



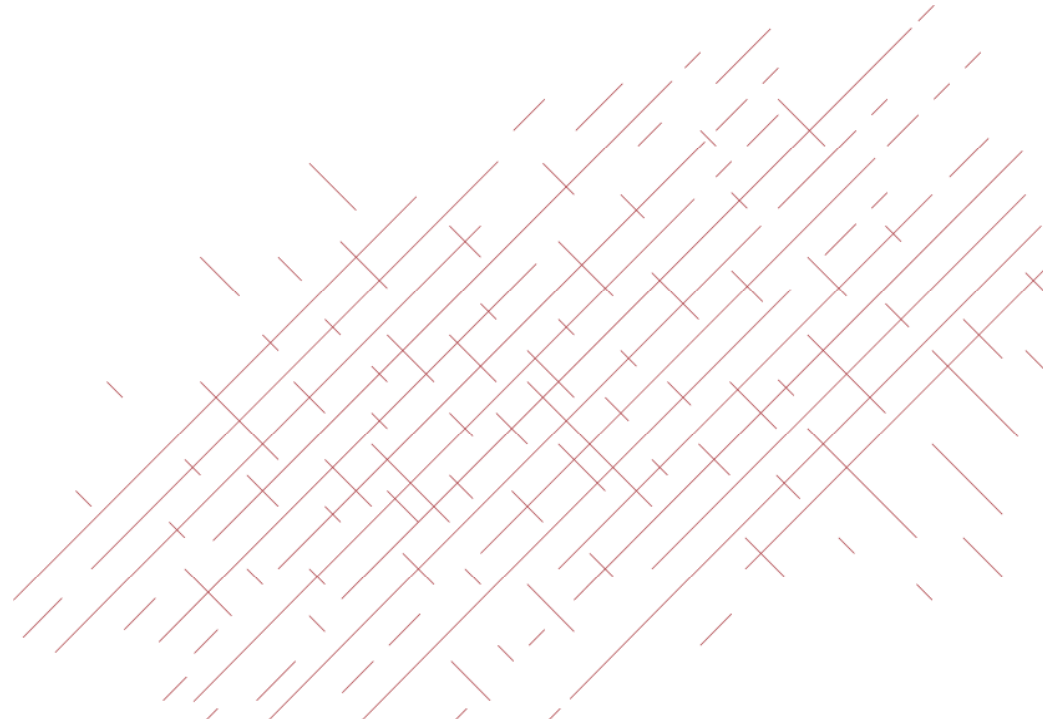
# Interim Activity Report

**HİTİT BİLGİSAYAR HİZMETLERİ ANONİM ŞİRKETİ**

**Period from 01.01.2024 - 30.06.2024**

**INTERIM ACTIVITY REPORT**

Your team.





**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REVIEW REPORT ON SEMI-ANNUAL REPORT  
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Hitit Bilgisayar Hizmetleri A.Ş.

We have been assigned to the review whether the financial information in the review report of Hitit Bilgisayar Hizmetleri A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") prepared as at 30 June 2024 is consistent with the reviewed interim condensed consolidated financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial information on which we have expressed our conclusion dated 9 August 2024.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual 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.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the review report is not consistent, in all material respects, with the interim financial information and the information presented in the explanatory notes to interim condensed consolidated financial statements.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Orhan Öztürk, SMMM  
Independent Auditor

Istanbul, 9 August 2024

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**HİTİT BİLGİSAYAR HİZMETLERİ ANONİM ŞİRKETİ BOARD OF DIRECTORS**  
**01.01.2024 - 30.06.2024 INTERIM PERIOD ACTIVITY REPORT**

**1- GENERAL INFORMATION**

Report Period: 01.01.2024 - 30.06.2024

Trade Name: Hitit Bilgisayar Hizmetleri A.Ş.

Trade Registry Number: 315040

Center Address Reşitpaşa Mah. Katar Cad. No:4/1 Arı Teknokent 2 Interior Door No:601, Maslak/  
Istanbul

Additional Workplace Address: Mirgun Mah. Necippaşa Sok. No:14 Emirgan / Sarıyer / Istanbul

Netherlands Branch Address: Amsterdam Schiphol Airport The Base B Building, Office #101  
Evert van de Beekstraat 1 1118CL Schiphol, The Netherlands.

**Contact Information**

Telephone : 0212 276 15 00

Fax : 0212 276 15 17

E-mail Address : hitit@hitit.com

Website Address : [www.hitit.com](http://www.hitit.com)

**2-SECTOR IN WHICH THE COMPANY OPERATES**

The company was founded in 1994 and is a technology company based in Istanbul. The company produces, develops and provides “Crane” branded software solutions to the national and international aviation and travel industry.

The Company provides consultancy and training to its customers regarding the software solutions it develops, as well as after-sales support and maintenance services. The Company’s customers are airlines, travel companies and airports. The Company’s software solutions consist of the following 6 solution groups:

**Passenger Service System**

→ crane.PAX	Reservation & Passenger Service	→ crane.DCS	Departure Control System
→ crane.IBE	Internet Booking Engine	→ crane.WB	Weight & Balance
→ crane.MA	Mobile Application	→ crane.BRI	Baggage Reconciliation Itinerary
→ crane.ALM	Allotment Manager	→ crane.LL	Loyalty Layer
→ crane.CM	Communication Manager	→ crane.CCL	Customer Care Layer

**Operations Planning**

→ crane.SP	Schedule Planning
→ crane.OCC	Operations Control
→ crane.CREW	Crew Management

**Accounting**

→ crane.RA	Revenue Accounting
→ crane.CA	Cost Accounting
→ crane.BPI	Business Performance Index

**Merchandising**

→ crane.TM	Airline Travel Merchandising
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**Travel Solutions**

→ crane.OTA	Online Travel Agency
→ crane.APP	Agent Portal Plus

**Cargo**

→ crane.CGO	Reservation & Cargo Services
→ crane.DOM	Domestic Cargo Services
→ crane.CRA	Cargo Revenue Accounting

- 1. Passenger Service System:** This is the Company's flagship software solutions group offered to customers under the umbrella of "Crane PSS". This group includes the software solutions that airlines need to fulfill their main activities. These software solutions include functions such as reservations, sales and ticketing, inventory, tariff, fare management, airport and baggage handling, passenger loyalty and customer management, online sales and mobile application solutions.
- 2. Operations Planning:** This solution group includes products that support the basic operational activities of airlines. These software solutions include functions such as long-term schedule planning, flight crew management and assignments, instant status tracking and management of aircraft.
- 3. Travel Solutions:** The solutions under this heading are designed for the use of travel agencies rather than airlines. These software solutions enable a travel agency to create and sell travel packages both for multiple airlines and by combining different products under Virtual Merchandising.
- 4. Merchandising:** This category includes software that allows airlines and travel agencies to sell "shopping baskets" consisting of different products other than airline tickets to their passengers. In this way, users can offer many different services and products such as hotels, transfers, tours, insurance, etc. in dynamic packages.
- 5. Cargo:** Recently launched by Hitit, this solution group includes cargo tracking and distribution software and accounting solutions suitable for domestic and international use by both airlines and cargo carriers.
- 6. Accounting Solutions:** Airlines have different accounting and settlement needs in addition to those of a normal commercial firm, based on various international aviation rules, industry standards or mutual agreements. The specialized airline revenue and expense accounting solutions under this heading meet this need. Also included are business intelligence solutions that enable airline line managers to monitor key performance indicators such as revenue streams and profitability in real time.

The Company has service contracts with 75 airline and travel industry companies operating in 49 countries on 6 continents. The Company's software solutions cover a wide range of transactions between airlines, passengers and airports.

#### **Hitit Saas Turizm Servisleri A.S.**

On 09.11.2021, the Company established a subsidiary, Hitit SAAS Turizm Servisleri Anonim Şirketi, in which the Company owns all of the shares representing its capital, in order to ensure the sales and expansion of tickets, hotels, car rentals, airport transfers, insurance and other non-ticketed travel products and additional services through its agency network in the global market. The Company started its operational activities gradually.

**Hitit Tech Lab-ISB (SMC-Private) Limited**

A software development company was established in NUST (National University of Sciences & Technology), Pakistan's leading university in the field of technology and the only university with a technopark within its body, under the title of HITIT TECH LAB-ISB (SMC-PRIVATE) LIMITED, in which our Company holds all of the shares representing its capital.

