

**TÜRK HAVA YOLLARI ANONİM
ORTAKLIĞI AND ITS SUBSIDIARIES**

Condensed Consolidated Interim
Financial Statements As at and For
The Three-Month Period
Ended 31 March 2024

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Financial Position as at 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

| ASSETS | Notes | 31 March 2024 | 31 December 2023 |
|---|--------------|----------------------|-------------------------|
| Non-Current Assets | | | |
| Financial Investments | 6 | 541 | 398 |
| Other Receivables | | | |
| -Third Parties | 9 | 1,320 | 1,395 |
| Investments Accounted for Using Equity Method | 3 | 513 | 497 |
| Investment Property | | 43 | 43 |
| Property and Equipment | 11 | 6,229 | 6,075 |
| Right of Use Assets | 11 | 17,056 | 16,928 |
| Intangible Assets | | | |
| - Other Intangible Assets | 12 | 91 | 87 |
| - Goodwill | | 27 | 27 |
| Prepaid Expenses | | 1,412 | 1,294 |
| Deferred Tax Asset | 25 | 346 | 332 |
| TOTAL NON-CURRENT ASSETS | | 27,578 | 27,076 |
| Current Assets | | | |
| Cash and Cash Equivalents | 5 | 841 | 683 |
| Financial Investments | 6 | 4,825 | 5,344 |
| Trade Receivables | | | |
| -Related Parties | 8 | 47 | 50 |
| -Third Parties | | 943 | 806 |
| Other Receivables | | | |
| -Related Parties | 8 | 9 | 9 |
| -Third Parties | 9 | 826 | 880 |
| Derivative Financial Instruments | 27 | 70 | 18 |
| Inventories | | 454 | 418 |
| Prepaid Expenses | | 382 | 237 |
| Current Income Tax Assets | 25 | 38 | 41 |
| Other Current Assets | | 100 | 109 |
| TOTAL CURRENT ASSETS | | 8,535 | 8,595 |
| TOTAL ASSETS | | 36,113 | 35,671 |

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

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Financial Position as at 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

| LIABILITIES AND EQUITY | Notes | 31 March 2024 | 31 December 2023 |
|--|--------------|----------------------|-------------------------|
| Equity | | | |
| Share Capital | 18 | 1,597 | 1,597 |
| Treasury Shares | 18 | (33) | (33) |
| Items That Will Not Be Reclassified to Profit or Loss | | | |
| -Actuarial Losses on Retirement Pay Obligation | 18 | (269) | (274) |
| Items That Are or May Be Reclassified to Profit or Loss | | | |
| -Foreign Currency Translation Differences | 18 | (227) | (221) |
| -Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges | 18 | 508 | 281 |
| -Losses on Remeasuring FVOCI | | 9 | 21 |
| Restricted Profit Reserves | 18 | 69 | 69 |
| Previous Years Profit | | 14,118 | 8,097 |
| Net Profit for the Period | | 226 | 6,021 |
| Equity of the Parent | | 15,998 | 15,558 |
| Non-Controlling Interests | | 4 | 5 |
| TOTAL EQUITY | | 16,002 | 15,563 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 7 | 144 | 472 |
| Long-Term Lease Liabilities | 7 and 13 | 9,919 | 10,052 |
| Other Payables | | | |
| -Third Parties | | 37 | 25 |
| Deferred Income | 10 | 169 | 108 |
| Long-Term Provisions | | | |
| -Provisions for Employee Termination Benefits | 16 | 213 | 229 |
| -Other Provisions | | 82 | 85 |
| Deferred Tax Liability | 25 | 68 | 50 |
| TOTAL NON-CURRENT LIABILITIES | | 10,632 | 11,021 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 1,170 | 1,345 |
| Short-Term Portion of Long-Term Borrowings | 7 | 412 | 618 |
| Short-Term Portion of Lease Liabilities | 7 and 13 | 1,694 | 1,760 |
| Trade Payables | | | |
| -Related Parties | 8 | 264 | 285 |
| -Third Parties | | 1,094 | 1,006 |
| Payables Related to Employee Benefits | | 423 | 418 |
| Other Payables | | | |
| -Related Parties | 8 | 2 | 4 |
| -Third Parties | | 191 | 238 |
| Derivative Financial Instruments | 27 | 29 | 101 |
| Deferred Income | 10 | 3,631 | 2,705 |
| Current Tax Provision | 25 | 36 | 39 |
| Short-Term Provisions | | | |
| -Provisions for Employee Benefits | 14 | 85 | 50 |
| -Other Provisions | 14 | 7 | 6 |
| Other Current Liabilities | | 441 | 512 |
| TOTAL CURRENT LIABILITIES | | 9,479 | 9,087 |
| TOTAL LIABILITIES AND EQUITY | | 36,113 | 35,671 |

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

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 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

| <u>PROFIT OR LOSS</u> | Notes | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|--|--------------|--------------------------------------|--------------------------------------|
| Revenue | 19 | 4,769 | 4,353 |
| Cost of Sales (-) | 20 | (4,245) | (3,705) |
| GROSS PROFIT | | 524 | 648 |
| General Administrative Expenses (-) | 21 | (108) | (98) |
| Selling and Marketing Expenses (-) | 21 | (444) | (416) |
| Other Operating Income | 22 | 111 | 129 |
| Other Operating Expenses (-) | 22 | (41) | (149) |
| OPERATING PROFIT BEFORE INVESTMENT ACTIVITIES | | 42 | 114 |
| Income from Investment Activities | 23 | 310 | 151 |
| Expenses for Investment Activities | 23 | (2) | (12) |
| Share of Investments' Profit / (Loss) Accounted for Using The Equity Method | 3 | 2 | (12) |
| OPERATING PROFIT | | 352 | 241 |
| Financial Income | 24 | 195 | 357 |
| Financial Expenses (-) | 24 | (379) | (322) |
| PROFIT BEFORE TAX | | 168 | 276 |
| Tax Expense | | 58 | (43) |
| Current Tax Income / (Expense) | 25 | - | (4) |
| Deferred Tax Income / (Expense) | 25 | 58 | (39) |
| NET PROFIT FOR THE PERIOD | | 226 | 233 |
| <u>OTHER COMPREHENSIVE INCOME</u> | | | |
| Items That May Be Reclassified Subsequently To Profit or Loss | | | |
| | | 209 | 65 |
| Currency Translation Adjustment | | (6) | (9) |
| (Losses) / Gains on Investments Remeasured FVOCI | | (12) | 5 |
| Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges | | 268 | 100 |
| Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges | | 16 | (12) |
| Related Tax of Other Comprehensive Income | | (57) | (19) |
| Items That Will Not Be Reclassified Subsequently To Profit or Loss | | | |
| | | 5 | (2) |
| Actuarial Gains / (Losses) on Retirement Pay Obligation | | 6 | (3) |
| Related Tax of Other Comprehensive Income | | (1) | 1 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | 214 | 63 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 440 | 296 |
| Basic Earnings Per Share (Full US Cents) | 26 | 0.16 | 0.17 |
| Diluted Earnings Per Share (Full US Cents) | 26 | 0.16 | 0.17 |

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

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Changes in Equity

For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) 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 | | | | | |
|---|---------------|-----------------|--|---|---|----------------------------|----------------------------|-----------------------|---------------------------|------------------------------|---------------------------|---------------|
| | Share Capital | Treasury Shares | Actuarial Losses Retirement Pay Obligation | Foreign Currency Translation Differences | Fair Value Gains on Hedging Instruments Entered Into For Cash Flow Hedges | Gains on Remeasuring FVOCI | Restricted Profit Reserves | Previous Years Profit | Net Profit for The Period | Equity Holders of the Parent | Non-controlling Interests | Total Equity |
| As of 1 January 2024 | 1,597 | (33) | (274) | (221) | 281 | 21 | 69 | 8,097 | 6,021 | 15,558 | 5 | 15,563 |
| Transfers | - | - | - | - | - | - | - | 6,021 | (6,021) | - | - | - |
| Total comprehensive income | - | - | 5 | (6) | 227 | (12) | - | - | 226 | 440 | - | 440 |
| Transactions with non-controlling interests | - | - | - | - | - | - | - | - | - | - | (1) | (1) |
| As of 31 March 2024 | 1,597 | (33) | (269) | (227) | 508 | 9 | 69 | 14,118 | 226 | 15,998 | 4 | 16,002 |

| | | | Items That Will Not Be Reclassified Subsequently To Profit or Loss | Items That May Be Reclassified Subsequently To Profit or Loss | | | Retained Earnings | | | | | |
|--|---------------|-----------------|--|---|---|-----------------------------|----------------------------|-----------------------|---------------------------|------------------------------|---------------------------|---------------|
| | Share Capital | Treasury Shares | 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 | Net Profit for The Period | Equity Holders of the Parent | Non-controlling Interests | Total Equity |
| As of 1 January 2023 | 1,597 | - | (228) | (294) | 515 | (14) | 36 | 5,405 | 2,725 | 9,742 | - | 9,742 |
| Transfers | - | - | - | - | - | - | 16 | 2,709 | (2,725) | - | - | - |
| Total comprehensive income | - | - | (2) | (9) | 70 | 4 | - | - | 233 | 296 | - | 296 |
| Increase through treasury share transactions | - | (16) | - | - | - | - | - | - | - | (16) | - | (16) |
| Transactions with non-controlling interests | - | - | - | - | - | - | - | - | - | - | 3 | 3 |
| As of 31 March 2023 | 1,597 | (16) | (230) | (303) | 585 | (10) | 52 | 8,114 | 233 | 10,022 | 3 | 10,025 |

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

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

| | Notes | 31 March 2024 | 31 March 2023 |
|---|-----------|----------------|----------------|
| Net Profit for the Period | | 226 | 233 |
| Adjustments to Reconcile Profit | | | |
| Adjustments for Depreciation and Amortisation Expense | 11 and 12 | 531 | 497 |
| Adjustments for Provisions Related to Employee Benefits | 14 and 16 | 48 | 22 |
| Adjustments for Provisions for Other Accruals | 14 | 2 | 1 |
| Adjustments for Reversal of Probable Risks | | (1) | 5 |
| Adjustments for Interest Income | 23 and 24 | (304) | (154) |
| Adjustments for Interest Expense | 16 and 24 | 148 | 122 |
| Adjustments for Unrealised Foreign Exchange (Gains) / Losses | | (329) | 464 |
| Adjustments for Fair Value Losses / (Gains) on Derivative Financial Instruments | 24 | 61 | (180) |
| Adjustments for Fair Value Losses | | 159 | - |
| Adjustments for Undistributed Losses of Associates | 3 | (2) | 12 |
| Adjustments for Tax (Income) / Expense | 25 | (61) | 43 |
| Adjustments for Gains Arised from Sale of Tangible Assets | 23 | (1) | (11) |
| Adjustments for Losses Arised from Sale of Other Non-Current Assets | 11 | 8 | 13 |
| Operating Profit Before Changes in Working Capital | | 485 | 1,067 |
| Decrease / (Increase) in Trade Receivables from Related Parties | 8 | 3 | (4) |
| (Increase) / Decrease in Trade Receivables from Third Parties | | (138) | 90 |
| Decrease / (Increase) in Other Receivables from Third Parties | 9 | 93 | (81) |
| Adjustments for Increase in Inventories | | (28) | (9) |
| Adjustments for Increase in Prepaid Expenses | | (263) | (197) |
| Decrease in Trade Payables to Related Parties | 8 | (21) | (23) |
| Increase in Trade Payables to Third Parties | | 88 | 49 |
| Adjustments for Increase in Payables Due to Employee Benefits | | 5 | 27 |
| Decrease in Other Payables to Related Parties | 8 | (2) | (7) |
| (Decrease) / Increase in Other Payables to Third Parties | | (35) | 37 |
| Increase in Deferred Income | 10 | 914 | 565 |
| Decrease / (Increase) in Other Assets | | 9 | (18) |
| Cash Flows From Operations | | 1,110 | 1,496 |
| Payments for Provisions Related with Employee Benefits | 16 | (5) | (4) |
| Income Taxes (Paid) / Received | 25 | (3) | 12 |
| Net Cash From Operating Activities | | 1,102 | 1,504 |
| CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES | | | |
| Proceeds From Sales of Property, Plant and Equipment and Intangible Assets | | 2 | 20 |
| Payments For Purchasing of Property, Plant and Equipment and Intangible Assets | 11 and 12 | (253) | (457) |
| Proceeds / (Payments) For Purchasing of Other Financial Assets | 6 | 217 | (2,149) |
| Other Cash Advances and Loans | 9 | (20) | (36) |
| Dividends Received | 3 | 16 | - |
| Interest Received | 23 | 213 | 74 |
| Net Cash Flows Used In Investing Activities | | 175 | (2,548) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | | |
| Payments to Acquire Entity's Shares | | - | (16) |
| Proceeds From Loans | 7 | 1,044 | 968 |
| Repayments of Loans | 7 | (1,680) | (923) |
| Payments of Lease Liabilities | 7 | (438) | (428) |
| Interest Paid | | (136) | (95) |
| Interest Received | 24 | 63 | 79 |
| Other Cash Outflows | | - | 3 |
| Net Cash Used in Financing Activities | | (1,147) | (412) |
| Net Change in Cash and Cash Equivalents | | 130 | (1,456) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 673 | 4,066 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 5 | 803 | 2,610 |

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

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

1. GROUP ORGANIZATION AND ITS OPERATIONS

Türk Hava Yolları Anonim Ortaklığı (the “Company” or “THY”) was incorporated in Türkiye in 1933. As of 31 March 2024, and 2023, the shareholders and their respective shareholdings in the Company are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|---|----------------------|-------------------------|
| Türkiye Wealth Fund | 49.12 % | 49.12 % |
| Republic of Türkiye Ministry of Treasury and Finance Privatization Administration | - | - |
| Other (publicly held and treasury share) | 50.88 % | 50.88 % |
| Total | <u>100.00 %</u> | <u>100.00 %</u> |

The Company is controlled by Türkiye Wealth Fund.

