

WIDEN YOUR
WORLD



4Q'19 RESULTS SUMMARY



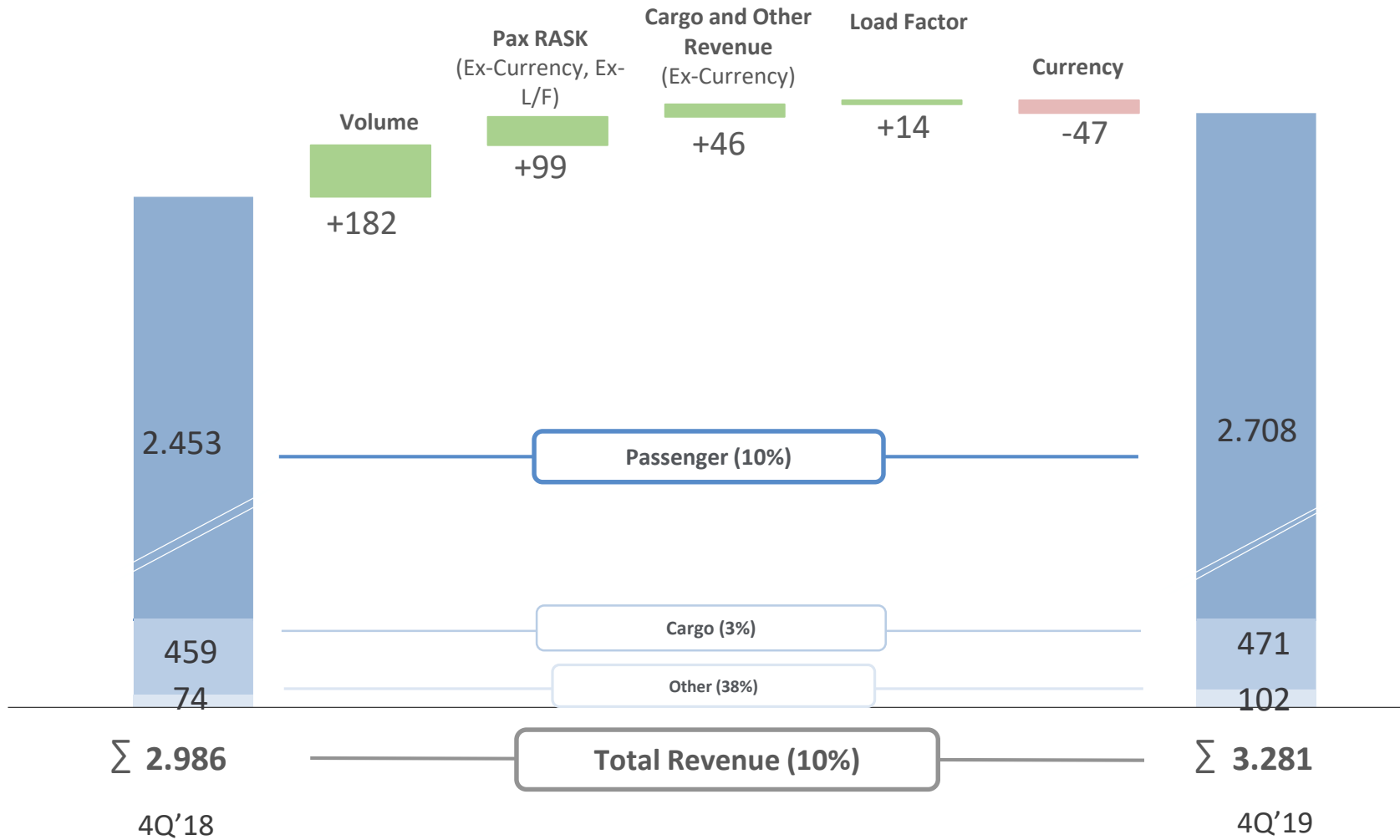
Key Financial Data

| 4Q'18 | 4Q'19 | Change | (USD mn) | 2018 | 2019 | Change | IFRS16 Impact |
|-------|-------|---------|------------------------------------|--------|--------|---------|---------------|
| 2.986 | 3.281 | 9,9% | Revenue | 12.855 | 13.229 | 2,9% | |
| 2.453 | 2.708 | 10,4% | Passenger Revenue | 10.918 | 11.167 | 2,3% | |
| 459 | 471 | 2,6% | Cargo Revenue | 1.647 | 1.688 | 2,5% | |
| 3 | 137 | 4466,7% | Net Operating Profit / Loss | 1.169 | 585 | -50,0% | +38 |
| 42 | 336 | 700,0% | Profit From Main Operations | 1.191 | 876 | -26,4% | +38 |
| -2 | 336 | - | Net Income | 753 | 788 | 4,6% | -19 |
| -0,1% | 10,2% | 10,3 pt | Net Income Margin | 5,9% | 6,0% | 0,1 pt | |
| 576 | 892 | 54,9% | EBITDAR | 3.349 | 3.107 | -7,2% | +17 |
| 19,3% | 27,2% | 7,9 pt | EBITDAR Margin | 26,0% | 23,5% | -2,6 pt | |

Total Operating Lease Liabilities on Balance Sheet: 1.527

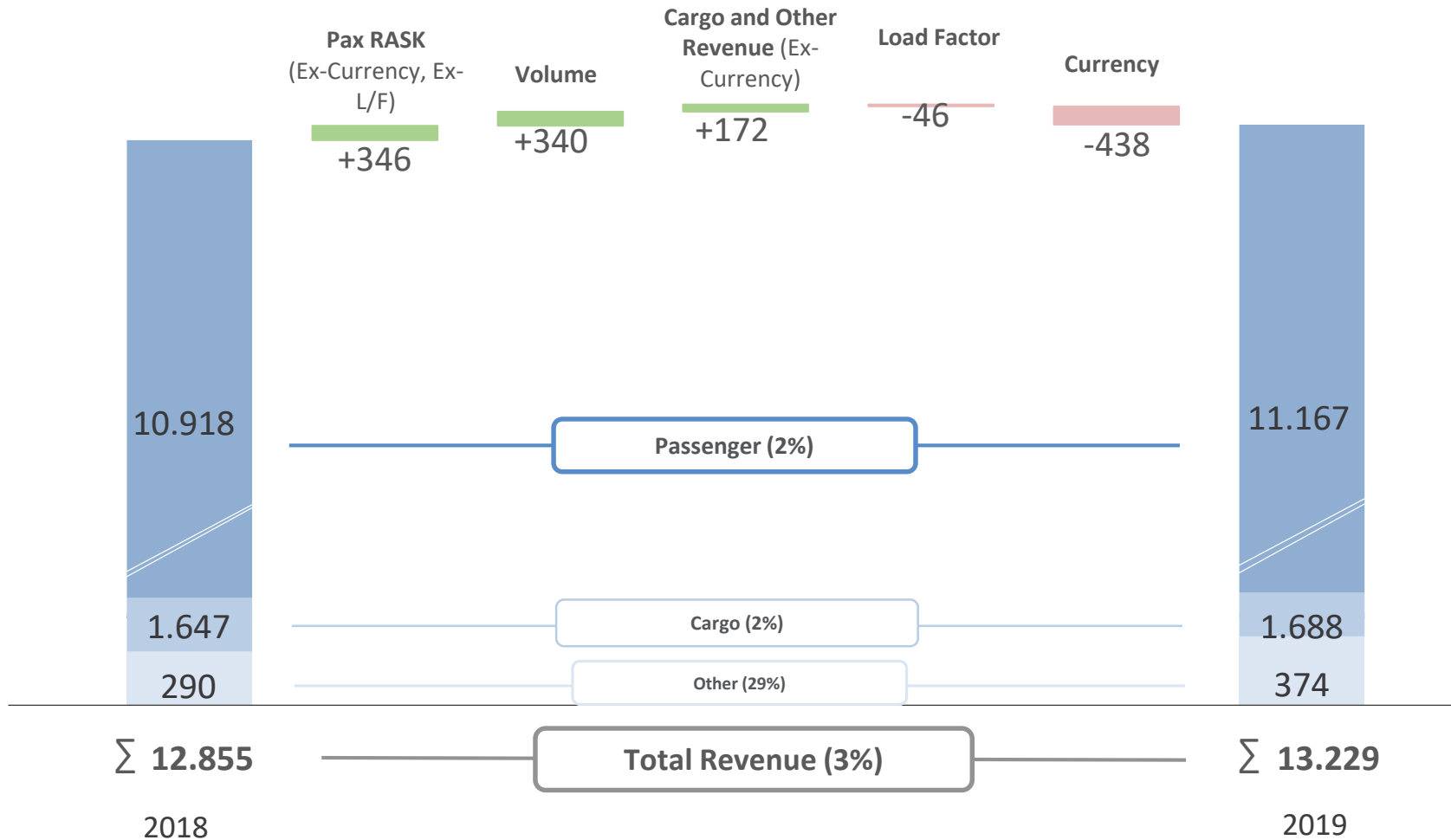
Revenue Development (4Q'18 vs 4Q'19)

(mn USD)



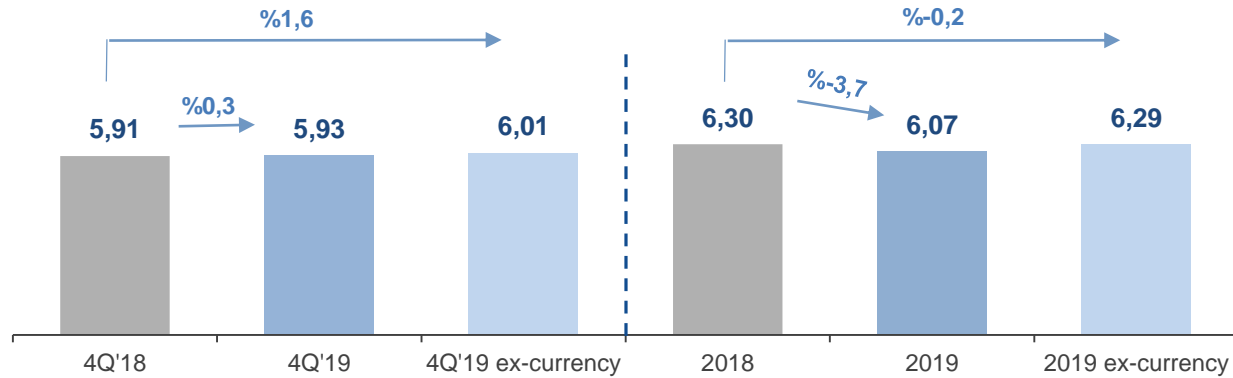
Revenue Development (2018 vs 2019)

(mn USD)

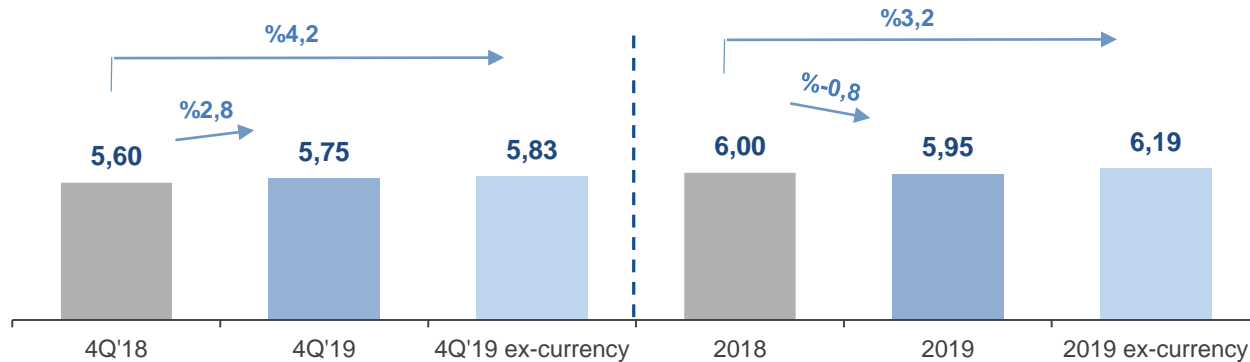


Unit Revenue Development

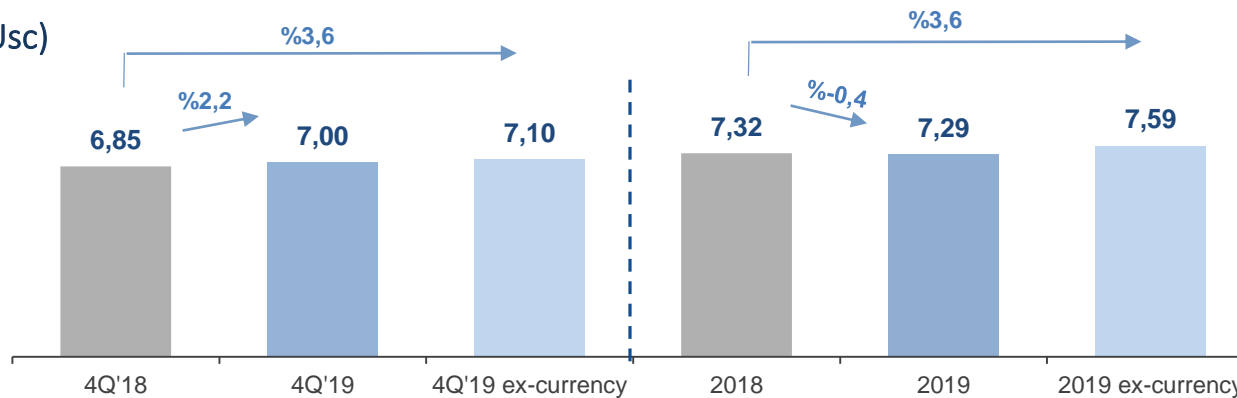
RASK (USc)



Passenger RASK (USc)



Revenue Yield (R/Y) (USc)



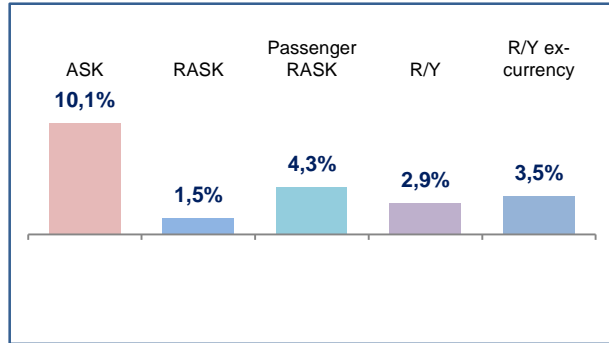
Revenue Yield (R/Y) Total Passenger Revenue / RPK

Passenger RASK: Total Passenger Revenue / ASK

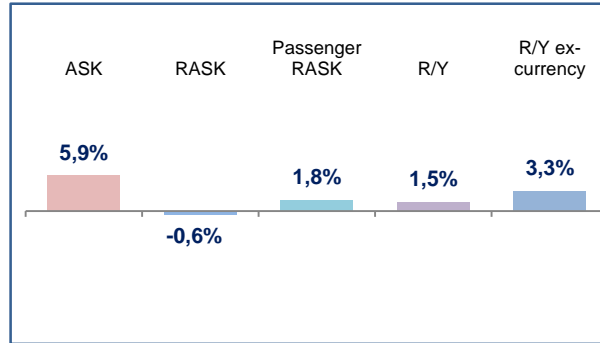
RASK: Total Passenger and Cargo Revenue / ASK* *ASK value is adjusted for cargo operations adding Cargo Available Ton Km.