**Hitit PK Travel Agency Distribution Systems Inc.**

In order to support agency distribution services in the Pakistani market, to promote and market Pakistan-based travel content worldwide through Hitit ADS, and to facilitate travel agencies, corporate travel and similar daily activities of Hitit ADS users within this framework, a joint stock company was established on 05.01.2024 with the title "Hitit PK Seyahat Acente Dağıtım Sistemleri A.Ş." with a head office address in Türkiye/Istanbul, in which our Company holds 100% of the capital.

**3- CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY****a- Company Capital:**

The Company's shares were offered to the public through shareholder sales and capital increase in 2022 and are traded on Borsa İstanbul A.Ş. Bist Star as of 03.03.2022.

The registered capital ceiling of the Company is TRY 300,000,000 (Three hundred million). The issued capital is TRY 127,500,000.00 (One hundred and twenty-seven million five hundred thousand Turkish Liras) and consists of 46,153,846 Group A registered shares, 46,153,846 Group B registered shares and 35,192,308 Group C registered shares, each with a nominal value of TRY 1,00.

**b- Shareholding Structure:**

As of June 30, 2024, the shareholding structure of the Company is as follows

<b>Name/Title of Shareholder</b>	<b>Share Group</b>	<b>Share in Capital</b>	<b>Share in Capital (%)</b>	<b>Proportion of Voting Rights (%)</b>
Fatma Nur Gökman	A (*)	29,572,131	23.19%	29.37%
Dilek Ovacık	A	6,000,000	4.71%	6.04%
Hakan Ünlü	A	5,538,462	4.34%	5.57%
Özkan Dülger	A	5,538,462	4.34%	5.57%
Pegasus Hava Taşımacılığı A.Ş.	B (**)	46,939,893	36.82%	46.62%
Publicly Traded	C	33,911,052	26.597%	6.83%
<i>Dilek OVACIK</i>	C	<i>102,186</i>	<i>0.080%</i>	<i>0.02%</i>
<i>Hakan ÜNLÜ</i>	C	<i>94,326</i>	<i>0.074%</i>	<i>0.02%</i>
<i>Özkan DÜLGER</i>	C	<i>94,326</i>	<i>0.074%</i>	<i>0.02%</i>
<i>Other</i>	C	<i>33,620,214</i>	<i>26.369%</i>	<i>6.77%</i>
<b>Total</b>		<b>127,500,000</b>	<b>100.00%</b>	<b>100.00%</b>

*Actual Shares Outstanding : TRY 33,911,052 – 26.59*

*(\*) 495,209 Group C shares are included.*

*(\*\*) Includes 786,047 Group C shares.*

### **c- Information on Privileged Shares**

The Company's capital is divided into a total of 127,500,000 shares, of which 46,153,846 are Class A registered shares with a nominal value of TRY 1 (one) each, 46,153,846 are Class B registered shares with a nominal value of TRY 1 (one) each, and 35,192,308 are Class C registered shares with a nominal value of TRY 1 (one) each. All of the Company shares are registered shares.

Group A and B registered shares are privileged. Group C registered shares do not have any privileges.

- **Privilege in Nominating Candidates to the Board of Directors**

Pursuant to Article 7 of the Company's Articles of Association titled "Board of Directors and its Term", the Company's affairs and management shall be carried out by a Board of Directors consisting of 6 (six) persons to be elected by the General Assembly for a maximum term of 3 years in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law, and Group (A) and Group (B) shares have been granted privileges over Group (C) shares with respect to "Nomination of Candidates for Election of Members to the Board of Directors".

One (1) of the members of the Board of Directors shall be elected by the General Assembly from among the candidates nominated by the Shareholder or Shareholders holding the majority of the Group (A) Shares, and one (1) from among the candidates nominated by the majority of the Group (B) Shareholders.

In the event that a member nominated by Group (A) and Group (B) shareholders resigns from the Board of Directors for any reason whatsoever, whichever share group's nominated member of the Board of Directors becomes vacant, the new member shall be elected from among the nominees nominated by that share group, in accordance with Article 363 of the TCC, and shall be submitted to the next General Assembly for approval.

- **Privilege in Nominating the Chairperson of the Board of Directors**

Pursuant to Article 7 of the Articles of Association titled "Board of Directors and its Term", the Chairperson of the Board of Directors is a member of the Board of Directors elected by nomination of Group (A) shareholders. Pursuant to Article 9 of the Articles of Association titled "General Assembly", the Chairperson of the Board of Directors shall preside over the General Assembly Meetings, and in the absence of the Chairperson of the Board of Directors, the General Assembly shall elect the chairperson of the meeting.

- **Privilege in General Manager Selection**

Pursuant to Article 17, paragraph 2 of the Articles of Association titled "General Manager", the General Manager is elected among the candidates nominated by the majority of Group (A) shares.

- **Voting Privilege**

Pursuant to Article 9 of the Articles of Association entitled "General Assembly", Group (A) and Group (B) shareholders have five voting rights for each Group (A) and Group (B) share they hold, and Group (C) shareholders have one voting right for each Group (C) share they hold. When voting, the provisions of the Turkish Commercial Code, Capital Markets Law and other relevant legislation shall be complied with.

Pursuant to Article 15 of the Company's Articles of Association titled "Special Board of Privileged Shareholders", the Articles of Association grant certain privileges to (A) and (B) share groups, which are clearly stated in certain articles.

In relation to the privileged shares in the Company, for General Assembly resolutions regarding amendments to the Articles of Association, including the increase in the registered capital ceiling, which require the approval of the special committee of privileged shareholders pursuant to Article 454 of the Turkish Commercial Code, the special committee of privileged shareholders convenes separately for each privileged share group and with the participation of at least 60% of the capital representing the relevant share group, and takes decisions with the affirmative vote of at least 51% of the capital representing the relevant privileged share group. Unless the approval and decision of the Special Assembly of Preference Shareholders convened by the aforementioned shareholders is obtained, no decisions affecting the rights of the preference shareholders in that group may be taken.

The meeting procedures and principles of the Special Board of Privileged Shareholders are subject to the working procedures and principles of the General Assembly determined by these Articles of Association, except for those stated above.

**d- Information on the Company's own shares acquired:** None.

**e- Information on the Company's direct or indirect subsidiaries and their shareholding rates:**

<b><u>Direct Subsidiaries</u></b>	<b><u>Share Ratio</u></b>
Hitit Saas Turizm Servisleri A.Ş.	100
Hitit Tech Lab-ISB (SMC-Private) Limited	100
Hitit PK Seyahat Acente Dağıtım Sistemleri A.Ş.	100
<b><u>Indirect Subsidiaries</u></b>	<b><u>Share Ratio</u></b>
None	-

#### **4- BOARD OF DIRECTORS AND COMMITTEES**

The Board of Directors consists of 6 members.

<b>Name Surname</b>	<b>Current Position</b>	<b>Term of Office / Remaining Term of Office</b>
F. Nur Gökman	Chairperson of the Board of Directors	Elected for 3 years at the General Assembly dated 25.04.2024. Indefinitely as General Manager.
Dilek Ovacık	Vice Chairperson of the Board of Directors	Elected for 3 years at the General Assembly dated 25.04.2024.
Mahmut Barbaros Kubatoğlu	Board Member	Elected for 3 years at the General Assembly dated 25.04.2024.
Ali Uzun	Board Member	Elected for 3 years at the General Assembly dated 25.04.2024.
Aliye Sultan Alptekin	Independent Board Member	Elected for 3 years at the General Assembly dated 25.04.2024.
Turgut Gürsoy	Independent Board Member	Elected for 3 years at the General Assembly dated 25.04.2024.



### **Limits of Authorization of the Members of the Board of Directors:**

The Chairperson and Members of the Board of Directors have the powers set forth in the relevant articles of the Turkish Commercial Code and Articles 7 - 8 of the Company's Articles of Association.

### **Board Committees**

<b>Audit Committee</b>	<b>Early Detection of Risk Committee</b>
Aliye Sultan ALPTEKİN (Committee Chairperson)	Turgut GÜRSOY ( <i>Committee Chairperson</i> )
Turgut GÜRSOY	Dilek OVACIK
	Şükriye Nevra Onursal KARAAĞAÇ

### **Corporate Governance Committee**

Aliye Sultan ALPTEKİN (Committee Chairperson)  
 Ali UZUN  
 Sezer Tuğ ÖZMUTLU  
 Figen DÖNDER  
 Hülya YILDIRIM (Investor Relations Manager)

### **Fatma Nur Gökman**

#### **Chairperson of the Board of Directors-General Manager-Founding Partner-CEO**

Nur Gökman, co-founder and General Manager of Hitit. Graduated from the Departments of Physics and Mathematics of İstanbul University in 1973, started her career as Computer Programmer at Akbank Information Processing Center through the years 1975-1977 following the programming trainings she received in 1974. Then, she worked as Computer Programmer (1977-1983), Project Leader (1983-1989), System Development Manager (1989-1990), IT Vice President (1990-1994) and Training President (1994-1996) chronologically at THY. She is among the founders of Hitit, which is the first in our country in the aviation informatics sector, and which has taken its place among the leading aviation technology enterprises in the world.

