

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**Condensed Consolidated Interim Balance Sheet as at 30 September 2020**

(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | <u>Not Reviewed</u> | <u>Audited</u> |
|--|--------------------------|-------------------------|
| ASSETS | 30 September 2020 | 31 December 2019 |
| Current Assets | | |
| Cash and Cash Equivalents | 9.864 | 12.328 |
| Financial Investments | 110 | 2.377 |
| Trade Receivables | | |
| -Related Parties | 65 | 5 |
| -Third Parties | 3.222 | 3.200 |
| Other Receivables | | |
| -Related Parties | - | 166 |
| -Third Parties | 11.049 | 6.258 |
| Derivative Financial Instruments | 161 | 312 |
| Inventories | 2.448 | 1.723 |
| Prepaid Expenses | 1.141 | 884 |
| Current Income Tax Assets | 271 | 257 |
| Other Current Assets | 907 | 829 |
| TOTAL CURRENT ASSETS | 29.238 | 28.339 |
| Non-Current Assets | | |
| Financial Investments | 650 | 532 |
| Other Receivables | | |
| -Third Parties | 7.550 | 7.577 |
| Investments Accounted by Using Equity Method | 1.864 | 2.191 |
| Property and Equipment | 144.205 | 102.534 |
| Intangible Assets | | |
| - Other Intangible Assets | 675 | 489 |
| - Goodwill | 97 | 74 |
| Prepaid Expenses | 6.742 | 5.135 |
| TOTAL NON-CURRENT ASSETS | 161.783 | 118.532 |
| TOTAL ASSETS | 191.021 | 146.871 |

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Condensed Consolidated Interim Balance Sheet as at 30 September 2020

