2021 Third Quarter Results Investor Presentation





1.

SUMMARY

2.

3Q'21 OPERATIONAL OVERVEW 3.

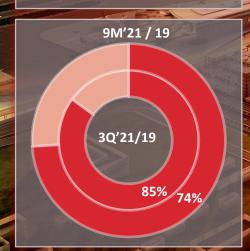
3Q'21 FINANCIAL OVERVIEW





Total Revenue

85% of 3Q'19 revenue and 74% of 9M'19 revenue achieved in the same periods of 2021.



Cargo Revenue

Cargo Revenue surged by 125% in the first 9 months of 2021 compared to 2019.



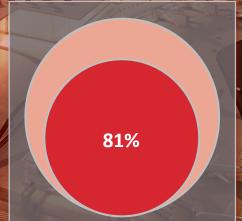
Cash & Liquidity

Cash & Liquidity remains strong with over 2 bn USD available credit lines and a strong cash generation.



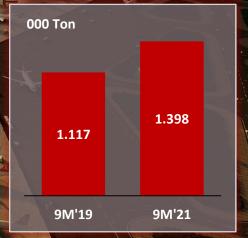
Passenger Capacity

80% of 2019 capacity level reached in the third quarter of 2021.

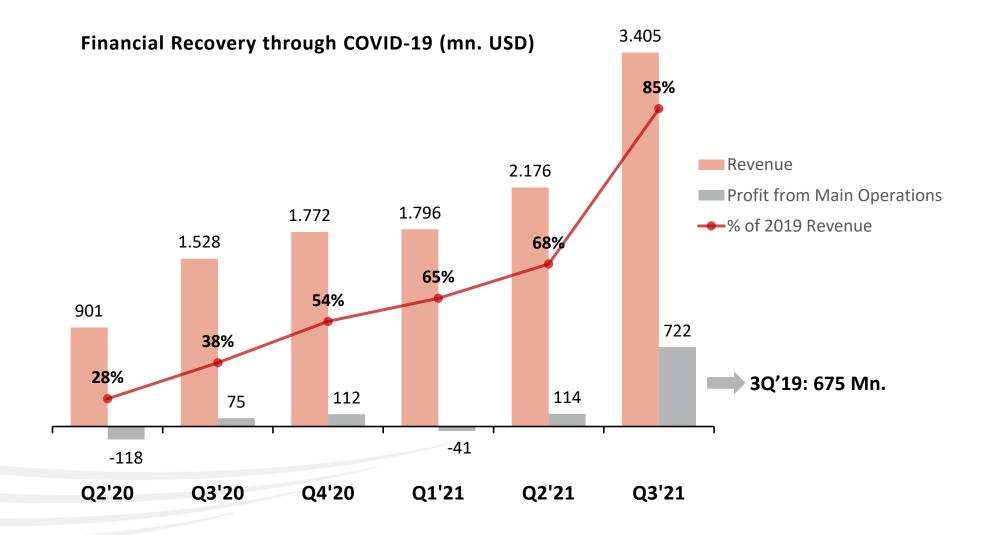


Cargo Capacity

Carried Cargo tonne exceed 2019 level by 25%.



Turkish Airlines showed reasonable progress through the pandemic







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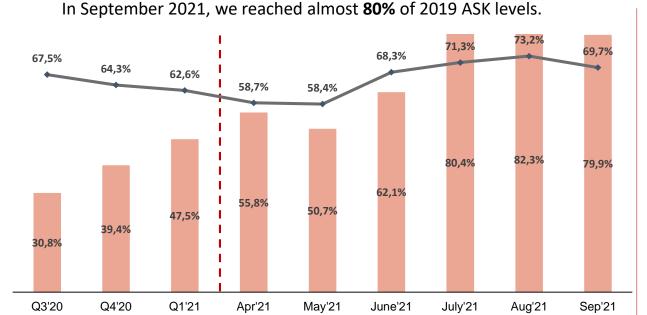
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3Q'21 FINANCIAL OVERVIEW

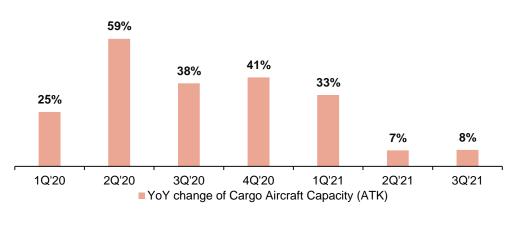
Capacity Management



Passenger Load Factor (%)