Regional Yield Development in USD (4Q'18 vs 4Q'19)

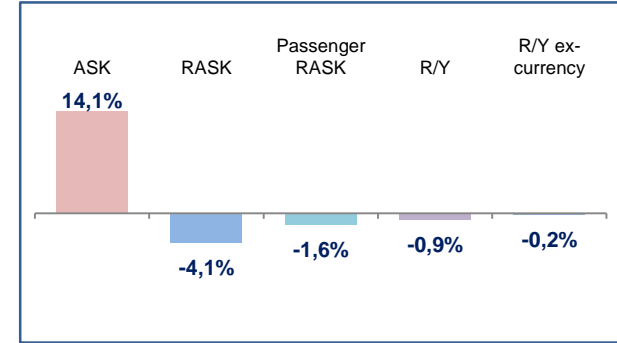
America



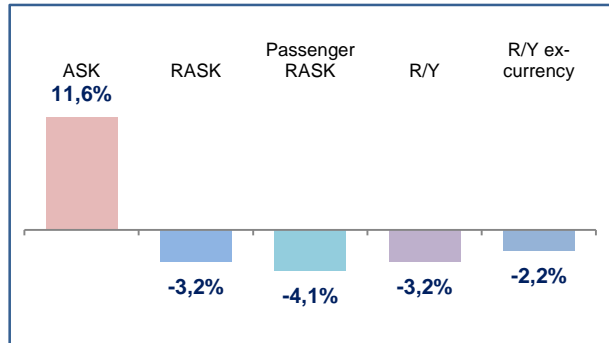
Europe



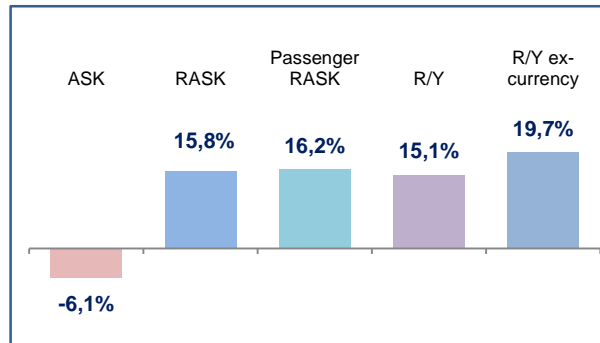
Asia / Far East



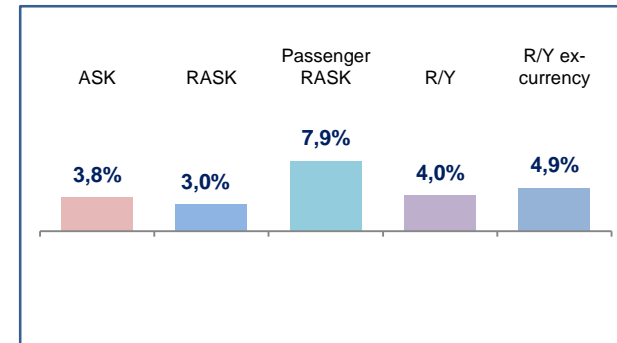
Africa



Domestic

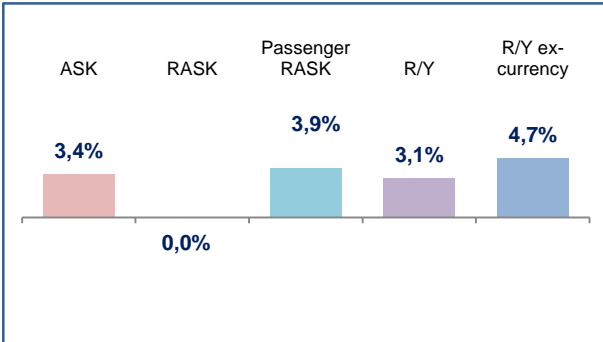


Middle East

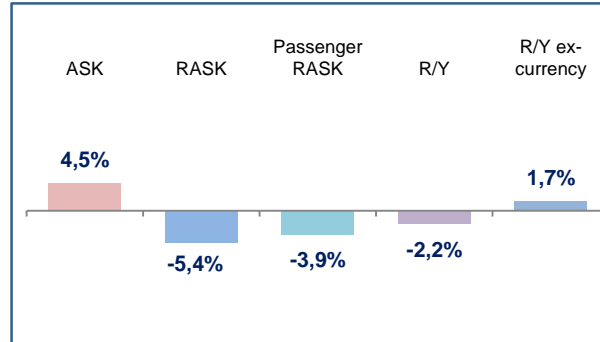


Regional Yield Development in USD (2018 vs 2019)

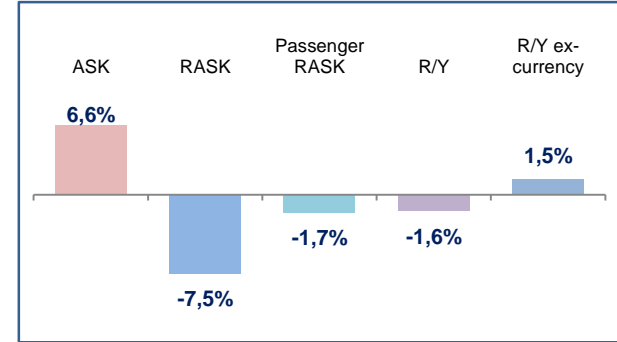
America



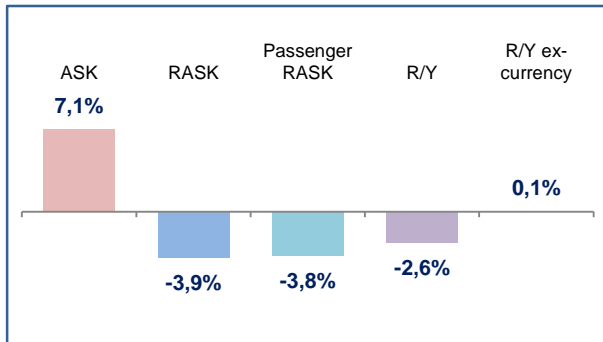
Europe



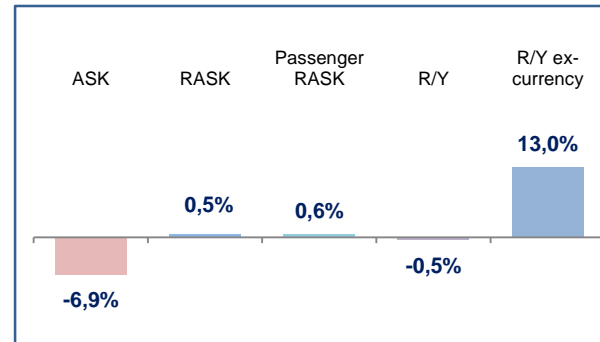
Asia / Far East



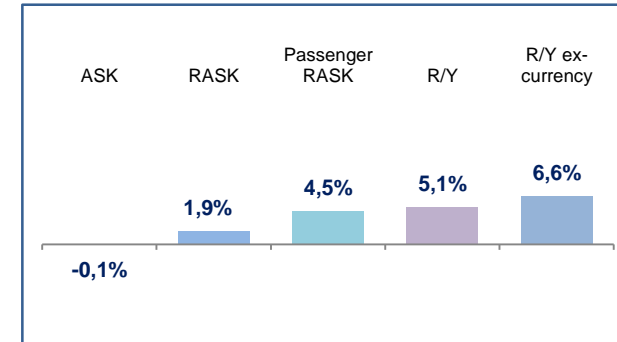
Africa



Domestic

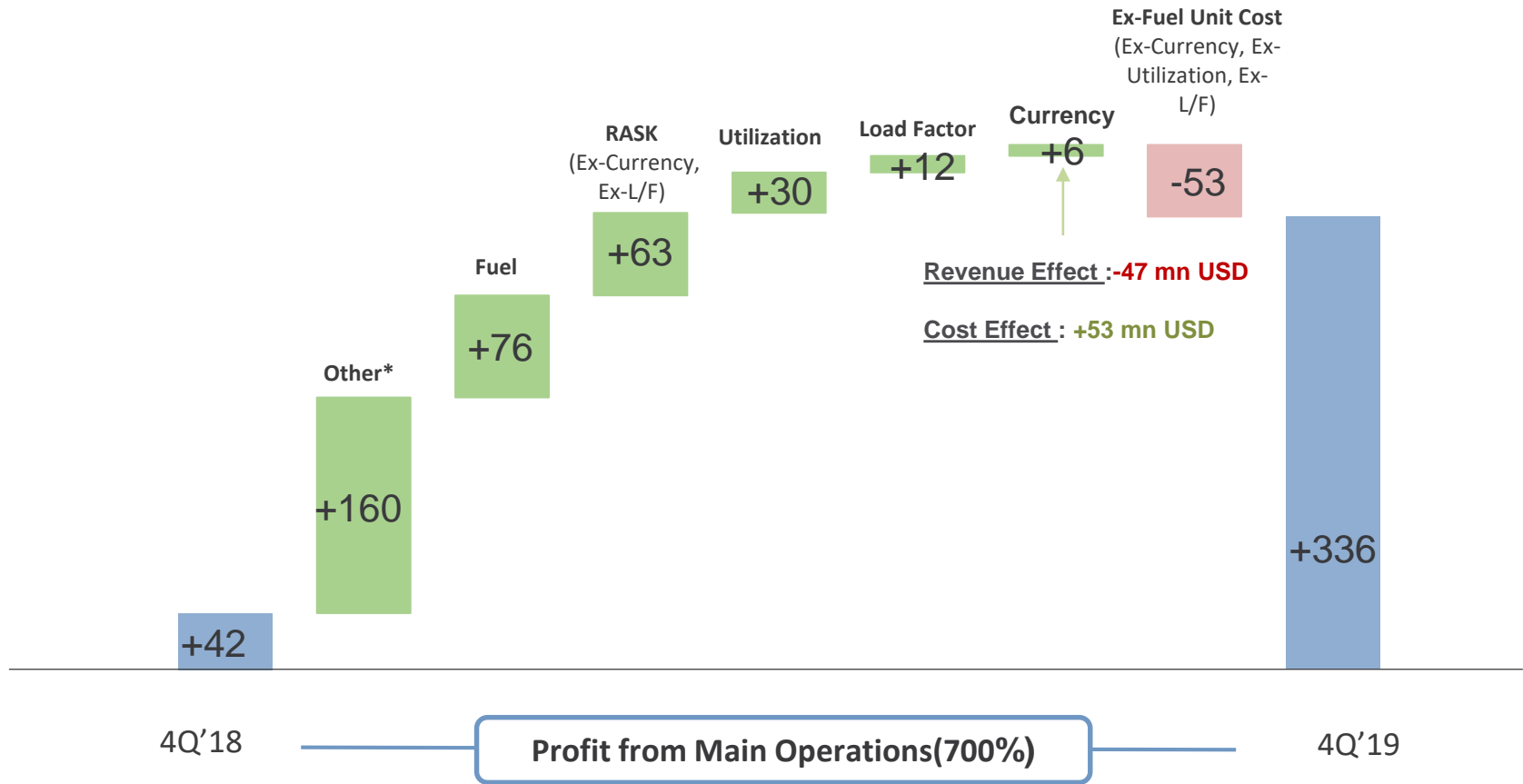


Middle East



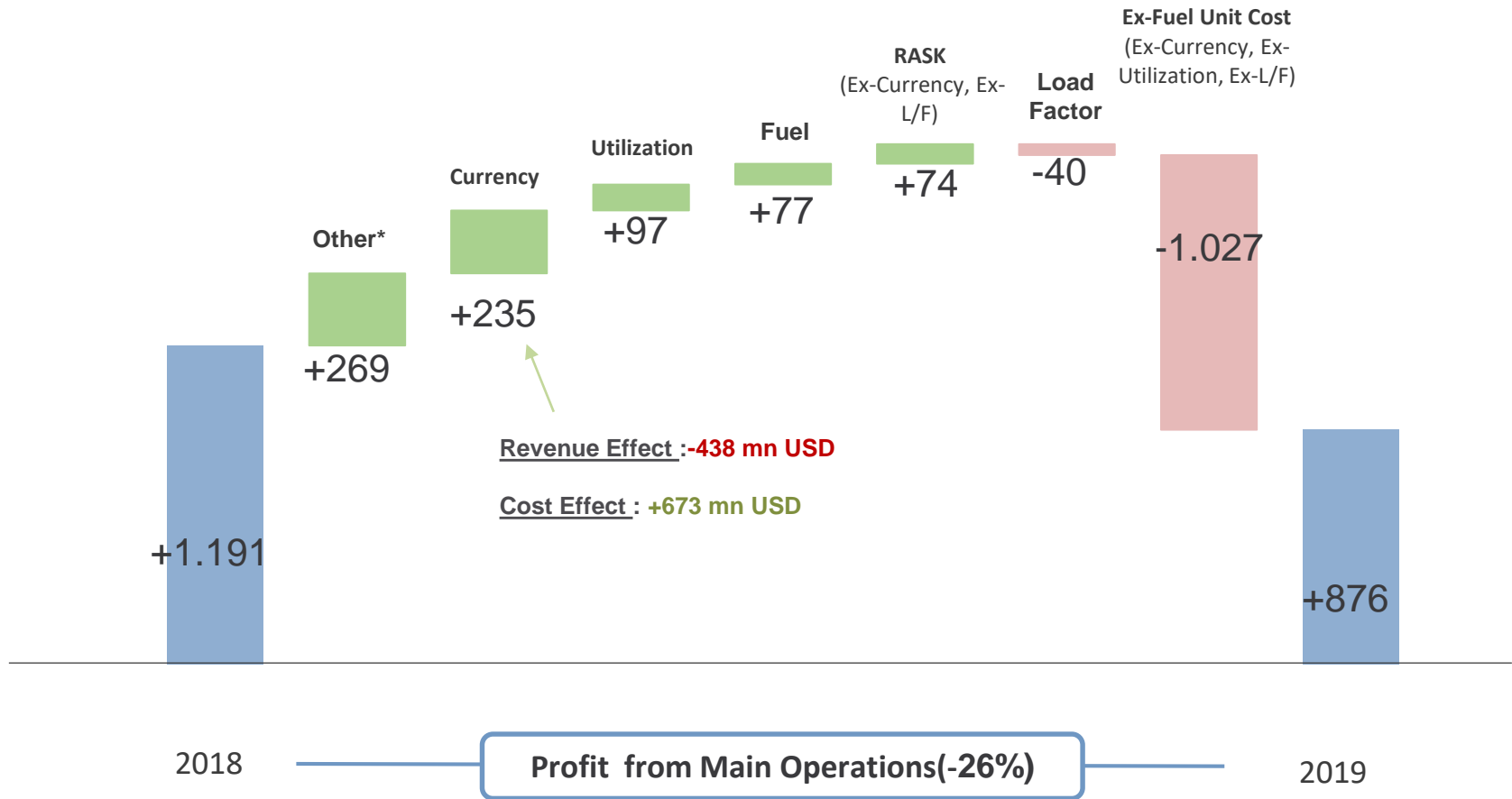
Profit From Main Operations Bridge (4Q'18 vs 4Q'19)

(mn USD)



Profit From Main Operations Bridge (2018 vs 2019)

(mn USD)



