

**BOARD ACTIVITY REPORT
PURSUANT TO THE COMMUNIQUE SERIAL II. NO.14.1**



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**TURKISH
AIRLINES**



1 JANUARY – 31 MARCH 2025

BOARD'S ACTIVITY REPORT

**BOARD ACTIVITY REPORT
PURSUANT TO THE COMMUNIQUE SERIAL II. NO.14.1**

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1. INDUSTRY DEVELOPMENTS

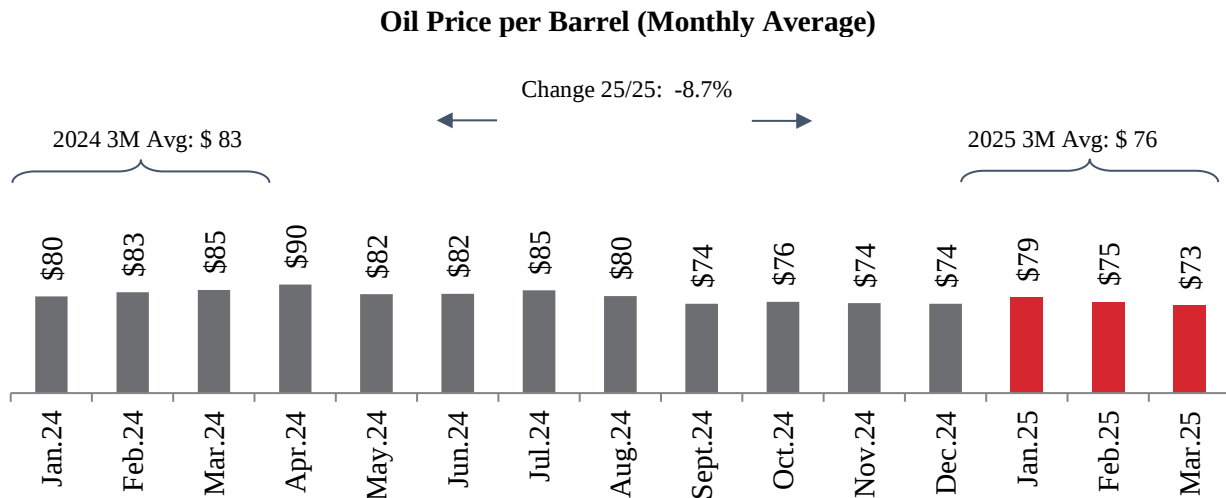
Despite ongoing global geopolitical tensions, bottlenecks in aircraft production and engine issues, Turkish Airlines continued its operations uninterrupted, thanks to its agility and extensive flight network, sustaining its growth in first quarter of 2025. In the same period, against operational challenges posed by heavy snowfall in Istanbul, lower demand during the Ramadan period, and seasonality in European holidays, our Company achieved to increase 4.3% annually and approximately 43% compared to the pre-pandemic period. Additionally, according to data from the European Organization for the Safety of Air Navigation (Eurocontrol), Turkish Airlines operated the most flights among network carriers in Europe in the first quarter of 2025.

Having one of the youngest and most modern fleets among global network carriers, Turkish Airlines increased its number of aircraft by 4.2% annually, reaching 472 aircraft as of March 2025. This growth was achieved despite bottlenecks in aircraft production. By redesigning the cabins of the newly added aircraft, Turkish Airlines increases the number of seats per aircraft without compromising passenger comfort and reduces the overall weight of the aircraft. While this strategy aims to reduce operating expenses, it also supports our target to become a more sustainable airline.

Our Company expanded Turkish Airlines Holidays brand beyond Türkiye's border in this quarter and made it available to travelers from all over the world. Turkish Airlines aims to diversify its revenue portfolio with Turkish Airlines Holidays by providing its passengers everything they need together to plan their holidays easily. Thanks to Turkish Airlines Holidays, Turkish Airlines, the airline flying to more countries than any other airlines, become the airline that offers comprehensive holiday packages to more countries in the world. In line with its vision based on seamless customer experience, Turkish Airlines Holidays set the goal of being a major player in the growing holiday package sector.