The number of employees working for the Group as of 31 March 2024 is 57,991 (31 December 2023: 55,884). The average number of employees working for the Group for the period ended 31 March 2024 and 2023 are 57,390 and 51,753 respectively. The Group is registered in İstanbul, Türkiye and its registered head office address is as follows:

Türk Hava Yolları A.O. Genel Yönetim Binası, Yeşilköy Mahallesi, Havaalanı Caddesi No: 3/1
34149 Bakırköy İSTANBUL.

The Company’s shares have been traded on Borsa İstanbul (“BIST”) since 1990. The Company and its subsidiaries will be referred to as “Group”.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

1. GROUP ORGANIZATION AND ITS OPERATIONS (cont'd)

Subsidiaries and Joint Ventures

The table below sets out the consolidated subsidiaries of the Group as of 31 March 2024 and 2023:

| <u>Name of the Company</u> | <u>Principal Activity</u> | <u>Ownership Rate</u> | | <u>Country of Registration</u> |
|---|--|-----------------------|-------------------------|--------------------------------|
| | | <u>31 March 2024</u> | <u>31 December 2023</u> | |
| THY Teknik A.Ş. (Turkish Technic) | Aircraft Maintenance Services | 100% | 100% | Türkiye |
| THY Uçuş Eğitim ve Havalimanı İşletme A.Ş. (TAFA) | Training & Airport Operations | 100% | 100% | Türkiye |
| THY Uluslararası Yatırım ve Taşımacılık A.Ş. | Cargo and Courier Transportation | 100% | 100% | Türkiye |
| THY Teknoloji ve Bilişim A.Ş. (Turkish Technology) | Information Technologies and Consulting | 100% | 100% | Türkiye |
| THY Hava Kargo Taşımacılığı A.Ş. (Widect) | Cargo Transportation | 100% | 100% | Türkiye |
| THY Destek Hizmetleri A.Ş. (TSS) | Support Services | 100% | 100% | Türkiye |
| THY Özel Güvenlik ve Koruma Hizmetleri A.Ş. | Security Services | 100% | 100% | Türkiye |
| AJet Hava Taşımacılığı A.Ş. (AJET) | Air Transportation | 100% | 100% | Türkiye |
| THY Finansal Teknolojiler A.Ş. (TKPAY) | Payment Services | 100% | 100% | Türkiye |
| TCI Kabin İçi Sistemleri San ve Tic. A.Ş. (TCI) | Cabin Interior Products | 80% | 80% | Türkiye |
| TSI Seats INC | Cabin Interior Products | 80% | 80% | USA |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

1. GROUP ORGANIZATION AND ITS OPERATIONS (cont'd)

Subsidiaries and Joint Ventures (cont'd)

The table below sets out the joint ventures of the Group as of 31 March 2024 and 2023:

| Company Name | Country of Registration and Operations | Ownership Share and Voting Power | | Principal Activity |
|--|--|----------------------------------|------------------|-------------------------------------|
| | | 31 March 2024 | 31 December 2023 | |
| Güneş Ekspres Havacılık A.Ş. (Sun Express) | Türkiye | 50% | 50% | Aircraft Transportation |
| THY DO&CO İkrâm Hizmetleri A.Ş. (Turkish DO&CO) | Türkiye | 50% | 50% | Catering Services |
| TGS Yer Hizmetleri A.Ş. (TGS) | Türkiye | 50% | 50% | Ground Services |
| THY OPET Havacılık Yakıtları A.Ş. (THY Opet) | Türkiye | 50% | 50% | Aviation Fuel Services |
| P&W T.T. Uçak Bakım Merkezi Ltd. Şti. (TEC) | Türkiye | 49% | 49% | Maintenance Services |
| Air Albania SHPK (Air Albania) | Albania | 49% | 49% | Aircraft Transportation |
| We World Express Ltd. (We World Express) | Hong Kong | 45% | 45% | Cargo and Courier Transportation |
| Goodrich Thy Teknik Servis Merkezi Ltd. Şti. (TNC) (Goodrich) | Türkiye | 40% | 40% | Maintenance Services |
| TFS Akaryakıt Hizmetleri A.Ş. (TFS Akaryakıt) | Türkiye | 25% | 25% | Aviation Fuel Services |

The Group owns 49%, 49%, 45%, 40% and 25% of equity shares of TEC, Air Albania, We World Express, Goodrich and TFS Akaryakıt respectively. However, based on the contractual arrangements between the Group and the other respective investors, decisions about the relevant activities of the arrangements require both the Group and the other shareholders according to the respective investor agreements. Thus, TEC, Air Albania, We World Express, Goodrich and TFS Akaryakıt are controlled jointly by the Group and other shareholders.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance

The condensed consolidated interim financial statements as at and for the three-month period ended 31 March 2024 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information required for complete annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023.

Board of Directors has approved the condensed consolidated interim financial statements as of 31 March 2024 on 22 May 2024. General Assembly and the related regulatory bodies have the authority to modify the statutory financial statements.

Basis of Preparation

The consolidated financial statements, except for some financial instruments that are stated at fair value, have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Functional and Reporting Currency

Functional currency

The consolidated financial statements of the Group are presented in USD, which is the functional currency of the Company. Details of the functional currencies of the subsidiaries of the Company are as follows;

| <u>Subsidiaries</u> | <u>Functional currencies</u> |
|--|------------------------------|
| Turkish Technic | USD |
| TAFA | USD |
| THY Uluslararası Yatırım ve Taşımacılık A.Ş. | USD |
| THY Technology | TL |
| Widect | USD |
| TSS | TL |
| THY Özel Güvenlik ve Koruma Hizmetleri A.Ş. | TL |
| AJET | USD |
| TKPAY | TL |
| TCI | USD |
| TSI Seats INC | USD |

Although the currency of the country in which the Company is domiciled is Turkish Lira (“TL”), the Company’s functional currency is determined as USD. USD is used to a significant extent in, and has a significant impact on the operations of the Company and reflects the economic substance of the underlying events and circumstances relevant to the Company. Therefore, the Company uses USD in measuring items in its financial statements and as the functional currency. All currencies other than those selected for measuring items in the consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in USD have been remeasured in USD in accordance with the relevant provisions of IAS 21, “the Effects of Changes in Foreign Exchange Rates”.

Except where otherwise indicated, all amounts disclosed in financial statements and notes are rounded the nearest million (USD 000,000).

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Functional and Reporting Currency (cont'd)

Functional currency (cont'd)

Financial reporting in hyperinflationary economies

As of 31 March 2024, an adjustment has been made in accordance with the requirements of IAS 29, Financial Reporting in Hyperinflationary Economies (“IAS29”) regarding the changes in the general purchasing power of TL. The terms of IAS 29 require that financial statements prepared in the currency in circulation in the economy with hyperinflation should be expressed in the unit of measurement valid at the balance sheet date, and the amounts in previous periods should be prepared in the same way. One of the requirements for the application of IAS 29 is a three-year cumulative inflation rate approaching or exceeding 100%. The correction was made using the correction factor obtained from the Consumer Price Index in Turkey published by Turkish Statistical Institute (“TUIK”). The indices and adjustment factors used to prepare the consolidated financial statements are as follows:

| <u>Date</u> | <u>Index</u> | <u>Adjustment Factor</u> | <u>Three Year Compound Inflation Rate</u> |
|------------------|--------------|--------------------------|---|
| 31 March 2024 | 2,139.47 | 1.00000 | 211% |
| 31 December 2023 | 1,859.38 | 1.15063 | 268% |
| 31 March 2023 | 1,269.75 | 1.68495 | 152% |

IAS 29 is applicable for the subsidiaries whose functional currencies are TL. These subsidiaries are THY Teknoloji, TSS, THY Özel Güvenlik ve Koruma Hizmetleri A.Ş. and TKPAY.

The main procedures for the above-mentioned restatement are as follows:

- Financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the balance sheet date, and corresponding figures for previous periods are restated in the same terms.
- Monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of equity are restated by applying the relevant monthly conversion factors.
- Comparative financial statements are restated using general inflation indices at the currency purchasing power at the latest balance sheet date. All items in the statement of profit or loss are restated by applying the relevant conversion factors.
- All items in the balance sheet, statement of profit or loss and other comprehensive income of the subsidiaries whose functional currencies are TL are translated into USD using the closing rate as of 31 March 2024. The combined effect of the restating in accordance with IAS 29 and translation in accordance with IAS 21 is presented as currency translation reserve in other comprehensive income.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation

- a. The consolidated financial statements include the accounts of the parent company, THY, its subsidiaries and its joint ventures on the basis set out in sections (b) below. Financial statements of the subsidiaries and joint ventures are adjusted where applicable in order to apply the same accounting policies. All transactions, balances, profit and loss within the Group are eliminated during consolidation.
- b. The Group has nine joint ventures as disclosed in Note: 1. These joint ventures are economical activities whereby decisions about strategic finance and operating policy are jointly made by the consensus of the Group and other investors. The joint ventures are jointly controlled by the Group and other shareholders and are accounted for using the equity method. Under the equity method, joint ventures are initially recognized at cost and adjusted to recognize any distributions received, impairments in the joint ventures and the Group's share of the profit or loss after the date of acquisition. Joint ventures' losses that exceed the Group's share are not recognized, unless the Group has incurred legal or constructive obligations on behalf of the joint venture.
- c. The non-controlling share in the assets and results of subsidiaries for the year are separately classified as "non-controlling interest" in the consolidated statements of financial position and consolidated statements of profit or loss.

Business Combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control occurs when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as follows:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognized in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2.2 Changes and Errors in Accounting Policies Estimates

The significant estimates and assumptions used in the preparation of these consolidated financial statements as at and for the period ended 31 March 2024 are consistent with those used in the preparation of the Group's consolidated financial statements as at and for the year ended 31 December 2023.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies

The accounting policies used in preparation of condensed consolidated interim financial statements as at 31 March 2024 are consistent with those used in the preparation of consolidated statements for the year ended 31 December 2023.

2.4 New and Revised Standards and Interpretations

a) Standards, amendments, and interpretations applicable as of 31 March 2024:

Amendment to IAS 1 – Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 2024:

Amendments to IAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Determination of Fair Values

Various accounting policies and explanations of the Group necessitate to determine the fair value of both financial and non-financial assets and liabilities. If applicable, additional informations about assumptions used for the determination of fair value are presented in notes particular to assets and liabilities.

Evaluation methods in terms of levels are described as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and obligations.
- Level 2: Variables obtained directly (via prices) or indirectly (by deriving from prices) which are observable for similar assets and liabilities other than quoted prices mentioned in Level 1.
- Level 3: Variables, which are not related to observable market variable for assets and liabilities (unobservable variables).