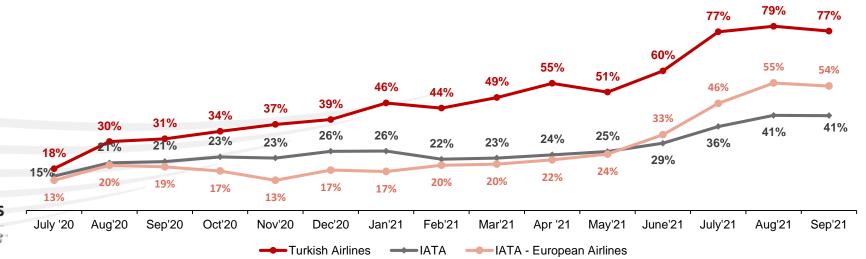
ASK % of 2019

Focus on Cargo operations:
Cargo Aircraft capacity increased by **8%** in Q3'21 compared to Q3'20.*

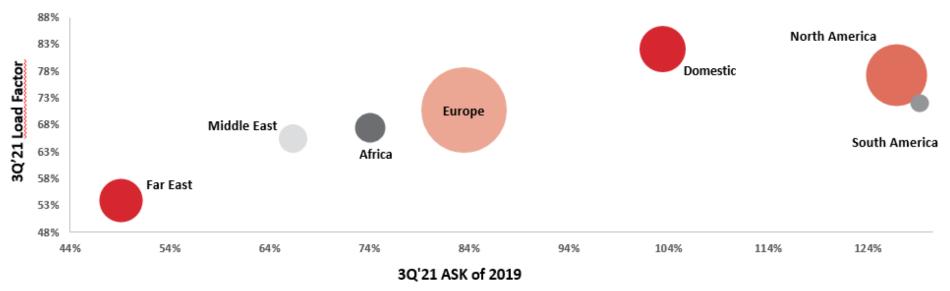


*49% increase compared to Q3'19.

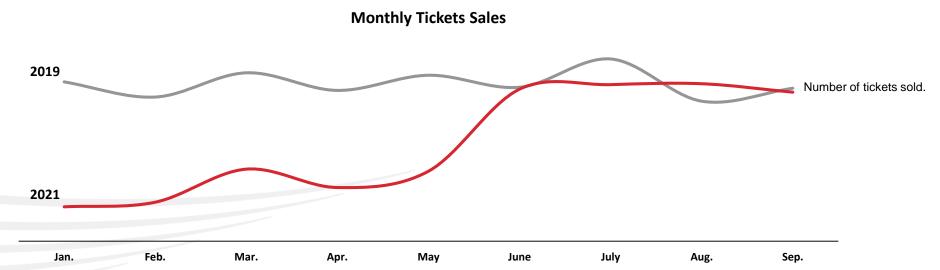
Higher international capacity (% of 2019) compared to Global average and European Airlines



Regional Traffic Recovery (2021 / 2019)

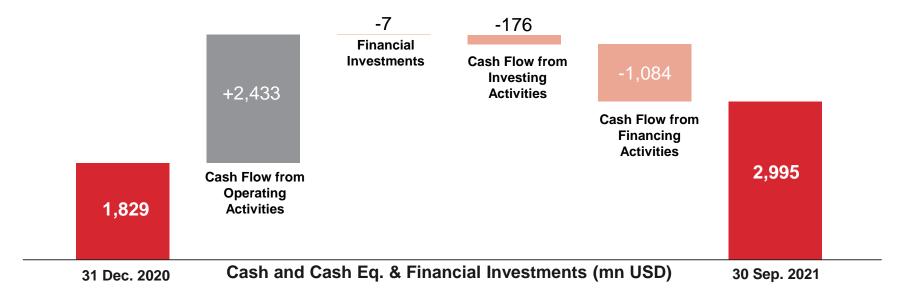


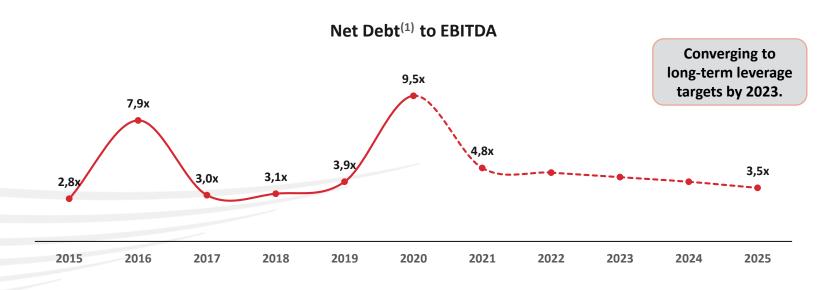
Note: The scale of the bubble represents the portion of the regions' ASK contribution in 3Q'21.