Operational Expense Breakdown

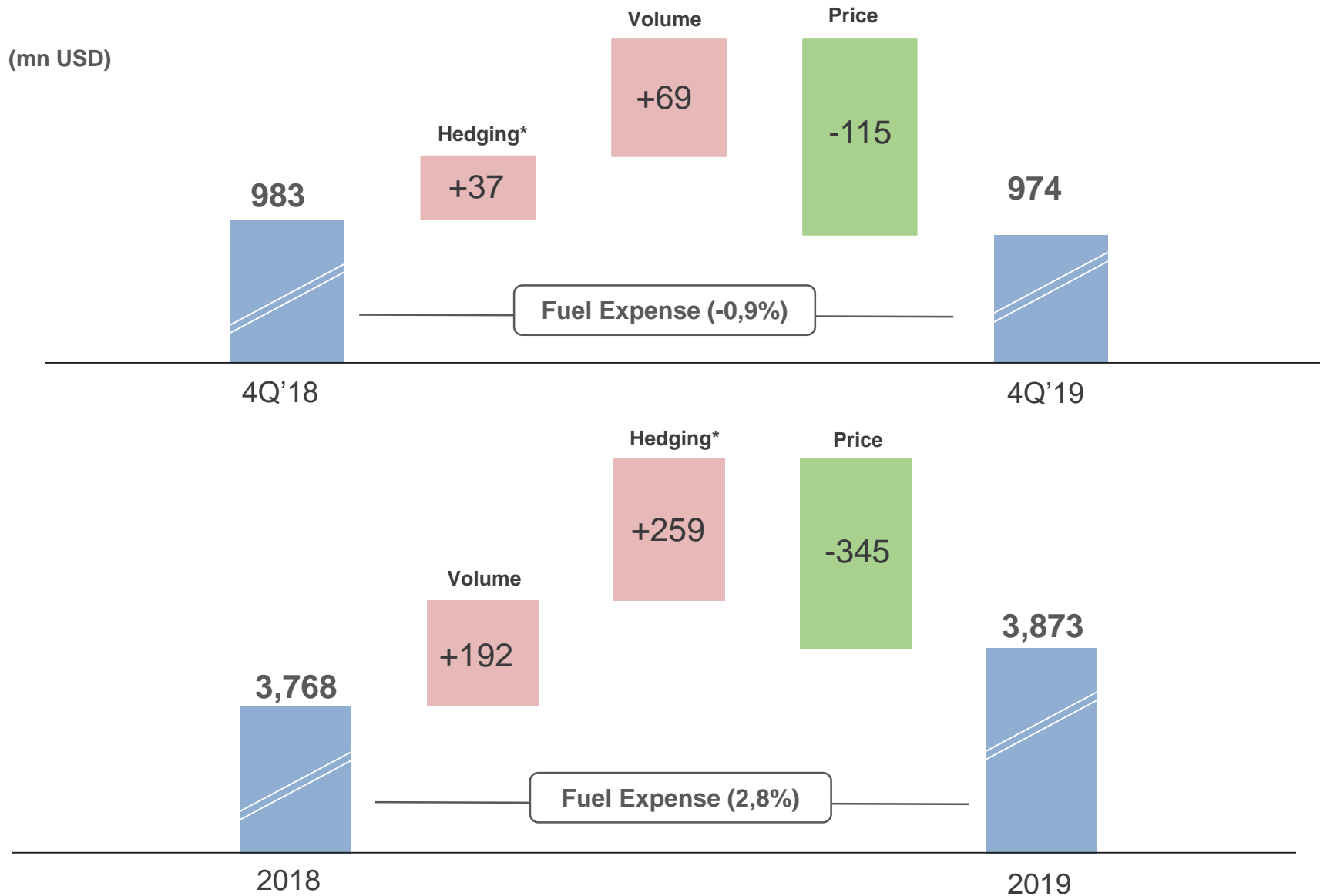
| 4Q'18 | 4Q'19 | Change | (mn USD) | 2018 | 2019 | Change |
|--------------|--------------|-------------|--|---------------|---------------|-------------|
| 983 | 974 | -0,9% | Fuel | 3.768 | 3.873 | 2,8% |
| 472 | 473 | 0,2% | Personnel | 1.772 | 2.067 | 16,6% |
| 424 | 458 | 8,0% | Aircraft Ownership | 1.682 | 1.832 | 8,9% |
| 246 | 304 | 23,6% | Airports & Air Navigation | 1.056 | 1.175 | 11,3% |
| 214 | 243 | 13,6% | Sales & Marketing | 986 | 1.101 | 11,7% |
| 187 | 205 | 9,6% | Ground Handling | 733 | 815 | 11,2% |
| 137 | 151 | 10,2% | Passenger Services & Catering | 560 | 623 | 11,3% |
| 235 | 230 | -2,1% | Maintenance | 804 | 791 | -1,6% |
| 85 | 106 | 24,7% | Other¹ | 325 | 367 | 12,9% |
| 2.983 | 3.144 | 5,4% | TOTAL | 11.686 | 12.644 | 8,2% |

ASK Growth: **7,4%**

ASK Growth: **3,1%**

¹Includes General Administration and Other Cost of Sales.

Fuel Expense Breakdown



*Hedge gain in 2019 decreased significantly compared to 2018.

CASK Breakdown

| 4Q'18 | 4Q'19 | Change | (USc) | 2018 | 2019 | Change |
|-------------|-------------|--------------|--|-------------|-------------|-------------|
| 2,24 | 2,07 | -7,8% | Fuel | 2,07 | 2,06 | -0,3% |
| 1,08 | 1,00 | -6,7% | Personnel | 0,97 | 1,10 | 13,1% |
| 0,97 | 0,97 | 0,6% | Aircraft Ownership | 0,92 | 0,98 | 5,6% |
| 0,56 | 0,65 | 15,0% | Airports & Air Navigation | 0,58 | 0,63 | 7,9% |
| 0,49 | 0,52 | 5,7% | Sales & Marketing | 0,54 | 0,59 | 8,3% |
| 0,43 | 0,44 | 2,0% | Ground Handling | 0,40 | 0,43 | 7,8% |
| 0,31 | 0,32 | 2,6% | Passenger Services & Catering | 0,31 | 0,33 | 7,9% |
| 0,54 | 0,49 | -8,9% | Maintenance | 0,44 | 0,42 | -4,6% |
| 0,19 | 0,23 | 16,1% | Other | 0,18 | 0,20 | 9,5% |
| 6,81 | 6,68 | -1,9% | TOTAL | 6,42 | 6,74 | 4,9% |

Ex-Fuel CASK: **1,0%**

Ex-Fuel CASK: **7,4%**

Ex-Fuel CASK (incl. ATK)*: **-0,3%**

Ex-Fuel CASK (incl. ATK)*: **4,4%**

*ASK value is adjusted for cargo operations adding Available Cargo Ton Km.

Note: ASK value is adjusted to indicate effect of cargo because cargo expenses has reasonable share in our total expenses.

Selected KPI's

| 4Q'18 | 4Q'19 | Change | | 2018 | 2019 | Change |
|-------|-------|---------|--|-------|-------|--------|
| 759 | 704 | -7,2% | Fuel Price (Usd/ton) | 714 | 701 | -1,9% |
| 3,28 | 3,22 | -1,9% | Fuel Consumption (lt) per 100 ASK2 | 3,30 | 3,26 | -1,3% |
| 1.220 | 1.246 | 2,2% | Aircraft Ownership Cost per BH | 1.174 | 1.228 | 4,6% |
| 676 | 626 | -7,4% | Maintenance Cost per BH | 561 | 530 | -5,5% |
| 1.604 | 1.765 | 10,0% | Handling Cost per Landing | 1.484 | 1.674 | 12,8% |
| 1.137 | 1.309 | 15,1% | Airports & Air Navigation Cost per km Flown | 1.192 | 1.269 | 6,5% |
| 7,80 | 8,45 | 8,4% | Passenger Services & Catering Cost per Pax | 7,46 | 8,39 | 12,5% |
| 7,2% | 7,1% | -0,1 pt | Sales & Marketing Cost / Total Revenue | 7,7% | 8,2% | 0,6 pt |

EBITDAR Calculation

| 4Q'18 | 4Q'19 | Change | EBITDAR (mn USD) | 2018 | 2019 | Change | IFRS16 Impact |
|--------------|--------------|----------------|--|--------------|--------------|---------------|---------------|
| 2.986 | 3.281 | 9,9% | Sales Revenue | 12.855 | 13.229 | 2,9% | |
| 2.635 | 2.754 | 4,5% | Cost of Sales (-) | 10.136 | 10.928 | 7,8% | |
| 351 | 527 | 50,1% | GROSS PROFIT / (LOSS) | 2.719 | 2.301 | -15,4% | |
| 56 | 77 | 37,5% | General Administrative Expenses (-) | 260 | 299 | 15,0% | |
| 292 | 313 | 7,2% | Marketing and Sales Expenses (-) | 1.290 | 1.417 | 9,8% | |
| 3 | 137 | 4466,7% | NET OPERATING PROFIT / (LOSS) | 1.169 | 585 | -50,0% | +38 |
| 51 | 213 | 317,6% | Other Operating Income | 165 | 355 | 115,2% | |
| 12 | 14 | 16,7% | Other Operating Expense (-) | 143 | 64 | -55,2% | |
| 42 | 336 | 700,0% | Profit / (Loss) from Main Operations | 1.191 | 876 | -26,4% | +38 |
| 14 | 38 | 171,4% | Adjustments | 185 | 192 | 3,8% | |
| -5 | 2 | - | Share of Investments' Profit / Loss Accounted by Using The Equity Method | 123 | 82 | -33,3% | |
| 19 | 36 | 89,5% | Income From Government Incentives | 62 | 110 | 77,4% | |
| 56 | 374 | 567,9% | EBIT | 1.376 | 1.068 | -22,4% | |
| 280 | 398 | 42,1% | Depreciation | 1.087 | 1.521 | 39,9% | +315 |
| 336 | 772 | 129,8% | EBITDA | 2.463 | 2.589 | 5,1% | +353 |
| 208 | 86 | -58,5% | Adjusted Operating Lease Expenses ¹ | 743 | 361 | -51,4% | -336 |
| 32 | 34 | 5,1% | Adjusted Short term Lease Expenses (Wet-lease) ² | 142 | 156 | 9,7% | |
| 576 | 892 | 54,9% | EBITDAR | 3.349 | 3.107 | -7,2% | +17 |
| 19,3% | 27,2% | 7,90 | EBITDAR MARGIN | 26,0% | 23,5% | -2,57 | |

Notes:

- For 2019 Turkish Technic's contribution to EBITDAR through consolidation is 305 mn USD, compared to 226 mn in 2018
- For 2019 adjustments for heavy maintenance of operational lease expenses is 334 mn USD compared to 407 mn USD in 2018.

¹ Adjusted for A/C heavy maintenance

² Adjusted for A/C rent and heavy maintenance portion (Aprox. 55%)

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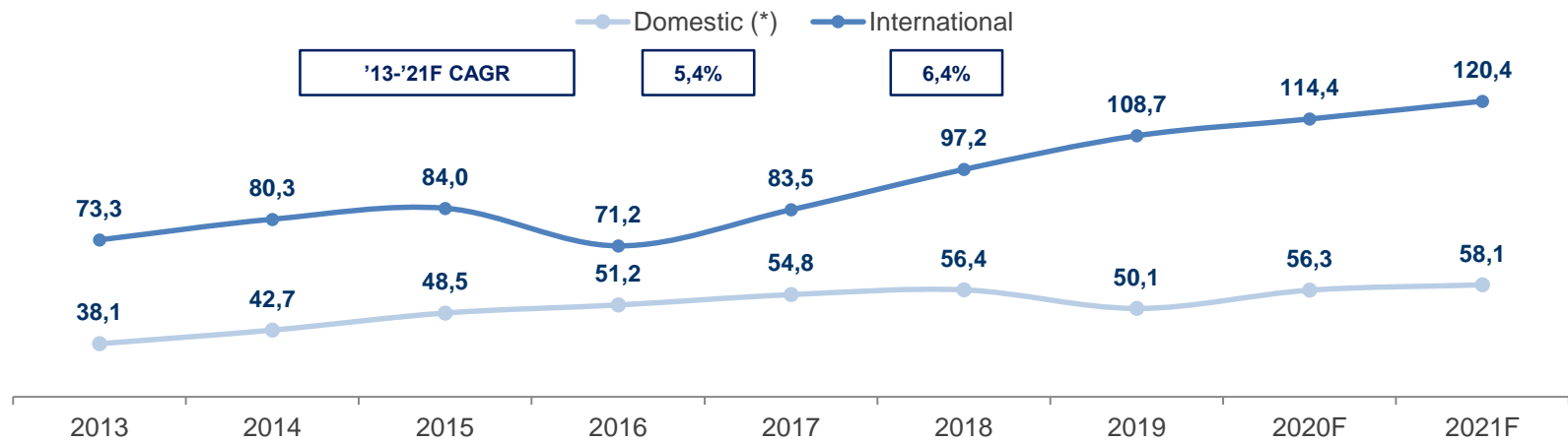


4Q'19 RESULTS



Aviation Sector & Economy

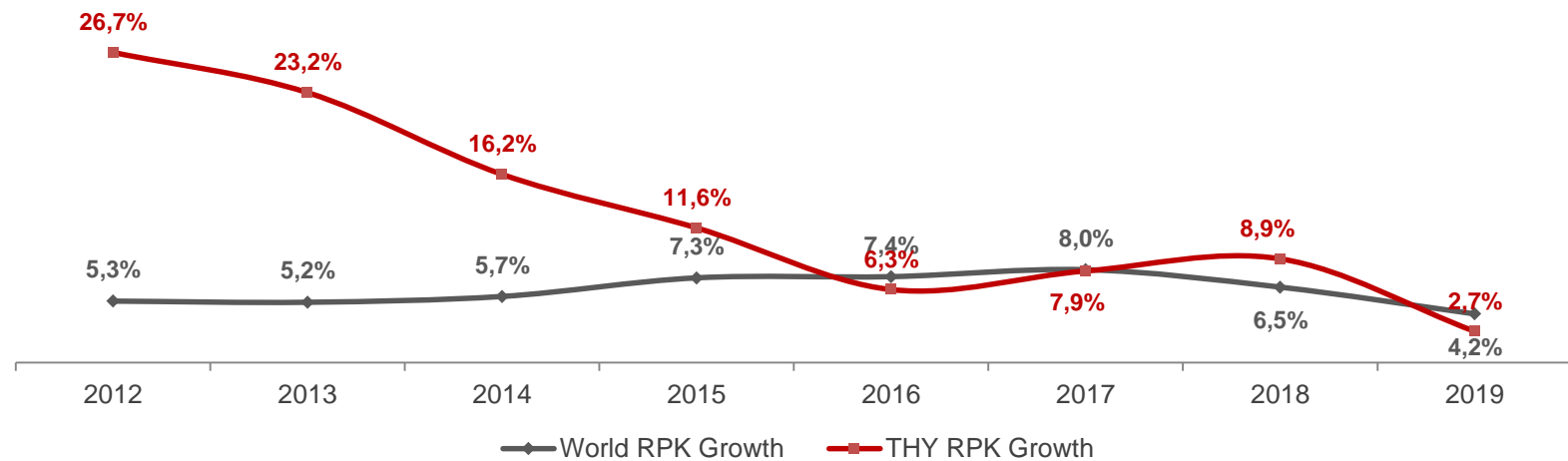
Turkish Market Growth (mn passengers)



