables	125.425.813	1.760.898	4.022.221	-	12.112.989
2. Monetary Financial Assets	507.522.484	10.941.560	12.076.609	9.300	61.175.399
3. Other	131.553.639	356.199	4.249.696	600	39.997.927
<b>4. Current Assets (1+2+3)</b>	<b>764.501.936</b>	<b>13.058.657</b>	<b>20.348.526</b>	<b>9.900</b>	<b>113.286.315</b>
5. Other	4.314.522	-	-	-	4.314.522
<b>6. Non-Current Assets (5)</b>	<b>4.314.522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.314.522</b>
<b>7. Total Assets (4+6)</b>	<b>768.816.458</b>	<b>13.058.657</b>	<b>20.348.526</b>	<b>9.900</b>	<b>117.600.837</b>
8. Trade Payables	128.423.970	1.142.910	1.109.199	3.348	84.787.702
9. Financial Liabilities	217.012.869	-	7.864.137	-	59.959.762
10. Other Monetary Liabilities	170.799.423	531.425	-	77.465	159.093.557
<b>11. Current Liabilities (8+9+10)</b>	<b>516.236.262</b>	<b>1.674.335</b>	<b>8.973.336</b>	<b>80.813</b>	<b>303.841.021</b>
12. Financial Liabilities	302.929.038	-	13.463.608	-	34.050.015
13. Other Monetary Liabilities	1.233.859	-	-	-	1.233.859
<b>14. Non-Current Liabilities (12+13)</b>	<b>304.162.897</b>	<b>-</b>	<b>13.463.608</b>	<b>-</b>	<b>35.283.874</b>
<b>15. Total Liabilities (11+14)</b>	<b>820.399.159</b>	<b>1.674.335</b>	<b>22.436.944</b>	<b>80.813</b>	<b>339.124.895</b>
<b>16. Net Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(51.582.701)</b>	<b>11.384.322</b>	<b>(2.088.418)</b>	<b>(70.913)</b>	<b>(221.524.058)</b>
<b>17. Net Monetary Foreign Currency Asset/(Liability) Position (7-15)</b>	<b>(51.582.701)</b>	<b>11.384.322</b>	<b>(2.088.418)</b>	<b>(70.913)</b>	<b>(221.524.058)</b>

## ÇELEBİ HAVA SERVİSİ ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2023

(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.

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

The ratio of net debt / (equity+net debt) at 30 June 2023 and 31 December 2022 is as follows:

	30 June 2023	31 December 2022
Total financial liabilities	5.086.559.680	3.009.391.091
Less: Cash and cash equivalents	(1.690.009.425)	(1.927.530.563)
Less: Time deposits	(128.647.945)	(57.100.350)
Less: Restricted bank balances	(152.440.420)	(108.588.581)
Net debt (*)	3.115.461.890	916.171.597
Net debt (Excluding TFRS 16 effect)	646.782.296	(902.604.790)
Shareholder’s equity	3.698.439.216	3.251.906.331
Capital invested	6.813.901.106	4.168.077.928
Net debt/capital invested	0,46	0,22

(\*) As of 30 June 2023, TL 2.468.679.594 of the net debt consists of the lease amounts discounted in accordance with TFRS 16 effective as of 1 January 2019 (31 December 2022: TL (1.818.776.387)).

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

In accordance with the Presidential Decree numbered 7346 published in the Official Gazette dated 07 July 2023, the general VAT rate applied as 18% for taxable general transactions has been increased to 20% and the VAT rate applied for other deliveries and services subject to 8% VAT rate has been increased to 10% to enter into force on 10 July 2023. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period.

Pursuant to the “Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375” published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period. The Group continues to evaluate the possible effects of the relevant Law as of the date of issuance of the financial statements.