2.6 Going Concern

The Group has prepared its consolidated financial statements with the assumption on the Group's ability to continue its operations in the foreseeable future as a going concern.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

3. INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD

The joint ventures accounted for using the equity method are as follows:

| | 31 March 2024 | 31 December 2023 |
|------------------|----------------------|-------------------------|
| Sun Express | 229 | 240 |
| TEC | 85 | 85 |
| TGS | 84 | 56 |
| Turkish DO&CO | 41 | 47 |
| TFS Akaryakıt | 33 | 29 |
| THY Opet | 30 | 30 |
| Goodrich | 6 | 5 |
| We World Express | 5 | 5 |
| | <u>513</u> | <u>497</u> |

Share of investments' profit / (loss) accounted by using the equity method are as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|------------------|--------------------------------------|--------------------------------------|
| TGS | 19 | 4 |
| TFS Akaryakıt | 3 | 5 |
| Turkish DO&CO | 1 | 4 |
| TEC | 1 | 3 |
| We World Express | - | - |
| Goodrich | - | - |
| Air Albania (**) | - | - |
| THY Opet | (2) | 1 |
| Sun Express | (20) | (29) |
| | <u>2</u> | <u>(12)</u> |

(**) Since 31 December 2019, the loss of Air Albania, which exceeds the Group's total share in the joint venture's shareholders' equity, has not been accounted in the consolidated financial statements. As of 31 March 2024, the loss is USD 2. (The loss as of 31 December 2023: USD 2).

Movement in investments accounted by using the equity method is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Opening balance | 497 | 277 |
| Other expense and income recognized in equity | 15 | (14) |
| Share of net profit | 2 | (12) |
| Equity investment disposal | - | (4) |
| Foreign currency translation difference | (1) | (10) |
| Closing balance | <u>513</u> | <u>237</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

3. INVESTMENTS ACCOUNTED BY USING THE EQUITY METHOD (cont'd)

| | 31 March 2024 | | | | | | | |
|---|----------------------|------------|------------------------------|--------------------------|-----------------|------------|--------------|--------------|
| | Sun Express | TEC | Turkish DO&CO | TFS Akaryakıt | THY Opet | TGS | Other | Total |
| Total assets | 2,477 | 317 | 204 | 480 | 140 | 379 | 39 | 4,036 |
| Total liabilities | 2,019 | 142 | 121 | 348 | 80 | 212 | 13 | 2,935 |
| Total equity | 458 | 175 | 83 | 132 | 60 | 167 | 26 | 1,101 |
| Group's share in total equity | 229 | 85 | 41 | 33 | 30 | 84 | 11 | 513 |
| 1 January - 31 March 2024 | | | | | | | | |
| Revenue | 226 | 110 | 122 | 797 | 145 | 148 | 28 | 1,576 |
| Profit for the year | (40) | 3 | 1 | 11 | (3) | 38 | 2 | 12 |
| Group's share in joint venture's loss for the year | (20) | 1 | 1 | 3 | (2) | 19 | - | 2 |
| 31 December 2023 | | | | | | | | |
| | Sun Express | TEC | Turkish DO&CO | TFS Akaryakıt | THY Opet | TGS | Other | Total |
| Total assets | 2,222 | 275 | 227 | 499 | 133 | 317 | 41 | 3,714 |
| Total liabilities | 1,743 | 102 | 134 | 381 | 73 | 206 | 17 | 2,656 |
| Total equity | 479 | 173 | 93 | 118 | 60 | 111 | 24 | 1,058 |
| Group's share in total equity | 240 | 85 | 47 | 29 | 30 | 56 | 10 | 497 |
| 1 January - 31 March 2023 | | | | | | | | |
| Revenue | 171 | 118 | 100 | 768 | 159 | 119 | 13 | 1,448 |
| Profit for the year | (60) | 6 | 7 | 15 | 2 | 7 | - | (23) |
| Group's share in joint venture's loss for the year | (29) | 3 | 4 | 5 | 1 | 4 | - | (12) |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

4. SEGMENT REPORTING

Group management makes decisions regarding resource allocation to segments based upon the results and the activities of its air transport and aircraft technical maintenance services segments for the purpose of segments' performance evaluation. The Group's principal activities can be summarized as follows:

Air Transport ("Aviation")

The Group's aviation activities consist of mainly domestic and international passenger and cargo air transportation.

Technical Maintenance Services ("Technical")

The Group's technical activities consist of mainly aircraft repair and maintenance services and providing technical and infrastructure support related to the aviation sector. The detailed information about the revenue of the Group is given in Note 19.

4.1 Total Assets and Liabilities

| Total Assets | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Aviation | 36,066 | 35,497 |
| Technical | 1,953 | 1,937 |
| Total | 38,019 | 37,434 |
| Less: Eliminations due to consolidation | (1,906) | (1,763) |
| Total assets in consolidated financial statements | 36,113 | 35,671 |
| Total Liabilities | 31 March 2024 | 31 December 2023 |
| Aviation | 19,943 | 19,982 |
| Technical | 535 | 535 |
| Total | 20,478 | 20,517 |
| Less: Eliminations due to consolidation | (367) | (409) |
| Total liabilities in consolidated financial statements | 20,111 | 20,108 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

4. SEGMENT REPORTING (cont'd)

4.2 Net Profit / (Loss)

Segment Results:

| 1 January - 31 March 2024 | Aviation | Technic | Inter-segment elimination | Total |
|--|-----------------|----------------|--------------------------------------|--------------|
| Sales to External Customers | 4,625 | 144 | - | 4,769 |
| Inter-Segment Sales | 94 | 320 | (414) | - |
| Revenue | 4,719 | 464 | (414) | 4,769 |
| Cost of Sales (-) | (4,200) | (402) | 357 | (4,245) |
| Gross Profit | 519 | 62 | (57) | 524 |
| Administrative Expenses (-) | (134) | (31) | 57 | (108) |
| Selling and Marketing Expenses (-) | (442) | (3) | 1 | (444) |
| Other Operating Income | 116 | 21 | (26) | 111 |
| Other Operating Expenses (-) | (58) | (9) | 26 | (41) |
| Operating Profit Before Investment Activities | 1 | 40 | 1 | 42 |
| Income from Investment Activities | 310 | - | - | 310 |
| Expenses from Investment Activities | (2) | - | - | (2) |
| Share of Investments' Profit Accounted for Using The Equity Method | 1 | 1 | - | 2 |
| Operating Profit | 310 | 41 | 1 | 352 |
| Financial Income | 195 | - | - | 195 |
| Financial Expense (-) | (362) | (17) | - | (379) |
| Profit Before Tax | 143 | 24 | 1 | 168 |
| Tax Income / (Expense) | 76 | (18) | - | 58 |
| Deferred Tax Income / (Expense) | 76 | (18) | - | 58 |
| Net Profit For The Period | 219 | 6 | 1 | 226 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

4. SEGMENT REPORTING (cont'd)

4.2 Net Profit / (Loss) (cont'd)

Segment Results (cont'd):

| 1 January - 31 March 2023 | Aviation | Technic | Inter-segment elimination | Total |
|-------------------------------------|-----------------|----------------|--------------------------------------|--------------|
| Sales to External Customers | 4,246 | 107 | - | 4,353 |
| Inter-Segment Sales | 52 | 278 | (330) | - |
| Revenue | 4,298 | 385 | (330) | 4,353 |
| Cost of Sales (-) | (3,648) | (342) | 285 | (3,705) |
| Gross Profit | 650 | 43 | (45) | 648 |
| Administrative Expenses (-) | (89) | (34) | 25 | (98) |
| Selling and Marketing Expenses (-) | (413) | (3) | - | (416) |
| Other Operating Income | 115 | 15 | (1) | 129 |
| Other Operating Expenses (-) | (141) | (9) | 1 | (149) |
| Operating Profit Before | | | | |
| Investment Activities | 122 | 12 | (20) | 114 |
| Income from Investment Activities | 151 | - | - | 151 |
| Expenses from Investment Activities | (12) | - | - | (12) |
| Share of Investments' Profit | | | | |
| Accounted for Using | | | | |
| The Equity Method | (15) | 9 | (6) | (12) |
| Operating Profit | 246 | 21 | (26) | 241 |
| Financial Income | 356 | 1 | - | 357 |
| Financial Expense (-) | (318) | (4) | - | (322) |
| Profit Before Tax | 284 | 18 | (26) | 276 |
| Tax (Expense) / Income | (49) | 6 | - | (43) |
| Current Tax (Expense) | - | (4) | - | (4) |
| Deferred Tax (Expense) / Income | (49) | 10 | - | (39) |
| Net Profit For The Period | 235 | 24 | (26) | 233 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

4. SEGMENT REPORTING (cont'd)

4.3 Investment Operations

| 1 January - 31 March 2024 | Aviation | Technic | Inter-segment elimination | Total |
|--|-----------------|----------------|--------------------------------------|--------------|
| Purchase of property and equipment and intangible assets | 742 | 84 | - | 826 |
| Current period depreciation and amortization charge | 478 | 53 | - | 531 |
| Investments accounted for using equity method | 423 | 90 | - | 513 |
| 1 January - 31 March 2023 | Aviation | Technic | Inter-segment elimination | Total |
| Purchase of property and equipment and intangible assets | 659 | 105 | - | 764 |
| Current period depreciation and amortization charge | 449 | 48 | - | 497 |
| Investments accounted for using equity method | 128 | 109 | - | 237 |

5. CASH AND CASH EQUIVALENTS

| | 31 March 2024 | 31 December 2023 |
|-------------------------|----------------------|-------------------------|
| Cash | 1 | 1 |
| Banks – Time deposits | 578 | 583 |
| Banks – Demand deposits | 262 | 99 |
| | 841 | 683 |

Details of the time deposits as of 31 March 2024 and 2023 are as follows:

| Original Amount | Currency | Effective Interest Rate | Maturity | 31 March 2024 |
|------------------------|-----------------|--------------------------------|-----------------|-------------------------|
| 14,847 | TL | 44.65% - 61.75% | June 2024 | 498 |
| 53 | EUR (*) | 1.88% - 3.75% | June 2024 | 57 |
| 19 | USD | 1.13% - 2.25% | April 2024 | 19 |
| 4 | GBP | 1.31% | April 2024 | 4 |
| | | | | 578 |
| Original Amount | Currency | Effective Interest Rate | Maturity | 31 December 2023 |
| 264 | EUR (*) | 0.01% - 4.05% | January 2024 | 292 |
| 6,139 | TL | 38.95% - 53.20% | January 2024 | 214 |
| 72 | USD | 1.50% - 3.38% | January 2024 | 72 |
| 4 | GBP | 1.69% | January 2024 | 5 |
| | | | | 583 |

(*) In order to manage the risk resulting from the fluctuations of the USD/EUR parity, the Group implements in USD/EUR derivative instruments amounting to 54 USD of time deposits (2023: 154 USD).

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

5. CASH AND CASH EQUIVALENTS (cont'd)

Reconciliation with statement of cash flows as of 31 March 2024 and 2023 are as follows:

| | <u>31 March 2024</u> | <u>31 March 2023</u> |
|--|----------------------|----------------------|
| Cash and cash equivalents | 841 | 2,620 |
| Interest accruals (-) | (38) | (10) |
| Cash and cash equivalents in statement of cash flows | <u>803</u> | <u>2,610</u> |

6. FINANCIAL INVESTMENTS

Short-term financial investments are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|---|----------------------|-------------------------|
| Fair value through profit and loss (FVTPL) | | |
| - Currency protected deposit account (*) | 4,090 | 4,863 |
| - Equity securities | 47 | 16 |
| - Investment Fund | 31 | 22 |
| Fair value through other comprehensive income (FVOCI) | | |
| - Corporate debt securities | 435 | 443 |
| - Government debt securities | 3 | - |
| Time deposits with maturity more than 3 months | 219 | - |
| | <u>4,825</u> | <u>5,344</u> |

(*) Since the currency protected deposits are hybrid contracts with derivatives, they are accounted based on their fair values as of 31 March 2024 and changes in the fair values are accounted in the profit and loss.