Source: General Directorate of State Airports Authority (DHMI) – September 2019

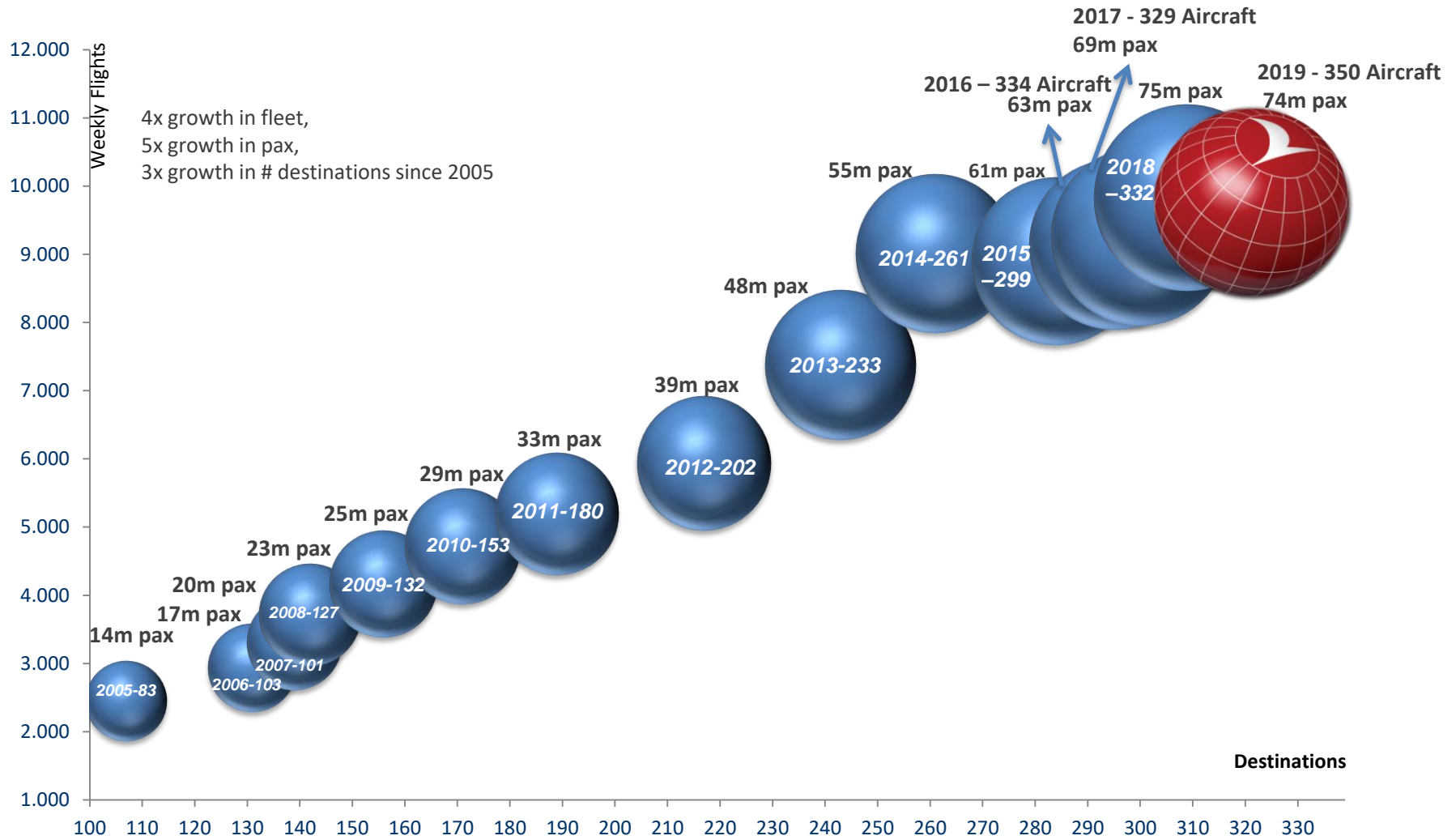
(*)Adjusted for double count on Domestic Pax

Annual RPK Growth (%)



Source: IATA

Turkish Airlines Historical Growth



Note: Diameters of the bubbles are proportional to the number of passengers carried.

We Fly to 126 Countries

EUROPE

43 COUNTRIES, 116 CITIES

| | | | |
|-----------------|-----------------|------------|----------------------|
| Germany | Russia | Belgium | Moldova |
| Munich | Moscow | Brussels | Chisinau |
| Frankfurt | Sochi | Bulgaria | Poland |
| Berlin | St. Petersburg | Sofia | Warsaw |
| Stuttgart | Kazan | Varna | Belarus |
| Düsseldorf | Rostov | Romania | Minsk |
| Cologne | Ekaterinburg | Bucharest | Slovakia |
| Hamburg | Ufa | Cluj | Kosice |
| Hanover | Astrakhan | Constanta | |
| Nuremberg | Novosibirsk | Hungary | |
| Bremen | Stravropol | Budapest | |
| Friedrichshafen | Voronezh | Czech Rep. | Future Routes |
| Leipzig | Samara | Prague | Azerbaijan |
| Münster | Krasnodor | Croatia | Lankaran |
| Baden-Baden | Ukraine | Zagreb | Poland |
| Italy | Kiev | Dubrovnik | Krakow |
| Milan | Odessa | Portugal | France |
| Rome | Ivano-Frankivsk | Lisbon | Nantes |
| Venice | Dnepropetrovsk | Porto | Spain |
| Bologna | Kharkiv | Bosnia | La Coruna |
| Naples | Kherson | Sarajevo | Russia |
| Catania | Zaporizhja | Finland | Makhachkala |
| Turin | Lviv | Helsinki | Italia |
| Pisa | Simferopol | Rovaniemi | Palermo |
| Bari | Donetsk | Norway | |
| Genoa | Austria | Oslo | |
| France | Vienna | Albania | |
| Paris | Salzburg | Tirana | |
| Lyon | Graz | Ireland | |
| Nice | Northern Cyprus | Dublin | |
| Marseille | Lefkosa | Kosovo | |
| Toulouse | Azerbaijan | Pristina | |
| Bordeaux | Ganja | Macedonia | |
| Strasbourg | Nakhichevan | Skopje | |
| UK | Netherlands | Serbia | |
| London | Amsterdam | Belgrade | |
| Manchester | Rotterdam | Malta | |
| Birmingham | Greece | Malta | |
| Spain | Athens | Slovenia | |
| Barcelona | Thessaloniki | Ljubljana | |
| Madrid | Sweden | Montenegro | |
| Malaga | Stockholm | Podgorica | |
| Valencia | Gothenburg | Scotland | |
| Bilbao | Denmark | Edinburgh | |
| Switzerland | Copenhagen | Estonia | |
| Zurich | Aalborg | Tallinn | |
| Geneva | Billund | Latvia | |
| Basel | Georgia | Riga | |
| | Tbilisi | Lithuania | |
| | Batumi | Vilnius | |
| | | Luxemburg | |
| | | Luxembourg | |

AFRICA

38 COUNTRIES, 59 CITIES

| | |
|----------------|----------------------|
| Egypt | Dem. Rep. Congo |
| Cairo | Kinshasa |
| Alexandria | Gabon |
| Hurghada | Libreville |
| Sharmel-Sheikh | Mali |
| Luxor | Bamako |
| Algeria | Burkina Faso |
| Algiers | Ougadougou |
| Oran | Cote D'Ivoire |
| Constantine | Abidjan |
| Tlemcen | Chad |
| Batna | N'Djamena |
| South Africa | Benin |
| Johannesburg | Cotonou |
| Cape Town | Guinea |
| Durban | Conakry |
| Nigeria | Mozambique |
| Lagos | Maputo |
| Abuja | Niger |
| Kano | Niamey |
| Port Harcourt | Eritrea |
| Cameroon | Asmara |
| Douala | Madagascar |
| Yaounde | Antananarivo |
| Kenya | Mauritius |
| Mombasa | Port Louis |
| Nairobi | Seychelles |
| Tanzania | Seychelles |
| Dar Es Salaam | Libya |
| Kilimenjaro | Misurata |
| Zanzibar | Benghazi |
| Tunisia | Sebha |
| Tunis | Tripoli |
| Djibouti | Sierra Leone |
| Djibouti | Freetown |
| Ethiopia | Comoros |
| Addis Ababa | Moroni |
| Ghana | Gambia |
| Accra | Banjul |
| Morocco | Zambia |
| Casablanca | Lusaka |
| Marrakech | Congo |
| Rwanda | Point-Noire |
| Kigali | |
| Somalia | Future Routes |
| Mogadishu | Angola |
| Sudan | Luanda |
| Khartoum | Egypt |
| Uganda | Aswan |
| Entebbe | South Sudan |
| Mauritania | Juba |
| Nouakchott | Sudan |
| Senegal | Port Sudan |
| Dakar | Equatorial Guinea |
| | Malabo |

MIDDLE EAST

13 COUNTRIES, 35 CITIES

| | |
|--------------|----------------------|
| Saudi Arabia | UAE |
| Jeddah | Dubai |
| Madinah | Abu Dhabi |
| Riyadh | Sharjah |
| Dammam | Lebanon |
| Yanbu | Beirut |
| El Qassim | Jordan |
| Taif | Amman |
| Iran | Akabe |
| Tehran | Qatar |
| Mashad | Doha |
| Shiraz | Bahrain |
| Tabriz | Bahrain |
| Isfahan | Oman |
| Kermanshah | Muscat |
| Ahvaz | Syria |
| Israel | Aleppo |
| Tel Aviv | Damascus |
| Erbil | Yemen |
| Baghdad | Aden |
| Basra | Sanaa |
| Sulaymaniyah | |
| Najaf | Future Routes |
| Mosul | Saudi Arabia |
| Kuwait | Abha |
| Kuwait | |

AMERICAS

9 COUNTRIES, 19 CITIES

| | |
|---------------|----------------------|
| USA | Panama |
| New York | Panama |
| Los Angeles | Cuba |
| Washington | Havana |
| Boston | Venezuela |
| Chicago | Caracas |
| Houston | Mexico |
| Miami | Mexico City |
| Atlanta | Cancun |
| San Francisco | |
| Canada | Future Routes |
| Toronto | USA |
| Montreal | |
| Argentina | Newark |
| Buenos Aires | Canada |
| Brazil | Vancouver |
| Sao Paulo | |
| Columbia | |
| Bogota | |

FAR EAST

22 COUNTRIES, 39 CITIES

| | |
|------------|----------------|
| China | Bangladesh |
| Beijing | Dhaka |
| Guangzhou | Indonesia |
| Shanghai | Jakarta |
| Taipei | Denpasar |
| Hong Kong | Maldives |
| Xi'an | Male |
| Pakistan | Singapore |
| Karachi | Singapore |
| Islamabad | Sri Lanka |
| Lahore | Colombo |
| Kyrgyzstan | Uzbekistan |
| Bishkek | Tashkent |
| Osh | Samarkand |
| Kazakhstan | Philippines |
| Almaty | Manila |
| Astana | Tajikistan |
| Japan | Dushanbe |
| Tokyo | Khujand |
| Osaka | Nepal |
| India | Kathmandu |
| Mumbai | Mongolia |
| New Delhi | Ulaanbaatar |
| Najaf | Thailand |
| Mosul | Phuket |
| Kuwait | Bangkok |
| Kuwait | Turkmenistan |
| | Ashgabat |
| | Malaysia |
| | Kuala Lumpur |
| | South Korea |
| | Seoul |
| | Afghanistan |
| | Kabul |
| | Mazar-i Sharif |
| | Vietnam |
| | Ho Chi Minh |
| | Hanoi |

DOMESTIC

50 CITIES

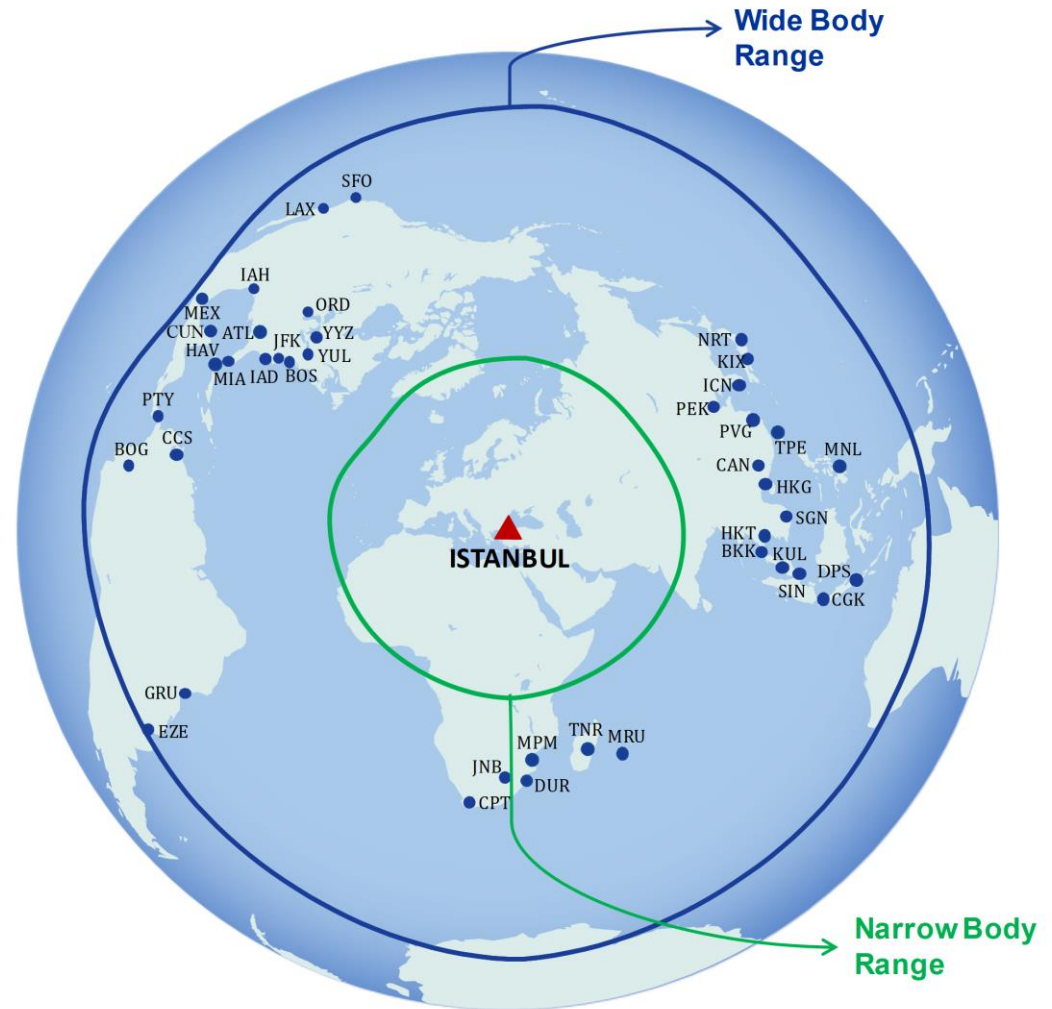
*As of 31.12.2019

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ 207 out of 269 international destinations
- ✓ More than 40% of world-wide international traffic
- ✓ Over 60 national capitals
- ✓ All of Europe, Middle East, Central Asia and North and East Africa



Highest Connectivity for Europe, Africa and Middle East

Airlines Connectivity by Number of O&D Pairs (Top Three)

Europe to the World

| | |
|------------------|--------|
| Turkish Airlines | 16,509 |
| British Airways | 12,096 |
| Lufthansa | 9,720 |

Middle East to the World

| | |
|------------------|-------|
| Turkish Airlines | 8,136 |
| Qatar Airways | 2,304 |
| British Airways | 1,120 |