(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | <u>Not Reviewed</u> | <u>Audited</u> |
|---|--------------------------|-------------------------|
| | <u>30 September 2020</u> | <u>31 December 2019</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Short Term Borrowings | 11.929 | 7.374 |
| Short-Term Portion of Long-Term Borrowings | 16.958 | 9.557 |
| Short Term Portion of Lease Liabilities | 2.132 | 1.519 |
| Other Financial Liabilities | 17 | 113 |
| Trade Payables | | |
| -Related Parties | 956 | 1.019 |
| -Third Parties | 5.562 | 5.689 |
| Payables Related to Employee Benefits | 837 | 948 |
| Other Payables | | |
| -Third Parties | 705 | 580 |
| Derivative Financial Instruments | 1.112 | 416 |
| Deferred Income | 5.112 | 6.361 |
| Short-Term Provisions | | |
| -Provisions for Employee Benefits | 173 | 233 |
| -Other Provisions | 77 | 76 |
| Other Current Liabilities | 2.274 | 1.532 |
| TOTAL CURRENT LIABILITIES | 47.844 | 35.417 |
| Non- Current Liabilities | | |
| Long-Term Borrowings | 76.984 | 53.429 |
| Long Term Lease Liabilities | 10.575 | 7.547 |
| Other Payables | | |
| -Third Parties | 192 | 223 |
| Deferred Income | 868 | 713 |
| Long-Term Provisions | | |
| -Provisions for Employee Benefits | 904 | 804 |
| -Other Provisions | 389 | 265 |
| Deferred Tax Liability | 9.275 | 7.678 |
| TOTAL NON-CURRENT LIABILITIES | 99.187 | 70.659 |
| Equity | | |
| Share Capital | 1.380 | 1.380 |
| Inflation Adjustment on Share Capital | 1.124 | 1.124 |
| Items That Will Not Be Reclassified to | | |
| Profit or Loss | | |
| -Actuarial Losses on Retirement Pay Obligation | (353) | (226) |
| Items That Are or May Be Reclassified to | | |
| Profit or Loss | | |
| -Foreign Currency Translation Differences | 32.162 | 20.757 |
| -Fair Value (Losses)/Gains on Hedging Instruments | | |
| Entered into for Cash Flow Hedges | (1.827) | 1.017 |
| -Losses on Remeasuring FVOCI | (47) | (4) |
| Restricted Profit Reserves | 211 | 184 |
| Previous Years Profit | 16.533 | 12.024 |
| Net (Loss) / Profit for the Period | (5.203) | 4.536 |
| Equity of the Parent | 43.980 | 40.792 |
| Non-Controlling Interests | 10 | 3 |
| TOTAL EQUITY | 43.990 | 40.795 |
| TOTAL LIABILITIES AND EQUITY | 191.021 | 146.871 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the Nine-Month Period Ended 30 September 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | <u>Not Reviewed</u> 1 January - 30 September 2020 | <u>Not Reviewed</u> 1 July - 30 September 2020 | <u>Not Reviewed</u> 1 January - 30 September 2019 | <u>Not Reviewed</u> 1 July - 30 September 2019 |
|--|---|--|---|--|
| <u>PROFIT OR LOSS</u> | | | | |
| Revenue | 32.525 | 11.018 | 56.151 | 22.635 |
| Cost of Sales (-) | (31.950) | (10.085) | (46.118) | (16.515) |
| GROSS (LOSS) / PROFIT | 575 | 933 | 10.033 | 6.120 |
| General Administrative Expenses (-) | (1.091) | (352) | (1.252) | (437) |
| Selling and Marketing Expenses (-) | (3.341) | (993) | (6.210) | (2.061) |
| Other Operating Income | 1.805 | 1.020 | 802 | 259 |
| Other Operating Expenses (-) | (220) | (68) | (294) | (67) |
| OPERATING (LOSS) / PROFIT BEFORE INVESTMENT ACTIVITIES | (2.272) | 540 | 3.079 | 3.814 |
| Income from Investment Activities | 878 | 289 | 660 | 164 |
| Expenses from Investment Activities | (69) | (69) | (447) | - |
| Share of Investments' (Loss) / Profit Accounted by Using The Equity Method | (645) | (37) | 461 | 405 |
| OPERATING (LOSS) / PROFIT | (2.108) | 723 | 3.753 | 4.383 |
| Financial Income | 402 | 67 | 316 | 570 |
| Financial Expenses (-) | (4.340) | (2.533) | (1.301) | (434) |
| LOSS BEFORE TAX | (6.046) | (1.743) | 2.768 | 4.519 |
| Tax Income / (Expense) | 843 | 797 | (181) | (812) |
| Current Tax Income | - | 4 | - | 19 |
| Deferred Tax Income / (Expense) | 843 | 793 | (181) | (831) |
| NET (LOSS) / PROFIT FOR THE PERIOD | (5.203) | (946) | 2.587 | 3.707 |
| Attributable to: | | | | |
| Non-controlling interest | - | - | - | - |
| Equity holders of the parent | (5.203) | (946) | 2.587 | 3.707 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the Nine-Month Period Ended 30 September 2020