Time deposit with maturity of more than 3 months as of 31 March 2024 is as follows:

| <u>Amount</u> | <u>Currency</u> | <u>Effective Interest Rate</u> | <u>Maturity</u> | <u>31 March 2024</u> |
|---------------|-----------------|--------------------------------|-----------------|----------------------|
| 5,883 | TL | 54.15% - 57.95% | September 2024 | 192 |
| 25 | EUR | 3.75% | July 2024 | 27 |
| | | | | <u>219</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

6. FINANCIAL INVESTMENTS (cont'd)

Long-term financial investments are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|------------------------------|----------------------|-------------------------|
| FVOCI | | |
| - Corporate debt securities | 329 | 139 |
| - Government debt securities | 211 | 258 |
| Other | 1 | 1 |
| | <u>541</u> | <u>398</u> |

Contractual maturity dates of financial investments measured at FVOCI as of 31 March 2024 and 2023 are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|------------------|----------------------|-------------------------|
| Less than 1 year | 438 | 443 |
| 1 to 5 years | 262 | 119 |
| Over 5 years | 278 | 278 |
| | <u>978</u> | <u>840</u> |

7. BORROWINGS

Short-term borrowings are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|-----------------|----------------------|-------------------------|
| Bank borrowings | 1,170 | 1,345 |

Short-term portions of long-term borrowings are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|------------------------------|----------------------|-------------------------|
| Lease liabilities (Note: 13) | 1,694 | 1,760 |
| Bank borrowings | 412 | 618 |
| | <u>2,106</u> | <u>2,378</u> |

Long-term borrowings are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|------------------------------|----------------------|-------------------------|
| Lease liabilities (Note: 13) | 9,919 | 10,052 |
| Bank borrowings | 144 | 472 |
| | <u>10,063</u> | <u>10,524</u> |

Details of bank borrowings as of 31 March 2024 and 2023 are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|---------------------|----------------------|-------------------------|
| Less than 1 year | 1,582 | 1,963 |
| Between 1 – 5 years | 133 | 457 |
| Over 5 years | 11 | 15 |
| | <u>1,726</u> | <u>2,435</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

7. BORROWINGS (cont'd)

Details of bank borrowings as of 31 March 2024 and 2023 are as follows (cont'd):

| <u>Original Amount</u> | <u>Currency</u> | <u>Interest Rate Type</u> | <u>Effective Interest Rate</u> | <u>Payment Period</u> | <u>31 March 2024</u> |
|------------------------|-----------------|---------------------------|--------------------------------------|-----------------------------|-------------------------|
| 1,403 | EUR | Fixed | 0.20% - 4.00% | April 2024 - March 2031 | 1,499 |
| 210 | EUR | Floating | Euribor + 2.90% - Euribor + 5.50% | July 2024 - October 2025 | 227 |
| | | | | | <u>1,726</u> |
| <u>Original Amount</u> | <u>Currency</u> | <u>Interest Rate Type</u> | <u>Effective Interest Rate</u> | <u>Payment Period</u> | <u>31 December 2023</u> |
| 1,443 | EUR | Fixed | 0.20% - 4.00% | March 2024 - March 2031 | 1,597 |
| 758 | EUR | Floating | Euribor + 2.90% - Euribor + 5.50% | February 2024 - August 2026 | 838 |
| | | | | | <u>2,435</u> |

As of March 31, 2024, the Group meets the loan covenant compliance conditions.

Repricing periods for bank borrowings with floating interest rates vary between 1 and 6 months.

Reconciliation of bank borrowings and lease liabilities arising from financing activities:

| | <u>31 December 2023</u> | <u>Payment</u> | <u>Interest</u> | <u>Non-cash Changes</u> | <u>Cash-in</u> | <u>31 March 2024</u> |
|-----------------|-------------------------|----------------|-----------------|-------------------------|-------------------|----------------------|
| Bank Borrowings | 2,435 | (1,680) | (59) | (14) | 1,044 | <u>1,726</u> |
| | <u>31 December 2022</u> | <u>Payment</u> | <u>Interest</u> | <u>Non-cash Changes</u> | <u>Cash-in</u> | <u>31 March 2023</u> |
| Bank Borrowings | 3,273 | (923) | (40) | 113 | 968 | <u>3,391</u> |
| | <u>31 December 2023</u> | <u>Payment</u> | <u>Interest</u> | <u>Non-cash Changes</u> | <u>New Leases</u> | <u>31 March 2024</u> |
| Aircraft | 11,221 | (423) | (77) | (209) | 524 | 11,036 |
| Property | 590 | (15) | - | (9) | - | 574 |
| Other | 1 | - | - | - | 2 | 3 |
| | <u>11,812</u> | <u>(438)</u> | <u>(77)</u> | <u>(218)</u> | <u>8</u> | <u>11,613</u> |
| | <u>31 December 2022</u> | <u>Payment</u> | <u>Interest</u> | <u>Non-cash Changes</u> | <u>New Leases</u> | <u>31 March 2023</u> |
| Aircraft | 10,171 | (413) | (55) | 342 | 247 | 10,292 |
| Property | 593 | (15) | - | 18 | 38 | 634 |
| Other | 2 | - | - | - | - | 2 |
| | <u>10,766</u> | <u>(428)</u> | <u>(55)</u> | <u>360</u> | <u>285</u> | <u>10,928</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

8. RELATED PARTIES

Short-term trade receivables from related parties are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|------------------|----------------------|-------------------------|
| Air Albania | 37 | 36 |
| We World Express | 5 | 9 |
| Sun Express | 5 | 4 |
| PTT | - | 1 |
| | <u>47</u> | <u>50</u> |

Other short-term receivables from related parties are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|-------------|----------------------|-------------------------|
| THY Opet | 7 | 7 |
| Air Albania | 2 | 2 |
| | <u>9</u> | <u>9</u> |

Short-term trade payables to related parties that are accounted by using the equity method are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|--------------------------|----------------------|-------------------------|
| TFS Akaryakıt Hizmetleri | 134 | 132 |
| TGS | 64 | 57 |
| Turkish DO&CO | 31 | 42 |
| THY Opet | 16 | 19 |
| TEC | 15 | 32 |
| Goodrich | 2 | 2 |
| Turkcell | 2 | 1 |
| | <u>264</u> | <u>285</u> |

Other short-term payables to related parties are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|----------------------|----------------------|-------------------------|
| Türkiye Sigorta A.Ş. | 2 | 4 |
| | <u>2</u> | <u>4</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

8. RELATED PARTIES (cont'd)

Transactions with related parties for the period ended 31 March 2024 and 2023 are as follows:

a) Sales to related parties:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|----------------------|--------------------------------------|--------------------------------------|
| TGS | 20 | 1 |
| Sun Express | 8 | 11 |
| TEC | 3 | 4 |
| Air Albania | 1 | 3 |
| Türkiye Sigorta A.Ş. | 1 | - |
| PTT | 1 | 2 |
| We World Express | 1 | - |
| | <u>35</u> | <u>21</u> |

b) Purchases from related parties:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|--------------------------|--------------------------------------|--------------------------------------|
| TFS Akaryakıt Hizmetleri | 685 | 659 |
| TGS | 132 | 117 |
| Turkish DO&CO | 106 | 95 |
| THY Opet | 84 | 93 |
| TEC | 70 | 115 |
| Goodrich | 4 | 2 |
| Sun Express | 3 | 8 |
| Turkcell | 3 | 4 |
| | <u>1,087</u> | <u>1,093</u> |

Details of the financial assets and liabilities for related parties as of 31 March 2024 and 2023 are as follows:

| | 31 March 2024 | 31 December 2023 |
|---------------------------|----------------------|-------------------------|
| Financial investments (*) | 2,694 | 3,174 |
| Financial assets (**) | 979 | 841 |
| Banks - Time deposits | 495 | 571 |
| Investment Fund | 30 | 21 |
| Equity share | 1 | 1 |
| Banks - Demand deposits | - | 10 |
| Bank borrowings | (87) | (543) |
| | <u>4,112</u> | <u>4,075</u> |

(*) As of 31 March 2024, this amount represents the currency protected time deposits and time deposit with maturity more than 3 months.

(**) This represents the nominal amount.

As of 31 March 2024, the amount of letters of guarantees given to the related parties is USD 263 (31 December 2023: USD 432).

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

8. RELATED PARTIES (cont'd)

Details of the time deposits at related parties as of 31 March 2024 and 2023 are as follows:

| Amount | Currency | Effective Interest Rate | Maturity | 31 March 2024 |
|---------------|-----------------|--------------------------------|-----------------|----------------------|
| 12,311 | TL | 47.41% - 61.75% | June 2024 | 415 |
| 53 | EUR | 1.88% - 3.75% | June 2024 | 57 |
| 19 | USD | 1.13% - 2.25% | April 2024 | 19 |
| 4 | GBP | 1.31% | April 2024 | 4 |
| | | | | 495 |

| Amount | Currency | Effective Interest Rate | Maturity | 31 December 2023 |
|---------------|-----------------|--------------------------------|-----------------|-------------------------|
| 264 | EUR | 0.01% - 4.05% | January 2024 | 292 |
| 5,772 | TL | 38.95% - 53.20% | January 2024 | 202 |
| 72 | USD | 1.50% - 3.38% | January 2024 | 72 |
| 4 | GBP | 1.69% | January 2024 | 5 |
| | | | | 571 |

Details of the financial investments at related parties as of 31 March 2024 and 2023 are as follows:

| Amount | Currency | Effective Interest Rate | Maturity | 31 March 2024 |
|---------------|-----------------|--------------------------------|-----------------|----------------------|
| 77,880 | TL | 15.00% - 57.95% | February 2025 | 2,667 |
| 25 | EUR | 3.75% | July 2024 | 27 |
| | | | | 2,694 |

| Amount | Currency | Effective Interest Rate | Maturity | 31 December 2023 |
|---------------|-----------------|--------------------------------|-----------------|-------------------------|
| 93,432 | TL | 15.00% - 54.15% | November 2024 | 3,174 |

Details of the financial assets at related parties as of 31 March 2024 and 2023 are as follows:

| Amount | Currency | Effective Interest Rate | Maturity | 31 March 2024 |
|---------------|-----------------|--------------------------------|--------------------------------|----------------------|
| 536 | USD | 5.38% - 8.60% | April 2024 - September 2024 | 536 |
| 411 | EUR | 3.25% - 5.70% | April 2024 - September 2024 | 443 |
| | | | | 979 |

| Amount | Currency | Effective Interest Rate | Maturity | 31 December 2023 |
|---------------|-----------------|--------------------------------|-----------------------------|-------------------------|
| 406 | EUR | 3.25% - 5.70% | January 2024 - June 2024 | 449 |
| 392 | USD | 5.38% - 8.60% | January 2024 - June 2024 | 392 |
| | | | | 841 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

8. RELATED PARTIES (cont'd)

Details of the bank borrowings at related parties as of 31 March 2024 and 2023 are as follows:

| <u>Amount</u> | <u>Currency</u> | <u>Effective Interest Rate</u> | <u>Maturity</u> | <u>31 March 2024</u> |
|---------------|-----------------|--------------------------------|-----------------|-------------------------|
| 81 | EUR | 2.55% - (Euribor + 5.50%) | October 2025 | 87 |
| <u>Amount</u> | <u>Currency</u> | <u>Effective Interest Rate</u> | <u>Maturity</u> | <u>31 December 2023</u> |
| 496 | EUR | 2.55% - (Euribor + 5.50%) | March 2026 | 543 |

Interest income from related parties:

| | <u>1 January - 31 March 2024</u> | <u>1 January - 31 March 2023</u> |
|--|--------------------------------------|--------------------------------------|
| Türkiye Halk Bankası A.Ş. (Halk Bankası) | 162 | 10 |
| Türkiye Vakıflar Bankası T.A.O. (Vakıfbank) | 125 | 55 |
| T.C. Ziraat Bankası A.Ş. (Ziraat Bankası) | 123 | 9 |
| Ziraat Katılım Bankası A.Ş. | 13 | - |
| | <u>423</u> | <u>74</u> |

Interest expense to related parties:

| | <u>1 January - 31 March 2024</u> | <u>1 January - 31 March 2023</u> |
|----------------|--------------------------------------|--------------------------------------|
| Vakıfbank | 4 | 9 |
| Ziraat Bankası | 3 | 5 |
| | <u>7</u> | <u>14</u> |

Transactions between the Group and THY Opet are related to the supply of aircraft fuel; transactions between the Group and Turkish DO&CO are related to catering services; transactions between the Group and Sun Express are related to cargo operations, seat sales operations and maintenance services; transactions between the Group and TGS are related to ground and support services; transactions between the Group and TEC are related to engine maintenance services; transactions between the Group and PTT are related to cargo transportation; transactions between the Group and Halk Bankası, Ziraat Bankası, Türkiye Vakıflar Bankası and Ziraat Katılım Bankası A.Ş. are related to banking services; transactions between the Group and Air Albania are related to aircraft transportation; transactions between the Group and Turkcell are related to telecommunication services; transactions between the Group and Goodrich are related to maintenance services; transactions between the Group and Türkiye Sigorta are related to insurance services; transactions between the Group and We World Express are related to cargo transportation and transactions between the Group and TFS Akaryakıt Hizmetleri A.Ş. are related to the supply of aircraft fuel. Receivables from related parties are not collateralized and maturity of trade receivables is 30 days.