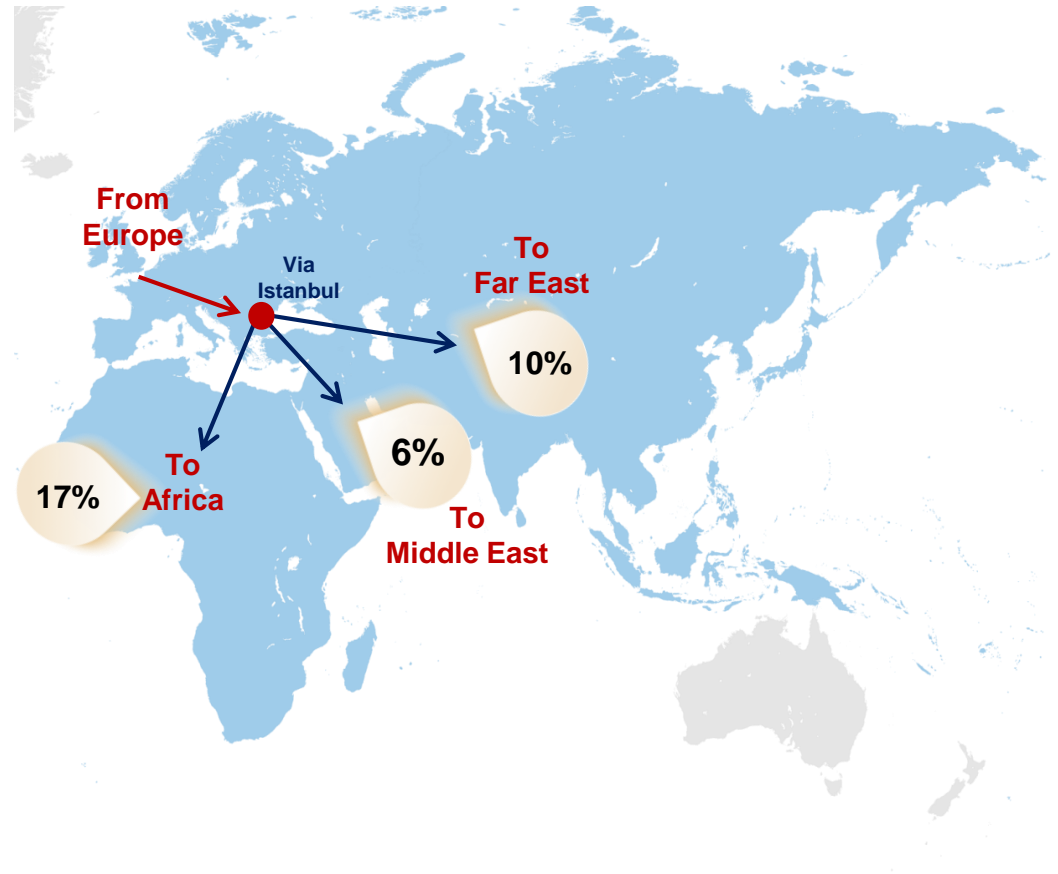
Africa to the World

| | |
|------------------|--------|
| Turkish Airlines | 11,685 |
| Air France | 5,328 |
| British Airways | 3,485 |

Far East to the World

| | |
|------------------|-------|
| United Airlines | 8,694 |
| Turkish Airlines | 8,325 |
| Air China | 5,724 |

Detour* Advantage

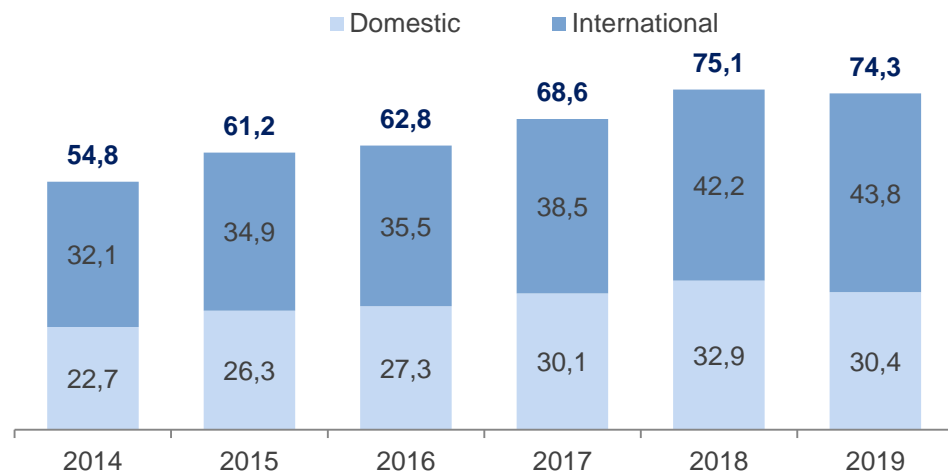


*Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities

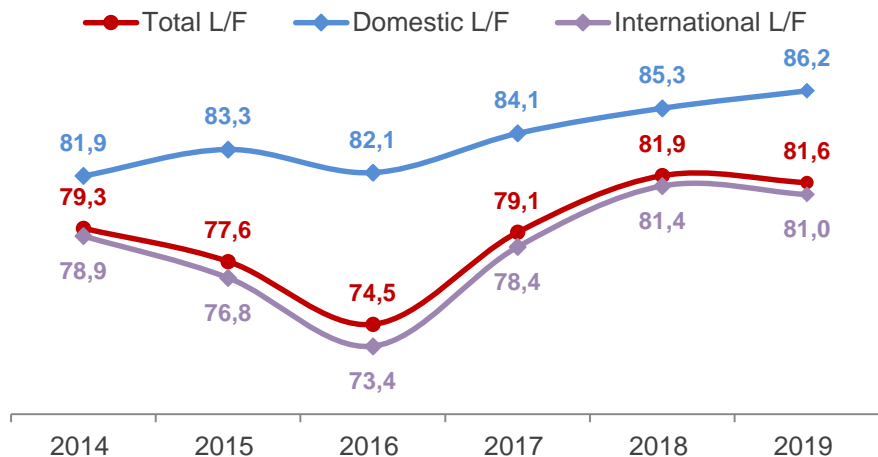
Source: Retrieved from OAG. As of 24.06.2019.

Passenger Traffic

Total Passengers (mn)



Load Factor (L/F %)



Passenger Traffic

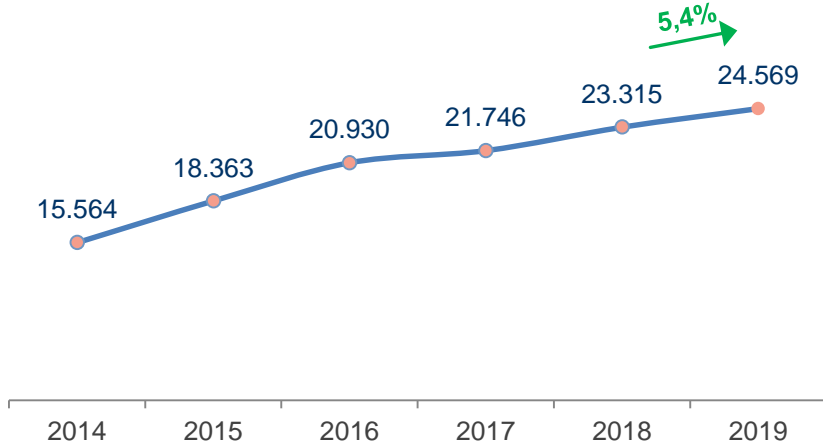
| THY Passenger Traffic | | |
|-----------------------|---------|---------|
| 2018 | vs | 2019 |
| Landing | down by | -1,4% |
| ASK | up by | 3,1% |
| RPK | up by | 2,7% |
| Passenger # | down by | -1,1% |
| L/F | down by | -0,3 pt |

Annual Changes (%)

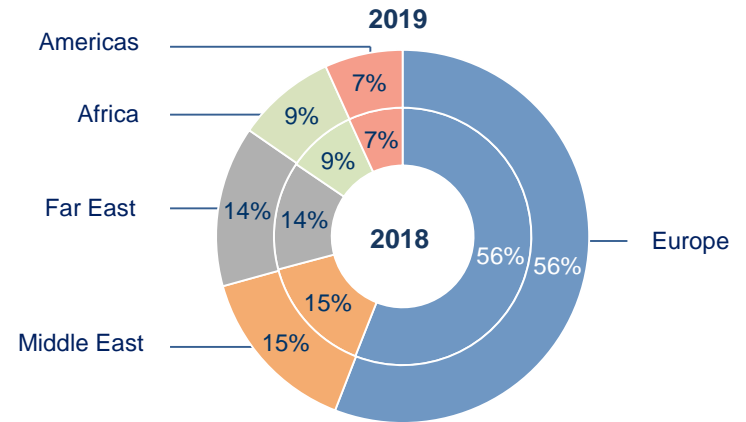
| | ANNUAL CHANGES (%) | | | | |
|-------------|--------------------|------|------|------|------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| ASK | 14% | 11% | 2% | 5% | 3% |
| RPK | 12% | 6% | 8% | 9% | 3% |
| PAX | 12% | 3% | 9% | 10% | -1% |
| L/F (Point) | -1,7 | -3,1 | 4,6 | 2,8 | -0,3 |

Passenger Breakdown

Int'l to Int'l Transfer Passengers ('000)

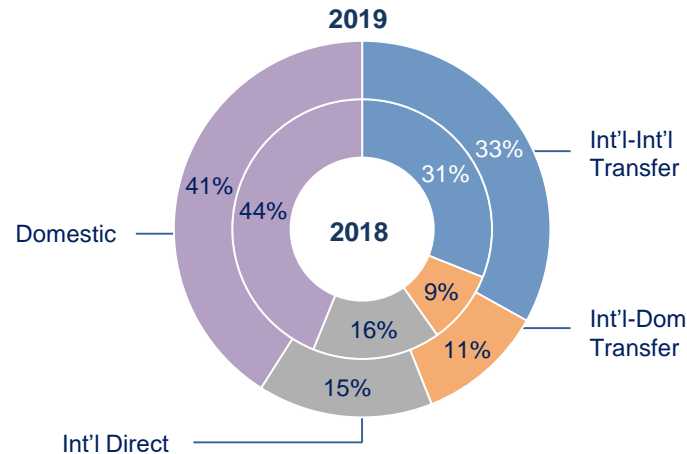


Int'l Passenger Breakdown by Geography



Note: Includes only scheduled passengers.

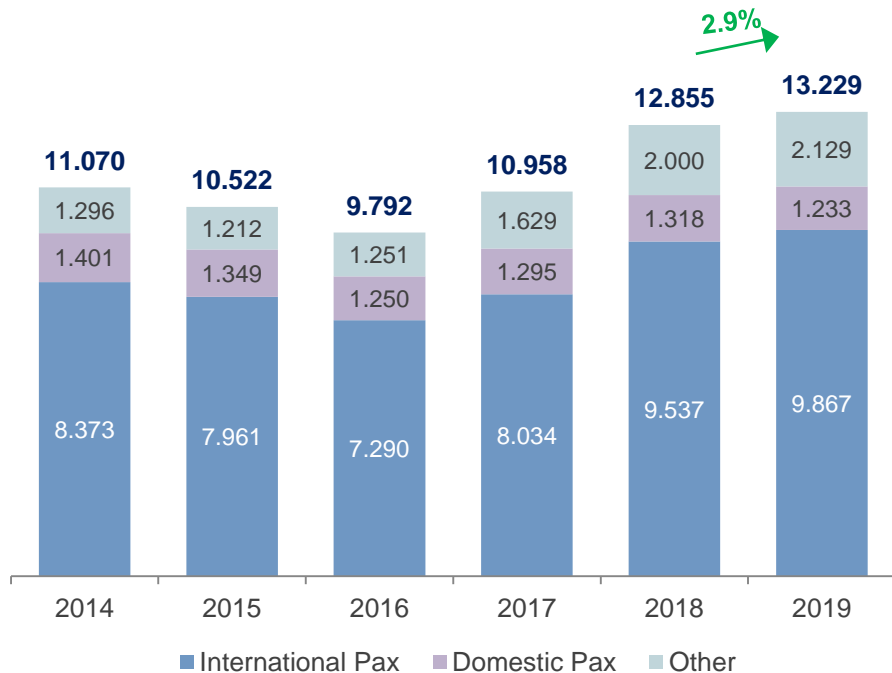
Passenger Breakdown by Transfer Type



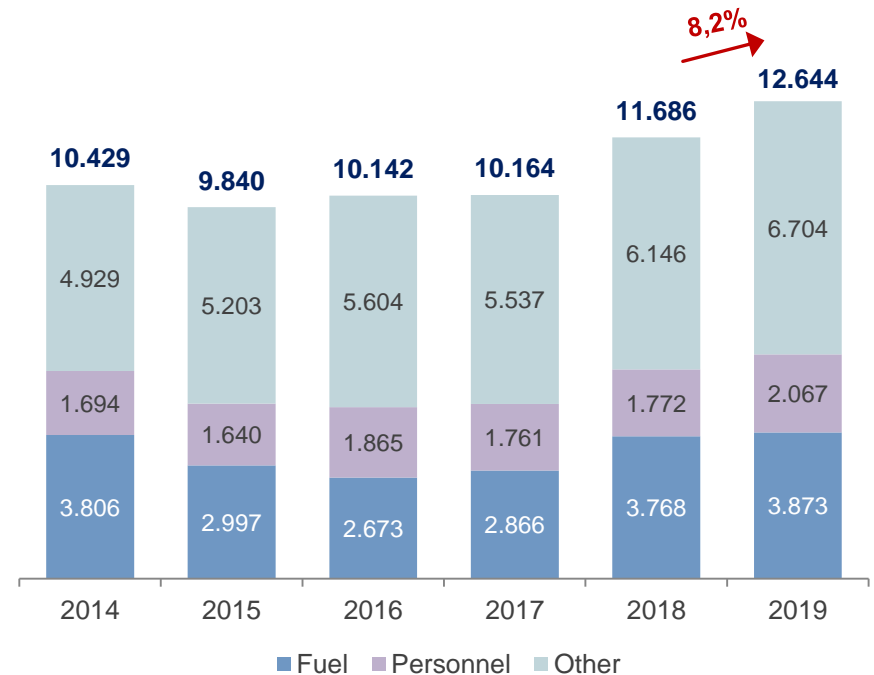
Note: Int'l to int'l transfer passengers' share in total international passengers is 56%.

Total Revenue and Expenses

Revenues (mn USD)



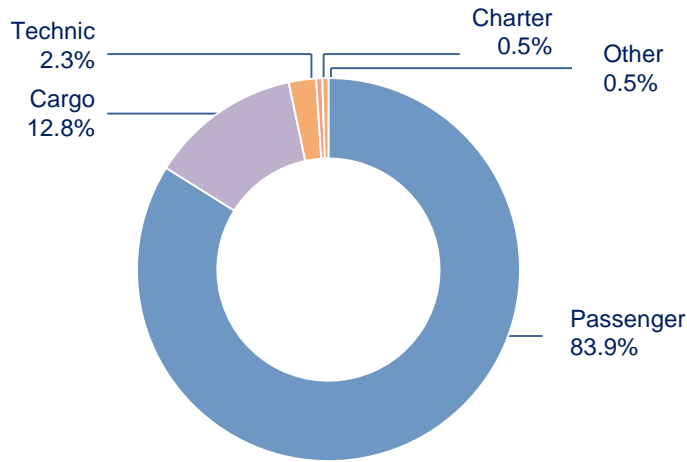
Expenses (mn USD)



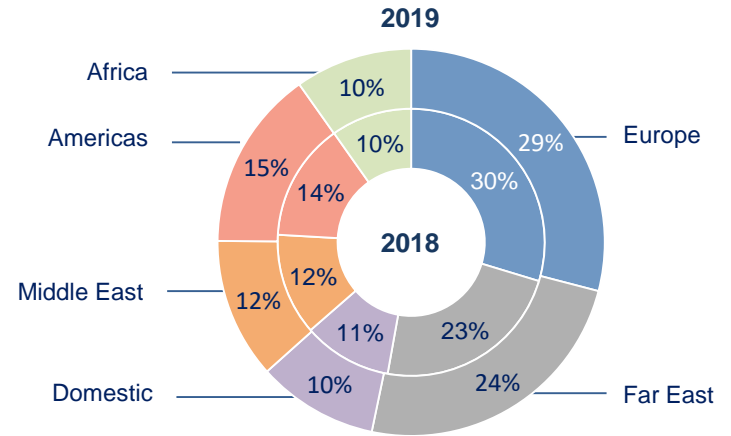
Note: International and domestic pax revenue indicates scheduled pax revenue.
Other revenue includes cargo, charter and other revenue.

