

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 31 March 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Not Reviewed	Audited
	31 March 2021	31 December 2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	14.679	13.293
Financial Investments	130	131
Trade Receivables		
-Related Parties	226	129
-Third Parties	5.764	4.543
Other Receivables		
-Related Parties	53	45
-Third Parties	8.214	8.037
Derivative Financial Instruments	359	14
Inventories	2.344	2.236
Prepaid Expenses	1.305	1.034
Current Income Tax Assets	300	280
Other Current Assets	776	917
TOTAL CURRENT ASSETS	34.150	30.659
Non-Current Assets		
Financial Investments	438	548
Other Receivables		
-Third Parties	9.529	8.809
Investments Accounted by Using Equity Method	1.820	1.881
Property and Equipment	35.181	30.431
Right of Use Assets	122.572	108.465
Intangible Assets		
- Other Intangible Assets	745	653
- Goodwill	103	91
Prepaid Expenses	6.733	5.862
Deferred Tax Assets	4	3
TOTAL NON-CURRENT ASSETS	177.125	156.743
TOTAL ASSETS	211.275	187.402

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	Not Reviewed	Audited
	31 March 2021	31 December 2020
LIABILITIES		
Current Liabilities		
Short Term Borrowings		
-Related Parties		
-Bank Borrowings	101	101
-Third Parties		
-Bank Borrowings	12.016	11.108
Short-Term Portion of Long-Term Borrowings		
-Related Parties		
-Bank Borrowings	3.680	3.216
-Third Parties		
-Bank Borrowings	5.019	5.491
-Lease Liabilities	13.978	12.684
Other Financial Liabilities	24	126
Trade Payables		
-Related Parties	898	1.036
-Third Parties	5.480	5.286
Payables Related to Employee Benefits	833	658
Other Payables		
-Third Parties	565	645
Derivative Financial Instruments	399	470
Deferred Income	6.479	4.511
Short-Term Provisions		
-Provisions for Employee Benefits	149	118
-Other Provisions	75	75
Other Current Liabilities	2.163	1.854
TOTAL CURRENT LIABILITIES	51.859	47.379
Non- Current Liabilities		
Long-Term Borrowings		
-Related Parties		
-Bank Borrowings	13.320	10.288
-Third Parties		
-Bank Borrowings	9.472	9.389
-Lease Liabilities	75.668	70.317
Other Payables		
-Third Parties	223	162
Deferred Income	1.010	799
Long-Term Provisions		
-Provisions for Employee Benefits	1.034	984
-Other Provisions	436	359
Deferred Tax Liability	10.400	8.214
TOTAL NON-CURRENT LIABILITIES	111.563	100.512
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	(358)	(352)
Items That Are or May Be Reclassified to Profit or Loss		
-Foreign Currency Translation Differences	35.199	29.483
-Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	(1.070)	(3.301)
-Gains/(Losses) on Remeasuring FVOCI	(25)	12
Restricted Profit Reserves	238	211
Previous Years Profit	10.918	16.533
Net Profit/(Loss) for the Year	438	(5.588)
Equity of the Parent	47.844	39.502
Non-Controlling Interests	9	9
TOTAL EQUITY	47.853	39.511
TOTAL LIABILITIES AND EQUITY	211.275	187.402

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the Three-Month Period Ended 31 March 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Not Reviewed	Not Reviewed
	1 January- 31 March 2021	1 January- 31 March 2020
<u>PROFIT OR LOSS</u>		
Revenue	13.252	15.330
Cost of Sales (-)	(11.977)	(15.010)
GROSS PROFIT	1.275	320
General Administrative Expenses (-)	(489)	(431)
Marketing Expenses (-)	(1.306)	(1.745)
Other Operating Income	423	253
Other Operating Expenses (-)	(196)	(402)
OPERATING PROFIT BEFORE INVESTMENT ACTIVITIES	(293)	(2.005)
Income from Investment Activities	372	241
Expenses from Investment Activities	(33)	-
Share of Investments' Profit Accounted by Using The Equity Method	(131)	(104)
OPERATING PROFIT	(85)	(1.868)
Financial Income	1.081	120
Financial Expenses (-)	(767)	(859)
PROFIT BEFORE TAX	229	(2.607)
Tax Expense	209	584
Current Tax Expense	-	(4)
Deferred Tax Expense	209	588
NET PROFIT FOR THE YEAR	438	(2.023)
Non-controlling interest	-	1
Equity holders of the parent	438	4.535
<u>OTHER COMPREHENSIVE INCOME</u>		
Items That May Be Reclassified Subsequently To Profit or Loss	7.910	2.592
Currency Translation Adjustment	5.716	3.685
Losses on Remeasuring FVOCI	(48)	(88)
Related Tax of Remeasuring FVOCI	11	18
Fair Value Gains/(Losses) on Hedging Instruments Entered into for Cash Flow Hedges	2.770	(1.305)
Fair Value Gains/(Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	20	(110)
Related Tax of Other Comprehensive (Expense)/Income	(559)	392
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(6)	(27)
Actuarial Losses on Retirement Pay Obligation	(8)	(34)
Related Tax of Other Comprehensive Income	2	7
OTHER COMPREHENSIVE INCOME FOR THE YEAR	7.904	2.565
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR	8.342	542
Basic Gain/(Loss) Per Share (Kr)	0,32	(1,47)
Diluted Gain/(Loss) Per Share (Kr)	0,32	(1,47)