Turkish Cargo aims to further enhance its position among the world's leading air cargo brands by leveraging the capabilities of SMARTIST at Istanbul Airport, one of the world's largest hubs equipped with advanced technology, and Turkish Airlines' unique flight network. In February, our Company ranked as the world's 3rd largest air cargo carrier with a market share of 5.8%, according to the International Air Transport Association (IATA) figures.

The development of jet fuel prices, a major cost item in the airline industry, is shown in the table below.



Source: U.S. Energy Information Administration

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The table below sets out the fuel price analysis of the Company.

FUEL PRICE ANALYSIS	2022	2023	2024	3M'24	3M'25
Fuel Expenses (Million \$)	6.467	6.232	6.163	1,537	1,346
Fuel Consumption (000 Tons)	5.653	6.429	7.000	1,627	1,639
Average Unit Cost (\$/Tons)	1.144	969	880	945	821
Average Change of Unit Cost (%)	73%	-15%	-9%	7%	-13%
Fuel Expense Rate in Operational Expenses (%)	41%	34%	30%	32%	26%

2. FIELD OF ACTIVITY, CAPITAL STRUCTURE AND SUBSIDIARIES

Türk Hava Yolları Anonim Ortaklığı (the “Company”) was founded in Türkiye in 1933. The Company’s main fields of activity are all types of domestic and international passenger and cargo air transportation.

The Company is registered in Istanbul, Türkiye (Reg. No: 75184) and its head office address is Türk Hava Yolları A.O. Genel Yönetim Binası, Yeşilköy Mah. Havaalanı Cad. No:3/1 34149 Bakırköy, İstanbul/Türkiye. Detailed information about the Company can be found on Investor Relations Website. (<http://investor.turkishairlines.com/en>)

The authorized capital of the Company is 10,000,000,000 (ten billion) Turkish Lira, to be submitted to the approval of the shareholders at the 2024 Ordinary General Assembly. The issued share capital is 1,380,000,000 (one billion three hundred and eighty million) Turkish Lira divided into 138,000,000,000 (one hundred thirty-eight billion) shares, each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.

Shares are divided into two groups; the distribution of share groups of the issued capital is as follows:

Shareholder	Number of Nominal Shares (TRY)	Ownership (%)	Number of Shares (#)	Rate of Voting Right (%)
Türkiye Wealth Fund (Group A)	677,884,849	49.12	67,788,484,857	49.12
The Republic of Türkiye Ministry of Treasury and Finance Privatization Administration (Group C)	0.01	< 0.01	1	< 0.01
Open for Public (Group A)	702,115,151	50.88	70,211,515,142	50.88
TOTAL	1,380,000,000	100	138,000,000,000	100

Group C share belongs to the The Republic of Türkiye Ministry of Treasury and Finance Privatization Administration and privileges granted to Group C share are defined in the Articles of Association of the Company.

The Group has 14 directly controlled (consolidated) subsidiaries as of March 31, 2025. The table below sets out the consolidated subsidiaries and participation rates of the Group in these:

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Name of the Company	Field of Activity	Ownership	Country of Registration
Türk Hava Yolları Teknik A.Ş. (Turkish Technic)	Aircraft Maintenance	100%	Türkiye
THY Teknoloji ve Bilişim A.Ş. (Turkish Technology)	Informatics and Technology	100%	Türkiye
THY Uçuş Eğitim ve Hava Limanı İşletme A.Ş. (Turkish Airlines Flight Academy)	Airport Operations and Flight Training	100%	Türkiye
AJet Hava Taşımacılığı A.Ş. (AJet)	Passenger and Cargo Transportation	100%	Türkiye
THY Uluslararası Yatırım ve Taşımacılık A.Ş.	Cargo and Courier Transportation	100%	Türkiye
THY Hava Kargo Taşımacılığı A.Ş. (Widect)	Cargo and Courier Transportation	100%	Türkiye
THY Destek Hizmetleri A.Ş. (Turkish Support Services)	Support Services	100%	Türkiye
Türk Hava Yolları Elektronik Para ve Ödeme Hizmetleri A.Ş. (TKPAY)	Payment Systems	100%	Türkiye
TCI Kabin İçi Sistemleri San. ve Tic. A.Ş. (TCI Aircraft Interiors)	Cabin Interior Production	80%	Türkiye
THY Özel Güvenlik ve Koruma Hizmetleri A.Ş.	Security Services	100%	Türkiye
TSI Seats Inc.	Cabin Interior Production	80%	U.S.A
THY Ortak Sağlık Güvenlik Birimi Hizmetleri A.Ş.	Health Services	100%	Türkiye
THY Gayrimenkul Yatırım Hizmetleri A.Ş.	Management of Various Investment Projects	100%	Türkiye
THY Spor A.Ş.	Sports Activities	100%	Türkiye