(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | <u>Not Reviewed</u> | <u>Not Reviewed</u> | <u>Not Reviewed</u> | <u>Not Reviewed</u> |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>1 January -</u> | <u>1 July -</u> | <u>1 January -</u> | <u>1 July -</u> |
| | <u>30 September 2020</u> | <u>30 September 2020</u> | <u>30 September 2019</u> | <u>30 September 2019</u> |
| <u>OTHER COMPREHENSIVE INCOME</u> | | | | |
| Items That May Be Reclassified Subsequently To Profit or Loss | 8.518 | 4.165 | 3.795 | 541 |
| Currency Translation Adjustment | 11.405 | 5.681 | 2.272 | (559) |
| Losses/Gains on Remeasuring FVOCI | (53) | (20) | 56 | 38 |
| Related Tax of Remeasuring FVOCI | 10 | 3 | (12) | (8) |
| Fair Value (Losses)/Gains on Hedging Instruments Entered into for Cash Flow Hedges | (3.490) | (1.866) | 1.829 | 1.309 |
| Fair Value (Losses)/Gains Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges | (89) | (2) | 32 | 27 |
| Related Tax of Other Comprehensive Income / (Expense) | 735 | 369 | (382) | (266) |
| Items That Will Not Be Reclassified Subsequently To Profit or Loss | (127) | (45) | (36) | 5 |
| Actuarial Losses on Retirement Pay Obligation | (159) | (56) | (45) | 6 |
| Related Tax of Other Comprehensive Income | 32 | 11 | 9 | (1) |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 8.391 | 4.120 | 3.759 | 546 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 3.188 | 3.174 | 6.346 | 4.253 |
| Basic (Loss)/Profit Per Share (Full US Cents) | (3,77) | (0,69) | 1,87 | 2,69 |
| Diluted (Loss)/Profit Per Share (Full US Cents) | (3,77) | (0,69) | 1,87 | 2,69 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | | | Items That Will Not Be Reclassified Subsequently To Profit or Loss | Items That May Be Reclassified Subsequently To Profit or Loss | | | | Retained Earnings | | Equity Holders of the Parent | Non-controlling Interests | Total Equity |
|---|---------------|---------------------------------------|--|---|--|-----------------------------|----------------------------|-----------------------|---------------------------------|------------------------------|---------------------------|---------------|
| | | | Actuarial Losses Retirement Pay Obligation | Foreign Currency Translation Differences | Fair Value (Losses)/Gains on Hedging Instruments Entered Into For Cash Flow Hedges | Losses on Remeasuring FVOCI | Restricted Profit Reserves | Previous Years Profit | Net (Loss) /Gain for The Period | | | |
| | Share Capital | Inflation Adjustment on Share Capital | | | | | | | | | | |
| As of 1 January 2020 | 1.380 | 1.124 | (226) | 20.757 | 1.017 | (4) | 184 | 12.024 | 4.536 | 40.792 | 3 | 40.795 |
| Transfers | - | - | - | - | - | - | - | 4.536 | (4.536) | - | - | - |
| Total comprehensive income | - | - | (127) | 11.405 | (2.844) | (43) | 27 | (27) | (5.203) | 3.188 | - | 3.188 |
| Transactions with non-controlling interests | - | - | - | - | - | - | - | - | - | - | 7 | 7 |
| As of 30 September 2020 | 1.380 | 1.124 | (353) | 32.162 | (1.827) | (47) | 211 | 16.533 | (5.203) | 43.980 | 10 | 43.990 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | Share Capital | | Items That Will Not Be Reclassified Subsequently To Profit or Loss | Items That May Be Reclassified Subsequently To Profit or Loss | | | | Retained Earnings | | Equity Holders of the Parent | Non-controlling Interests | Total Equity |
|--|---------------|--------------|--|---|--|---|-----------------------------|----------------------------|-----------------------|------------------------------|---------------------------|---------------|
| | | | | Actuarial Losses Retirement Pay Obligation | Foreign Currency Translation Differences | Fair Value Gains on Hedging Instruments Entered Into For Cash Flow Hedges | Losses on Remeasuring FVOCI | Restricted Profit Reserves | Previous Years Profit | | | |
| As of 1 January 2019 | 1.380 | 1.124 | (184) | 16.687 | 1 | (37) | 59 | 8.206 | 4.045 | 31.281 | 3 | 31.284 |
| Adjustment on initial application of IFRS 16 | - | - | - | - | - | - | - | (102) | - | (102) | - | (102) |
| As of 1 January 2019 | 1.380 | 1.124 | (184) | 16.687 | 1 | (37) | 59 | 8.104 | 4.045 | 31.179 | 3 | 31.182 |
| Transfers | - | - | - | - | - | - | - | 4.045 | (4.045) | - | - | - |
| Total comprehensive income | - | - | (36) | 2.272 | 1.479 | 44 | - | - | 2.587 | 6.346 | - | 6.346 |
| As of 30 September 2019 | 1.380 | 1.124 | (220) | 18.959 | 1.480 | 7 | 59 | 12.149 | 2.587 | 37.525 | 3 | 37.528 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Nine-Month Period Ended 30 September 2020