### **Dilek Ovacık**

#### **Board Member - Founding Partner**

Dilek Ovacık graduated from the Department of Production Management of the School of Business of İstanbul University in 1973, received Paris CEPIA (Centre d'etudes pratiques et automatiques) certificate in 1975. Before THY, she took part in business survey and remuneration of a Holding, and studied on the subjects of organization/remuneration. She took office as Analyst Programmer at the Turkish Airlines (THY) Information Processing Center in 1976; and took part in various airline projects as Senior Programmer and Project Manager in the following years. In 1994, she retired from THY, and took part in establishment of Hitit in 1994. She carried out the financial and administrative affairs of the Company as of 2006. While she decided to quit this position in 2016, she continues her contributions to Hitit in the board of directors of the Company.

**Mahmut Barbaros Kubatođlu****Board Member**

Mahmut Barbaros Kubatođlu completed his Undergraduate Study at Shipbuilding and Marine Sciences Faculty at İstanbul Technical University in 1995, then, his Post- Graduate Study in the field of Business Engineering at the same university. He started his career at Çelebi Holding in 1997 as Operation Planning Specialist. He served as Budget and Finance Manager and Technical and Logistics Director at HAVAŞ Holding, which he joined in 2002. In 2007, he started to serve as Project Coordinator at Pegasus Airlines, carried out the position of Senior Vice President of the Financial Reporting and Control Department. He has been working as Chief Financial Officer as from January 2018.

**Ali Uzun****Board Member**

Ali Uzun graduated from Galatasaray University Faculty of Law in 2007 with a bachelor's degree and has been a registered lawyer at the Istanbul Bar Association since 2008. He has completed various academic programs in international relations, capital markets, sports law, circular economy, and sustainability strategies. Since 2013, he has been working at Pegasus Airlines and currently serves as the company's Chief Legal Counsel and Director of Sustainability. Additionally, he holds positions as the Chairman of the IATA Legal Advisory Council and as a member of the Board of Directors for the Health and Education Foundation.

**Aliye Sultan ALPTEKIN****Independent Board Member**

Aliye Alptekin has 33 years of work experience. She worked as a manager in corporate companies for 10 years in marketing, 15 years in human resources functions and 8 years as a consultant. She has a total of 18 years of senior management experience as a member of the Management Team and Board of Directors in large organizations. She worked for Turkish Airlines for 15 years and served in senior management positions such as Marketing Director, Vice President of Human Resources and Business Support. She was also appointed as a board member of Sun Express Airlines, a joint venture between Turkish Airlines and Lufthansa German Airlines. She worked at Coca-Cola İçecek (The Coca-Cola Company's regional bottling company) for 9 years as HR Director and Excom Member responsible for 10 countries in Central Asia, Middle East and Pakistan in addition to Turkey. Since 2012, she has been providing consultancy services to companies in her areas of expertise.

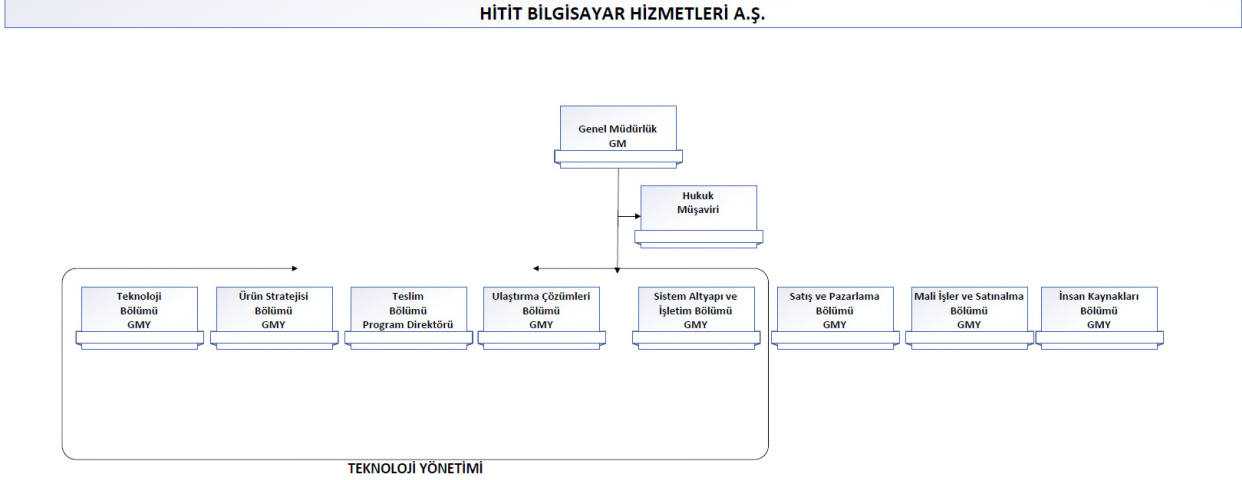
**Turgut GÜRSOY****Independent Board Member**

Graduated from the Faculty of Engineering of Yıldız Technical University, Turgut Gürsoy started his professional career as design engineer in 1984. He served at Transteknik Holding as technical manager through 1986-1989. He established Probil in 1989 and pioneered the entities of Proservis and Pronetwork in 1986 and 1989, respectively. In 2000, he received the first "private equity" investment from EMEA Technology Investment. He merged the companies Probil, Proservis, Pronetwork, Teknobim and Bordata under Probil AŞ. In 2009, he carried out the sale of 100 percent shares of Bizitek, a subsidiary Probil, to Ericsson (NASDAQ: ERIC), one of the global telecom leaders, and sale of Probil to Netaş in 2011. Having served as the President of TUBİSAD through 2008-2012, Turgut Gürsoy has been serving as the Chairman of Board of Directors of Lidya Ventures, Enocta and Agito. He takes part as investor in various companies beside serving as Board Member at Cyberwise, E-Güven and Blesh.

## 5- TOP MANAGEMENT

### a-Organization Chart

As of 30 June 2024, the organizational chart of our Company is as follows:



Name Surname	Mission
F. Nur Gökman	Chairperson of the Board of Directors
Sezer Tuğ Özmütlu	Assistant General Manager - Financial Affairs and Purchasing - CFO
Semra Kandemir	Assistant General Manager - Product Strategy – CSO
Ozgur Cuhadar	Assistant General Manager - Technology – CTO
Semih Sakız	Assistant General Manager - System Infrastructure and Operations - CIOO
Ş. Nevra Onursal Karaağaç	Assistant General Manager - Sales & Marketing - CMO
Atilla Lise	Assistant General Manager - Transportation Solutions
Figen Dönder	Assistant General Manager - Human Resources - CHRO

### Sezer Tuğ Özmütlu

#### Assistant General Manager - Financial Affairs and Purchasing - CFO

She graduated from the English Economics Department at İstanbul University in 1992 and received Post-Graduate degree by continuing her study in the Department of International Relations at the same university. Having started her career as Financial Affairs Assistant Manager at Pegasus Hava Taşımacılığı AŞ in 1992, Özmütlu became Revenue Control Director in 2012. She was appointed as Chief Financial Officer / CFO responsible for Financial Affairs and Procurement at Hitit Bilgisayar Hizmetleri AŞ on June 1, 2015. She is a Certified Public Accountant and Financial Advisor. She is a holder of Financial Internal Audit Certificate and a holder of IATA Diploma in the passenger revenues accounting and control besides her other various qualifications in the fields of audit, accounting and finance.

**Semra Kandemir****Assistant General Manager - Product Strategy - CSO**

She graduated from the Middle East Technical University in 1992 as Electrical-Electronics Engineer. Following her graduation, she started her business life at Turkish Airlines. She held various offices as System Engineer, Project Manager and System Support Manager at Turkish Airlines through 1992-2009. In 2009, she joined the construction team of İstanbul Sabiha Gökçen Airport and took part in operational IT systems installation and financial system integration, and continued working at Sabiha Gökçen in the position of Chief Information Officer / CIO until 2012. She started her career at Hitit Bilgisayar in 2013 with the title of Information Processing Director at System Infrastructure and Operating Department. She has ITIL and INSEAD Business School (Business Strategy and Financial Performance) certificates. She has been carrying on her career at Hitit as Chief Product Strategy and Aviation Solutions Officer since 2018.