The total amount of all short-term benefits, including salaries, bonuses, vehicles allocated for their use and communication expenses provided for the Board Members, General Managers and Deputy General Managers of Group is USD 3 for the period between 1 January-31 March 2024 (1 January- 31 March 2023: USD 1).

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**Notes to the Condensed Consolidated Interim Financial Statements****As At And For the Three-Month Period Ended 31 March 2024**

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

9. OTHER RECEIVABLES

Other short-term receivables from third parties as of 31 March 2024 and 2023 are as follows:

| | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Predelivery payments made for aircraft (Gross) | 318 | 305 |
| Receivables from technical purchases | 229 | 187 |
| Bank deposits with transfer limitations (*) | 179 | 225 |
| Value added tax receivables | 26 | 69 |
| Receivables from pilots for flight training | 26 | 29 |
| Others | 48 | 65 |
| | <u>826</u> | <u>880</u> |

(*) As of 31 March 2024, the amount consists of bank deposits in Ethiopia, Bangladesh, Syria, Algeria, Nigeria, Senegal, Niger, Mali, Burkina Faso, Mozambique, Republic of Angola, Republic of Cameroon, Republic of Chad, Gabon, Benin, Republic of Cote D'ivoire, Republic of Sudan, Republic of Lebanon, Congo, Republic of Ghana, Egypt, Republic of Pakistan, Ukraine, Mauritania and Iran. (As of 31 December 2023, the amount consists of bank deposits in Ethiopia, Bangladesh, Libya, Syria, Algeria, Nigeria, Senegal, Niger, Mali, Burkina Faso, Eritrea, Mozambique, Republic of Angola, Republic of Cameroon, Republic of Chad, Gabon, Benin, Republic of Cote D'ivoire, Republic of Sudan, Republic of Lebanon, Congo, Republic of Ghana, Egypt, Republic of Pakistan, Ukraine, Mauritania and Iran).

Other long-term receivables from third parties as of 31 March 2024 and 2023 are as follows:

| | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Investment incentives (**) | 608 | 613 |
| Predelivery payments made for aircraft (Gross) | 452 | 501 |
| Receivables from pilots for flight training | 175 | 172 |
| Deposits and guarentees given | 85 | 80 |
| Interest and commodity swap agreement deposits | - | 29 |
| | <u>1,320</u> | <u>1,395</u> |

(**) This represents the accrued amount as of 31 March 2024. Total contribution of government incentives related to fleet investments amounts to USD 3,789 (31 December 2023: USD 3,749).

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

10. DEFERRED INCOME

Deferred income is as follows:

| | 31 March 2024 | 31 December 2023 |
|----------------------------------|----------------------|-------------------------|
| Passenger flight liabilities | 3,445 | 2,656 |
| Other short-term deferred income | 186 | 49 |
| | <u>3,631</u> | <u>2,705</u> |

Passenger flight liability is as follows:

| | 31 March 2024 | 31 December 2023 |
|-----------------------------------|----------------------|-------------------------|
| Flight liability for ticket sales | 3,187 | 2,420 |
| Frequent flyer program liability | 258 | 236 |
| | <u>3,445</u> | <u>2,656</u> |

Other short-term deferred income is as follows:

| | 31 March 2024 | 31 December 2023 |
|-------------------------------|----------------------|-------------------------|
| Unused Manufacturers' credits | 92 | - |
| Deferred finance income | 31 | 31 |
| Advances received | 16 | 10 |
| Other | 47 | 8 |
| | <u>186</u> | <u>49</u> |

Long-term deferred income is as follows:

| | 31 March 2024 | 31 December 2023 |
|-------------------------|----------------------|-------------------------|
| Deferred finance income | 93 | 107 |
| Other | 76 | 1 |
| | <u>169</u> | <u>108</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

11. PROPERTY AND EQUIPMENT

| | Land improvements and buildings | Technical equipment, simulator and vehicles | Other equipment, and fixtures | Aircraft | Spare engines | Components and repairable spare parts | Leasehold improvements | Construction in progress | Total |
|---|---------------------------------------|--|-------------------------------------|--------------|------------------|--|---------------------------|-----------------------------|---------------|
| Cost | | | | | | | | | |
| Opening balance at 1 January 2024 | 1,554 | 812 | 321 | 7,529 | 881 | 846 | 254 | 323 | 12,520 |
| Additions | 2 | 7 | 11 | 35 | 3 | 61 | (7) | 88 | 200 |
| Transfer (*) | 34 | 6 | 2 | 6 | - | - | 1 | (71) | (22) |
| Transfers to inventories | - | - | - | - | - | - | - | (8) | (8) |
| Transfers between the account | - | - | - | 305 | - | - | - | - | 305 |
| Disposals | - | (1) | (1) | (50) | (6) | (38) | - | - | (96) |
| Closing balance at 31 March 2024 | 1,590 | 824 | 333 | 7,825 | 878 | 869 | 248 | 332 | 12,899 |
| Accumulated Depreciation | | | | | | | | | |
| Opening balance at 1 January 2024 | 470 | 424 | 249 | 4,344 | 388 | 428 | 142 | - | 6,445 |
| Depreciation charge | 17 | 10 | 6 | 107 | 20 | 34 | 4 | - | 198 |
| Transfers between the account | - | 4 | - | 114 | - | - | - | - | 118 |
| Disposals | - | (5) | (1) | (49) | (6) | (30) | - | - | (91) |
| Closing balance at 31 March 2024 | 487 | 433 | 254 | 4,516 | 402 | 432 | 146 | - | 6,670 |
| Net book value at 31 March 2024 | 1,103 | 391 | 79 | 3,309 | 476 | 437 | 102 | 332 | 6,229 |
| Net book value at 31 December 2023 | 1,084 | 388 | 72 | 3,185 | 493 | 418 | 112 | 323 | 6,075 |

(*) The amount of USD 33 was transferred to the right of use asset from construction in progress.

USD 512 of depreciation and amortization expenses recognized in cost of sales (31 March 2023: USD 479), USD 17 of general administrative expenses (31 March 2023: USD 17) and USD 2 of marketing and sales expenses (31 March 2023: USD 1) in total of USD 531 as of 31 March 2024 (31 March 2023: USD 497).

The Group's construction in progress balances mainly consists of İstanbul Airport buildings, aircraft modifications, engine maintenance, backup engines and simulators.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

11. PROPERTY AND EQUIPMENT (cont'd)

| | Land improvements and buildings | Technical equipment, simulator and vehicles | Other equipment, and fixtures | Aircraft | Spare engines | Components and repairable spare parts | Leasehold improvements | Construction in progress | Total |
|--|---------------------------------------|--|-------------------------------------|----------|------------------|--|---------------------------|-----------------------------|--------|
| <u>Cost</u> | | | | | | | | | |
| Opening balance at 1 January 2023 | 1,600 | 759 | 279 | 5,028 | 750 | 746 | 210 | 242 | 9,614 |
| Additions | - | 7 | 12 | 82 | 22 | 61 | 1 | 65 | 250 |
| Transfer (*) | - | 1 | - | 21 | 10 | - | 2 | (55) | (21) |
| Transfers between the accounts | - | - | - | 921 | 33 | - | - | - | 954 |
| Disposals | - | (1) | (1) | (112) | (16) | (30) | - | - | (160) |
| Closing balance at 31 March 2023 | 1,600 | 766 | 290 | 5,940 | 799 | 777 | 213 | 252 | 10,637 |
| <u>Accumulated Depreciation</u> | | | | | | | | | |
| Opening balance at 1 January 2023 | 406 | 385 | 229 | 3,108 | 319 | 387 | 126 | - | 4,960 |
| Depreciation charge | 18 | 10 | 5 | 80 | 20 | 27 | 4 | - | 164 |
| Transfers between the accounts | - | - | - | 434 | 17 | - | - | - | 451 |
| Disposals | - | (1) | (1) | (105) | (16) | (17) | - | - | (140) |
| Closing balance at 31 March 2023 | 424 | 394 | 233 | 3,517 | 340 | 397 | 130 | - | 5,435 |
| Net book value at 31 March 2023 | 1,176 | 372 | 57 | 2,423 | 459 | 380 | 83 | 252 | 5,202 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

11. PROPERTY AND EQUIPMENT (cont'd)

Right of use assets are as follows:

| | Aircraft | Spare engines | Real Estate | Vehicles | Total |
|---|-----------------|----------------------|--------------------|-----------------|---------------|
| <u>Cost</u> | | | | | |
| Opening balance at 1 January 2024 | 22,011 | 338 | 663 | 8 | 23,020 |
| Additions | 616 | - | - | 2 | 618 |
| Transfer | 22 | - | - | - | 22 |
| Disposals | (65) | - | - | (4) | (69) |
| Modifications | - | - | 8 | - | 8 |
| Transfers between the accounts (*) | (305) | - | - | - | (305) |
| Closing balance at 31 March 2024 | 22,279 | 338 | 671 | 6 | 23,294 |
| | Aircraft | Spare engines | Real Estate | Vehicles | Total |
| <u>Accumulated Depreciation</u> | | | | | |
| Opening balance at 1 January 2024 | 5,936 | 71 | 78 | 7 | 6,092 |
| Depreciation charge | 313 | 5 | 10 | 1 | 329 |
| Disposals | (65) | - | - | - | (65) |
| Transfers between the account (*) | (114) | - | - | (4) | (118) |
| Closing balance at 31 March 2024 | 6,070 | 76 | 88 | 4 | 6,238 |
| Net book value at 31 March 2024 | 16,209 | 262 | 583 | 2 | 17,056 |
| | Aircraft | Spare engines | Real Estate | Vehicles | Total |
| <u>Cost</u> | | | | | |
| Opening balance at 1 January 2023 | 21,737 | 369 | 654 | 7 | 22,767 |
| Additions | 477 | - | 36 | - | 513 |
| Transfers | 21 | - | - | - | 21 |
| Disposals | (67) | - | - | - | (67) |
| Transfers between the accounts (*) | (921) | (33) | - | - | (954) |
| Closing balance at 31 March 2023 | 21,247 | 336 | 690 | 7 | 22,280 |
| | Aircraft | Spare engines | Real Estate | Vehicles | Total |
| <u>Accumulated Depreciation</u> | | | | | |
| Opening balance at 1 January 2023 | 6,044 | 83 | 59 | 4 | 6,190 |
| Depreciation charge | 311 | 6 | 9 | 2 | 328 |
| Disposals | (67) | - | - | - | (67) |
| Transfers between the account (*) | (434) | (17) | - | - | (451) |
| Closing balance at 31 March 2023 | 5,854 | 72 | 68 | 6 | 6,000 |
| Net book value at 31 March 2023 | 15,393 | 264 | 622 | 1 | 16,280 |

(*) Transfers mainly consist of aircraft that lease payments have been completed and ownership has been transferred to the Group.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

12. INTANGIBLE ASSETS

| | Slot rights and acquired technical licenses (*) | Rights | Other intangible assets | Total |
|--|--|---------------|--|--------------|
| <u>Cost</u> | | | | |
| Opening balance at 1 January 2024 | 44 | 299 | 5 | 348 |
| Additions | - | 8 | - | 8 |
| Closing balance at 31 March 2024 | <u>44</u> | <u>307</u> | <u>5</u> | <u>356</u> |
| <u>Accumulated Amortization</u> | | | | |
| Opening balance at 1 January 2024 | - | 258 | 3 | 261 |
| Amortization charge | - | 4 | - | 4 |
| Closing balance at 31 March 2024 | <u>-</u> | <u>262</u> | <u>3</u> | <u>265</u> |
| Net book value at 31 March 2024 | <u>44</u> | <u>45</u> | <u>2</u> | <u>91</u> |
| Net book value at 31 December 2023 | <u>44</u> | <u>41</u> | <u>2</u> | <u>87</u> |
| | | | | |
| | Slot rights and acquired technical licenses (*) | Rights | Other intangible assets | Total |
| <u>Cost</u> | | | | |
| Opening balance at 1 January 2023 | 44 | 263 | 5 | 312 |
| Additions | - | 1 | - | 1 |
| Disposals | - | (2) | - | (2) |
| Closing balance at 31 March 2023 | <u>44</u> | <u>262</u> | <u>5</u> | <u>311</u> |
| <u>Accumulated Amortization</u> | | | | |
| Opening balance at 1 January 2023 | - | 232 | 3 | 235 |
| Amortization charge | - | 5 | - | 5 |
| Closing balance at 31 March 2023 | <u>-</u> | <u>237</u> | <u>3</u> | <u>240</u> |
| Net book value at 31 March 2023 | <u>44</u> | <u>25</u> | <u>2</u> | <u>71</u> |

