

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

| | Audited | Audited |
|--|-------------------------|-------------------------|
| | 31 December 2020 | 31 December 2019 |
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | 13.293 | 12.328 |
| Financial Investments | 131 | 2.377 |
| Trade Receivables | | |
| -Related Parties | 129 | 5 |
| -Third Parties | 4.543 | 3.200 |
| Other Receivables | | |
| -Related Parties | 45 | 166 |
| -Third Parties | 8.037 | 6.258 |
| Derivative Financial Instruments | 14 | 312 |
| Inventories | 2.236 | 1.723 |
| Prepaid Expenses | 1.034 | 884 |
| Current Income Tax Assets | 280 | 257 |
| Other Current Assets | 917 | 829 |
| TOTAL CURRENT ASSETS | 30.659 | 28.339 |
| Non-Current Assets | | |
| Financial Investments | 548 | 532 |
| Other Receivables | | |
| -Third Parties | 8.809 | 7.577 |
| Investments Accounted by Using Equity Method | 1.881 | 2.191 |
| Property and Equipment | 30.431 | 21.640 |
| Right of Use Assets | 108.465 | 80.894 |
| Intangible Assets | | |
| - Other Intangible Assets | 653 | 489 |
| - Goodwill | 91 | 74 |
| Prepaid Expenses | 5.862 | 5.135 |
| Deferred Tax Assets | 3 | - |
| TOTAL NON-CURRENT ASSETS | 156.743 | 118.532 |
| TOTAL ASSETS | 187.402 | 146.871 |

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Condensed Consolidated Interim Balance Sheet as at 31 December 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | Audited | Audited |
|--|-------------------------|-------------------------|
| | 31 December 2020 | 31 December 2019 |
| LIABILITIES | | |
| Current Liabilities | | |
| Short Term Borrowings | | |
| -Related Parties | | |
| -Bank Borrowings | 101 | - |
| -Third Parties | | |
| -Bank Borrowings | 11.108 | 7.374 |
| Short-Term Portion of Long-Term Borrowings | | |
| -Related Parties | | |
| -Bank Borrowings | 3.216 | 310 |
| -Third Parties | | |
| -Bank Borrowings | 5.491 | 2.604 |
| -Lease Liabilities | 12.684 | 8.162 |
| Other Financial Liabilities | 126 | 113 |
| Trade Payables | | |
| -Related Parties | 1.036 | 1.019 |
| -Third Parties | 5.286 | 5.689 |
| Payables Related to Employee Benefits | 658 | 948 |
| Other Payables | | |
| -Third Parties | 645 | 580 |
| Derivative Financial Instruments | 470 | 416 |
| Deferred Income | 4.511 | 6.361 |
| Short-Term Provisions | | |
| -Provisions for Employee Benefits | 118 | 233 |
| -Other Provisions | 75 | 76 |
| Other Current Liabilities | 1.854 | 1.532 |
| TOTAL CURRENT LIABILITIES | 47.379 | 35.417 |
| Non- Current Liabilities | | |
| Long-Term Borrowings | | |
| -Related Parties | | |
| -Bank Borrowings | 10.288 | 1.548 |
| -Third Parties | | |
| -Bank Borrowings | 9.389 | 8.670 |
| -Lease Liabilities | 70.317 | 50.758 |
| Other Payables | | |
| -Third Parties | 162 | 223 |
| Deferred Income | 799 | 713 |
| Long-Term Provisions | | |
| -Provisions for Employee Benefits | 984 | 804 |
| -Other Provisions | 359 | 265 |
| Deferred Tax Liability | 8.214 | 7.678 |
| TOTAL NON-CURRENT LIABILITIES | 100.512 | 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 | (352) | (226) |
| Items That Are or May Be Reclassified to Profit or Loss | | |
| -Foreign Currency Translation Differences | 29.483 | 20.757 |
| -Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges | (3.301) | 1.017 |
| -Gains/(Losses) on Remeasuring FVOCI | 12 | (4) |
| Restricted Profit Reserves | 211 | 184 |
| Previous Years Profit | 16.533 | 12.024 |
| Net (Loss)/Profit for the Year | (5.588) | 4.536 |
| Equity of the Parent | 39.502 | 40.792 |
| Non-Controlling Interests | 9 | 3 |
| TOTAL EQUITY | 39.511 | 40.795 |
| TOTAL LIABILITIES AND EQUITY | 187.402 | 146.871 |