**Özgür Çuhadar****Assistant General Manager - Technology - CTO**

Özgür Çuhadar graduated from Computer Engineering at Bilkent University in 2003 and started as Software Engineer at Nexus Bilişim, and moved to Escort Bilgisayar as Computer Programmer in 2004. He started working at Hitit in 2005. Following the duties of Project Manager and Technology Director, he was appointed to the position of Chief Technology Officer / CTO in 2018. Serving at Hitit for about 20 years, Özgür Çuhadar assumed key tasks in development of the Crane PAX solution and Crane PSS System, contributed in strategical terms to development of the airline support systems such as Revenue and Cost Accounting, Schedule Planning, Operation Control, Crew Management.

**Semih Sakız****Assistant General Manager - System Infrastructure and Operations - CIOO**

Semih Sakız graduated from Ege University, Department of Computer Engineering in 1999. He started his business life in his studentship years, worked at Elit Software as Part Time Java Developer, at Tarihbank as Java Application Programmer, and at Ege University Computer Course as Assistant Student. Following his graduation, he took office at Turkish Airlines (THY) in the same year; he worked as System Programmer, Team Leader and Solution Architect respectively in his first 15 years, and was appointed as Information Processing System Infrastructure Manager. Within THY, he completed the Manager Development Programs at Sabancı University in 2012-2013, participated in Harvard Mentorship Program and took Basic Business Administration classes, and completed the Leadership Academy MBA program. At the end of 2014, he moved to Garanti Teknoloji BBVA as Senior Technology Specialist, then, in 2018, to Yapı Kredi-Uni Credit Group at the level of Director as Solution Architect Consultant. In 2019, he started to work as Director at Hitit in the System Infrastructure and Operating Department, he was appointed to the position of Chief Officer of System Infrastructure and Operation in January 2021.

**Ş. Nevra Onursal Karağaç****Assistant General Manager - Sales & Marketing - CMO**

After graduating from Koç High School, she completed her undergraduate education at Carnegie Mellon in Communication Design in 2002, and her post-graduate education at Domus Academy in the field of Interaction Design in 2005. She has INSEAD Business School (Business Strategy and Financial Performance) and Oxford Executive Leadership certificates. She started her career in 2002 as Graphic Designer Intern at Wunderman NYC, served as Art Director at On3 Creative Group in 2003-2004 and at Leo Burnett İstanbul in 2006. She joined Hitit as Creative Director in 2006; after working as Brand Manager and Marketing Director, she was appointed to the position of Chief Officer of Sales and Marketing in 2018.

**Atilla Lise****Assistant General Manager - Transportation Solutions**

Graduated from the Department of Computer Engineering of Boğaziçi University in 1987, Atilla Lise started his career at Turkish Airlines (THY). He served as Project Manager at Information Processing Cargo Automation Systems and E-Business Department through 1987-2000, as President (SVP) at Cargo Department through 2000-2010, and as President (SVP) at the Social and Administrative Affairs Department in the period of 2010-2018. In 2014-2015, he joined the Manager Mentor Program at Harvard Business School, and attended the Business Administration & Management Certificate Program. He has PPL (Private Pilot License) Certificate. In November 2018, he took office at Hitit, and he was appointed to the position of Chief Officer of Transportation Solutions as of 05.11.2021.

**Figen Dönder****Assistant General Manager - Human Resources - CHRO**

She completed her undergraduate and post-graduate studies at Marmara University (MU). She graduated from English Teaching at MU Faculty of Education in 1992, and had a Master's with Thesis in English at MU Public Administration, Human Resources Management & Development in 2000. She received CTI Coaching Certificate in 2014. Before working as Human Resources Specialist, she took part in different sectors and duties such as Citibank in 1994, at Esem Spor Adidas in 1995, at Alman Südmo Group in 1996, and found the opportunity to experience in person the effect of different organizational cultures and job diversity on the employee. She started her Human Resources career in 1997 at Marshall Boya-Akzo Nobel, and carried on her duty as HR Manager in the period of 2000-2003. Through 2003-2008, she served as HR Consultant/Manager at Mecaplast Group Monaco (Automotive), Corus Group England (Steel), Delta Gıda Akfen Holding, Profera Danışmanlık, in order. She took office as HR Manager at Finans Emeklilik in 2010, and worked as HR Vice President in charge of Fund Raising, Recruitment, Orientation and Employee Relations during her tenure at Cigna Finans Emeklilik. She served as HR Consultant/Manager at Arti Danışmanlık in the period of 2014 - 2016. She served as HR Director in the period of January 2018 - September 2022 at Hitit, where she had started as HR Manager in 2017, and she was appointed to position of Chief Human Resources Officer as of 09.09.2022.

**b)- Number of Personnel:**

As of June 30, 2024, the total number of personnel employed in the Group is 397. In addition, when the consultant staff of 41 people is added, the Group provides services with a total of 438 personnel. In the second quarter of 2024, the total number of personnel increased by 2.

The rights and benefits provided by the Company to its personnel include salaries, severance and notice payments, Social Security Institution premiums, private pension, private health insurance, meals, transportation and social activities.

**c)- Information on the transactions carried out by the members of the governing body with the company on behalf of themselves or others and their activities within the scope of the prohibition of competition within the framework of the permission granted by the General Assembly of the Company:**

None.

**d)- Financial Rights Provided to the Members of the Governing Body and Senior Executives**

In the 2024 interim accounting period, the total remuneration and benefits provided to the Company's Independent Board Members is TRY 379,854. Total remuneration and fringe benefits provided to the Company's Senior Executives amounted to TRY 16,659,401.

**e) Amendments made to the Articles of Association during the period and the reasons thereof:**

None.

**6- IMPORTANT DEVELOPMENTS REGARDING THE COMPANY'S ACTIVITIES**

As a result of the sales and marketing activities carried out by the Company in a wider range of different customer segments and geographies, the total number of customers reached 75 as of June 30, 2024.

2 new Partner agreements were signed in the 2<sup>nd</sup> Quarter period covering April 1, 2024 - June 30, 2024. As of the same date, 1 Partner's agreement was suspended due to operational and geographical changes.

Apart from these new contracts, as a result of the contracts signed and sales made in the previous periods, the implementation projects of 6 new airlines, including AJet, were completed in the 2<sup>nd</sup> Quarter of 2024, the relevant systems were put into use and started to generate revenue. For 10 Partners, implementation and new product additional development activities are ongoing.

As a result of both new Partner acquisitions and integration efforts carried out in line with the evolving needs of our existing Partners, our Company's Crane solution platform has become operational in connection with more than 65 banks and payment system infrastructures, more than 700 airports and customs and border systems of 85 different countries worldwide.

Passenger throughput performance for the January - June period increased by 47% compared to the same period of the previous year. This increase was driven by new acquisitions as well as increases in the business volume of our existing partners.

### **Current Status of the Company's Social Responsibility and Sustainability Projects:**

**Education** Hitit is one of the supporters of the project titled Leading Faces of Technology, which was initiated by the Women in Technology Association (wTech), of which Hitit is a member, and aims to provide technology education to 100 female and 25 male students in the 100th anniversary of the Republic. The project was completed in June 2024 and the students graduated from the program. In addition to covering the student's educational expenses, he was mentored by a senior executive of Hitit.

**Environment:** The Company continued to cooperate with the TEMA Foundation to contribute to its sustainability and contributed to afforestation efforts by choosing TEMA Foundation's tree planting gift for corporate gifts on the occasion of the Eid al-Adha.

### **Sport:**

- **Rackets Up** Rackets Up, Hitit's CSR project realized in partnership with the Turkish Table Tennis Federation (TMTF), has so far been implemented in different provinces in Türkiye. In the second quarter of 2024, the "Rackets Up Tournament" started to be organized in order to see the outputs of the project and to determine the level of the students receiving training under the project. In this context, tournaments were held in Çorum, Şanlıurfa and Sakarya in the categories of Star Girls - Star Boys and Junior Girls and Junior Boys, and the winners of each province were determined on the basis of categories. Following the tournament, which is expected to be held in Kırşehir in the coming period, the " Rackets Up Türkiye Tournament" is planned to be organized in the last quarter of the year.
- **Transportation Sponsorship for Table Tennis National Player:** In addition to the Rackets Up grassroots project, Hitit continues its support in the field of table tennis by supporting our national players. In 2024, Hitit started to cover the transportation costs of a national men's table tennis player to international competitions. The national player we supported finished third in the World Table Tennis Berlin Youth Contender competition during this reporting period.