(*) The Group accounts slot rights as intangible assets with indefinite useful lives because these assets do not have any expiry date and are usable in the foreseeable future.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

13. LEASES

Maturities of lease obligations are as follows:

| | Future Minimum Lease Payments | | Interest | | Present Values of Minimum Lease Payments | |
|---------------------|--------------------------------------|---------------|----------------------|----------------|---|---------------|
| | 31 December | | 31 December | | 31 December | |
| | 31 March 2024 | 2023 | 31 March 2024 | 2023 | 31 March 2024 | 2023 |
| Less than 1 year | 2,067 | 2,141 | (373) | (381) | 1,694 | 1,760 |
| Between 1 – 5 years | 6,322 | 6,505 | (919) | (991) | 5,403 | 5,514 |
| Over 5 years | 5,169 | 5,170 | (653) | (632) | 4,516 | 4,538 |
| | <u>13,558</u> | <u>13,816</u> | <u>(1,945)</u> | <u>(2,004)</u> | <u>11,613</u> | <u>11,812</u> |

| | 31 March 2024 | 31 December 2023 |
|---------------------------|----------------------|-------------------------|
| Interest Range: | | |
| Floating rate obligations | 5,382 | 5,463 |
| Fixed rate obligations | 6,231 | 6,349 |
| | <u>11,613</u> | <u>11,812</u> |

The Group's assets that are acquired by leasing have lease term of 1 to 45 years. The Group has options to purchase related assets for an insignificant amount at the end of lease terms. The Group's obligations under finance leases are secured by the lessors' title to the leased asset.

As of 31 March 2024, the USD, Euro, JPY and Swiss Franc denominated lease obligations' weighted average interest rates are 5.55% (31 December 2023: 5.62%) for the fixed rate obligations and 1.38% (31 December 2023: 1.43%) for the floating rate obligations.

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions as of 31 March 2024 and 2023 are as follows:

Short-term provision for employee benefits is as follows:

| | 31 March 2024 | 31 December 2023 |
|--------------------------------|----------------------|-------------------------|
| Provisions for unused vacation | <u>85</u> | <u>50</u> |

Changes in the provisions for the period ended 31 March 2024 and 2023 are set out below:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Provisions at the beginning of the period | 50 | 39 |
| Provisions for the current period | 188 | 122 |
| Foreign currency translation differences | (5) | - |
| Provisions released | (148) | (108) |
| Provisions at the end of the period | <u>85</u> | <u>53</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
 (All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

The Group recognizes an obligation for unused vacation liabilities based on vacation balances and salaries of employees at the end of each reporting period.

Other short-term provision is as follows:

| | 31 March 2024 | 31 December 2023 |
|-----------------------------|----------------------|-------------------------|
| Provisions for legal claims | <u>7</u> | <u>6</u> |

Changes in the provisions for legal claims for the period ended 31 March 2024 and 2023 are set out below:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Provisions at the beginning of the period | 6 | 6 |
| Provisions for the current year | 2 | 1 |
| Foreign currency translation differences | (1) | - |
| Provisions at the end of the period | <u>7</u> | <u>7</u> |

The Group provides provisions for lawsuits initiated against itself due to its operations. The lawsuits initiated against the Group are usually reemployment lawsuits by former employees or related to damaged luggage or cargo. The estimates have been made on the basis of the advice from the legal advisors.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

15. COMMITMENTS

a) Guarantees/Pledges/Mortgages (“GPM”) given by the Group:

Amount of letters of guarantees given as of 31 March 2024 is USD 342 (31 December 2023: USD 1,112).

As of 31 March 2024, the letters of guarantee are given to various authorities (i.e. various banks and vendors.)

| | 31 March 2024 | | 31 December 2023 | |
|---|---|---------------------------|---|---------------------------|
| | Original currency amount | USD equivalent | Original currency amount | USD equivalent |
| A. Total amounts of GPM given on the behalf of its own legal entity | - | 342 | - | 1,112 |
| -Collaterals | | | | |
| TL | 301 | 9 | 137 | 5 |
| EUR | 210 | 226 | 835 | 924 |
| USD | 64 | 64 | 64 | 64 |
| Other | - | 43 | - | 119 |
| B. Total amounts of GPM given on the behalf of subsidiaries that are included in full consolidation | - | - | - | - |
| C. Total amounts of GPM given in order to guarantee third party debts for routine trade operations | - | - | - | - |
| D. Total amounts of other GPM given | - | - | - | - |
| i. Total amount of GPM given on behalf of the Parent | - | - | - | - |
| ii. Total amount of GPM given on behalf of other group companies not covered in B and C | - | - | - | - |
| iii. Total amount of GPM given on behalf of third parties not covered in C | - | - | - | - |
| | | <u>342</u> | | <u>1,112</u> |

b) Aircraft purchase commitments:

The Group has signed agreements for 419 aircraft that will be delivered between the years 2024 and 2045,(294 of aircraft are contractual and 125 of them are optional) with a list price value of USD 50,577 each. The Group has made a predelivery payment of USD 841 relevant to these purchases as of 31 March 2024 (31 December 2023: USD 868).

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

16. EMPLOYEE BENEFITS

Provisions for retirement pay liability as of 31 March 2024 and 2023 are comprised of the following:

| | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Provision for retirement pay liability | <u>213</u> | <u>229</u> |

Under Labor Law, effective in Türkiye, it is an obligation to make legal retirement pay to employees whose employment is terminated in certain ways.

Retirement pay liability is subject to a limitation of monthly salaries by USD 1,084 (full) (equivalent of TL 35,059 (full)) as of 31 March 2024. (31 December 2023: USD 797 (full) equivalent to TL 23,490 (full)).

Retirement pay liability is not subject to any funding legally. Provisions for retirement pay liability are calculated by estimating the present value of probable liability that will arise due to the retirement of employees.

IAS 19 (“Employee Benefits”) stipulates the progress of the Group’s liabilities by use of actuarial valuation methods under defined benefit plans. Actuarial assumptions used in calculation of total liabilities are described as follows:

The critical assumption is that the maximum liability amount increases in accordance with the inflation rate for every service year. Provisions in the accompanying consolidated financial statements as of 31 March 2024 are calculated by estimating the present value of liabilities due to the retirement of employees. Provisions in the relevant balance sheet dates are calculated with the assumptions of 24.61% annual inflation rate (31 December 2023: 24.61%) and 28.00% interest rate (31 December 2023: 28.00%). Estimated amount of non-paid retirement pay retained in the Group due to voluntary leaves is assumed as 2.24% (31 December 2023: 2.38%). Ceiling for retirement pay is revised semi-annually. Ceiling amount of USD 1,084 (full) (equivalent to TL 35,059 (full)) which has been in effect since 1 January 2024, is used in the calculation of the Group’s provision for retirement pay liability.

Movement in the provisions for retirement pay liability is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|--|--------------------------------------|--------------------------------------|
| Provision at the beginning of the period | 229 | 273 |
| Interest charges | 14 | 7 |
| Service charge for the year | 8 | 8 |
| Payments | (5) | (4) |
| Actuarial loss | (6) | 3 |
| Foreign currency translation difference | (27) | (12) |
| Provision at the end of the period | <u>213</u> | <u>275</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

17. EXPENSES BY NATURE

Expenses by nature for the period ended 31 March 2024 and 2023 are as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Fuel | 1,537 | 1,477 |
| Personnel | 1,026 | 726 |
| Depreciation and amortisation | 531 | 497 |
| Ground services | 304 | 262 |
| Aircraft maintenance | 256 | 241 |
| Airport | 219 | 202 |
| Passenger services and catering | 212 | 186 |
| Air traffic control | 185 | 160 |
| Commissions and incentives | 157 | 150 |
| Wet lease | 92 | 30 |
| Reservation systems | 78 | 82 |
| Advertisement and promotion | 35 | 35 |
| Service | 23 | 42 |
| Taxes and duties | 20 | 19 |
| Insurance | 17 | 16 |
| IT and communication | 16 | 11 |
| Transportation | 15 | 13 |
| Rents | 10 | 8 |
| Call center | 7 | 9 |
| Systems use and associateship | 7 | 5 |
| Consultancy | 7 | 5 |
| Utility | 6 | 12 |
| Aircraft rent | 5 | 5 |
| Other | 32 | 26 |
| | 4,797 | 4,219 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

18. SHAREHOLDERS' EQUITY

The ownership structure of the Company's share capital is as follows:

| (Millions of TL) | Class | % | 31 March 2024 | % | 31 December 2023 |
|--|--------------|----------|----------------------|----------|-------------------------|
| Türkiye Wealth Fund | A | 49.12 | 678 | 49.12 | 678 |
| Republic of Türkiye Treasury and Finance Ministry Privatization Administration | C | - | - | - | - |
| Treasury Shares (*) | A | 0.35 | 5 | | 5 |
| Other (publicly held) | A | 50.53 | 697 | 50.53 | 697 |
| Paid-in capital (Turkish Lira) | | | 1,380 | | 1,380 |
| Inflation adjustment on share capital (Turkish Lira) (**) | | | 1,124 | | 1,124 |
| Share capital (Turkish Lira) | | | <u>2,504</u> | | <u>2,504</u> |
| Share capital (USD Equivalent) | | | <u>1,597</u> | | <u>1,597</u> |

(*) In accordance with the Capital Market Board's Communique II-22.1 on treasury shares and the related announcement dated 14.02.2023, in order to contribute to the fair price formation of Company's share, Board of Directors of THY A.O. decided to launch a Share Buy-back program covering 3 calendar years and to allocate a maximum of USD 480 (TL 9,000) for treasury shares from Company's cash portfolio, while limiting the number of shares that may be subject to buy-back be at most 5% of the issued share capital. According to share buy-back program, company purchased 4,797,044 shares with the amount of USD 33 as of 31 March 2024.

(**) Inflation adjustment on share capital represents inflation uplift of historical capital payments based on inflation indices until 31 December 2004.

As of 31 March 2024, the Registered paid-in share capital of the Company comprised 137,999,999,999 Class A shares and 1 Class C share, all with a par value of Kr 1 each. The Class C share belongs to the Republic of Türkiye Treasury and Finance Ministry Privatization Administration and has the following privileges:

- Articles of Association 7: Positive vote of the board member representing class C share with the Board's approval is necessary for transfer of shares issued to the name.
- Articles of Association 10: The Board of Directors consists of nine members of which one member has to be nominated by the class C shareholder and the other eight members must be elected by class A shareholders.
- Articles of Association 14: The following decisions of the Board of Directors are subject to the positive vote of the class C Shareholder:
 - a) Decisions that will negatively affect the Group's mission, Defined in Article 3.1. of the Articles of Association,
 - b) Suggesting change in the Articles of Association at General Assembly,
 - c) Increasing share capital,
 - d) Approval of transfer of the shares issued to the name and their registration to the "Share Registry",
 - e) Every decision or action which directly or indirectly puts the Group under commitment over 5% of its total assets of the latest annual financial statements prepared for Capital Market Board. (This sentence will expire when the Group's shares held by Turkish State decrease under 20%.)
 - f) Decisions relating to merges and liquidation,
 - g) Decisions cancelling flight routes or significantly reduce the frequency of flight routes, not including the ones that cannot even recover their operational expenses, subject to the market conditions.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

18. SHAREHOLDERS' EQUITY (cont'd)

Restricted Profit Reserves

Turkish Commercial Code (TCC) stipulates that the general legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Additionally, not limited with 20% of paid-in share capital, the general legal reserve is appropriated at the rate of 10% per annum of all cash dividends in excess of 5% of the paid-in share capital. Under TCC, the legal reserves can only be used to offset losses, to sustain business when conditions worsen, to prevent unemployment and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with Article 520 of the Turkish Commercial Code, the Group is required to allocate a reserve fund in an amount that covers the purchase value for its own shares purchased.

Foreign Currency Translation Differences

Currency translation differences under equity arise from Group's joint ventures, provisions for unused vacation, legal claims and retirement pay liability accounted under the equity method, which have functional currencies other than USD.

