

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 31 March 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Not Reviewed	Audited
	31 March 2020	31 December 2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	10.134	12.328
Financial Investments	1.364	2.377
Trade Receivables		
-Related Parties	57	5
-Third Parties	1.243	3.200
Other Receivables		
-Related Parties	144	166
-Third Parties	7.559	6.258
Derivative Financial Instruments	305	312
Inventories	2.034	1.723
Prepaid Expenses	1.043	884
Current Income Tax Assets	239	257
Other Current Assets	684	829
TOTAL CURRENT ASSETS	24.806	28.339
Non-Current Assets		
Financial Investments	499	532
Other Receivables		
-Third Parties	10.008	7.577
Investments Accounted by Using Equity Method	2.142	2.191
Property and Equipment	119.129	102.534
Intangible Assets		
- Other Intangible Assets	527	489
- Goodwill	81	74
Prepaid Expenses	5.510	5.135
TOTAL NON-CURRENT ASSETS	137.896	118.532
TOTAL ASSETS	162.702	146.871

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	Not Reviewed	Audited
	31 March 2020	31 December 2019
LIABILITIES		
Current Liabilities		
Short Term Borrowings	9.011	7.374
Short-Term Portion of Long-Term Borrowings	11.320	9.557
Short Term Portion of Lease Liabilities	1.706	1.519
Other Financial Liabilities	30	113
Trade Payables		
-Related Parties	934	1.019
-Third Parties	5.484	5.689
Payables Related to Employee Benefits	1.102	948
Other Payables		
-Third Parties	692	580
Derivative Financial Instruments	2.383	416
Deferred Income	5.808	6.361
Short-Term Provisions		
-Provisions for Employee Benefits	246	233
-Other Provisions	76	76
Other Current Liabilities	1.731	1.532
TOTAL CURRENT LIABILITIES	40.523	35.417
Non- Current Liabilities		
Long-Term Borrowings	62.450	53.429
Long Term Lease Liabilities	8.645	7.547
Other Payables		
-Third Parties	165	223
Deferred Income	755	713
Long-Term Provisions		
-Provisions for Employee Benefits	819	804
-Other Provisions	330	265
Deferred Tax Liability	7.672	7.678
TOTAL NON-CURRENT LIABILITIES	80.836	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	(253)	(226)
Items That Are or May Be Reclassified to		
Profit or Loss		
-Foreign Currency Translation Differences	24.442	20.757
-Fair Value Gains on Hedging Instruments		
Entered into for Cash Flow Hedges	(6)	1.017
-Gains on Remeasuring FVOCI	(74)	(4)
Restricted Profit Reserves	184	184
Previous Years Profit	16.560	12.024
Net (Loss) / Profit for the Period	(2.023)	4.536
Equity of the Parent	41.334	40.792
Non-Controlling Interests	9	3
TOTAL EQUITY	41.343	40.795
TOTAL LIABILITIES AND EQUITY	162.702	146.871

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 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Not Reviewed 31 March 2020	Not Reviewed 31 March 2019
<u>PROFIT OR LOSS</u>		
Revenue	15.330	14.848
Cost of Sales (-)	(15.010)	(13.433)
GROSS PROFIT	320	1.415
General Administrative Expenses (-)	(431)	(387)
Marketing and Sales Expenses (-)	(1.745)	(2.121)
Other Operating Income	253	327
Other Operating Expenses (-)	(402)	(43)
OPERATING LOSS BEFORE INVESTMENT ACTIVITIES	(2.005)	(809)
Income from Investment Activities	241	159
Expenses from Investment Activities	-	(148)
Share of Investments' Profit Accounted by Using The Equity Method	(104)	(83)
OPERATING LOSS	(1.868)	(881)
Financial Income	120	101
Financial Expenses (-)	(859)	(762)
LOSS BEFORE TAX	(2.607)	(1.542)
Tax Expense	584	289
Current Tax Expense	(4)	(50)
Deferred Tax Income	588	339
NET LOSS FOR THE PERIOD	(2.023)	(1.253)
<u>OTHER COMPREHENSIVE INCOME</u>		
Items That May Be Reclassified Subsequently To Profit or Loss	2.592	3.250
Currency Translation Adjustment	3.685	2.113
Losses on Remeasuring FVOCI	(88)	(5)
Related Tax of Remeasuring FVOCI	18	1
Fair Value (Losses)/Gains on Hedging Instruments Entered into for Cash Flow Hedges	(1.305)	1.383
Fair Value (Losses)/Gains Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	(110)	51
Related Tax of Other Comprehensive Income	392	(293)
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(27)	(8)
Actuarial Losses on Retirement Pay Obligation	(34)	(10)
Related Tax of Other Comprehensive Income	7	2
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	2.565	3.242
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	542	1.989
Basic Loss Per Share (Full US Cents)	(1,47)	(0,91)
Diluted Loss Per Share (Full US Cents)	(1,47)	(0,91)