Liquidity Management & Leverage

We have over 2 billion USD available credit line, total liquidity is around 5 billion USD.







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3Q'21 FINANCIAL OVERVIEW

Financial and Operational Data

3Q'19	3Q'21	21/19	(USD mn)	9M'19	9M'21	21/19
3.999	3.405	-14,9%	Revenue	9.948	7.377	-25,8%
3.488	2.372	-32,0%	Passenger Revenue	8.459	4.432	-47,6%
418	969	131,8%	Cargo Revenue	1.217	2.734	124,7%
641	697	8,7%	Net Operating Profit / Loss	448	721	60,9%
675	722	7,0%	Profit From Main Operations	540	795	47,2%
655	735	12,2%	Net Income	452	734	62,4%
16,4%	21,6%	5,2 pt	Net Income Margin	4,5%	9,9%	5,4 pt
1.295	1.387	7,1%	EBITDAR	2.214	2.502	13,0%
32,4%	40,7%	8,3 pt	EBITDAR Margin	22,3%	33,9%	11,7 pt
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51.858	41.953	-19,1%	ASK (Billion)	140.620	88.160	-37,3%
6,73	6,53	-3,0%	RASK (Usc)	6,11	6,14	0,4%
8,04	7,91	-1,6%	Revenue Yield (R/Y) (Usc)	7,39	7,54	2,0%
21.304	16.456	-22,8%	Passengers Carried ('000)	56.416	31.069	-44,9%
83,6%	71,5%	-12,2 pt	L/F (%)	81,4%	66,7%	-14,7 pt

Total revenues reached **85% of 2019** in the third quarter of 2021.

Cargo revenue more than doubled in the third quarter and first nine months of 2021 compared to 2019.

Profit from main operations exceeded 2019 level in the third quarter of 2021 and reached **722 million USD.**

EBITDAR Margin reached **40,7%** in the third quarter of 2021.



Expenses and Cost-Cutting Activities

3Q'19	3Q'21	21/19	(mn USD)	9M'19	9M'21	21/19
1.063	872	-18,0%	Fuel	2.899	1.853	-36,1%
553	348	-37,1%	Personnel	1.594	946	-40,7%
479	489	2,1%	Aircraft Ownership	1.374	1.433	4,3%
177	147	-16,9%	Maintenance	561	385	-31,4%
3.358	2.708	-19,4%	TOTAL	9.500	6.656	-29,9%

CASK (incl. ATK)*: -8,5%

Ex-Fuel CASK: -1,1%

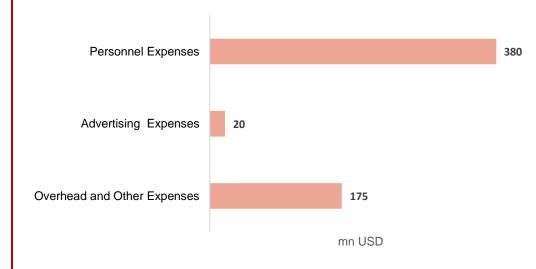
Ex-Fuel CASK (incl. ATK)*: -9,3%

CASK (incl. ATK)*: **5,0%**

Ex-Fuel CASK: **16,1%**

Ex-Fuel CASK (incl. ATK)*: -1,3%

Achieved 575 million USD saving in the first nine months of 2021.



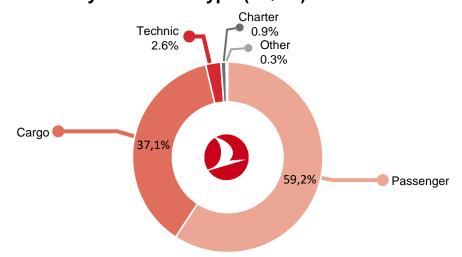
^{*}ASK value is adjusted to indicate effect of Cargo as cargo expenses have reasonable share in our total expenses.



