

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 30 June 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Audited
	30 June 2020	31 December 2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	12.047	12.328
Financial Investments	103	2.377
Trade Receivables		
-Related Parties	49	5
-Third Parties	1.847	3.200
Other Receivables		
-Related Parties	-	166
-Third Parties	10.105	6.258
Derivative Financial Instruments	342	312
Inventories	2.257	1.723
Prepaid Expenses	917	884
Current Income Tax Assets	188	257
Other Current Assets	713	829
TOTAL CURRENT ASSETS	28.568	28.339
Non-Current Assets		
Financial Investments	583	532
Other Receivables		
-Third Parties	7.129	7.577
Investments Accounted by Using Equity Method	1.745	2.191
Property and Equipment	124.526	102.534
Intangible Assets		
- Other Intangible Assets	619	489
- Goodwill	85	74
Prepaid Expenses	6.043	5.135
TOTAL NON-CURRENT ASSETS	140.730	118.532
TOTAL ASSETS	169.298	146.871

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	Reviewed	Audited
	30 June 2020	31 December 2019
LIABILITIES		
Current Liabilities		
Short Term Borrowings	10.720	7.374
Short-Term Portion of Long-Term Borrowings	13.633	9.557
Short Term Portion of Lease Liabilities	1.947	1.519
Other Financial Liabilities	9	113
Trade Payables		
-Related Parties	1.645	1.019
-Third Parties	5.098	5.689
Payables Related to Employee Benefits	428	948
Other Payables		
-Third Parties	640	580
Derivative Financial Instruments	1.530	416
Deferred Income	6.284	6.361
Short-Term Provisions		
-Provisions for Employee Benefits	307	233
-Other Provisions	73	76
Other Current Liabilities	2.005	1.532
TOTAL CURRENT LIABILITIES	44.319	35.417
Non- Current Liabilities		
Long-Term Borrowings	63.576	53.429
Long Term Lease Liabilities	9.734	7.547
Other Payables		
-Third Parties	163	223
Deferred Income	776	713
Long-Term Provisions		
-Provisions for Employee Benefits	910	804
-Other Provisions	341	265
Deferred Tax Liability	8.664	7.678
TOTAL NON-CURRENT LIABILITIES	84.164	70.659
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	(308)	(226)
Items That Are or May Be Reclassified to Profit or Loss		
-Foreign Currency Translation Differences	26.481	20.757
-Fair Value (Losses)/Gains on Hedging Instruments Entered into for Cash Flow Hedges	(328)	1.017
-Losses on Remeasuring FVOCI	(30)	(4)
Restricted Profit Reserves	211	184
Previous Years Profit	16.533	12.024
Net (Loss) / Profit for the Period	(4.257)	4.536
Equity of the Parent	40.806	40.792
Non-Controlling Interests	9	3
TOTAL EQUITY	40.815	40.795
TOTAL LIABILITIES AND EQUITY	169.298	146.871

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Not Reviewed	Reviewed	Not Reviewed
	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
<u>PROFIT OR LOSS</u>				
Revenue	21.507	6.177	33.516	18.668
Cost of Sales (-)	(21.865)	(6.855)	(29.603)	(16.170)
GROSS (LOSS) / PROFIT	(358)	(678)	3.913	2.498
General Administrative Expenses (-)	(739)	(308)	(815)	(428)
Selling and Marketing Expenses (-)	(2.348)	(603)	(4.149)	(2.028)
Other Operating Income	785	538	564	268
Other Operating Expenses (-)	(152)	244	(248)	(236)
OPERATING (LOSS) / PROFIT BEFORE INVESTMENT ACTIVITIES	(2.812)	(807)	(735)	74
Income from Investment Activities	589	348	496	337
Expenses from Investment Activities	-	-	(447)	(299)
Share of Investments' (Loss) / Profit Accounted by Using The Equity Method	(608)	(504)	56	139
OPERATING (LOSS) / PROFIT	(2.831)	(963)	(630)	251
Financial Income	335	225	139	64
Financial Expenses (-)	(1.807)	(958)	(1.260)	(524)
LOSS BEFORE TAX	(4.303)	(1.696)	(1.751)	(209)
Tax Income / (Expense)	46	(538)	631	342
Current Tax (Expense) / Income	(4)	-	(19)	31
Deferred Tax Income / (Expense)	50	(538)	650	311
NET (LOSS) / PROFIT FOR THE PERIOD	(4.257)	(2.234)	(1.120)	133
Attributable to:				
Non-controlling interest	-	-	-	-
Equity holders of the parent	(4.257)	(2.234)	(1.120)	133