**Gender Equality:** Reflecting the spirit of gender equality with its foundation and values, Hitit has also been making significant contributions to the aviation and technology sector in the field of gender equality for many years with its HR policies. Hitit is one of the signatories of the 25by2025 initiative launched by IATA to ensure gender balance in the aviation industry and is participating in the activities of IATA 25by2025 in the second quarter of 2024.

She is actively working in the Artificial Intelligence/Digital Transformation and Sectoral Cooperation and Strategy Committee of the Women in Technology Association (wTech).

### **Sustainability:**

In order to be included in the BIST Sustainability Index, the Company is currently undergoing sustainability valuation studies by Refinitiv, a contracted institution of the BIST. On the other hand, the Company's Corporate Carbon Footprint Report (Greenhouse Gas Emission) was prepared and made available to investors at <https://hitit.com/investor-relations/sustainability>.

## **7- RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY**

The Company continues its activities in the technopolis area within the scope of R&D projects approved by the authorized administrative board within the framework of the Technology Zones Development Law No. 4691.

As of June 30, 2024, the Company carries out research and development activities to both enrich the capabilities of the products in its existing portfolio and to produce complementary or completely new modules, products and services. In addition, investments and developments are made to strengthen the existing products in different markets and to enable them to compete on their own. In addition to these, research and development activities are carried out for the developments foreseen in the sector in order to make airlines' e-commerce structures more flexible, and they are developed to be marketed in addition to the solutions offered.

In this context, the main modules, products and services that are being actively worked on are as follows;

### **New Function / Module Development within the Existing Product and Service Portfolio**

#### ***1.1. New Functional Modules Developed within Crane PSS***

The Company's Passenger Service System, under the umbrella of Crane PSS, is a solution package that includes different sub-products and offers various planning, automation, reporting and tracking functions related to this flow, including an airline's ability to sell reservations and tickets to its passengers for their flights, manage sales channels, offer additional services, perform additional transactions such as baggage at the airport in accordance with the ticket sales made, and accept the passenger to the aircraft.

New functional modules such as revenue management, dynamic pricing, artificial intelligence, rule-based inventory management, loyalty management, value and group management are being worked on for the products included in Crane PSS software solutions. A strategic cooperation agreement was signed with Tazi Bilişim Teknolojileri A.Ş. for Dynamic Pricing to be carried out with Artificial Intelligence and Deep Learning algorithms. An indefinite corporate license platform was provided for Hitit's development activities and pilot customer partners.

In order to switch to dynamic pricing, integration was made with 2 different suppliers other than our own solution and efforts were made for 2 partners to switch to dynamic pricing with different methodologies. 1 partner switched to dynamic pricing in July 2022 and the other one in August 2022. While it was initially used on domestic routes and certain international routes, it was extended to flights other than connecting flights.

Research and planning activities have started for Revenue Management. The first version is planned to be released in the 4<sup>th</sup> quarter of 2024. Software source code has been provided for pricing with ATPCO fees. It will be used in the ADS and PSS system in the 3<sup>rd</sup> quarter of 2024.

Our agency portal screens have been commissioned with new designs. Our additional services dynamic pricing module has been included in our standard version.

Module development work has started to display fare and capacity information in the cache under high load during campaign periods.



The new Customer Database (CDB), on which the loyalty program is built, was developed and the necessary service layer was prepared to integrate the CDB with modules such as the “Internet Search Engine”. As part of the renewal of our Loyalty Program product, the first version of the product was released. 2024 was put into use in the first quarter.

Following the completion of the passenger leg, which is one of the three legs (passenger, aircraft and crew) within the scope of Irregular Operation Management, aircraft improvements have been completed and crew improvements are continuing rapidly.

### ***1.2. Offer & Order Management System (OOMS) Enhancements in Line with New IATA Standards and Industry Trends***

**General Information:** In line with IATA’s New Distribution Capability (NDC), Airline Retailing Maturity (ARM) and One Order standards, and within the scope of the trends foreseen by our Company to be effective in the aviation industry in the near-medium term future, feasibility and preparatory studies carried out to create an Offer & Order Management System (OOMS) by developing and enriching some of the basic functions within the existing Crane PSS have been completed and the development of the OOMS solution is actively ongoing.

Going beyond the scope of PSS, which was originally designed for the sale of flight tickets and additional services of a single airline, OOMS is an integrative system that will enable both multiple airline flights and all possible travel services such as hotels, transfers, public transportation, activities, etc. to be collected in a single basket, to create special offers with dynamic pricing, to be sold through all distribution channels, both B2B and B2C, and to provide the necessary personalized services at all customer touch points in the travel flow.

Our Company foresees that with the widespread adoption of the aforementioned IATA standards in the near future, PSSs in the sector will start to share their current central positions with OOMS solutions and OOMSs will become more prominent in the medium term. Therefore, OOMS developments are being carried out at an accelerated pace in order to improve the competitive advantages of our innovative and value-added solutions that aim to stay ahead of sectoral trends and to create synergies with our ADS solutions. While making these developments, we are also taking advantage of the fact that some of the differentiating capabilities in our existing PSS portfolio already constitute a suitable basis for the OOMS vision, thus aiming to move forward quickly.

**Current Developments:** The activities of the Airline Retailing Consortium, which is led by IATA and covers OOMS solutions, are gaining momentum with the increasing awareness and demand for OOMS transformation in the industry. As an IT Supplier within the scope of this Consortium, Hitit takes part in various advisory committee meetings and workshops organized by IATA at their headquarters in Geneva.

The last of the 3 different Consortium meetings held during Q2 was held on May 23<sup>rd</sup>. In addition to providing an update on the current status of its technology development activities, Hitit also shared the outcomes of its own consultations with Partner airlines and contributed to the direction of the Consortium’s work.

Another important milestone was achieved during this period: Hitit continues to develop new OOMS solutions for the future, while enriching its existing PSS solutions with new capabilities that will benefit airlines in the short term and support OOMS migration in the long term. Such new capabilities are governed by the IATA NDC v21.3 standards within the Airline Retailing framework and data on the extent to which companies around the world have adopted these innovative standards is publicly published by IATA.

According to the IATA Airline Retailing Maturity Index (IATA Airline Retailing Maturity Index - <https://retailing.iata.org/armi/registry/>), Hitit's Crane PSS solution has become the most advanced reservation system in the world, surpassing all competitors in the industry in terms of NDC v21.3 capabilities.

### ***1.3. New Functional Modules Developed within Crane TM***

Crane TM is a product that integrates with Hitit's Passenger Service System Crane PSS and enables airlines to offer a variety of additional services to their passengers through different sales channels, such as hotel reservations, car transfers, guided sightseeing tours.

Crane TM is being developed to enhance and support additional product and service sales and packaging capabilities. It is aimed that airlines using Crane TM will have a continuously enriching portfolio of additional products.

The Agency Corporate Module, which can be added to the Crane TM product both as an additional module and sold on its own, is also in the works. This will make it easier for our Partners using Crane TM to offer corporate travel procurement and management services to their own customers and enable them to operate in business lines for corporate travel beyond individual travel channels.

In addition, as in the PSS and ADS cycles, both the sales and distribution contents and the order records kept within Crane TM are based on the "Offer and Order Management" framework in accordance with the current IATA Airline Retailing standards. As an extension of the same project, work has also begun to establish a "central distribution" structure that will consolidate different content types in a single channel.

### ***1.4. New Functional Modules Developed within Crane CREW***

The Company's Crew Planning System, called Crane CREW, is a software solution that enables airlines to plan which cockpit and cabin crews will be assigned to which flights within the framework of their tariff plans and equipment assignments, in compliance with the airline's own business rules as well as the regulations and restrictions of rule-making bodies such as the Turkish Civil Aviation Directorate General (DGCA) and the International Air Transport Association (IATA), and to notify, execute and monitor these plans.

Within Crane CREW, functional modules such as irregular operation management, training module, workforce planning are being developed.

The product development work on the management of the permits of flight crews has been completed and is ready for testing. 2024 will be put into use in the 3<sup>rd</sup> quarter.

### ***1.5. New Functional Modules Developed within Crane ALM (Allotment Manager -Charter Management System);***

The Company's Charter Management System software solution, called Crane ALM, enables the planning, distribution to the relevant sales partners and channels, sales and tracking of flights defined as "charter" (non-scheduled) flights, such as periodic flights to holiday destinations for tour operators, which are planned and operated on demand in addition to the airline's pre-planned normal flight schedule.