(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | <u>Not Reviewed</u> | <u>Not Reviewed</u> |
|--|--------------------------|--------------------------|
| | <u>30 September 2020</u> | <u>30 September 2019</u> |
| Net Loss for the period | (5.203) | 2.587 |
| Adjustments to Reconcile Loss | | |
| Adjustments for Depreciation and Amortisation Expense | 8.233 | 6.330 |
| Adjustments for Provisions Related with Employee Benefits | 44 | 157 |
| Adjustments for Provisions for Payables | 1 | (10) |
| Adjustments for Reversal of Probable Risks | 76 | 44 |
| Adjustments for Interest Income | (314) | (424) |
| Adjustments for Interest Expense | 1.576 | 1.135 |
| Adjustments For Unrealised Foreign Exchange Gains | 4.025 | (316) |
| Adjustments for Manufacturers' Credits | - | 1 |
| Adjustments for Fair Value (Gains) / Losses on Investment Property | - | 2 |
| Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments | (71) | (72) |
| Adjustments for Undistributed Losses / (Gains) of Associates | 645 | (461) |
| Adjustments for Tax (Income) / Expense | (843) | 181 |
| Adjustments for (Gains)/ Losses Arised From Sale of Tangible Assets | (24) | 422 |
| Adjustments for Losses Arised from Sale of Other Non-Current Assets | 134 | 163 |
| Operating Profit Before Changes in Working Capital | 8.279 | 9.739 |
| Increase in Trade Receivables from Related Parties | (60) | (12) |
| Decrease / (Increase) in Trade Receivables from Non Related Parties | 856 | (429) |
| Decrease in Other Related Party Receivables Related with Operations | 166 | - |
| (Increase) / Decrease in Other Non-Related Party Receivables Related with Operations | (1.278) | 452 |
| Adjustments for Increase in Inventories | (158) | (511) |
| Adjustments for Decrease / (Increase) in Prepaid Expenses | 25 | (639) |
| Decrease in Trade Payables to Related Parties | (63) | (756) |
| (Decrease) / Increase in Trade Payables to Non Related Parties | (1.914) | 843 |
| Adjustments for Decrease in Payables Due to Employee Benefits | (352) | 72 |
| Increase in Other Operating Payables to Non-Related Parties | 19 | 807 |
| (Decrease) / Increase in Deferred Income | (2.579) | 1.871 |
| Decrease / (Increase) in Other Assets Related with Operations | 229 | (100) |
| Cash Flows From Operations | 3.170 | 11.337 |
| Payments for Provisions Related with Employee Benefits | (90) | (43) |
| Income taxes refund / (paid) | 14 | (105) |
| Net Cash From Operating Activities | 3.094 | 11.189 |
| CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES | | |
| Cash Receipts Proceed From Sales of Property, Plant and Equipment | 101 | 115 |
| Cash Payments From Purchasing of Property, Plant and Equipment (*) | (6.044) | (6.790) |
| Cash Receipts From Sales of Other Long-term Assets | 2.474 | 2.258 |
| Other Cash Advances and Loans | 1.200 | (1.365) |
| Dividends Received | 18 | 240 |
| Interest Received | 186 | 374 |
| Net Cash Flows Used In Investing Activities | (2.065) | (5.168) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | |
| Proceeds From Loans | 12.796 | 8.355 |
| Payments of Loans | (7.324) | (6.584) |
| Payments of Finance Lease Liabilities | (5.954) | (4.016) |
| Payments of Lease Liabilities | (1.705) | (1.436) |
| Interest Paid | (1.193) | (929) |
| Other Cash (Outflows) / Inflows | (113) | 106 |
| Net Cash Used in Financing Activities | (3.493) | (4.504) |
| Net Change in Cash and Cash Equivalents | (2.464) | 1.517 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 12.328 | 8.606 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 9.864 | 10.123 |

(*) TL 10.530 portion of property and equipment and intangible assets purchases in total of TL 16.574 for the period ended 30 September 2020 was acquired through leases. (30 September 2019: TL 7.545 portion of property and equipment and intangible assets purchases in total of TL 14.335 was acquired through leases.)