Distribution of Dividends

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

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly in accordance with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with their dividend policy or articles of associations. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on the financial statements of the Group.

Actuarial Differences on Defined Benefit Plans

According to IAS 19, all actuarial differences are recognized in other comprehensive income.

Gains/Losses from Cash Flow Hedges

Hedge gain/losses against cash flow risk arise from the accounting of the changes in the fair values of effective derivative financial instruments designated against financial risks of future cash flows under equity. Total of deferred gain/loss arising from hedging against financial risk is accounted in profit or loss when the hedged item impacts profit or loss.

As of 2024, lease liabilities and investment borrowings in Japanese Yen, Swiss Franc and Euro for investment financing are designated as cash flow hedge against exchange rate risk due to highly probable future same foreign currency revenues. Group's revenue denominated in Euro and Swiss Franc fully covered borrowings of such foreign currency, while Japanese Yen revenue covered %88 of borrowings. In this context, exchange differences arising from such these loans repayment are taken to equity and recognized in other comprehensive income.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

19. REVENUE

Breakdown of gross profit is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Passenger revenue | | |
| Scheduled | 3,818 | 3,641 |
| Unscheduled | 6 | 7 |
| Total passenger revenue | <u>3,824</u> | <u>3,648</u> |
| Cargo revenue | | |
| Carried by cargo aircraft | 340 | 287 |
| Carried by passenger aircraft | 410 | 304 |
| Total cargo revenue | <u>750</u> | <u>591</u> |
| Total passenger and cargo revenue | <u>4,574</u> | <u>4,239</u> |
| Technical revenue | 144 | 107 |
| Other revenue | <u>51</u> | <u>7</u> |
| Net sales | 4,769 | 4,353 |
| Cost of sales (-) | <u>(4,245)</u> | <u>(3,705)</u> |
| Gross profit | <u><u>524</u></u> | <u><u>648</u></u> |

Breakdown of total passenger and cargo revenue by geographical locations is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| - Europe | 1,255 | 1,200 |
| - Asia and Far East | 1,233 | 1,031 |
| - Americas | 970 | 877 |
| - Middle East | 414 | 477 |
| - Africa | 401 | 395 |
| International flights | <u>4,273</u> | <u>3,980</u> |
| Domestic flights | <u>301</u> | <u>259</u> |
| Total passenger and cargo revenue | <u><u>4,574</u></u> | <u><u>4,239</u></u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

20. COST OF SALES

Breakdown of the cost of sales is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Fuel | 1,537 | 1,477 |
| Personnel | 843 | 579 |
| Depreciation and amortisation | 512 | 479 |
| Ground services | 304 | 262 |
| Aircraft maintenance | 256 | 241 |
| Airport | 219 | 202 |
| Passenger services and catering | 212 | 186 |
| Air traffic control | 185 | 160 |
| Wet lease | 92 | 30 |
| Insurance | 15 | 15 |
| Transportation | 15 | 13 |
| Service | 13 | 19 |
| IT and communication | 9 | 3 |
| Rents | 7 | 5 |
| Taxes and duties | 5 | 6 |
| Aircraft rent | 5 | 5 |
| Utility | 4 | 10 |
| Systems use and associateship | 1 | 2 |
| Other | 11 | 11 |
| | 4,245 | 3,705 |

21. GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

Breakdown of general administrative expenses is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Personnel | 66 | 47 |
| Depreciation and amortisation | 17 | 17 |
| IT and communication | 5 | 6 |
| Service | 4 | 17 |
| Systems use and associateship | 4 | 1 |
| Consultancy | 2 | 2 |
| Insurance | 2 | 1 |
| Taxes and duties | 2 | 1 |
| Utility | 2 | 2 |
| Rents | - | 1 |
| Other | 4 | 3 |
| | 108 | 98 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

21. GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES (cont'd)

Breakdown of selling and marketing expenses is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Commissions and incentives | 157 | 150 |
| Personnel | 117 | 100 |
| Reservation systems | 78 | 82 |
| Advertisement and promotion | 35 | 35 |
| Taxes and duties | 13 | 12 |
| Call center | 7 | 9 |
| Service | 6 | 6 |
| Consultancy | 5 | 3 |
| Rents | 3 | 2 |
| IT and communication | 2 | 2 |
| Depreciation and amortisation | 2 | 1 |
| Systems use and associateship | 2 | 2 |
| Other | 17 | 12 |
| | 444 | 416 |

22. OTHER OPERATING INCOME / EXPENSES

Breakdown of other operating income and expenses are as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Manufacturers' credits | 32 | 29 |
| Foreign exchange gains from operational activities, gross | 31 | 23 |
| Insurance, indemnities, penalties income | 21 | 60 |
| Rent income | 10 | 7 |
| Non- interest income from banks | 5 | 2 |
| Delay interest income | 2 | - |
| Turnover premium from suppliers | 2 | 6 |
| Reversal of ECL provision | 1 | - |
| Other | 7 | 2 |
| | 111 | 129 |

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|--|--------------------------------------|--------------------------------------|
| Foreign exchange losses from operational activities, gross | 32 | 33 |
| Provisions | 4 | 5 |
| Indemnity and penalty expenses | 2 | 2 |
| Rediscount interest expenses | 1 | - |
| Donations and aid | - | 107 |
| Adjustments for ECL provision | - | 2 |
| Other | 2 | - |
| | 41 | 149 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

23. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Breakdown of income from investment activities is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest income from financial investment | 241 | 75 |
| Income from investment incentives | 51 | 49 |
| Gain on sale of financial investments | 17 | 16 |
| Gain on sale of fixed assets | 1 | 11 |
| | <u>310</u> | <u>151</u> |

Breakdown of expense from investment activities is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Loss on sale of financial investments | <u>2</u> | <u>12</u> |

24. FINANCIAL INCOME/ EXPENSES

Breakdown of financial income is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest income | 63 | 79 |
| Foreign exchange gains from financial activities, gross | 60 | 55 |
| Fair value gains on derivative financial instruments, net | - | 180 |
| Reversal of ECL provision | - | 2 |
| Other | 72 | 41 |
| | <u>195</u> | <u>357</u> |

Breakdown of financial expenses is as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|--|--------------------------------------|--------------------------------------|
| Foreign exchange losses on financial activities, gross (*) | 149 | 188 |
| Interest expense from leasing liabilities | 126 | 81 |
| Fair value losses on derivative financial instruments, net | 61 | - |
| Interest expenses on employee benefits | 14 | 7 |
| Rediscount interest expense from repayments of aircraft | 11 | 3 |
| Interest expense from financial activities | 8 | 34 |
| Aircraft financing expenses | 8 | 6 |
| Other | 2 | 3 |
| | <u>379</u> | <u>322</u> |

(*) As of 31 March 2024, gross foreign exchange losses included in financial expenses mainly consist of foreign exchange losses arising from borrowings and lease obligations.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

25. TAX ASSETS AND LIABILITIES

Tax liability and tax expense are as follows:

| | <u>31 March 2024</u> | <u>31 December 2023</u> |
|---------------------------------|--------------------------------------|--------------------------------------|
| Prepaid taxes | 38 | 41 |
| | <u>31 March 2024</u> | <u>31 December 2023</u> |
| Provisions for corporate tax | 53 | 59 |
| Prepaid taxes and funds | (17) | (20) |
| Corporate tax liability | 36 | 39 |
| | <u>1 January - 31 March 2024</u> | <u>1 January - 31 March 2023</u> |
| Current year tax expense | - | 4 |
| Deferred tax (income) / expense | (58) | 39 |
| Tax (income) / expense | (58) | 43 |

Tax effect related to other comprehensive income is as follows:

| | <u>1 January - 31 March 2024</u> | | | <u>1 January - 31 March 2023</u> | | |
|---|----------------------------------|------------------------------|---------------------|----------------------------------|------------------------------|---------------------|
| | Amount before tax | Tax (expense) / income | Amount after tax | Amount before tax | Tax (expense) / income | Amount after tax |
| Change in cash flow hedge reserve | 284 | (60) | 224 | 88 | (18) | 70 |
| Change in actuarial losses from retirement pay obligation | 6 | (1) | 5 | (3) | 1 | (2) |
| Changes in foreign currency translation difference | (6) | - | (6) | (9) | - | (9) |
| Losses on Remeasuring FVOCI | (12) | 3 | (9) | 5 | (1) | 4 |
| Other comprehensive income | <u>272</u> | <u>(58)</u> | <u>214</u> | <u>81</u> | <u>(18)</u> | <u>63</u> |

There is no taxation effect for the changes in foreign currency translation difference that is included in other comprehensive income.

Corporate Tax

With the "Law on Amendments to the Decree Law No. 375" published in the official gazette of the Republic of Türkiye dated July 15, 2023, the corporate tax rate has been increased from 20% to 25%, and the corporate tax rate is applied with a 5-point discount on the earnings of exporting institutions derived exclusively from exports. This rate has come into force to be applied to corporate earnings for accounting periods starting from January 1, 2023 and declarations that must be submitted as of October 1, 2023. The corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances. The corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

25. TAX ASSETS AND LIABILITIES (cont'd)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes, which are given below.

In Türkiye, the companies cannot declare a consolidated tax return; therefore, subsidiaries with deferred tax assets were not netted off against subsidiaries with deferred tax liabilities position and they are disclosed separately.

Breakdown of the deferred tax assets / (liabilities) is as follows:

| | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Deferred tax asset | 346 | 332 |
| Deferred tax liability | (68) | (50) |
| Deferred tax asset | <u>278</u> | <u>282</u> |
| | 31 March 2024 | 31 December 2023 |
| Income and expense for future years | 252 | 254 |
| Accruals for expenses | 210 | 135 |
| Carry forward tax losses | 189 | 230 |
| Other receivables | 95 | 59 |
| Provisions for employee benefits | 47 | 50 |
| Miles accruals | 37 | 34 |
| Provisions for unused vacation | 19 | 11 |
| Lease liabilities (net) (*) | 9 | 14 |
| Change in fair value of derivative instruments | (96) | (77) |
| Adjustments for passenger flight liabilities | (160) | (144) |
| Fixed assets | (230) | (284) |
| Other | (94) | - |
| Deferred tax asset | <u>278</u> | <u>282</u> |

(*) The related amount includes the effects of lease liabilities and right of use assets on deferred tax assets and liabilities.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

25. TAX ASSETS AND LIABILITIES (cont'd)

Deferred Tax (cont'd)

The changes of deferred tax (asset) / liability for the period ended 1 January – 31 March 2024 and 2023 are as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Opening balance at 1 January | (282) | 2,218 |
| Tax expense from hedging reserves | 56 | 20 |
| Foreign currency translation difference | 8 | 5 |
| Tax income of actuarial losses on retirement pay obligation | 1 | - |
| Tax (income) / expense from FVOCI | (3) | 1 |
| Deferred tax (income) / expense | (58) | 39 |
| Deferred tax (asset) / liability at the end of the period | <u>(278)</u> | <u>2,283</u> |

Reconciliation with current tax income / (charge) for the period 1 January – 31 March 2024 and 2023 are as follows:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|--|--------------------------------------|--------------------------------------|
| Reconciliation of effective tax charge | | |
| Profit from operations before tax | 168 | 276 |
| Tax calculated with the effective tax rate | (42) | (55) |
| Taxation effects on: | | |
| - exception | 123 | - |
| - income from inflation differences | 67 | - |
| - income from investment certificates | 13 | 10 |
| - foreign currency translation difference | 7 | 19 |
| - investments accounted by using the equity method | 1 | (2) |
| - investment incentive | - | 2 |
| - non deductible expenses | (45) | (17) |
| - effect of the change in the deferred tax rate | (66) | - |
| Tax income / (charge) in statement of profit | <u>58</u> | <u>(43)</u> |

26. EARNINGS PER SHARE

Earnings per share disclosed in the consolidated profit or loss and other comprehensive income is determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares (“bonus interest”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares are regarded as issued shares. Accordingly, the weighted average number of shares outstanding during the years has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year.