With the new developments for Crane ALM, it is aimed that travel agencies and tour operators other than airlines can also benefit from this solution.

With the competitor fee analysis development in the Charter Management System (ALM) product, dynamic pricing can be done by considering competitor fees. Service work is ongoing to ensure full integration into the agency module, and additional features are being added regularly. In parallel with these, development work is ongoing for additional services offered through Crane ALM within the framework of the project to offer enriched additional products and services that airlines can offer in common across all channels with an "omnichannel" approach.

### ***1.6. Works Developed within Crane SP (Tariff Planning) and SLOT (Slot Management) Module***

Crane SP and SLOT is a product used for long- and short-term tariff planning and flight authorization management of an airline. Its inputs and outputs form the basis of planning and budgeting studies. It has features to ensure that the tariffs created have the shortest ground time and the shortest flights are performed with the minimum costs.

In our Crane SLOT application, the optimization module that will enable the airline to manage the slots owned by the airline in the most effective way has been developed and commissioned in one of our partners. In the 2024 summer season, it is being used efficiently.

The writing of the service layer required for the application, which works as a desktop application, to work on mobile and web is ongoing.

### ***1.7. New Functional Modules Developed within the Crane OCC***

Crane OCC is a product that is activated within a short period of time (e.g. 24 hours) before an airline is due to operate a flight and enables the tracking and reporting of up-to-date information about the flight, as well as the execution and automation of business processes that may occur within this short period of time, such as delays or changes, and with new developments, the solution is enriched and made more compatible with mobile applications.

The service layer required for the application, which works as a desktop application, to work on mobile and web is still in progress.

OCC Connect, the mobile version of our application, continues its product enriched intensive marketing activity with pilot implementations.

### ***1.8. New Functional Modules Developed within Crane OTA (“Online Travel Agency”)***

The sales made by airlines through their own sales systems, websites and mobile applications are called direct sales, while the sales made through different sales partners such as travel agencies are called indirect sales. According to the common way of doing business currently prevailing in the market, value-added opportunities such as various additional services, different prices and campaigns, dynamic content intelligently personalized according to the passenger profile, which are included in the airline’s direct sales process, cannot be provided in the indirect sales process.

Agent Portal Plus - Agent Portal (“Crane APP”) and Crane OTA are Hitit’s products for travel agencies and tour operators, in addition to airlines, providing the basic functions required for reservations, ticket and additional services sales and passenger services. In addition to the common functions required by a travel agency, such as the sale of multiple airlines and additional travel products (e.g. hotels, transfers, rental cars, etc.), Hitit continues to regularly develop its indirect sales channels in order to offer a wealth of products and services equivalent to direct sales channels by addressing the shortcomings mentioned in the paragraph above.

The content of service providers, such as airlines, has been made to work with different currencies of each provider and different currencies with each agency, further increasing exchange rate flexibility.

In order to add hotel integrations in CraneOTA, the infrastructure for integrating with hotel aggregator systems has been further developed, and the connection and certification to the Ratehawk hotel bank has been completed and the system has been put into the live environment.

The agency corporate module mentioned under Crane TM has been prepared to work together with OTA and can be integrated and offered as an additional solution to OTAs using this solution. Thanks to this integrated approach, it is aimed to establish the Crane OTA leg of the Airline Retailing and “omnichannel” projects, which are also mentioned in different titles, to offer product and service parity in different sales channels.

### ***1.9. New Functional Modules Developed within Crane CA***

Crane CA is a product under Hitit’s Airline Accounting product group that enables airlines to automatically track, report and offset their expenses. With the improvements made, it is aimed to work in full coordination with the Crane SP product and to create more detailed expense forecasts.

With regard to our functions within Crane CA, which enable airlines to monitor their carbon emissions according to international industry standards, we have become a member of the ‘Sustainability Strategy Group’ to guide the industry within the framework of possible cooperation negotiations with IATA. This will be our chance to follow and influence the industry.

New audit and monitoring functions have been developed to better monitor expenditures. A new project will be initiated in this regard and audit functions will be increased at every step.

### **1.10. New Functional Modules Developed within Cargo Solutions**

Crane CGO is a product that can be used by airlines in the field of cargo and freight transportation other than passenger transportation, as well as supporting different logistics companies to perform air cargo transportation operations. Similarly, Domestic Cargo - Local Cargo Services ("*Crane DOM*") is a solution for local cargo services, and both modules are currently being analyzed and developed to produce electronic bills of lading that are easy to track, manage and automate in accordance with the latest guidelines established by IATA.

The analysis studies of our cargo solutions project "Cargo Revenue Accounting - *Crane CRA*" have been completed and development and adaptation studies are ongoing.

The integration of our Crane CGO product with the existing Crane CM (Communication Manager) has been completed and put into production.

The ability to perform transactions over the CASS (Cargo Account Settlement System) flow, which is the settlement model of air cargo systems before IATA, has been added to our Crane CGO product.

In parallel with the needs of our new partners, improvements were made in the Crane DOM system for domestic cargo operations, tested and put into production.

Interline invoice submission (Outgoing Invoices) and SPA (Special Prorate Agreement) proration development works were completed in Crane CRA - Cargo Revenue Accounting system.

In addition to the IMP format, which is the air operation message format, XML format has been added to our Crane CGO product and simultaneous use of both message formats has been ensured.

Within the scope of Crane CGO, the acceptance of other airline cargo and related documents and the transfer operations module within the framework of regulatory rules were concluded as two-way (transfer receiving and transfer giving).

Agency-based sales, inventory and reporting processes have been completed in our Crane DOM system.

Development and testing has begun within Crane CGO for the implementation of the new European Air Cargo Customs program ICS2.

Improvements were made in the Crane CRA - Cargo Revenue Accounting system for Interline invoice acceptance (Incoming Invoices) and controls (Rejection Memo).

Cargo CGO - Cargo Customs application was developed to communicate with customs systems via web service and MQ.

Cargo CGO - Improved the processing of responses from the EU customs system ICS2 and continued to work on the software for the messages to be sent to ICS2.

Allotment defined reservation and attendance functions in our Crane CGO product have been completed and put into use.

Cargo CGO - Work to connect to the customs of the United Arab Emirates and Angola has been finalized and the test phase has started.

Cargo CRA - In the Cargo Revenue Accounting system, general accounting account codes connection and interface works have been finalized.

The necessary trainings for IATA Cargo-IQ certification have been completed and the inventory study for compatibility with Crane CGO Operation functions has been started. Cargo-IQ certification is an important document in the Air Cargo sector and ensuring the compliance of our system will be an important step.

Cargo CGO Reacc module analysis has been completed.

Analysis of the module that includes the mail transportation operations of Postal Administrations has been initiated and efforts are underway to make it compatible with the Crane.CGO system.

Cargo barcode label printing has been made parametric.

### ***1.11. Major Infrastructure Developments***

Within the scope of infrastructure development and improvement efforts, the process of renewing and increasing the existing virtualization environment and infrastructure capacity was completed. Efforts are underway to increase cooperation with the world's leading cloud infrastructure providers. In order to meet the volume increases of our existing customers, the capacity needs of our new customers and the infrastructure and operating capacity of our new line of business, the Agency Distribution System, work has been initiated and is ongoing to make infrastructure investments for the provision of additional data center hosting, security, monitoring, hardware, licensing, implementation and maintenance services needed in our Company's infrastructure in a hybrid cloud environment.

2024 ISO 27001, ISO 27017, ISO 27017, ISO 27701, ISO 9001, ISO 20000, ISO 22301 audits were completed without any major or minor findings. Work has been initiated and is ongoing for PCI DSS and ISAE-3402 audits and certification preparations.

### **Research Costs**

The Company incurs various research expenses for a new product or technology that it intends to develop within the framework of its plans. Research expenses incurred in this cycle are recognized in the statement of profit or loss for the relevant period. Investigating options for the development of new or existing product processes is also considered within this scope.

### **Development Costs:**

Expenses incurred in the process of transforming research results into projects for new products, systems, structures, etc. and putting them into practice.

**Capitalized Development Costs:**

Internally generated intangible assets arising from development activities are capitalized and recognized only when all of the following conditions are met

- It is technically feasible to complete the intangible asset so that it is ready for use or sale,
- The intention to complete, use or sell the intangible asset,
- The intangible asset can be used or sold,
- It is clear how the asset is likely to generate future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell the asset; and
- The development cost of the asset can be measured reliably during the development process.

The Company capitalizes the salaries of the personnel directly involved in the creation of the asset, taking into account how much time each personnel spends on research and development activities. All of the Company's capitalized projects consist of software projects carried out in ITU Arı Teknokent Technology Development Zone and these projects are amortized over 10 years.