Revenue Breakdown (2019)

Revenue by Business Type

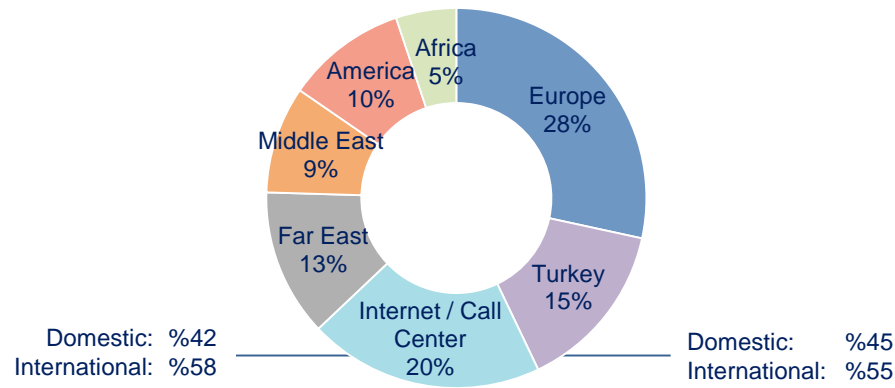


Revenue by Geography



Note: Includes total passenger and cargo revenue

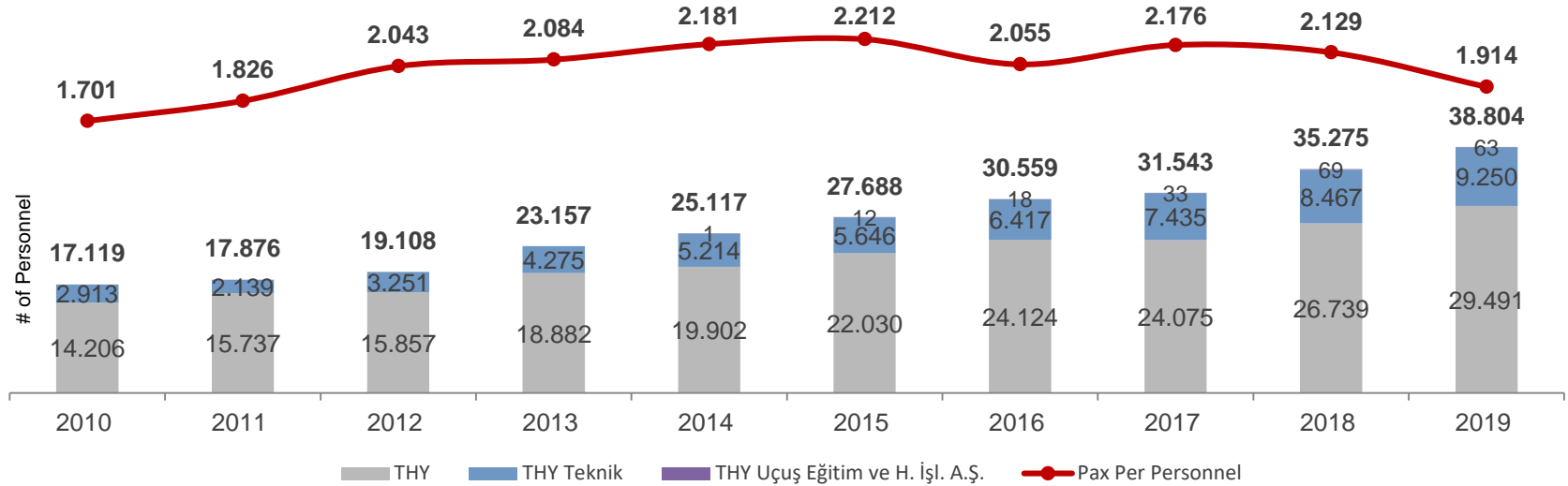
Revenue by Point of Sale



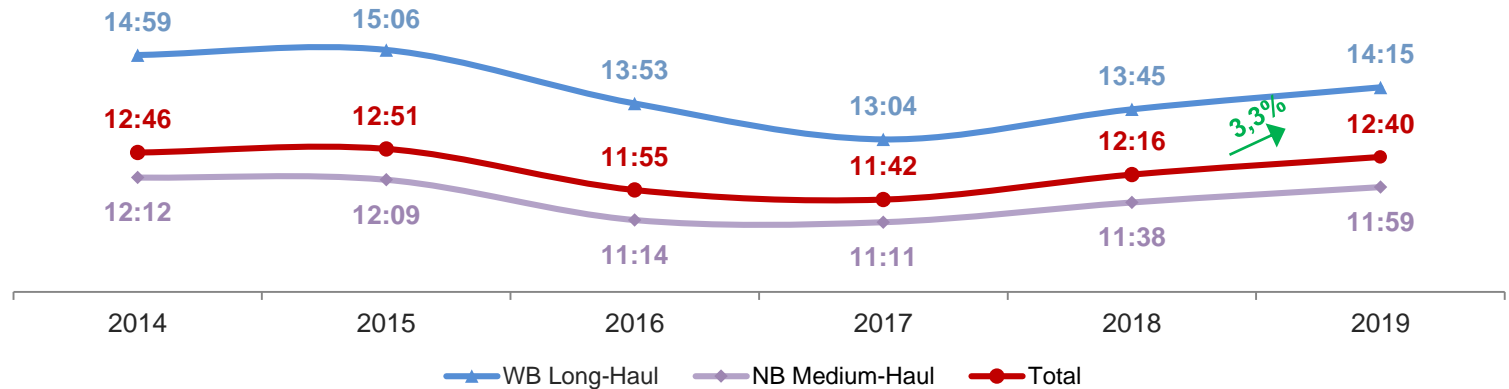
Note: Includes only scheduled passenger revenue

Operating Efficiency

Personnel Efficiency

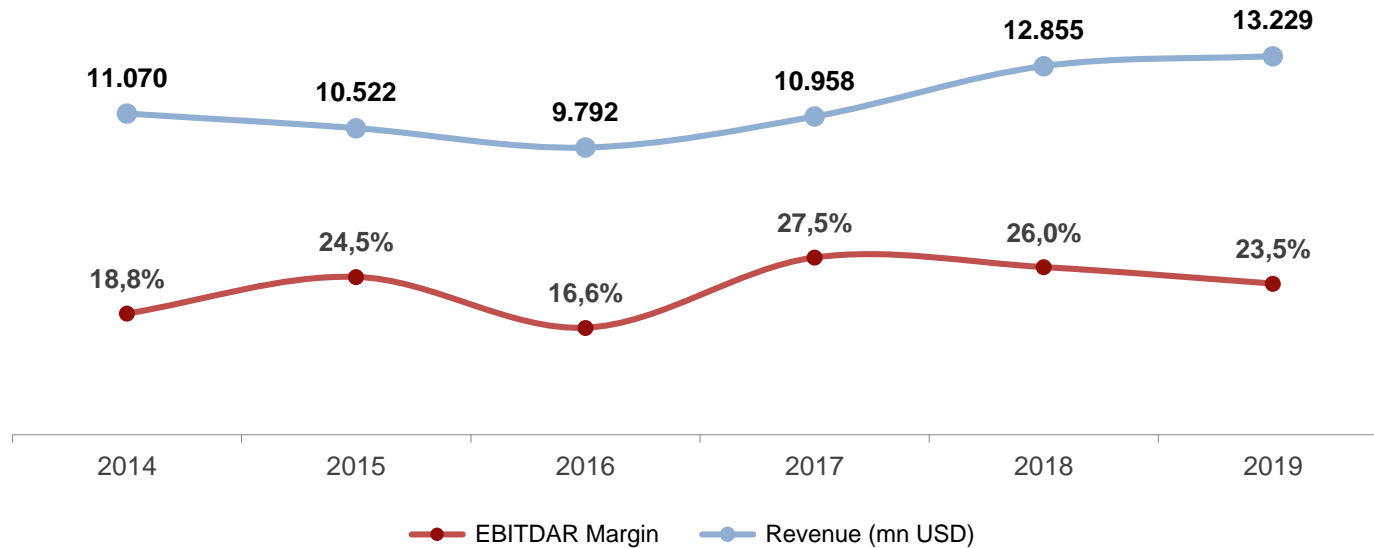


Average Daily Flight Utilization (hrs)



EBITDAR Margin

Avg. EBITDAR Margin (2014-2019): 23%



| (mn USD) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | YoY Change |
|------------------|--------|--------|-------|--------|--------|--------|------------|
| Revenue (mn USD) | 11.070 | 10.522 | 9.792 | 10.958 | 12.855 | 13.229 | 2,9% |
| EBITDAR | 2.085 | 2.580 | 1.628 | 3.017 | 3.349 | 3.107 | -7,2% |
| EBITDAR Margin | 18,8% | 24,5% | 16,6% | 27,5% | 26,0% | 23,5% | -0,1 pt |

| 31.12.2019 | Type | Total | Owned | Financial Lease | Opr./Wet Lease | Seat Capacity | Average Fleet Age | Year End Fleet* | |
|--------------------|--------------|-----------|------------|-----------------|----------------|---------------|-------------------|-----------------|------------|
| | | | | | | | | 2020 | 2024 |
| Wide Body | A330-200 | 18 | 5 | | 13 | 4.680 | 11,8 | 13 | 5 |
| | A330-300 | 40 | | 29 | 11 | 11.826 | 6,0 | 40 | 29 |
| | A340-300 | | | | | | | | |
| | B777-3ER | 33 | | 27 | 6 | 11.670 | 6,1 | 33 | 30 |
| | A350-900 | | | | | | | 5 | 25 |
| | B787-9 | 6 | | 6 | | 1.800 | 0,4 | 15 | 25 |
| | Total | 97 | 5 | 62 | 30 | 29.976 | 6,8 | 106 | 114 |
| Narrow Body | B737-900ER | 15 | | 15 | | 2.355 | 6,6 | 15 | 15 |
| | B737-9 MAX | 1 | | 1 | | 169 | 0,8 | 1 | 10 |
| | B737-800 | 77 | 25 | 37 | 15 | 12.540 | 10,5 | 88 | 88 |
| | B737-700 | 1 | | | 1 | 124 | 13,9 | | |
| | B737-8 MAX | 11 | | 11 | | 1.661 | 1,1 | 11 | 65 |
| | A321 NEO | 14 | | 11 | 3 | 2.548 | 0,5 | 26 | 92 |
| | A319-100 | 6 | | 6 | | 792 | 8,6 | 6 | 6 |
| | A320-200 | 17 | 6 | 6 | 5 | 2.718 | 12,7 | 13 | 12 |
| | A321-200 | 68 | 7 | 55 | 6 | 12.360 | 7,5 | 66 | 64 |
| | A320-200 WL | | | | | | | | |
| | B737-800 WL | 20 | | | 20 | 3.780 | 15,4 | 13 | 5 |
| Total | 230 | 38 | 142 | 50 | 39.047 | 8,8 | 239 | 357 | |
| Cargo | A330-200F | 10 | 1 | 9 | | | 6,2 | 10 | 10 |
| | B777F | 6 | | 6 | | | 1,3 | 8 | 8 |
| | Wet Lease | 7 | | | 7 | | 22,7 | | |
| | Total | 23 | 1 | 15 | 7 | | 9,9 | 18 | 18 |
| GRAND TOTAL | 350 | 44 | 219 | 87 | 69.023 | 8,3 | 363 | 488 | |

*After exit-entry

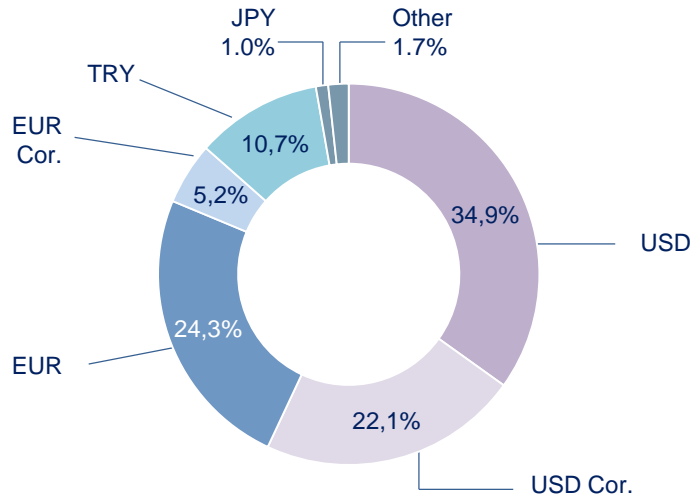
Fleet Development

| 31.12.2019 | Type | DELIVERED | DELIVERIES | | |
|--------------------|--------------|-----------|------------|------------|------------|
| | | 2019 | 2020 | 2021-2024* | Total |
| Wide Body | A350-900 | | 5 | 20 | 25 |
| | B787-9 | 6 | 9 | 10 | 25 |
| | Total | 6 | 14 | 30 | 50 |
| Narrow Body | B737-9 MAX | 1 | | 9 | 10 |
| | B737-8 MAX | 4 | | 54 | 58 |
| | A321 NEO | 12 | 12 | 66 | 90 |
| | Total | 17 | 12 | 129 | 158 |
| Cargo | B777F | 1 | 2 | | 3 |
| | Total | 1 | 2 | | 3 |
| GRAND TOTAL | | 24 | 28 | 159 | 211 |

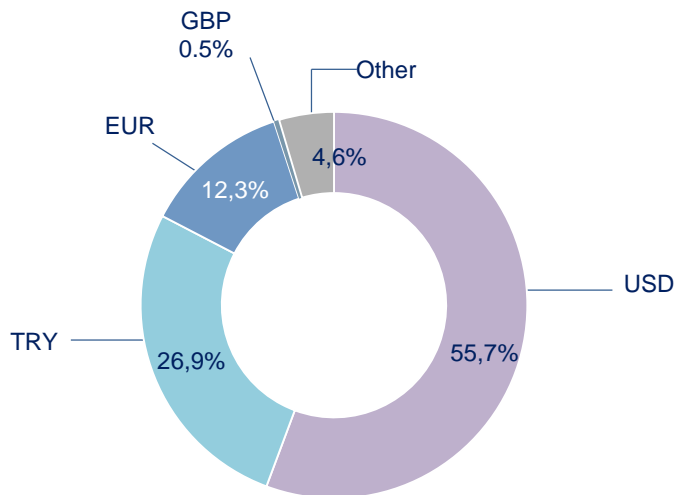
*Delivery time of MAX and NEO are based on the original fleet plan and they are subject to change upon the developments.

Hedging Currency Risk (2019)

Revenue by Currency⁽¹⁾



Expenses by Currency



Hedging Currency Risk

Hedging Policy

EUR/TRY

- Maximum Tenor: 18 months
- Maximum Hedge Ratio: %50
- Instrument: Forward

EUR/USD

- Maximum Tenor: 24 months
- Maximum Hedge Ratio: %60
- Instrument: Forward, 2-way Collar, 3-way Collar or 4-way Collar

Current Currency Hedging Matrix

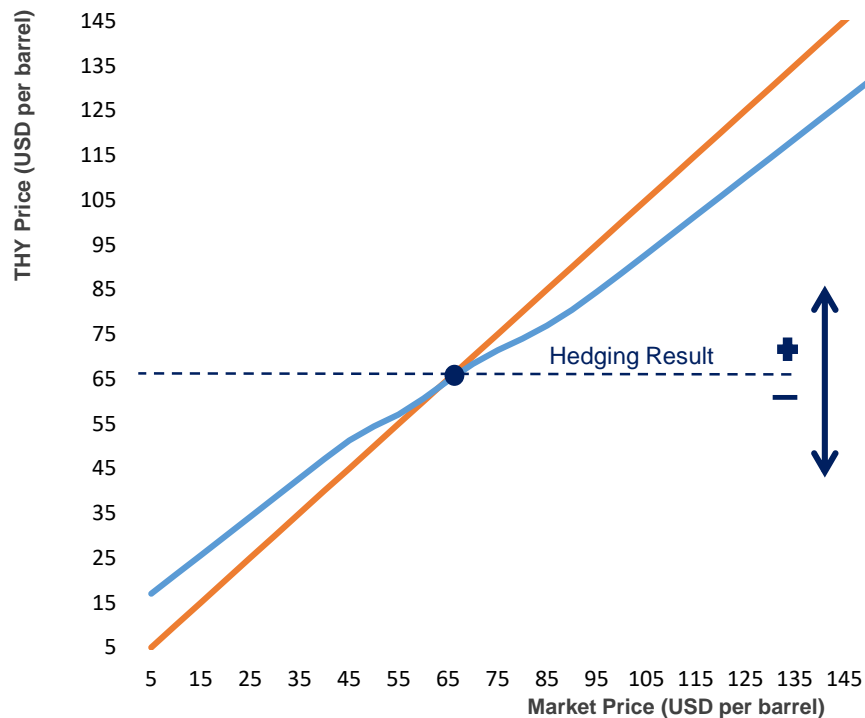
| 2019 | Hedging Levels |
|---------|----------------|
| EUR/USD | 15% |
| EUR/TRY | 21% |

| 2020 | Hedging Levels |
|---------|----------------|
| EUR/USD | 6% |
| EUR/TRY | 6% |

⁽¹⁾ Currencies that have 85% correlation with USD and EUR considered as USD and EUR correlated respectively.

