

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 31 December 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Audited	Audited
	31 December 2019	31 December 2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	12.328	8.606
Financial Investments	2.377	2.733
Trade Receivables		
-Related Parties	5	10
-Third Parties	3.200	2.992
Other Receivables		
-Related Parties	166	18
-Third Parties	6.258	6.199
Derivative Financial Instruments	312	299
Inventories	1.723	1.000
Prepaid Expenses	884	1.011
Current Income Tax Assets	257	318
Other Current Assets	829	520
TOTAL CURRENT ASSETS	28.339	23.706
Non-Current Assets		
Financial Investments	532	454
Other Receivables		
-Third Parties	7.577	5.280
Investments Accounted by Using Equity Method	2.191	1.884
Investment Property	-	2
Property and Equipment	102.534	73.219
Intangible Assets		
- Other Intangible Assets	489	429
- Goodwill	74	65
Prepaid Expenses	5.135	4.037
TOTAL NON-CURRENT ASSETS	118.532	85.370
TOTAL ASSETS	146.871	109.076

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	Audited	Audited
	31 December 2019	31 December 2018
LIABILITIES		
Current Liabilities		
Short Term Borrowings	7.374	5.780
Short-Term Portion of Long-Term Borrowings	9.557	6.680
Short Term Portion of Lease Liabilities	1.519	-
Other Financial Liabilities	113	32
Trade Payables		
-Related Parties	1.019	1.213
-Third Parties	5.689	4.162
Payables Related to Employee Benefits	948	1.053
Other Payables		
-Third Parties	580	412
Derivative Financial Instruments	416	1.033
Deferred Income	6.361	5.507
Short-Term Provisions		
-Provisions for Employee Benefits	233	200
-Other Provisions	76	87
Other Current Liabilities	1.532	1.087
TOTAL CURRENT LIABILITIES	35.417	27.246
Non- Current Liabilities		
Long-Term Borrowings	53.429	43.342
Long Term Lease Liabilities	7.547	-
Other Payables		
-Third Parties	223	188
Deferred Income	713	342
Long-Term Provisions		
-Provisions for Employee Benefits	804	685
-Other Provisions	265	-
Deferred Tax Liability	7.678	5.989
TOTAL NON-CURRENT LIABILITIES	70.659	50.546
Equity		
Share Capital	1.380	1.380
Inflation Adjustment on Share Capital	1.124	1.124
Items That Will Not Be Reclassified to Profit or Loss		
-Actuarial (Losses) on Retirement Pay Obligation	(226)	(184)
Items That Are or May Be Reclassified to Profit or Loss		
-Foreign Currency Translation Differences	20.757	16.687
-Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	1.017	1
-Gains on Remeasuring FVOCI	(4)	(37)
Restricted Profit Reserves	184	59
Previous Years Profit	12.024	8.206
Net Profit for the Year	4.536	4.045
Equity of the Parent	40.792	31.281
Non-Controlling Interests	3	3
TOTAL EQUITY	40.795	31.284
TOTAL LIABILITIES AND EQUITY	146.871	109.076

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income For the Year Ended 31 December 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Audited	Audited
	31 December 2019	31 December 2018
<u>PROFIT OR LOSS</u>		
Revenue	75.118	62.853
Cost of Sales (-)	(62.039)	(49.284)
GROSS PROFIT	13.079	13.569
General Administrative Expenses (-)	(1.695)	(1.238)
Marketing and Sales Expenses (-)	(8.015)	(6.185)
Other Operating Income	2.043	799
Other Operating Expenses (-)	(370)	(753)
OPERATING PROFIT BEFORE INVESTMENT ACTIVITIES	5.042	6.192
Income from Investment Activities	963	493
Expenses from Investment Activities	(452)	(7)
Share of Investments' Profit Accounted by Using The Equity Method	469	656
OPERATING PROFIT	6.022	7.334
Financial Income	780	753
Financial Expenses (-)	(1.746)	(2.853)
PROFIT BEFORE TAX	5.056	5.234
Tax Expense	(520)	(1.189)
Current Tax Expense	(1)	(182)
Deferred Tax Expense	(519)	(1.007)
NET PROFIT FOR THE YEAR	4.536	4.045
<u>OTHER COMPREHENSIVE INCOME</u>		
Items That May Be Reclassified Subsequently To Profit or Loss	5.119	7.246
Currency Translation Adjustment	4.070	7.516
Gains / (Losses) on Remeasuring FVOCI	42	(50)
Related Tax of Remeasuring FVOCI	(9)	10
Fair Value Gains / (Losses) on Hedging Instruments Entered into for Cash Flow Hedges	1.258	(326)
Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	35	8
Related Tax of Other Comprehensive (Expense) / Income	(277)	88
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(42)	(129)
Actuarial Losses on Retirement Pay Obligation	(52)	(161)
Related Tax of Other Comprehensive Income	10	32
OTHER COMPREHENSIVE INCOME FOR THE YEAR	5.077	7.117
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9.613	11.162
Basic Gain Per Share (Full US Cents)	3,29	2,93
Diluted Gain Per Share (Full US Cents)	3,29	2,93