The amounts of total capitalized development costs and related amortization charges for the periods are as follows

(TRY)	June 30, 2024	June 30, 2023
Capitalized Development Costs	202,919,992	72,255,040
Amortization Expensed	(59,699,849)	(27,845,606)

**8- IN-PERIOD DEVELOPMENTS****05.04.2024**

With the decision of our Board of Directors dated 05.04.2024 and numbered 2024/10; it has been decided to establish a Sustainability Committee and to accept the Duties and Working Principles of the Sustainability Committee and to structure the Sustainability Committee as follows;

**Sustainability Committee**

Ali UZUN (Committee Chairperson / Board Member)

Nevra Onursal KARAĞAÇ (Member / Assistant General Manager of Sales and Marketing)

Figen DÖNDER (Member / Assistant General Manager of Human Resources)

Gülbin YILMAZ (Member / Legal Counsel)

**25.04.2024**

The following resolutions were adopted at the Ordinary General Assembly Meeting of our Company for the year 2023 held on April 25, 2024:

1. The consolidated financial statements of the Company for the fiscal year 2023 have been approved.
2. The members of the Board of Directors were discharged from their activities and transactions for the year 2023.
3. 2023 accounting period distributable profit will not be distributed and the amount remaining after the general legal reserves are set aside will be transferred to extraordinary reserves (retained earnings account).
4. Aliye Sultan ALPTEKİN and Turgut GÜRİSOY were elected as independent members of the Board of Directors, Fatma Nur GÖKMAN nominated by Group A shareholders, Mahmut Barbaros KUBATOĞLU nominated by Group B shareholders, Dilek OVACIK and Ali UZUN were elected as other members of the Board of Directors for a term of 3 years.
5. It has been decided to pay a monthly net salary of TRY 36,000 to the independent members of the Board of Directors and not to pay any salary to the other members of the Board of Directors.
6. The selection of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the audit of 2024 financial statements and reports was approved.
7. The donation limit for 2024 has been set at TRY 2,750,000.

**29.04.2024**

Nigeria-based Ibom Air commenced utilizing Hitit's systems as of April 26, 2024. The Airline will use Our Company's passenger services, operational, and accounting systems for 5 (five) years.

**26.06.2024**

Romania-based FlyLili has started using Hitit's systems as of June 26, 2024. The airline will utilize our company's systems in the areas of passenger service systems, operational planning, and cost accounting for five years.

**28.06.2024**

As part of Hitit's "Industry-Academia Collaboration" initiatives, Hitit CS Netherlands, the Dutch branch of our Company, and VU Amsterdam University jointly organized a research project to conduct field research on the aviation and travel industry in Southeast Asia, one of our Company's growth targets, and in Thailand, where we have acquired Partners in previous periods.

As a result of this research project, it is aimed to access regional market information that will both contribute to the sales of Hitit's existing products and support strategic growth projects, especially ADS, and the research report will be completed in the 3<sup>rd</sup> quarter.



## 9 - FINANCIAL STATUS

The financial data in TRY for Q2 2024, Q2 2023 and Q4 2024 in the table below is based on data prepared in accordance with International Financial Reporting Standards (“IFRS”).

**a) The management body’s analysis and assessment of the financial position and results of operations, the degree of realization of planned activities, the company’s position vis-à-vis the set strategic objectives:**

In line with its budget and business plans, our Company closed the second quarter of 2024 with an EBITDA of TRY 194,408,771, up 94% year-on-year, and a net profit of TRY 124,367,577, up 166%. Total assets increased by 22% compared to the beginning of the period and reached TRY 2,106,638,684 and in return, shareholders’ equity amounted to TRY 1,798,753,318, which increased by 20% compared to the beginning of the period.

The Fixed Asset value of the Company increased by 35% compared to the beginning of the period and amounted to TRY 1,826,148,654. On the other hand, depreciation and amortization amounting to TRY 580,270,050 was allocated.

**b) Information on the company’s sales, productivity, revenue generation capacity, profitability, debt/equity ratio and other issues that will give an idea about the results of the company’s operations in comparison with previous years, and forward-looking expectations:**

Hitit’s financial results for the period January 1, 2024 - June 30, 2024 and the rates of change compared to the previous year are stated in the tables below:

<b>Condensed Consolidated Balance Sheet</b>	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>Change %</b>
Current Assets	755,297,936	741,667,188	2%
Non-Current Assets	1,351,340,748	988,148,408	37%
<b>TOTAL ASSETS</b>	<b>2,106,638,684</b>	<b>1,729,815,596</b>	<b>22%</b>
Current Liabilities	185,213,496	152,015,305	22%
Non-Current Liabilities	122,671,870	80,609,652	52%
Equity	1,798,753,318	1,497,190,639	20%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,106,638,684</b>	<b>1,729,815,596</b>	<b>22%</b>

<b>Condensed Consolidated Income Statement</b>	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>Change %</b>
Revenue	478,794,804	247,624,569	93%
Gross Profit	217,762,604	122,080,682	78%
Operating Profit	105,745,583	61,138,577	73%
Profit before finance expense	126,531,777	103,651,620	22%
Profit before tax	114,046,763	74,637,500	53%
Profit for the period	124,367,577	46,804,548	166%
<b>Basic earnings per share</b>	<b>0.9754</b>	<b>0.3671</b>	<b>166%</b>

<b>Changes in Financial Position</b>	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>Change %</b>
Financial Liabilities	24,826,454	-	0%
Cash and Cash Equivalents	183,147,283	218,438,892	-16%
Financial Investments	173,371,510	246,873,455	-30%
<b>Net Debt Position (*)</b>	<b>( 331,692,339)</b>	<b>( 465,312,347)</b>	<b>-29%</b>

(\*) Net debt position = Financial liabilities - Cash and cash equivalents - Financial investments

**c) Determinations and assessments of the management body on whether the Company's capital is uncovered or whether the Company is insolvent:**

As of June 30, 2024, it has been determined that Hitit's issued capital amounting to TRY 127,500,000 is maintained and Hitit is not insolvent.

**d) Measures to be taken to improve the Company's financial structure, if any:**

In addition to revenue-increasing and cost-cutting measures, existing processes for effective collection follow-up were strengthened. Government incentives arising from the field of activity were effectively monitored and collected. Financial risk management principles are followed as stated in Article 6.a. Within this framework, medium- and long-term credit lines were provided to support working capital in case of need.

As of June 30, 2024, the Company's shareholders' equity is TRY 1,798,753,318.

**e) Information on the dividend distribution policy, and if dividend distribution will not be made, the justification thereof and the proposal on how the undistributed profit will be used:**

Pursuant to Article 12 of the Company's Articles of Association entitled "Dividend Distribution", the Company complies with the provisions of the Turkish Commercial Code and Capital Markets legislation regarding dividend distribution. In accordance with the capital markets legislation, companies whose shares are traded on the stock exchange are not obliged to distribute dividends. Within the framework of the Company's Articles of Association and the Company's dividend distribution policy, the method and time of distribution of the profit decided to be distributed shall be decided by the General Assembly upon the proposal of the Board of Directors on this matter.

In accordance with the capital markets legislation, our Company's shares started to be traded on the stock exchange as of 03.03.2022 and the Dividend Distribution Policy adopted by the Board of Directors decision dated 18.04.2022 and numbered 2022/16 was approved at the Ordinary General Assembly meeting for the 2021 accounting period held on 16.05.2022.

"Hitit Bilgisayar Hizmetleri AŞ ("Company") "Dividend Distribution Policy" is determined in accordance with the provisions of the Turkish Commercial Code, capital markets legislation, tax legislation and other relevant legislation and the provisions of Article 12 of the Company's Articles of Association, upon the proposal of the Board of Directors and the resolution of the General Assembly.

The Company's articles of association do not contain any privileges granted to shares regarding the right to receive dividends. In dividend distribution, a balanced and consistent policy is followed between the interests of shareholders and the Company in accordance with the Corporate Governance Principles.

In principle, a minimum of 5% of the "net distributable profit for the period" calculated by considering the financial statements prepared in accordance with the capital markets legislation, corresponding to 5% of the issued capital may be subject to dividend distribution. This ratio may be reviewed and changed every year during the relevant profit distribution period, depending on national and global economic conditions, the Company's medium and long-term growth and investment strategies and cash requirements. In the event that a dividend distribution is desired to be made from this calculated "net distributable profit for the period" at a rate above 5% of the issued capital, the financial position of the company, other fund needs related to the investments to be made,

the conditions in the sector, the conditions in the economic environment, profitability and cash position are taken into consideration in determining the dividend distribution rate.