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For the Six-Month Period Ended 30 June 2019
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Not Reviewed	Reviewed	Not Reviewed
	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
OTHER COMPREHENSIVE INCOME				
Items That May Be Reclassified Subsequently To Profit or Loss	4.353	1.761	3.254	4
Currency Translation Adjustment	5.724	2.039	2.831	718
Losses/Gains on Remeasuring FVOCI	(33)	55	18	23
Related Tax of Remeasuring FVOCI	7	(11)	(4)	(5)
Fair Value (Losses)/Gains on Hedging Instruments Entered into for Cash Flow Hedges	(1.624)	(319)	520	(863)
Fair Value (Losses)/Gains Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	(87)	23	5	(46)
Related Tax of Other Comprehensive Income / (Expense)	366	(26)	(116)	177
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(82)	(55)	(41)	(33)
Actuarial Losses on Retirement Pay Obligation	(103)	(69)	(51)	(41)
Related Tax of Other Comprehensive Income	21	14	10	8
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	4.271	1.706	3.213	(29)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14	(528)	2.093	104
Basic Loss Per Share (Full US Cents)	(3,08)	(1,62)	(0,81)	0,10
Diluted Loss Per Share (Full US Cents)	(3,08)	(1,62)	(0,81)	0,10

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 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				
	Share Capital	Inflation Adjustment on Share Capital	Actuarial Losses Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value (Losses)/Gains on Hedging Instruments Entered Into For Cash Flow Hedges	Losses on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net (Loss) /Gain for The Period	Equity Holders of the Parent	Non- controlling Interests	Total Equity
As of 1 January 2020	1.380	1.124	(226)	20.757	1.017	(4)	184	12.024	4.536	40.792	3	40.795
Transfers	-	-	-	-	-	-	-	4.536	(4.536)	-	-	-
Total comprehensive income	-	-	(82)	5.724	(1.345)	(26)	27	(27)	(4.257)	14	-	14
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	6	6
As of 30 June 2020	1.380	1.124	(308)	26.481	(328)	(30)	211	16.533	(4.257)	40.806	9	40.815

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 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				
	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	Losses on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net (Loss) /Gain for The Period	Equity Holders of the Parent	Non- controlling Interests	Total Equity
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	-	-	(41)	2.831	409	14	-	-	(1.120)	2.093	-	2.093
As of 30 June 2019	1.380	1.124	(225)	19.518	410	(23)	59	12.149	(1.120)	33.272	3	33.275

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Six-Month Period Ended 30 June 2020

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

	Reviewed	Reviewed
	30 June 2020	30 June 2019
Net Loss for the period	(4.257)	(1.120)
Adjustments to Reconcile Loss		
Adjustments for Depreciation and Amortisation Expense	5.258	4.135
Adjustments for Provisions Related with Employee Benefits	120	157
Adjustments for Provisions for Payables	(3)	(9)
Adjustments for Reversal of Probable Risks	67	46
Adjustments for Interest Income	(214)	(293)
Adjustments for Interest Expense	992	749
Adjustments For Unrealised Foreign Exchange Gains	1.844	278
Adjustments for Manufacturers' Credits	-	1
Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments	(121)	85
Adjustments for Undistributed Losses / (Gains) of Associates	608	(56)
Adjustments for Tax Income	(46)	(631)
Adjustments for (Gains)/ Losses Arised From Sale of Tangible Assets	(15)	428
Adjustments for Losses Arised from Sale of Other Non-Current Assets	110	134
Operating Profit Before Changes in Working Capital	4.343	3.904
(Increase) / Decrease in Trade Receivables from Related Parties	(44)	5
Decrease / (Increase) in Trade Receivables from Non Related Parties	1.743	(607)
Decrease in Other Related Party Receivables Related with Operations	166	-
(Increase) / Decrease in Other Non-Related Party Receivables Related with Operations	(1.175)	107
Adjustments for Increase in Inventories	(258)	(357)
Adjustments for Increase in Prepaid Expenses	(26)	(663)
Increase / (Decrease) in Trade Payables to Related Parties	626	(699)
Decrease / (Increase) in Trade Payables to Non Related Parties	(1.557)	591
Adjustments for Decrease in Payables Due to Employee Benefits	(628)	(107)
Increase in Other Operating Payables to Non-Related Parties	78	795
(Decrease) / Increase in Deferred Income	(785)	4.603
Decrease / (Increase) in Other Assets Related with Operations	262	(111)
Cash Flows From Operations	2.745	7.461
Payments for Provisions Related with Employee Benefits	(37)	(31)
Income taxes paid	(73)	(174)
Net Cash From Operating Activities	2.635	7.256
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed From Sales of Property, Plant and Equipment	22	105
Cash Payments From Purchasing of Property, Plant and Equipment (*)	(4.351)	(3.968)
Cash Receipts From Sales of Other Long-term Assets	2.442	21
Other Cash Advances and Loans	197	(1.704)
Dividends Received	18	-
Interest Received	96	293
Net Cash Flows Used In Investing Activities	(1.576)	(5.253)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	7.500	5.748
Payments of Loans	(3.222)	(4.241)
Payments of Finance Lease Liabilities	(3.696)	(2.707)
Payments of Lease Liabilities	(1.041)	(928)
Interest Paid	(766)	(656)
Other Cash (Outflows) / Inflows	(115)	71
Net Cash Used in Financing Activities	(1.340)	(2.713)
Net Change in Cash and Cash Equivalents	(281)	(710)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	12.328	8.606
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	12.047	7.896

(*) 7.160 TL portion of property and equipment and intangible assets purchases in total of 11.511 TL for the period ended 30 June 2020 was acquired through leases. (30 June 2019: 3.190 TL portion of property and equipment and intangible assets purchases in total of 7.158 TL was acquired through leases.)