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

| | Audited | Audited |
|--|-------------------------|-------------------------|
| | 31 December 2020 | 31 December 2019 |
| <u>PROFIT OR LOSS</u> | | |
| Revenue | 46.448 | 75.118 |
| Cost of Sales (-) | (43.765) | (62.039) |
| GROSS PROFIT | 2.683 | 13.079 |
| General Administrative Expenses (-) | (1.518) | (1.695) |
| Marketing Expenses (-) | (4.542) | (8.015) |
| Other Operating Income | 2.391 | 2.043 |
| Other Operating Expenses (-) | (396) | (370) |
| OPERATING PROFIT BEFORE INVESTMENT ACTIVITIES | (1.382) | 5.042 |
| Income from Investment Activities | 1.344 | 963 |
| Expenses from Investment Activities | (83) | (452) |
| Share of Investments' Profit Accounted by Using The Equity Method | (578) | 469 |
| OPERATING PROFIT | (699) | 6.022 |
| Financial Income | 504 | 780 |
| Financial Expenses (-) | (5.906) | (1.746) |
| PROFIT BEFORE TAX | (6.101) | 5.056 |
| Tax Expense | 513 | (520) |
| Current Tax Expense | (1) | (1) |
| Deferred Tax Expense | 514 | (519) |
| NET PROFIT FOR THE YEAR | (5.588) | 4.536 |
| Non-controlling interest | - | 1 |
| Equity holders of the parent | (5.588) | 4.535 |
| <u>OTHER COMPREHENSIVE INCOME</u> | | |
| Items That May Be Reclassified Subsequently To Profit or Loss | 4.424 | 5.119 |
| Currency Translation Adjustment | 8.726 | 4.070 |
| Gains on Remeasuring FVOCI | 20 | 42 |
| Related Tax of Remeasuring FVOCI | (4) | (9) |
| Fair Value (Losses)/Gains on Hedging Instruments Entered into for Cash Flow Hedges | (5.325) | 1.258 |
| Fair Value (Losses)/Gains Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges | (73) | 35 |
| Related Tax of Other Comprehensive Income/(Expense) | 1.080 | (277) |
| Items That Will Not Be Reclassified Subsequently To Profit or Loss | (126) | (42) |
| Actuarial Losses on Retirement Pay Obligation | (158) | (52) |
| Related Tax of Other Comprehensive Income | 32 | 10 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | 4.298 | 5.077 |
| TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR | (1.290) | 9.613 |
| Basic (Loss)/Gain Per Share (Kr) | (4,05) | 3,29 |
| Diluted (Loss)/Gain Per Share (Kr) | (4,05) | 3,29 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Year Ended 31 December 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | Share Capital | Inflation Adjustment on Share Capital | Items That Will Not Be Reclassified Subsequently To Profit or Loss | Items That May Be Reclassified Subsequently To Profit or Loss | | | Retained Earnings | | | | | |
|-------------------------------|---------------|---------------------------------------|--|---|---|---------------------------------------|----------------------------|-----------------------|-------------------------|------------------------------|---------------------------|---------------|
| | | | 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 | 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 | - | - | (126) | 8.726 | (4.318) | 16 | 27 | (27) | (5.588) | (1.290) | - | (1.290) |
| Dividends paid | - | - | - | - | - | - | - | - | - | - | 6 | 6 |
| As of 31 December 2020 | 1.380 | 1.124 | (352) | 29.483 | (3.301) | 12 | 211 | 16.533 | (5.588) | 39.502 | 9 | 39.511 |

