

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**Condensed Consolidated Interim Balance Sheet as at 30 September 2020**

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

	Not Reviewed	Audited
ASSETS	30 September 2020	31 December 2019
Current Assets		
Cash and Cash Equivalents	9.864	12.328
Financial Investments	110	2.377
Trade Receivables		
-Related Parties	65	5
-Third Parties	3.222	3.200
Other Receivables		
-Related Parties	-	166
-Third Parties	11.049	6.258
Derivative Financial Instruments	161	312
Inventories	2.448	1.723
Prepaid Expenses	1.141	884
Current Income Tax Assets	271	257
Other Current Assets	907	829
TOTAL CURRENT ASSETS	29.238	28.339
Non-Current Assets		
Financial Investments	650	532
Other Receivables		
-Third Parties	7.550	7.577
Investments Accounted by Using Equity Method	1.864	2.191
Property and Equipment	144.205	102.534
Intangible Assets		
- Other Intangible Assets	675	489
- Goodwill	97	74
Prepaid Expenses	6.742	5.135
TOTAL NON-CURRENT ASSETS	161.783	118.532
TOTAL ASSETS	191.021	146.871

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Condensed Consolidated Interim Balance Sheet as at 30 September 2020

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

	Not Reviewed	Audited
	30 September 2020	31 December 2019
LIABILITIES		
Current Liabilities		
Short Term Borrowings	11.929	7.374
Short-Term Portion of Long-Term Borrowings	16.958	9.557
Short Term Portion of Lease Liabilities	2.132	1.519
Other Financial Liabilities	17	113
Trade Payables		
-Related Parties	956	1.019
-Third Parties	5.562	5.689
Payables Related to Employee Benefits	837	948
Other Payables		
-Third Parties	705	580
Derivative Financial Instruments	1.112	416
Deferred Income	5.112	6.361
Short-Term Provisions		
-Provisions for Employee Benefits	173	233
-Other Provisions	77	76
Other Current Liabilities	2.274	1.532
TOTAL CURRENT LIABILITIES	47.844	35.417
Non- Current Liabilities		
Long-Term Borrowings	76.984	53.429
Long Term Lease Liabilities	10.575	7.547
Other Payables		
-Third Parties	192	223
Deferred Income	868	713
Long-Term Provisions		
-Provisions for Employee Benefits	904	804
-Other Provisions	389	265
Deferred Tax Liability	9.275	7.678
TOTAL NON-CURRENT LIABILITIES	99.187	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	(353)	(226)
Items That Are or May Be Reclassified to		
Profit or Loss		
-Foreign Currency Translation Differences	32.162	20.757
-Fair Value (Losses)/Gains on Hedging Instruments		
Entered into for Cash Flow Hedges	(1.827)	1.017
-Losses on Remeasuring FVOCI	(47)	(4)
Restricted Profit Reserves	211	184
Previous Years Profit	16.533	12.024
Net (Loss) / Profit for the Period	(5.203)	4.536
Equity of the Parent	43.980	40.792
Non-Controlling Interests	10	3
TOTAL EQUITY	43.990	40.795
TOTAL LIABILITIES AND EQUITY	191.021	146.871

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the Nine-Month Period Ended 30 September 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
	1 January -	1 July -	1 January -	1 July -
	30 September 2020	30 September 2020	30 September 2019	30 September 2019
<u>PROFIT OR LOSS</u>				
Revenue	32.525	11.018	56.151	22.635
Cost of Sales (-)	(31.950)	(10.085)	(46.118)	(16.515)
GROSS (LOSS) / PROFIT	575	933	10.033	6.120
General Administrative Expenses (-)	(1.091)	(352)	(1.252)	(437)
Selling and Marketing Expenses (-)	(3.341)	(993)	(6.210)	(2.061)
Other Operating Income	1.805	1.020	802	259
Other Operating Expenses (-)	(220)	(68)	(294)	(67)
OPERATING (LOSS) / PROFIT BEFORE				
INVESTMENT ACTIVITIES	(2.272)	540	3.079	3.814
Income from Investment Activities	878	289	660	164
Expenses from Investment Activities	(69)	(69)	(447)	-
Share of Investments' (Loss) / Profit Accounted by Using The Equity Method	(645)	(37)	461	405
OPERATING (LOSS) / PROFIT	(2.108)	723	3.753	4.383
Financial Income	402	67	316	570
Financial Expenses (-)	(4.340)	(2.533)	(1.301)	(434)
LOSS BEFORE TAX	(6.046)	(1.743)	2.768	4.519
Tax Income / (Expense)	843	797	(181)	(812)
Current Tax Income	-	4	-	19
Deferred Tax Income / (Expense)	843	793	(181)	(831)
NET (LOSS) / PROFIT FOR THE PERIOD	(5.203)	(946)	2.587	3.707
Attributable to:				
Non-controlling interest	-	-	-	-
Equity holders of the parent	(5.203)	(946)	2.587	3.707