Dividend distribution may not be made if there is no “net distributable profit for the period” according to the legal accounting records or if the calculated “net distributable profit for the period” is below 5% of the issued capital.

The Board of Directors takes a separate decision on dividend distribution for each accounting period, and this dividend distribution proposal is disclosed to the public in accordance with the legislation and announced on the Company’s website. The General Assembly may accept or reject the proposal. In cases where dividend distribution cannot be made, the Board of Directors submits information on why the profit cannot be distributed and where the undistributed profit will be used for the information of the shareholders at the General Assembly.

Dividends are distributed equally to all existing shares as of the distribution date, regardless of their issue and acquisition dates.

Dividend distribution shall commence on the date to be determined by the General Assembly or the Board of Directors, provided that it is authorized by the General Assembly, at the latest by the end of the year in which the General Assembly meeting is held.

The Company may consider distributing advance dividends or paying dividends in equal or different installments in accordance with the provisions of applicable legislation”.

**2023 dividend distribution proposal of the Board of Directors:**

At the meeting of the Company’s Board of Directors dated 29.03.2024 and numbered 2024/07; “In the fiscal year 2023, our Company will prepare its financial reports in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) and the formats determined by the Capital Markets Board (“CMB”) in accordance with the “Communiqué on Principles Regarding Financial Reporting in Capital Markets” numbered II.14.1 numbered “Communiqué on Principles Regarding Financial Reporting in Capital Markets” of the Capital Markets Board (“CMB”), prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) and the formats determined by the CMB and independently audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. net profit for the period is TL 132,168,362 and according to the consolidated financial statements prepared in accordance with the Turkish Commercial Code No. 6102 and Tax Procedure Law No. 213, net profit for the period before inflation adjustment amounted to TRY 377,153,854.46.

By evaluating the conditions stipulated in our Company’s Dividend Distribution Policy; taking into account the current economic conjuncture, the Company’s long-term strategies, cash flow, financing and investment policies, and the long-term interests of our shareholders and our Company, it has been decided to propose that the distributable profit for the 2023 accounting period not be distributed and the amount remaining after the general legal reserves are set aside to be transferred to the retained earnings account in order to strengthen the financial structure, to be submitted to the approval of the shareholders at the Ordinary General Assembly meeting of 2023”. In this framework, the proposal of the Board of Directors was approved at the Ordinary General Assembly meeting for the 2023 accounting period held on 25.04.2024.

**Nature and Amount of Capital Market Instruments Issued:** None

**Information on Related Party Transactions;** Information on related party transactions and balances that must be presented to the shareholders is included in Article 5 of the consolidated financial statements and footnotes for the period 01.01.2024 - 30.06.2024, which were also announced on the Public Disclosure Platform (KAP).

## **10- RISK MANAGEMENT AND INTERNAL CONTROL**

### **Risk Management**

The Board of Directors establishes risk management and internal control systems to minimize the effects of risks that may affect the Company's stakeholders, particularly shareholders.

With the decision taken at the Board of Directors meeting of the Company's Board of Directors dated 05.04.2022, the Early Detection of Risk Committee was established for the purpose of early detection of risks that may jeopardize the existence, development and continuity of the Company, implementation of the necessary measures regarding the risks identified and management of the risks in order to ensure compliance with Article 378 of the Turkish Commercial Code No. 6102 and the CMB's Corporate Governance Communiqué and to ensure the effective functioning of the committees within the Board of Directors, and its establishment and working principles were disclosed to the public on the Company's corporate website.

The Early Detection of Risk Committee makes recommendations and suggestions to the Board of Directors regarding the early detection and assessment of risks that may affect the Company, calculation of their impact and probability, management and reporting of these risks, taking necessary measures to mitigate the impact and probability of the risks identified and establishing effective internal control systems in this direction.

The Company has established a risk assessment methodology procedure in accordance with the certifications it is subject to within the framework of its activities. This procedure is implemented by the IMS - Integrated Management System team established within the same framework.

For all units within the company, it identifies its assets, threats to these assets, and the probability and impact of these threats. These elements are monitored under the main headings of confidentiality, integrity and accessibility. Once a year, all units update the risk assessment again and new measures are planned as a result of the assessments.

### **Internal Control**

An internal control mechanism has been established within the Financial Affairs and Purchasing department. Processes affecting the Company's revenues and expenses are evaluated in terms of revenue maximization, expense minimization, and compliance with financial and legal regulations; within this framework, financial planning, resource utilization control, receivables, payments and profitability analyses are regularly reported to the senior management and effective information is provided in terms of timing and content.

In addition to registration, control, financial resource planning and reporting functions, the Financial Affairs and Purchasing Department carries out operational support processes such as ensuring the continuity of resources for the Company's operational activities, ensuring compliance with legislation for new structuring and all kinds of contracts, and similar operational support processes, and takes part in the strategic decisions and planning of the company with its work.

The Company is subject to full attestation audit by Ünit Yeminli Mali Müşavirlik and independent audit by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

In addition, it is subjected to regular ISO27001, ISO9001, ISO 27017, ISO 27701, ISAE-3402, ISO20000 and ISO 22301 audits within the scope of E-ticket / E-invoice Integrator and certifications are regularly renewed.

Compliance with the Personal Data Protection Law (KVKK) has been ensured both nationally and internationally (GDPR). Structures in compliance with PCI DSS (Payment Card Industry Data Security Standard) Payment Card Industry Data Security standards have been established and operated.

## **11- DEVELOPMENTS AFTER THE PERIOD**

### **17.07.2024**

Haitian Sunrise Airways has started using Hitit's systems as of July 17, 2024. The airline will utilize our company's passenger service systems, schedule planning, accounting and cargo solutions for five years..

### **29.07.2024**

Starting July 29, 2024, Kyrgyzstan-based TezJet will use Hitit's systems. The airline has signed a five-year agreement to utilize our company's passenger service system solutions

### **31.07.2024**

With the decision dated 31/07/2024 and numbered 2024/15, our Company has concluded that: Mrs. Fatma Nur GÖKMAN's, one of our founding partners, who has provided significant added value in taking strategic decisions necessary for our Group to reach its current national and international position, and in the formation of sustainable structures, executive and leadership teams, and while continuing her duty as the Chairperson of the Board of Directors, decision to resign her "General Manager" position effective from September 1, 2024, has been accepted. It has been decided to appoint Mrs. Şükriye Nevra Onursal KARAAĞAÇ to the then-vacant "General Manager" position effective from September 1, 2024. Mrs. Karaağaç has been a member of the Senior Leadership guiding the Company's strategic decisions since 2018 and is currently serving as the Chief Sales and Marketing Officer.

Mrs. Fatma Nur GÖKMAN, who is widely recognized in the industry, will continue to utilize her knowledge and experience as the Chairperson of the Board of Directors. As the Hitit family, we thank our esteemed General Manager for her contributions to our Company.

In line with the principle numbered 4.5.4 of the Corporate Governance Principles annexed to the Capital Markets Board's Corporate Governance Communiqué; it has been decided to appoint Mr. Atilla LİSE as a member of the Company's "Early Detection of Risk Committee", replacing Mrs. Şükriye Nevra Onursal KARAAĞAÇ, effective from September 1, 2024.

**01.08.2024**

Our Board of Directors has unanimously resolved to increase the Company's issued capital from TL 127,500,000 (One Hundred Twenty-Seven Million Five Hundred Thousand Turkish Lira) to TL 300,000,000 (Three Hundred Million Turkish Lira), within the registered capital ceiling of TL 300,000,000. This increase of TL 172,500,000 (One Hundred Seventy-Two Million Five Hundred Thousand Turkish Lira), representing a 135% increase, will be fully covered from the share premium account as reflected in our financial statements. The shares representing the increased capital, with a nominal value of TL 172,500,000 (One Hundred Seventy-Two Million Five Hundred Thousand Turkish Lira), will be issued as bonus shares to existing shareholders on the date of the increase. The Management is authorized to undertake all necessary actions, including applying to the Capital Markets Board, to implement this decision.

- 1- Explanations regarding the developments that significantly affected the Company's operations in this period are presented above. For other information, you can access the Annual Report for 2023 from the link below:**

<https://hitit.com/investor-relations/financial-information#quarterly-reports>

- 2- As of December 31, 2023, you can access the Audited Consolidated Financial Statements from the link below:**

<https://hitit.com/investor-relations/financial-information#quarterly-reports>