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Year Ended 31 December 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss				Retained Earnings			Non-controlling Interests	Total Equity
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Gains on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Profit for The Year	Equity Holders of the Parent		
As of 1 January 2019	1.380	1.124	(184)	16.687	1	(37)	59	8.206	4.045	31.281	3	31.284
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	(102)	-	(102)	-	(102)
Restated As of 1 January 2019	1.380	1.124	(184)	16.687	1	(37)	59	8.104	4.045	31.179	3	31.182
Transfers	-	-	-	-	-	-	-	4.045	(4.045)	-	-	-
Total comprehensive income	-	-	(42)	4.070	1.016	33	125	(125)	4.536	9.613	-	9.613
As of 31 December 2019	1.380	1.124	(226)	20.757	1.017	(4)	184	12.024	4.536	40.792	3	40.795

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Year Ended 31 December 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss				Retained Earnings		Equity Holders of the Parent	Non-controlling Interests	Total Equity
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Gains on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Profit for The Year			
As of 1 January 2018	1.380	1.124	(55)	9.171	231	3	59	7.619	639	20.171	-	20.171
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	(23)	-	(23)	-	(23)
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	(29)	-	(29)	-	(29)
Restated As of 1 January 2018	1.380	1.124	(55)	9.171	231	3	59	7.567	639	20.119	-	20.119
Transfers	-	-	-	-	-	-	-	639	(639)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	3	3
Total comprehensive income	-	-	(129)	7.516	(230)	(40)	-	-	4.045	11.162	-	11.162
As of 31 December 2018	1.380	1.124	(184)	16.687	1	(37)	59	8.206	4.045	31.281	3	31.284

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Cash Flows
For the Year Ended 31 December 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Audited	Audited
	31 December 2019	31 December 2018
Net Profit for the year	4.536	4.045
Adjustments to Reconcile Profit / (Loss)		
Adjustments for Depreciation and Amortisation Expense	8.624	5.254
Adjustments for Provisions Related with Employee Benefits	117	113
Adjustments for Provisions for Payables	(10)	4
Adjustments for Reversal of Probable Risks	108	(27)
Adjustments for Interest Income	(552)	(640)
Adjustments for Interest Expense	1.453	1.284
Adjustments For Unrealised Foreign Exchange Losses	(3.643)	1.763
Adjustments for Manufacturers' Credits	1	5
Adjustments for Fair Value (Gains) / Losses on Investment Property	2	-
Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments	123	(265)
Adjustments for Undistributed Profits of Associates	(469)	(656)
Adjustments for Tax Expense	520	1.189
Adjustments for Gains Arised From Sale of Tangible Assets	415	(25)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	220	140
Operating Profit Before Changes in Working Capital	11.445	12.184
Increase in Trade Receivables from Related Parties	6	-
Increase in Trade Receivables from Non Related Parties	170	103
Decrease / (Increase) in Other Non-Related Party Receivables Related with Operations	451	(1.384)
Adjustments for (Increase) / Decrease in Inventories	(567)	14
Adjustments for Increase in Prepaid Expenses	(305)	(1.661)
(Decrease) / Increase in Trade Payables to Related Parties	(335)	301
(Decrease) / Increase in Trade Payables to Non Related Parties	945	499
Adjustments for Increase in Payables Due to Employee Benefits (Decrease) / Increase in Other Operating Payables to Non-Related Parties	(230)	-
	756	(197)
Increase in Deferred Income	1.004	255
(Decrease)/Increase in Other Assets Related with Operations	(194)	4
Cash Flows From Operations	13.146	10.118
Payments for Provisions Related with Employee Benefits	(55)	(50)
Income taxes paid	(62)	(455)
Net Cash From Operating Activities	13.029	9.613
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed From Sales of Property, Plant and Equipment	99	75
Cash Payments From Purchasing of Property, Plant and Equipment (*)	(5.751)	(5.400)
Cash Receipts/(Payments) From Purchasing of Other Long-term Assets	599	(1.828)
Other Cash Advances and Loans	(1.282)	(4.664)
Dividends Received	341	150
Interest Received	481	640
Net Cash Flows / (Used In) Investing Activities	(5.513)	(11.027)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	18.010	14.634
Payments of Loans	(12.975)	(6.271)
Payments of Finance Lease Liabilities	(5.555)	(4.384)
Payments of Lease Liabilities	(1.934)	-
Interest Paid	(1.413)	(1.042)
Other Cash (Outflows) / Inflows	73	(49)
Net Cash Used in Financing Activities	(3.794)	2.888
Net Change in Cash and Cash Equivalents	3.722	1.474
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8.606	7.132
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12.328	8.606

(*) 13.290 TL portion of property and equipment and intangible assets purchases in total of 19.041 TL for the year ended 31 December 2019 was acquired through leases. (31 December 2018: 4.541 TL portion of property and equipment and intangible assets purchases in total of 9.941 TL was acquired through leases.)