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Three-Month Period Ended 31 March 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Share Capital	Inflation Adjustment on 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					Total Equity
			Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Losses on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Profit for The Year	Equity Holders of the Parent	Non-controlling Interests	
As of 1 January 2021	1.380	1.124	(352)	29.483	(3.301)	12	211	16.533	(5.588)	39.502	9	39.511
Transfers	-	-	-	-	-	-	-	(5.588)	5.588	-	-	-
Total comprehensive income	-	-	(6)	5.716	2.231	(37)	27	(27)	438	8.342	-	8.342
As of 31 March 2021	1.380	1.124	(358)	35.199	(1.070)	(25)	238	10.918	438	47.844	9	47.853

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Condensed Consolidated Interim Statement of Changes in Equity
For the Three-Month Period Ended 31 March 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Share Capital	Inflation Adjustment on 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 Losses on Hedging Instruments Entered Into For Cash Flow Hedges	Losses on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Gains/(Losses) for The Year			
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	-	-	(27)	3.685	(1.023)	(70)	-	-	(2.023)	542	6	548
As of 31 March 2020	1.380	1.124	(253)	24.442	(6)	(74)	184	16.560	(2.023)	41.334	9	41.343

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Three-Month Period Ended 31 March 2021

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

	Not Reviewed	Not Reviewed
	1 January -	1 January -
	31 March 2021	31 March 2020
Net Profit/(Loss) for the year	438	(2.023)
Adjustments to Reconcile Profit / (Loss)		
Adjustments for Depreciation and Amortisation Expense	3.086	2.505
Adjustments for Provisions Related with Employee Benefits	57	66
Adjustments for Provisions for Payables	1	(1)
Adjustments for Reversal of Probable Risks	(40)	11
Adjustments for Interest Income	(210)	(116)
Adjustments for Interest Expense	644	474
Adjustments For Unrealised Foreign Exchange (Gains)/Losses	(791)	677
Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments	(187)	331
Adjustments for Undistributed Profits of Associates	131	104
Adjustments for Tax Income	(209)	(584)
Adjustments for Gains/(Losses) Arised From Sale of Tangible Assets	18	(7)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	118	80
Operating Profit Before Changes in Working Capital	3.056	1.517
(Increase)/Decrease in Trade Receivables from Related Parties	(71)	(48)
(Increase)/Decrease in Trade Receivables from Non Related Parties	(541)	2.120
Operations	(8)	22
Decrease/(Increase) in Other Non-Related Party Receivables Related with Operations	342	(2.031)
Adjustments for (Decrease)/Increase in Inventories	170	(135)
Adjustments for (Increase)/Decrease in Prepaid Expenses	(191)	46
Decrease in Trade Payables to Related Parties	(245)	(172)
Decrease in Trade Payables to Non Related Parties	(457)	(707)
Adjustments for Increase in Payables Due to Employee Benefits	77	58
Increase/(Decrease) in Other Operating Payables to Non-Related Parties	1.011	(38)
Increase/(Decrease) in Deferred Income	1.360	(1.046)
Decrease in Other Assets Related with Operations	269	233
Cash Flows From Operations	4.772	(181)
Payments for Provisions Related with Employee Benefits	(14)	(23)
Income Taxes Received / (Paid)	20	(22)
Net Cash From Operating Activities	4.778	(226)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Outflow Arising From Capital Increase in Investments	-	(10)
Cash Receipts Proceed From Sales of Property, Plant and Equipment	78	13
Cash Payments From Purchasing of Property, Plant and Equipment	(1.111)	(2.854)
Cash Receipts From Purchasing of Other Long-term Assets	126	1.196
Other Cash Advances and Loans	787	(25)
Dividends Received	44	-
Interest Received	210	33
Net Cash Flows / (Used In) Investing Activities	134	(1.647)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	6.262	5.721
Payments of Loans	(5.686)	(3.349)
Payments of Lease Liabilities	(3.420)	(2.270)
Interest Paid	(566)	(335)
Other Cash Outflows	(116)	(88)
Net Cash Used in Financing Activities	(3.526)	(321)
Net Change in Cash and Cash Equivalents	1.386	(2.194)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE YEAR	13.293	12.328
CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR	14.679	10.134