Türk Hava Yolları Teknik A.Ş. (Turkish Technic)

Founded in 2006 as a 100% owned subsidiary of Turkish Airlines, and merged with Turkish Airlines HABOM in June 2015, Turkish Technic, as of March 31, 2025 is among the world's largest aircraft maintenance, repair and revision centers in the air transportation industry, with 12,031 employees and its subsidiaries. After moving to Istanbul Airport in 2019, it has become the first company to offer all MRO services from a single point to many domestic and foreign airlines, especially Turkish Airlines. To expand the number of foreign airlines it serves and to increase its market share, Turkish Technic continues its activities in its hangars located at 5 different airports in Ankara, Aydın and Istanbul (Atatürk, Istanbul and Sabiha Gökçen Airports).

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THY Teknoloji ve Bilişim A.Ş. (Turkish Technology)

Established with 100% Turkish Airlines capital, Turkish Technology aims to provide end-to-end solutions and support for all technological needs in the aviation sector, primarily for Turkish Airlines and its subsidiaries, and to export the technologies it develops through its R&D. As of March 31, 2025, it operates with 1,819 employees across various locations, including its headquarters in Istanbul and offices in Ankara and Izmir.

THY Uçuş Eğitim ve Hava Limanı İşletme A.Ş. (Turkish Airlines Flight Academy)

Turkish Airlines Flight Academy, a sub-brand of Turkish Airlines, was established with 100% Turkish Airlines capital to train pilots and provide pilot training required by Turkish Airlines and other airlines. Since 2013, the Academy has conducted its training programs at the facilities located at Aydın Çıldır Airport and started its flight operations at Efes Airport by the end of 2022, at Uşak Airport in March 2024, at Milas Bodrum Airport in October 2024 and at Adana Şakirpaşa Airport in February 2025. As of March 31, 2025, the Company has 226 employees.

AJet Hava Taşımacılığı A.Ş. (AJet)

The Company was established on August 7, 2023, as a wholly owned subsidiary of Turkish Airlines to support the AnadoluJet brand in continuing its operations as a low-cost airline at global standards and to strengthen its competitive position in the market. As of March 31, 2024, the AJet brand commenced operations based at Istanbul Sabiha Gökçen Airport and Ankara Esenboğa Airport. It connects 112 flight destinations, 44 of which are in Türkiye, with scheduled and charter flights. As of the end of March 2025, AJet has carried 4.6 million passengers with 30,363 landings; It continues its operations in a total of 36 countries with a fleet of 95 aircraft and 2,746 employees.

THY Uluslararası Yatırım ve Taşımacılık A.Ş.

The Company, wholly owned by the Turkish Airlines, was established on September 25, 2018, with the primary objective of investing primarily in the fields of cargo and courier transportation, as well as in other areas specified in the Articles of Association of the Company both domestically and internationally. The Company represents Turkish Airlines group as a 45% partner of We World Express, which was established in 2019.

THY Hava Kargo Taşımacılığı A.Ş. (Widect)

THY Hava Kargo Taşımacılığı A.Ş. was established as a 100% owned subsidiary of Turkish Airlines on March 25, 2021 and was restructured according to the door-to-door delivery business model with the Widect sub-brand in August 2023. As of March 31, 2025, the Company has 22 employees.

THY Destek Hizmetleri A.Ş. (Turkish Support Services)

The Company was established on March 6, 2023, as a wholly owned subsidiary of Turkish Airlines in order to meet the support service needs of our company's and subsidiaries' out of core business activities, including but not limited to cleaning, safety, facility management, financial affairs, flight and ground handling services, and operational and organizational services. As of March 31, 2025, the Company has 9,788 employees.