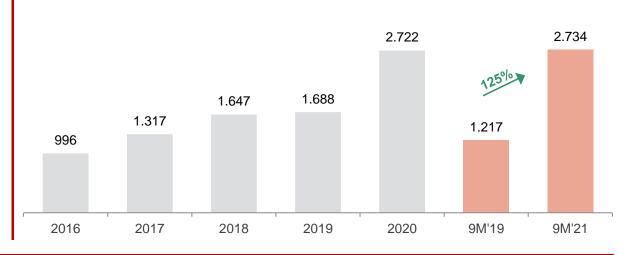


Cargo Operations

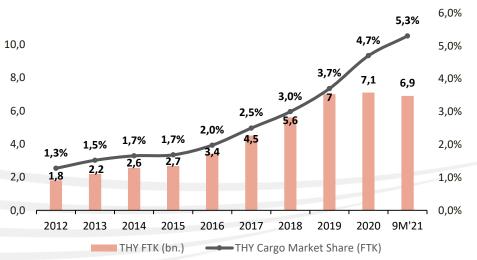




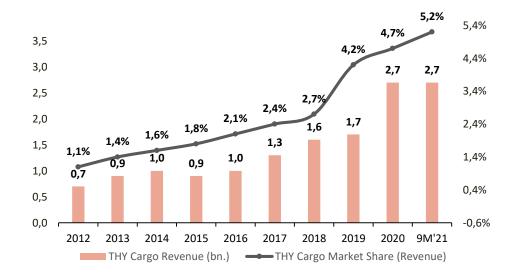
Cargo Revenue Evolution (mn USD)



THY Cargo Market Share - FTK



THY Cargo Market Share - Revenue

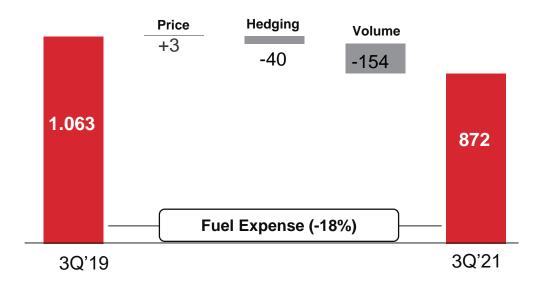


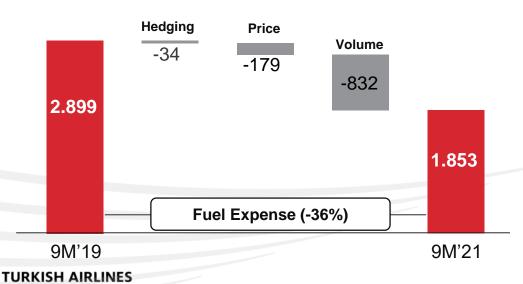


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Fuel Expense Breakdown and Hedging Fuel Price Risk

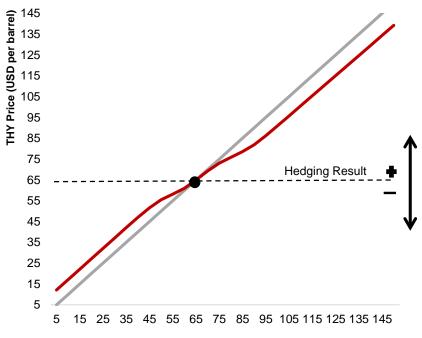
Fuel Expense Breakdown





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Effect of Hedging on the Fuel Price



Market Price (USD per barrel)

Current fuel hedging levels:

FY21: 44% FY22: 24%

FY23: 2%

- Descending layered hedging strategy
- Crude oil based swaps and options
- Maximum of 60% for the following month is hedged using derivative instruments.

Sustainability

2020-2021 **Most Material Issues**

Flight Safety and Flight Security

Compliance

Financial Performance

Customer Satisfaction

Risk Management

Climate Change, GHG Emissions and Fuel Efficiency

Corporate Governance

Fleet Modernization

Employee Health & Safety and Wellbeing

Business Ethics and Ethical Behaviour

Waste Management

Human Rights

Long Term ESG Targets

Bio-fuel Related Research and Development Investments

Reducing Carbon Emmisions **50%** by 2050

New-Generation Aircraft Consuming 15% Less Fuel

Advancing **Gender** Balance by 2025

3Q 2021 Developments

15,363 tons of fuel saved.

8.6 Average Fleet Age

48,394 tons of CO2 avoided.

Participating in the performance evaluations of international sustainability indices:

















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