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements

As At And For the Three-Month Period Ended 31 March 2024

(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

26. EARNINGS PER SHARE (cont'd)

Number of total shares and calculation of profits / losses per share at 1 January – 31 March 2024 and 2023:

| | 1 January - 31 March 2024 | 1 January - 31 March 2023 |
|---|--------------------------------------|--------------------------------------|
| Number of shares outstanding at 1 January (in full) | 138,000,000,000 | 138,000,000,000 |
| Number of shares outstanding at 31 December (in full) | 137,995,202,955 | 137,997,767,199 |
| Weighted average number of shares outstanding during the year (in full) | 137,996,348,885 | 137,999,429,881 |
| Net profit for the year | 226 | 233 |
| Basic earnings per share (Full US Cents) (*) | 0.16 | 0.17 |
| Diluted earnings per share (Full US Cents) (*) | 0.16 | 0.17 |

(*) Basic and diluted earnings / (losses) per share are the same as there are no dilutive potential ordinary shares.

27. DERIVATIVE FINANCIAL INSTRUMENTS

Breakdown of derivative financial assets and liabilities of the Group as of 31 March 2024 and 2023 are as follows:

| <u>Derivative financial assets</u> | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Derivative instruments for fuel prices | | |
| cash flow hedge | 36 | 4 |
| Derivative instruments not subject to hedge accounting | 25 | 5 |
| Derivative instruments for interest rate | | |
| cash flow hedge | 9 | 9 |
| | <u>70</u> | <u>18</u> |
| | | |
| <u>Derivative financial liabilities</u> | 31 March 2024 | 31 December 2023 |
| Derivative instruments not subject to hedge accounting | 14 | 75 |
| Derivative instruments for cross currency rate | | |
| cash flow hedge | 14 | 10 |
| Derivative instruments for interest rate | | |
| cash flow hedge | 1 | 1 |
| Derivative instruments for fuel prices | | |
| cash flow hedge | - | 15 |
| | <u>29</u> | <u>101</u> |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk. The foreign currency denominated assets and liabilities as monetary and non-monetary items are below:

| | 31 March 2024 | | | | | |
|---|---------------------------|--------------|----------------|----------------|-------------|--------------|
| | USD EQUIVALENT | TL | EUR | JPY | CHF | OTHER |
| 1.Trade Receivables | 1,185 | 213 | 115 | 11 | 13 | 833 |
| 2a.Monetary Financial Assets (**) | 4,962 | 1,163 | 3,642 | 77 | 6 | 74 |
| 2b.Non Monetary Financial Assets | - | - | - | - | - | - |
| 3.Other | 640 | 127 | 216 | 3 | 9 | 285 |
| 4.Current Assets (1+2+3) | 6,787 | 1,503 | 3,973 | 91 | 28 | 1,192 |
| 5.Trade Receivables | - | - | - | - | - | - |
| 6a.Monetary Financial Assets | - | - | - | - | - | - |
| 6b.Non Monetary Financial Assets | - | - | - | - | - | - |
| 7.Other | 819 | 608 | 201 | - | - | 10 |
| 8.Non Current Assets (5+6+7) | 819 | 608 | 201 | - | - | 10 |
| 9.Total Assets (4+8) | 7,606 | 2,111 | 4,174 | 91 | 28 | 1,202 |
| 10.Trade Payables | 980 | 662 | 265 | 5 | 2 | 46 |
| 11.Financial Liabilities (*) | 2,704 | 2 | 2,364 | 314 | 24 | - |
| 12a.Other Liabilities, Monetary | 876 | 493 | 289 | 4 | 4 | 86 |
| 12b.Other Liabilities, Non Monetary | - | - | - | - | - | - |
| 13.Current Liabilities (10+11+12) | 5,321 | 1,552 | 3,201 | 327 | 34 | 207 |
| 14.Trade Payables | - | - | - | - | - | - |
| 15.Financial Liabilities (*) | 7,735 | 52 | 6,037 | 1,592 | 54 | - |
| 16a.Other Liabilities, Monetary | 213 | 213 | - | - | - | - |
| 16b.Other Liabilities, Non Monetary | - | - | - | - | - | - |
| 17.Non Current Liabilities (14+15+16) | 7,948 | 265 | 6,037 | 1,592 | 54 | - |
| 18.Total Liabilities (13+17) | 13,269 | 1,817 | 9,238 | 1,919 | 88 | 207 |
| 19.Net asset / liability position of off-balance sheet derivatives (19a-19b) | 3,685 | - | 3,685 | - | - | - |
| 19a.Off-balance sheet foreign currency derivative assets | - | - | - | - | - | - |
| 19b.Off-balance sheet foreign currency derivative liabilities | (3,685) | - | (3,685) | - | - | - |
| 20.Net foreign currency asset/(liability) position (9-18-19) | (9,348) | 294 | (8,749) | (1,828) | (60) | 995 |
| 21.Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a) | (6,361) | (46) | (5,198) | (1,827) | (65) | 775 |
| 22.Fair value of foreign currency hedged financial assets | - | - | - | - | - | - |
| 23.Hedged foreign currency assets | - | - | - | - | - | - |
| 24.Hedged foreign currency liabilities | 8,451 | - | 6,468 | 1,906 | 77 | - |

(*) Net foreign exchange position of the Group is mainly due to long term foreign currency borrowings denominated in Euro, Japanese Yen and Swiss Franc to fund its aircraft investments. The Group uses these long-term foreign currency borrowings to manage the risk of exchange differences with highly probable future foreign currency revenues. The USD equivalent of these borrowings amounts to USD 8,054 as of 31 March 2024 (31 December 2023: USD 8,286).

(**) EUR amount equivalent to USD 3,066 represents the currency protected time deposit (31 December 2023: 3,540)

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

| | 31 December 2023 | | | | | |
|---|-------------------|--------------|----------------|----------------|-------------|------------|
| | USD EQUIVALENT | TL | EUR | JPY | CHF | OTHER |
| 1.Trade Receivables | 929 | 193 | 82 | 7 | 12 | 635 |
| 2a.Monetary Financial Assets | 5,215 | 835 | 4,302 | 6 | 2 | 70 |
| 2b.Non Monetary Financial Assets | - | - | - | - | - | - |
| 3.Other | 655 | 227 | 174 | 1 | 6 | 247 |
| 4.Current Assets (1+2+3) | 6,799 | 1,255 | 4,558 | 14 | 20 | 952 |
| 5.Trade Receivables | - | - | - | - | - | - |
| 6a.Monetary Financial Assets | - | - | - | - | - | - |
| 6b.Non Monetary Financial Assets | - | - | - | - | - | - |
| 7.Other | 833 | 613 | 210 | - | - | 10 |
| 8.Non Current Assets (5+6+7) | 833 | 613 | 210 | - | - | 10 |
| 9.Total Assets (4+8) | 7,632 | 1,868 | 4,768 | 14 | 20 | 962 |
| 10.Trade Payables | 1,078 | 735 | 281 | 2 | 2 | 58 |
| 11.Financial Liabilities (*) | 3,395 | 1 | 2,991 | 378 | 25 | - |
| 12a.Other Liabilities, Monetary | 751 | 407 | 278 | 2 | 5 | 59 |
| 12b.Other Liabilities, Non Monetary | 55 | 55 | - | - | - | - |
| 13.Current Liabilities (10+11+12) | 5,279 | 1,198 | 3,550 | 382 | 32 | 117 |
| 14.Trade Payables | - | - | - | - | - | - |
| 15.Financial Liabilities (*) | 8,092 | 49 | 6,402 | 1,577 | 64 | - |
| 16a.Other Liabilities, Monetary | 21 | 4 | 7 | - | - | 10 |
| 16b.Other Liabilities, Non Monetary | 229 | 229 | - | - | - | - |
| 17.Non Current Liabilities (14+15+16) | 8,342 | 282 | 6,409 | 1,577 | 64 | 10 |
| 18.Total Liabilities (13+17) | 13,621 | 1,480 | 9,959 | 1,959 | 96 | 127 |
| 19.Net asset / liability position of off-balance sheet derivatives (19a-19b) | 4,175 | - | 4,175 | - | - | - |
| 19a.Off-balance sheet foreign currency derivative assets | - | - | - | - | - | - |
| 19b.Off-balance sheet foreign currency derivative liabilities | (4,175) | - | (4,175) | - | - | - |
| 20.Net foreign currency asset/(liability) position (9-18-19) | (10,164) | 388 | (9,366) | (1,945) | (76) | 835 |
| 21.Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a) | (7,193) | (168) | (5,575) | (1,946) | (82) | 578 |
| 22.Fair value of foreign currency hedged financial assets | - | - | - | - | - | - |
| 23.Hedged foreign currency assets | - | - | - | - | - | - |
| 24.Hedged foreign currency liabilities | 8,124 | - | 6,544 | 1,491 | 89 | - |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

The Group is exposed to foreign exchange risk primarily from TL, EURO, JPY and CHF. The following table details the Group's sensitivity to a 10% increase and decrease in TL, EURO, JPY and CHF against USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss with a same effect on equity. The Group accounted investment loans and aircraft financial liabilities in scope of cash flow hedge accounting and foreign exchange income/expense arising from these loans and liabilities are recognized in equity. 10% increase and decrease effect of foreign exchange rates are calculated with the same method and the calculated foreign exchange gains/losses are presented as hedged portion in the foreign exchange sensitivity table. Furthermore, the hedged portion of foreign exchange gains/losses via forwards and cross currency swap transactions is classified as the amount hedged against USD in the statement of exchange rate sensitivity analysis.

| | 31 March 2024 | | | |
|--|---|---|---------------------------------|---------------------------------|
| | Profit / (Loss) | | Equity | |
| | Before Tax | | If foreign | If foreign |
| | If foreign currency appreciated 10 % | If foreign currency depreciated 10 % | currency appreciated 10 % | currency depreciated 10 % |
| 1- TL net asset / liability | 29 | (29) | - | - |
| 2- Part hedged from TL risk (-) | - | - | - | - |
| 3- TL net effect (1+2) | 29 | (29) | - | - |
| 4- Euro net asset / liability | (228) | 228 | (647) | 647 |
| 5- Part hedged from Euro risk (-) | - | - | - | - |
| 6- Euro net effect (4+5) | (228) | 228 | (647) | 647 |
| 7- JPY net asset / liability | (32) | 32 | (151) | 151 |
| 8- Part hedged from JPY risk (-) | - | - | - | - |
| 9- JPY net effect (7+8) | (32) | 32 | (151) | 151 |
| 10- CHF net asset / liability | 2 | (2) | (8) | 8 |
| 11- Part hedged from CHF risk (-) | - | - | - | - |
| 12- CHF net effect (10+11) | 2 | (2) | (8) | 8 |
| 13- Other foreign currency net asset / liability | 100 | (100) | - | - |
| 14- Part hedged other foreign currency risk (-) | - | - | - | - |
| 15- Other foreign currency net effect (13+14) | 100 | (100) | - | - |
| TOTAL (3 + 6 + 9 + 12 + 15) | (129) | 129 | (806) | 806 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As At And For the Three-Month Period Ended 31 March 2024
(All amounts are expressed in Million US Dollars (USD) unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

| | 31 December 2023 | | | |
|--|-------------------------|--------------------|--------------------|--------------------|
| | Profit / (Loss) | | Equity | |
| | Before Tax | | If foreign | If foreign |
| | If foreign | If foreign | currency | currency |
| | currency | currency | currency | currency |
| | appreciated | depreciated | appreciated | depreciated |
| | 10 % | 10 % | 10 % | 10 % |
| 1- TL net asset / liability | 39 | (39) | - | - |
| 2- Part hedged from TL risk (-) | - | - | - | - |
| 3- TL net effect (1+2) | 39 | (39) | - | - |
| 4- Euro net asset / liability | (283) | 283 | (654) | 654 |
| 5- Part hedged from Euro risk (-) | - | - | - | - |
| 6- Euro net effect (4+5) | (283) | 283 | (654) | 654 |
| 7- JPY net asset / liability | (29) | 29 | (165) | 165 |
| 8- Part hedged from JPY risk (-) | - | - | - | - |
| 9- JPY net effect (7+8) | (29) | 29 | (165) | 165 |
| 10- CHF net asset / liability | 1 | (1) | (9) | 9 |
| 11- Part hedged from CHF risk (-) | - | - | - | - |
| 12- CHF net effect (10+11) | 1 | (1) | (9) | 9 |
| 13- Other foreign currency net asset / liability | 84 | (84) | - | - |
| 14- Part hedged other foreign currency risk (-) | - | - | - | - |
| 15- Other foreign currency net effect (13+14) | 84 | (84) | - | - |
| TOTAL (3 + 6 + 9 + 12 + 15) | (188) | 188 | (828) | 828 |

29. EVENTS AFTER THE BALANCE SHEET DATE

None.