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the Nine-Month Period Ended 30 September 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
	1 January -	1 July -	1 January -	1 July -
	30 September 2020	30 September 2020	30 September 2019	30 September 2019
<u>OTHER COMPREHENSIVE INCOME</u>				
Items That May Be Reclassified Subsequently To Profit or Loss	8.518	4.165	3.795	541
Currency Translation Adjustment	11.405	5.681	2.272	(559)
Losses/Gains on Remeasuring FVOCI	(53)	(20)	56	38
Related Tax of Remeasuring FVOCI	10	3	(12)	(8)
Fair Value (Losses)/Gains on Hedging Instruments Entered into for Cash Flow Hedges	(3.490)	(1.866)	1.829	1.309
Fair Value (Losses)/Gains Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	(89)	(2)	32	27
Related Tax of Other Comprehensive Income / (Expense)	735	369	(382)	(266)
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(127)	(45)	(36)	5
Actuarial Losses on Retirement Pay Obligation	(159)	(56)	(45)	6
Related Tax of Other Comprehensive Income	32	11	9	(1)
<u>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</u>	8.391	4.120	3.759	546
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>	3.188	3.174	6.346	4.253
Basic (Loss)/Profit Per Share (Full US Cents)	(3,77)	(0,69)	1,87	2,69
Diluted (Loss)/Profit Per Share (Full US Cents)	(3,77)	(0,69)	1,87	2,69

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2020
(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	-	-	(127)	11.405	(2.844)	(43)	27	(27)	(5.203)	3.188	-	3.188
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	7	7
As of 30 September 2020	1.380	1.124	(353)	32.162	(1.827)	(47)	211	16.533	(5.203)	43.980	10	43.990

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2020
(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		Equity Holders of the Parent	Non- controlling Interests	Total Equity
	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			
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)
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	-	-	(36)	2.272	1.479	44	-	-	2.587	6.346	-	6.346
As of 30 September 2019	1.380	1.124	(220)	18.959	1.480	7	59	12.149	2.587	37.525	3	37.528

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2020
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	<u>Not Reviewed</u>	<u>Not Reviewed</u>
	<u>30 September 2020</u>	<u>30 September 2019</u>
Net Loss for the period	(5.203)	2.587
Adjustments to Reconcile Loss		
Adjustments for Depreciation and Amortisation Expense	8.233	6.330
Adjustments for Provisions Related with Employee Benefits	44	157
Adjustments for Provisions for Payables	1	(10)
Adjustments for Reversal of Probable Risks	76	44
Adjustments for Interest Income	(314)	(424)
Adjustments for Interest Expense	1.576	1.135
Adjustments For Unrealised Foreign Exchange Gains	4.025	(316)
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	(71)	(72)
Adjustments for Undistributed Losses / (Gains) of Associates	645	(461)
Adjustments for Tax (Income) / Expense	(843)	181
Adjustments for (Gains)/ Losses Arised From Sale of Tangible Assets	(24)	422
Adjustments for Losses Arised from Sale of Other Non-Current Assets	134	163
Operating Profit Before Changes in Working Capital	8.279	9.739
Increase in Trade Receivables from Related Parties	(60)	(12)
Decrease / (Increase) in Trade Receivables from Non Related Parties	856	(429)
Decrease in Other Related Party Receivables Related with Operations	166	-
(Increase) / Decrease in Other Non-Related Party Receivables Related with Operations	(1.278)	452
Adjustments for Increase in Inventories	(158)	(511)
Adjustments for Decrease / (Increase) in Prepaid Expenses	25	(639)
Decrease in Trade Payables to Related Parties	(63)	(756)
(Decrease) / Increase in Trade Payables to Non Related Parties	(1.914)	843
Adjustments for Decrease in Payables Due to Employee Benefits	(352)	72
Increase in Other Operating Payables to Non-Related Parties	19	807
(Decrease) / Increase in Deferred Income	(2.579)	1.871
Decrease / (Increase) in Other Assets Related with Operations	229	(100)
Cash Flows From Operations	3.170	11.337
Payments for Provisions Related with Employee Benefits	(90)	(43)
Income taxes refund / (paid)	14	(105)
Net Cash From Operating Activities	3.094	11.189
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed From Sales of Property, Plant and Equipment	101	115
Cash Payments From Purchasing of Property, Plant and Equipment (*)	(6.044)	(6.790)
Cash Receipts From Sales of Other Long-term Assets	2.474	2.258
Other Cash Advances and Loans	1.200	(1.365)
Dividends Received	18	240
Interest Received	186	374
Net Cash Flows Used In Investing Activities	(2.065)	(5.168)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	12.796	8.355
Payments of Loans	(7.324)	(6.584)
Payments of Finance Lease Liabilities	(5.954)	(4.016)
Payments of Lease Liabilities	(1.705)	(1.436)
Interest Paid	(1.193)	(929)
Other Cash (Outflows) / Inflows	(113)	106
Net Cash Used in Financing Activities	(3.493)	(4.504)
Net Change in Cash and Cash Equivalents	(2.464)	1.517
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	12.328	8.606
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9.864	10.123

(*) TL 10.530 portion of property and equipment and intangible assets purchases in total of TL 16.574 for the period ended 30 September 2020 was acquired through leases. (30 September 2019: TL 7.545 portion of property and equipment and intangible assets purchases in total of TL 14.335 was acquired through leases.)