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Three-Month Period Ended 31 March 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 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	-	-	(27)	3.685	(1.023)	(70)	-	-	(2.023)	542	6	548
As of 31 March 2020	1.380	1.124	(253)	24.442	(6)	(74)	184	16.560	(2.023)	41.334	9	41.343

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Condensed Consolidated Interim Statement of Changes in Equity
For the Three-Month Period Ended 31 March 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	-	-	(8)	2.113	1.141	(4)	-	-	(1.253)	1.989	-	1.989
As of 31 March 2019	1.380	1.124	(192)	18.800	1.142	(41)	59	12.149	(1.253)	33.168	3	33.171

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Three- Month Period Ended 31 March 2020

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

	Not Reviewed	Not Reviewed
	31 March 2020	31 March 2019
Net Loss for the period	(2.023)	(1.253)
Adjustments to Reconcile Loss		
Adjustments for Depreciation and Amortisation Expense	2.505	1.923
Adjustments for Provisions Related with Employee Benefits	66	34
Adjustments for Provisions for Payables	(1)	(16)
Adjustments for Reversal of Probable Risks	11	3
Adjustments for Interest Income	(116)	(162)
Adjustments for Interest Expense	474	428
Adjustments For Unrealised Foreign Exchange Gains	677	(16)
Adjustments for Fair Value Losses on Derivative Financial Instruments	331	111
Adjustments for Undistributed Losses of Associates	104	83
Adjustments for Tax Income	(584)	(289)
Adjustments for (Gains)/ Losses Arised From Sale of Tangible Assets	(7)	141
Adjustments for Losses Arised from Sale of Other Non-Current Assets	80	54
Operating Profit Before Changes in Working Capital	1.517	1.041
Increase in Trade Receivables from Related Parties	(48)	-
Decrease / (Increase) in Trade Receivables from Non Related Parties	2.120	(570)
Decrease in Other Related Party Receivables Related with Operations	22	-
(Increase) / Decrease in Other Non-Related Party Receivables Related with Operations	(2.031)	464
Adjustments for Increase in Inventories	(135)	(134)
Adjustments for Decrease / (Increase) in Prepaid Expenses	46	(432)
Decrease in Trade Payables to Related Parties	(172)	(322)
(Decrease) / Increase in Trade Payables to Non Related Parties	(707)	30
Adjustments for Increase in Payables Due to Employee Benefits	58	6
(Decrease) / Increase in Other Operating Payables to Non-Related Parties	(38)	10
(Decrease) / Increase in Deferred Income	(1.046)	2.725
Decrease / (Increase) in Other Assets Related with Operations	233	(358)
Cash Flows From Operations	(181)	2.460
Payments for Provisions Related with Employee Benefits	(23)	(19)
Income taxes paid	(22)	(46)
Net Cash From Operating Activities	(226)	2.395
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Cash Outflow Arising From Capital Increase in Investments	(10)	(15)
Cash Receipts Proceed From Sales of Property, Plant and Equipment	13	43
Cash Payments From Purchasing of Property, Plant and Equipment (*)	(2.854)	(1.909)
Cash Receipts From Sales of Other Long-term Assets	1.196	1.218
Other Cash Advances and Loans	(25)	(824)
Interest Received	33	162
Net Cash Flows Used In Investing Activities	(1.647)	(1.325)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	5.721	3.548
Payments of Loans	(3.349)	(1.613)
Payments of Finance Lease Liabilities	(1.714)	(1.214)
Payments of Lease Liabilities	(556)	112
Interest Paid	(335)	(264)
Other Cash Outflows	(88)	(24)
Net Cash Used in Financing Activities	(321)	545
Net Change in Cash and Cash Equivalents	(2.194)	1.615
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	12.328	8.606
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	10.134	10.221

(*) 5.946 TL portion of property and equipment and intangible assets purchases in total of 8.800 TL for the period ended 31 March 2020 was acquired through leases. (31 March 2019: 1.867 TL portion of property and equipment and intangible assets purchases in total of 3.776 TL was acquired through leases.)