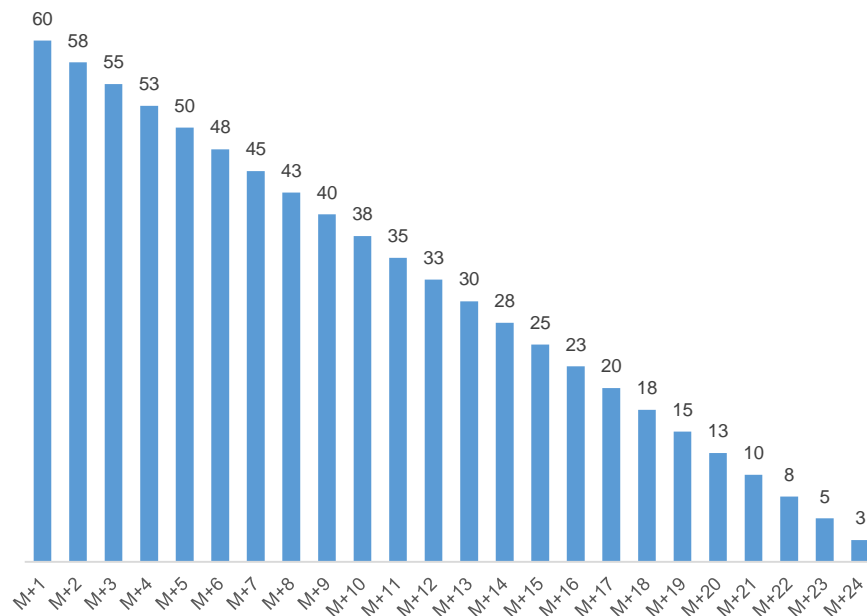
Hedging Fuel Price Risk

Effect of Hedging on the Fuel Price



- Current fuel hedging levels:
FY20: 45%
FY21: 7%

Fuel Hedging Policy (%)



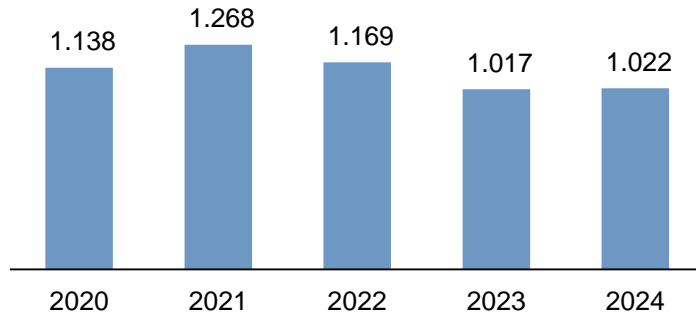
- Descending layered hedging strategy
- Crude oil based swaps and options
- Maximum of 60% for the following month is hedged using derivative instruments.

Aircraft Financing and Debt Management

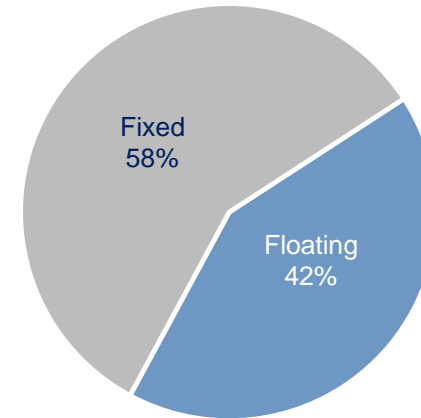
As of 31.12.2019

Total Financial Lease Liabilities: **9.0 bn USD**
Operating Leases: **1.7 bn USD**

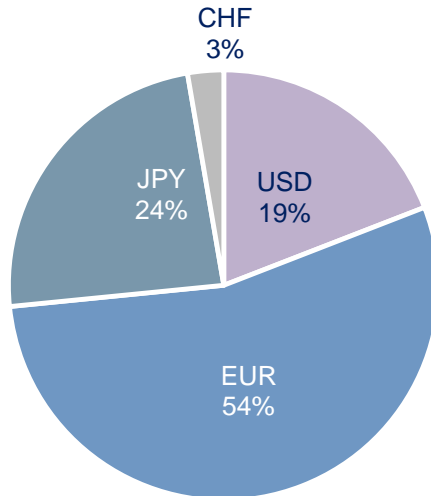
5 Year Maturity Profile⁽¹⁾ (USD mn)



Weighted Average Interest Rate⁽²⁾: **2.34%**



Currency Breakdown of Financial Lease Liabilities



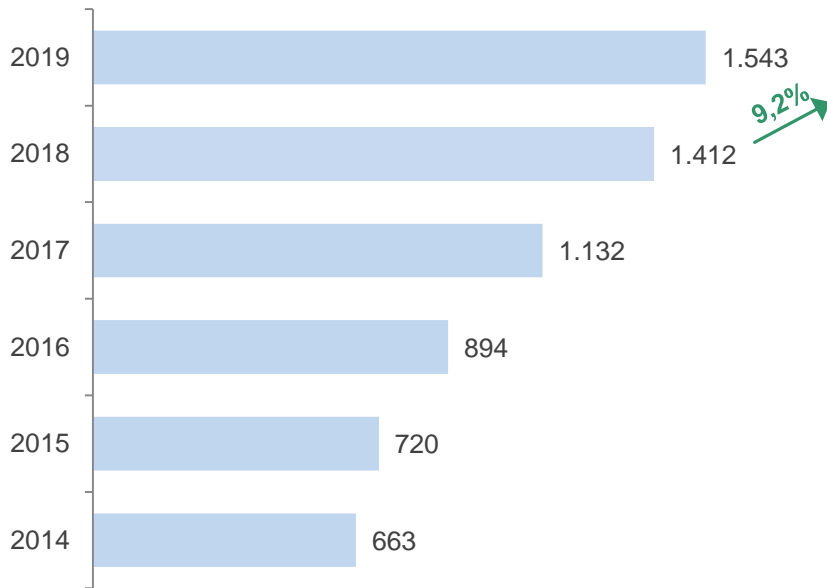
| (mn USD) | 31.12.2019 Total Debt | Maturity | Yearly Debt Service |
|--------------|--------------------------|-------------|------------------------|
| USD | 1.717 | 10-12 Years | 269 |
| EUR | 4.881 | 10-12 Years | 564 |
| JPY | 2.145 | 10-11 Years | 328 |
| CHF | 243 | 12 Years | 32 |
| Total | 8.986 | | 1.193 |

⁽¹⁾Principal payments.

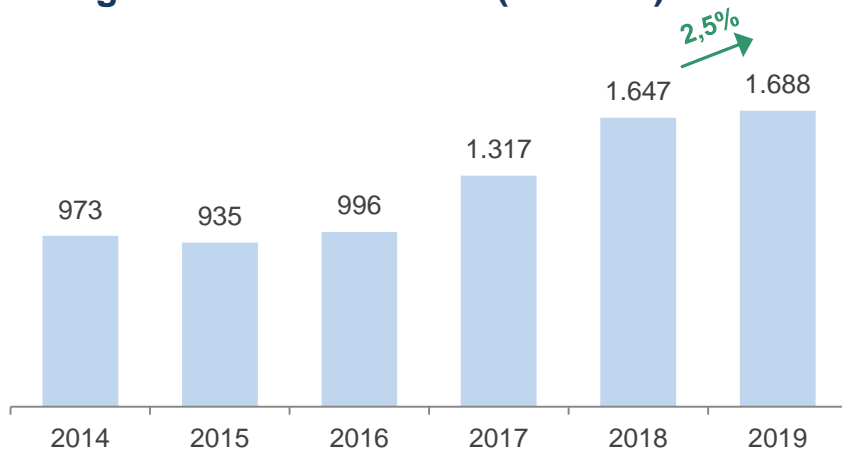
⁽²⁾Post-Hedge Interest Rate breakdown.

Cargo Operations

Cargo Tonnage Carried ('000 Ton)

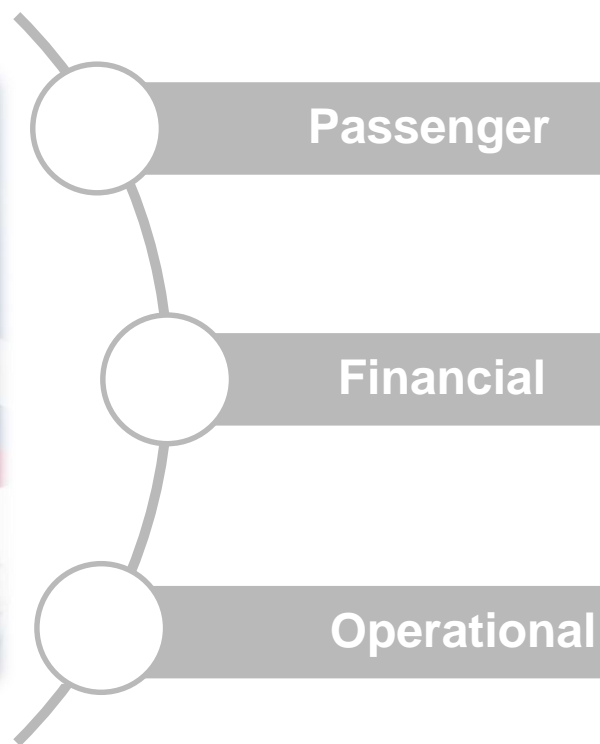


Cargo Revenue Evolution (mn USD)



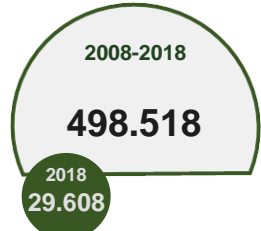
- Turkish Cargo serves 88 destinations with 23 freighters besides 321 destinations with 327 passenger aircraft as of December, 31 2019.
- Turkish Cargo global market share in revenue has increased from 0.6% in 2009 to 1.7% in 2019.
- In 2019, while World FTK decreased by 3,3%, Turkish Cargo FTK grew by 13% compared to the previous year.

Source: IATA Economic Performance of the Airline Industry Reports



| | 2020E |
|--|--------------|
| Domestic (mn.) | 31.5-33 |
| International (mn.) | 46-47 |
| Total (mn.) | 78-80 |
| Total Revenue (USD bn.) | 14.5 -14.8 |
| EBITDAR | %23-%25 |
| L/F | %81-%82 |
| ASK increase | 8.5% - 10% |
| Cargo/Mail carried (mn./ton) | 1.60-1.65 |
| CASK (ex-fuel) increase | Flat |
| Avg. Into Plane Fuel Cost (USD/ton) | 690-700 |

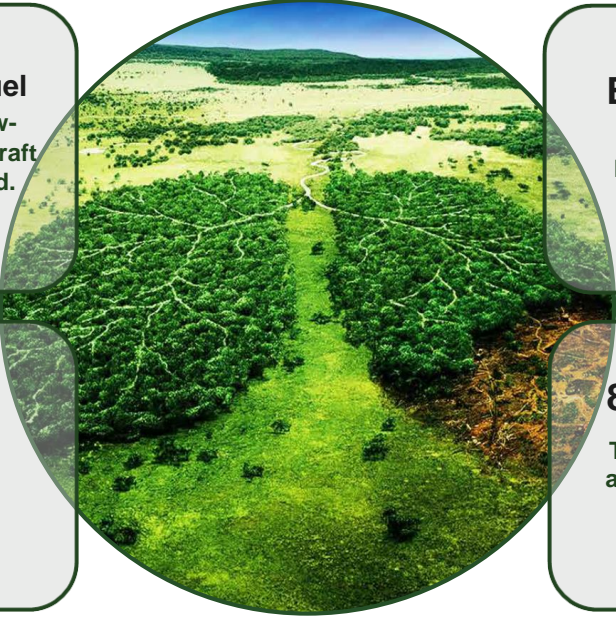
Environmental Practices and Performance



Tons of Fuel Saved

15% more fuel efficient New-Generation Aircraft to be delivered.
(92 Airbus 75 Boeing)

12 %
Decrease in natural gas consumption
2017-2018

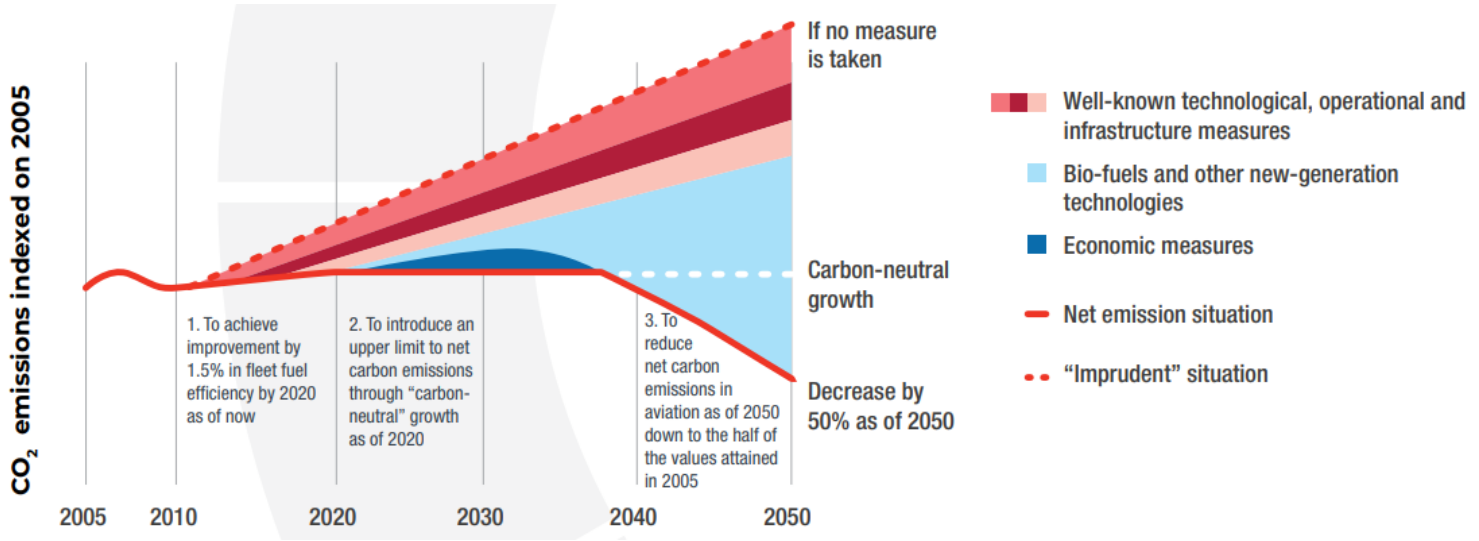


Bio-Fuels
Related Research and Development Investments

8.246.712
The number of avoided plastic packages



Tons of CO2 Avoided



Balance Sheet

| Assets (mn USD) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash and Equivalents | 722 | 962 | 1.815 | 2.086 | 2.155 | 2.475 |
| Trade Receivables | 456 | 361 | 379 | 592 | 570 | 540 |
| Pre-delivery Payment (PDP) Receivables | 990 | 1.139 | 596 | 117 | 809 | 778 |
| Other Current Assets | 663 | 684 | 811 | 836 | 971 | 977 |
| Total Current Assets | 2.831 | 3.146 | 3.601 | 3.631 | 4.505 | 4.770 |
| Net Fixed Assets | 9.201 | 11.415 | 13.476 | 13.002 | 13.918 | 17.261 |
| of which Aircraft and Engines | 8.167 | 10.177 | 12.134 | 11.683 | 12.127 | 15.044 |
| of which Right of Use Assets | - | - | - | - | - | 1.576 |
| Pre-delivery Payment (PDP) Receivables | 650 | 392 | 207 | 247 | 505 | 761 |
| Other Non-Current Assets | 1.064 | 1.430 | 1.207 | 1.317 | 1.804 | 1.932 |
| Total Non-Current Assets | 10.915 | 13.237 | 14.890 | 14.566 | 16.227 | 19.954 |
| Total Assets | 13.746 | 16.383 | 18.491 | 18.197 | 20.732 | 24.724 |