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Year Ended 31 December 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

| | Share Capital | Inflation Adjustment on Share Capital | 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 | |
|--|---------------|---------------------------------------|--|---|---|---------------------------------------|----------------------------|-----------------------|------------------------------|---------------------------|--------------|-------------------------|
| | | | 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 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 Cash Flows

For the Year Ended 31 December 2020

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

| | Audited | Audited |
|--|-------------------------|-------------------------|
| | 31 December 2020 | 31 December 2019 |
| Net (Loss)/Profit for the year | (5.588) | 4.536 |
| Adjustments to Reconcile Profit / (Loss) | | |
| Adjustments for Depreciation and Amortisation Expense | 11.638 | 8.624 |
| Adjustments for Provisions Related with Employee Benefits | 36 | 117 |
| Adjustments for Provisions for Payables | (1) | (10) |
| Adjustments for Reversal of Probable Risks | 152 | 108 |
| Adjustments for Interest Income | (544) | (552) |
| Adjustments for Interest Expense | 1.977 | 1.453 |
| Adjustments For Unrealised Foreign Exchange Losses | 5.702 | (3.643) |
| Adjustments for Manufacturers' Credits | - | 1 |
| Adjustments for Fair Value (Gains) / Losses on Investment Property | - | 2 |
| Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments | 113 | 123 |
| Adjustments for Undistributed Profits of Associates | 578 | (469) |
| Adjustments for Tax Expense | (514) | 520 |
| Adjustments for Gains Arised From Sale of Tangible Assets | (23) | 415 |
| Adjustments for Losses Arised from Sale of Other Non-Current Assets | 273 | 220 |
| Operating Profit Before Changes in Working Capital | 13.799 | 11.445 |
| (Increase) / Decrease in Trade Receivables from Related Parties | (117) | 6 |
| (Increase) / Decrease in Trade Receivables from Non Related Parties | (562) | 170 |
| Decrease in Other Related Party Receivables Related with Operations | 121 | - |
| (Increase) / Decrease in Other Non-Related Party Receivables Related with Operations | (1.545) | 451 |
| Adjustments for Increase in Inventories | (102) | (567) |
| Adjustments for Decrease / (Increase) in Prepaid Expenses | 517 | (305) |
| Decrease in Trade Payables to Related Parties | (213) | (335) |
| (Decrease) / Increase in Trade Payables to Non Related Parties | (1.664) | 945 |
| Adjustments for Increase in Payables Due to Employee Benefits | (490) | (230) |
| (Decrease) / Increase in Other Operating Payables to Non-Related Parties | (911) | 756 |
| (Decrease) / Increase in Deferred Income | (3.316) | 1.004 |
| Decrease / (Increase) in Other Assets Related with Operations | 161 | (194) |
| Cash Flows From Operations | 5.678 | 13.146 |
| Payments for Provisions Related with Employee Benefits | (98) | (55) |
| Income Taxes Received / (Paid) | 23 | (62) |
| Net Cash From Operating Activities | 5.603 | 13.029 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | |
| Cash Receipts Proceed From Sales of Property, Plant and Equipment | 96 | 99 |
| Cash Payments From Purchasing of Property, Plant and Equipment | (8.000) | (5.751) |
| Cash Receipts From Purchasing of Other Long-term Assets | 2.661 | 599 |
| Other Cash Advances and Loans | 2.057 | (1.282) |
| Dividends Received | 18 | 341 |
| Interest Received | 458 | 481 |
| Net Cash Flows / (Used In) Investing Activities | (2.710) | (5.513) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | |
| Proceeds From Loans | 28.576 | 18.010 |
| Payments of Loans | (17.928) | (12.975) |
| Payments of Lease Liabilities | (10.877) | (7.489) |
| Interest Paid | (1.710) | (1.413) |
| Other Cash Inflows | 11 | 73 |
| Net Cash Used in Financing Activities | (1.928) | (3.794) |
| Net Change in Cash and Cash Equivalents | 965 | 3.722 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 12.328 | 8.606 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 13.293 | 12.328 |