| Liabilities (mn USD) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Lease Obligations | 5.931 | 7.399 | 8.886 | 8.322 | 9.509 | 12.131 |
| Passenger Flight Liabilities | 1.398 | 1.091 | 785 | 1.000 | 1.002 | 1.032 |
| Accounts Payable | 662 | 671 | 616 | 855 | 1.022 | 1.130 |
| Other Liabilities | 1.805 | 2.380 | 3.117 | 2.674 | 3.254 | 3.567 |
| Total Liabilities | 9.796 | 11.541 | 13.404 | 12.851 | 14.787 | 17.860 |
| Total Shareholders Equity | 3.950 | 4.842 | 5.087 | 5.346 | 5.945 | 6.864 |
| of which Issued Capital | 1.597 | 1.597 | 1.597 | 1.597 | 1.597 | 1.597 |
| of which Retained Earnings | 1.714 | 2.559 | 3.628 | 3.551 | 3.760 | 4.463 |
| of which Differences from Currency Translation | -47 | -84 | -106 | -108 | -160 | -184 |
| of which Net Profit for the Period | 845 | 1.069 | -77 | 223 | 753 | 788 |
| Total Liabilities & Shareholders Equity | 13.746 | 16.383 | 18.491 | 18.197 | 20.732 | 24.724 |

Income Statement

| (mn USD) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | YoY Change |
|---|--------------|--------------|-------------|--------------|--------------|------------|-------------|
| Operating Revenue | 11.070 | 10.522 | 9.792 | 10.958 | 12.855 | 13.229 | 3% |
| Operating Expenses (-) | 10.429 | 9.840 | 10.142 | 10.164 | 11.686 | 12.644 | 8,2% |
| of which Fuel | 3.806 | 2.997 | 2.673 | 2.866 | 3.768 | 3.873 | 3% |
| of which Personnel | 1.694 | 1.640 | 1.865 | 1.761 | 1.772 | 2.067 | 17% |
| of which Depreciation | 743 | 924 | 1.148 | 1.066 | 1.087 | 1.521 | 40% |
| of which Rent | 543 | 496 | 496 | 527 | 595 | 311 | -48% |
| Net Operating Profit / Loss | 641 | 682 | -350 | 794 | 1.169 | 585 | -50% |
| Income From Other Operations | 80 | 244 | 145 | 264 | 165 | 355 | 115% |
| Expense From Other Operations (-) | 45 | 31 | 86 | 36 | 143 | 64 | -55% |
| Profit / Loss From Main Operations | 676 | 895 | -291 | 1.022 | 1.191 | 876 | -26% |
| Income From Investment Activities (Net) | 72 | 101 | 117 | 177 | 99 | 89 | -10% |
| Share of Investments' Profit / Loss | 75 | 80 | 44 | 102 | 123 | 82 | -33% |
| Financial Income | 419 | 532 | 300 | 56 | 129 | 139 | 8% |
| Financial Expense (-) | 196 | 201 | 229 | 1.078 | 588 | 310 | -47% |
| Profit Before Tax | 1.046 | 1.407 | -59 | 279 | 954 | 876 | -8% |
| Tax (-) | 201 | 338 | 18 | 56 | 201 | 88 | -56% |
| Net Profit | 845 | 1.069 | -77 | 223 | 753 | 788 | 5% |

Operational Expense Breakdown

| (mn USD) | 2018 | % in Total | 2019 | % in Total | Change 19/18 |
|--|---------------|--------------|---------------|--------------|---------------|
| Fuel | 3.768 | 32,2% | 3.873 | 30,6% | 2,8% |
| Personnel | 1.772 | 15,2% | 2.067 | 16,3% | 16,6% |
| Landing, Navigation & Air Traffic | 1.056 | 9,0% | 1.175 | 9,3% | 11,3% |
| Landing and navigation | 514 | 4,4% | 622 | 4,9% | 21,0% |
| Air Traffic Control | 542 | 4,6% | 553 | 4,4% | 2,0% |
| Sales & Marketing | 986 | 8,4% | 1.101 | 8,7% | 11,7% |
| Commissions and Incentives | 401 | 3,4% | 504 | 4,0% | 25,7% |
| Reservation System | 255 | 2,2% | 267 | 2,1% | 4,7% |
| Advertising | 189 | 1,6% | 175 | 1,4% | -7,4% |
| Other | 141 | 1,2% | 155 | 1,2% | 9,9% |
| Depreciation | 1.087 | 9,3% | 1.521 | 12,0% | 39,9% |
| Ground Handling | 733 | 6,3% | 815 | 6,4% | 11,2% |
| Aircraft Rent | 595 | 5,1% | 311 | 2,5% | -47,7% |
| Operational Lease | 336 | 2,9% | 27 | 0,2% | -92,0% |
| Wet Lease | 259 | 2,2% | 284 | 2,2% | 9,7% |
| Passenger Services & Catering | 560 | 4,8% | 623 | 4,9% | 11,3% |
| Maintenance | 804 | 6,9% | 791 | 6,3% | -1,6% |
| General Administration | 122 | 1,0% | 113 | 0,9% | -7,4% |
| Other | 203 | 1,7% | 254 | 2,0% | 25,1% |
| TOTAL | 11.686 | 100% | 12.644 | 100% | 8,2% |
| Operating Cost per ASK (USc) | 6,42 | - | 6,74 | - | 4,9% |
| Ex-fuel Operating Cost per ASK (USc) | 4,35 | - | 4,67 | - | 7,4% |
| Fixed Costs | 3.158 | 27,0% | 3.580 | 28,3% | 13,4% |

Subsidiaries & Affiliates

| Turkish Airlines Group 31.12.2019 | | Revenue (mn USD) | Number of Personnel | Partnership Structure |
|--------------------------------------|---|---------------------|------------------------|--|
| 1 | Turkish Airlines | 13.229 | 29.491* | %49 Turkey Wealth Fund - %51 Open to Public |
| 2 | Turkish Opet Aviation Fuels | 977 | 501 | %50 THY - %50 Opet |
| 4 | Sun Express (Turkey & Germany Consolidated) | 1.567 | 4.667 | %50 THY - %50 Lufthansa |
| 3 | Turkish Technic | 1.292 | 9.250 | % 100 THY |
| 5 | Turkish Do&Co | 344 | 5.708 | %50 THY - %50 Do&Co |
| 6 | Pratt Whitney THY Turkish Engine Center (TEC) | 399 | 443 | %51 PW - %49 THY Teknik |
| 7 | Turkish Ground Services (TGS) | 358 | 14.723 | %50 THY - %50 Havaş |
| 8 | Turkish Cabin Interior Systems (TCI) | 13 | 205 | %50 THY & THY Teknik - %50 TAI |
| 9 | Goodrich Turkish Technic Service Center | 24 | 68 | %60 Collins Aerospace - %40 THY Teknik |
| 10 | TSI Aviation Seats | 30 | 131 | %50 THY & THY Teknik - %50 Assan Hanil |
| 11 | THY Uçuş Eğitim ve Havalimanı İşletme A.Ş. | 13 | 63 | %100 THY |
| 12 | Tax Free Zone (Tax Refund) | 1 | 20 | %30 THY - %45 Maslak Oto - %25 VK Holding |
| 13 | THY Havaalanı Gayrimenkul Yatırım ve İşletme A.Ş. | - | - | % 100 THY |
| 14 | THY Uluslararası Yatırım ve Taşımacılık A.Ş. | - | - | %100 THY |
| 15 | Cornea Havacılık Sistemleri San. Ve Tic. A.Ş. | - | 36 | %80 THY Teknik %20 Havelsan |
| 16 | Air Albania | - | 49 | %49 THY - %41 MDN Investment - %10 Albcontrol |
| 17 | We World Express Ltd. | 3 | 18 | %45 THY - %45 ZTO - %10 Pal Air |

Subsidiaries & Affiliates

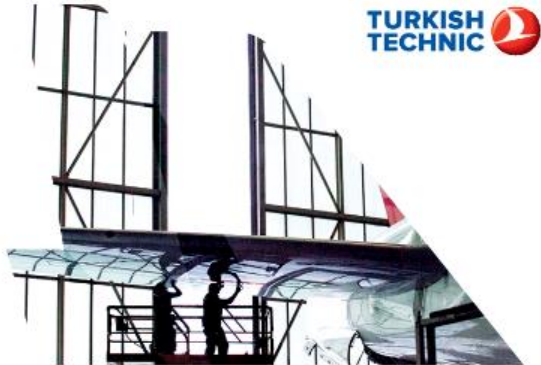


| | |
|--------------------------------|---------------------|
| Business Model | Charter + Scheduled |
| Destinations | 274 |
| Fleet | 69 |
| Seat Capacity | 13.888 |
| # of Passengers | 10.132.446 |
| Load Factor (2019) | 83,2% |
| Revenues (2019) mn. USD | 1.567 |

50% - 50% subsidiary company of Lufthansa and Turkish Airlines.

Market leader in charter flights between Germany and Turkey.

*Based on consolidated amounts of SunExpress Turkey and Germany.



Turkish Technic

- › Turkish Technic Inc. is fully owned by Turkish Airlines.
- › Provides maintenance, repair, overhaul (MRO) services and pooling, engineering and Part 21 services to customers worldwide, including all domestic airlines and international airlines such as Air Arabia, Citilink, SpiceJet, Ariana Afghan Airlines.
- › Facilities are located at Istanbul Ataturk International Airport (4 hangar), a new world-class facility at Istanbul Sabiha Gökçen International Airport (2 hangar), Ankara Esenboga Airport (1 hangar) and Aydın Çıldır Airport.
- › The official opening of the new world-class facility was on June 2014 with an investment of USD 550 million, doubling maintenance, repair and overhaul capacity. Turkish Technic's unique location makes it a convenient MRO provider for around 40% of the world's civilian aircraft within a 3.5 hour flying radius reach of 55 countries.
- › On January 2015, facility has been awarded LEED (Leadership in Energy and Environmental Design) Gold Certificate by U.S. Green Building Council for its sustainable building design.
- › Turkish Technic has a tremendous MRO capacity to provide maintenance, repair and overhaul services to 30 narrow body aircraft and 10 wide body aircraft with over 9,000 skilled personnel.



Turkish Cabin Interior Systems

- › TCI is a joint venture of Turkish Airlines and TAI (Turkish Aerospace Industries).
- › Located in Turkish Technic's Sabiha Gökçen Airport Facility and produces Aircraft Galleys.
- › The company is a certified supplier of Boeing and is in the Global Offerable List for B-737 Galleys.

Subsidiaries & Affiliates



Turkish Seat Industries (TSI)

- › Formed in 2011, stakes of 50%, 45%, and 5% are respectively held by Assan Hanil Group, Turkish Airlines and Turkish Technic.
- › The company was set up to design and manufacture airline seats and to make, modify, market and sell spare parts to Turkish Airlines and other international airline companies. Whole production takes place in Turkey and 2016 deliveries for third parties completed assuring superior customer satisfaction.
- › The first aircraft equipped with the new seats is a Turkish Airlines B737-800. The seats were initially used on the B737-800s of Turkish Airlines fleet and then were installed on the Airbus single-aisle fleet of A319s, A320s and A321s.



GOODRICH TURKISH TECHNIC

- › The company, which commenced its operations in 2014, has an annual seat production capacity of 10 thousand. By 2024, it is planned to increase seat production capacity to 50 thousand.

Goodrich Turkish Technic Service Center

- › Provides repair, overhaul and modification services for Nacelle, Thrust Reverser and its components for Turkish Airlines and other customers from Turkish domestic and International markets.
- › The company is located in Turkish Technic's HABOM facility.



Pratt Whitney THY Turkish Engine Center (TEC)

- › Provides engine maintenance, repair and overhaul (MRO) services to customers located in Turkey, surrounding regions and worldwide.
- › The environmentally efficient engine overhaul facility has total usage area of 100,000 m² located at the Sabiha Gokcen International Airport.

Subsidiaries & Affiliates



Turkish OPET

- › In terms of investment on jet fuel supply Turkish Airlines established a jet fuel supply company together with local oil retailer OPET on September 2009.
- › Today, the Company has the largest integrated jet fuel facility in Turkey and has fuel servicing capability at all domestic airports across Turkey.
- › In 2016, the Company maintained its market leader position with jet fuel sales of over 3.7 million cubic meters.



Turkish Do&Co

- › Established in 2007, Turkish Do&Co operates in nine gourmet kitchens all over Turkey: Istanbul (Atatürk and Sabiha Gökçen), Ankara, Antalya, Izmir, Bodrum, Trabzon, Dalaman and Adana. Over 60 national and international airlines are catered from these locations.
- › Turkish Do&Co has significantly improved the quality of catering service offered by Turkish Airlines on board, bringing many international awards to our Company.

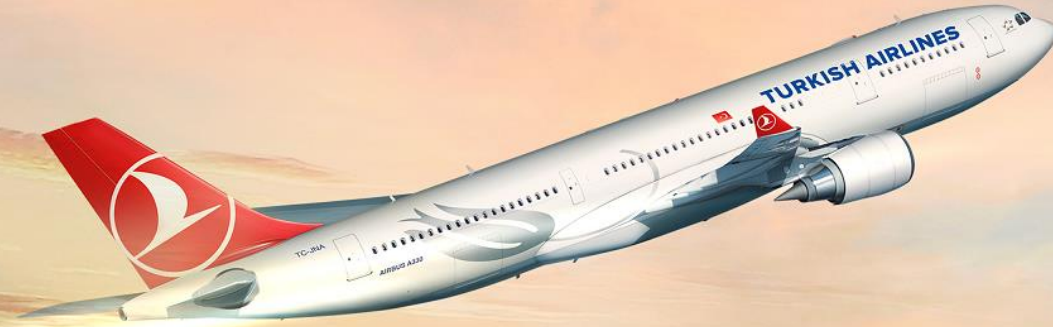


Turkish Ground Services

- › Owned 50% - 50% by THY and Havaş Havaalanları Yer Hizmetleri A.Ş.
- › Provides ground services to Turkish Airlines and other customers since the beginning of 2010 and currently operates at eight major airports in Turkey: Istanbul (Ataturk and Sabiha Gokcen), Izmir, Ankara, Antalya, Adana, Bodrum, Dalaman.

**TURKISH AIRLINES
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