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THY Özel Güvenlik ve Koruma Hizmetleri A.Ş.

The Company was established on May 12, 2023, as a wholly owned subsidiaries of Turkish Support Services in order to provide security and protection services. As of March 31, 2025, the Company has 1,705 employees.

THY Ortak Sağlık Güvenlik Birimi Hizmetleri A.Ş.

The Company was established on July 10, 2024, as a wholly owned subsidiaries of Turkish Support Services to create a common Occupational Health and Safety culture and to be a leader in the field of Occupational Health and Safety (OHS) in many sectors such as aviation, industry, service, energy and construction. As of March 31, 2025, the Company has 106 employees.

Türk Hava Yolları Elektronik Para ve Ödeme Hizmetleri A.Ş. (TKPAY)

The Company was established on 18 August 2023, as a wholly owned subsidiary of Turkish Airlines, aiming to provide a digital wallet for individual customers and a collection infrastructure as a payment institution for commercial customers. Leveraging Turkish Airlines' experience in the airline industry, brand strength, and financial credibility, it is intended to transform into a business model that creates revenue and value for our Company, Türkiye, and all stakeholders in the travel ecosystem within the field of payment systems. As of June 26, 2024, the Company continue its activities as ' Türk Hava Yolları Elektronik Para ve Ödeme Hizmetleri A.Ş. (TKPAY)'. As of March 31, 2025, the Company has 20 employees.

TCI Kabin İçi Sistemleri San. ve Tic. A.Ş. (TCI Aircraft Interiors)

Uçak Koltuk Üretim Sanayi ve Ticaret A.Ş. ("TSI") and Cornea Havacılık Sistemleri Sanayi ve Ticaret A.Ş. ("Cornea"), established for the design, production, marketing and sale of cabin interior products, merged with and TCI Kabin İçi Sistemleri San. ve Tic. A.Ş. ("TCI") on February 15, 2023. After the merger, the Company's shareholding structure is composed of 59.25% Turkish Airlines, 20.84% Turkish Technic, 17% TUSAŞ and 2.91% Havelsan. As of March 31, 2025, the Company has 674 employees.

TSI Seats Inc.

TSI Seats Inc. was established on June 17, 2014 in order to design, manufacture, modify and merchandise aircraft seats and spare parts in Utah. On April 2021, the facilities in Utah moved to Seattle where the production facilities of Boeing are located. TSI Seats Inc. is an aircraft seat manufacturer which produces aircraft seats with the authorizations of EASA and FAA. In 2023, TCI Kabin İçi Sistemleri San. ve Tic. A.Ş. ("TCI") merged with Uçak Koltuk Üretim Sanayi ve Ticaret A.Ş. ("TSI") and after the merger, TSI Seats Inc. became a 100% owned subsidiary of TCI.

THY Gayrimenkul Yatırım Hizmetleri A.Ş.

THY Gayrimenkul Yatırım Hizmetleri A.Ş. was established on July 24, 2024 as a wholly owned subsidiary of Turkish Airlines to manage various investment projects.

THY Spor A.Ş.

THY Spor A.Ş. was established on August 20, 2024 with a partnership structure of 99.99% Turkish Airlines and 0.01% Turkish Airlines Sports Club to carry out sports activities, especially in volleyball, football, chess and table tennis branches.

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Turkish Airlines Inc. has 9 joint ventures. These affiliates are jointly controlled by the Group and are accounted for by using the equity method.

The table below sets out consolidated joint ventures and indicates the proportion of ownership interest of the Company in these joint ventures as of March 31, 2025:

Name of the Company	Field of Activity	Participation Ratio	Country of Operation
TFS Akaryakıt Hizmetleri A.Ş. (TFS)	Aviation Fuel Services	25%	Türkiye
Güneş Ekspres Havacılık A.Ş. (SunExpress)	Passenger and Cargo Transportation	50%	Türkiye
THY OPET Havacılık Yakıtları A.Ş. (THY OPET)	Aviation Fuel Services	50%	Türkiye
TGS Yer Hizmetleri A.Ş. (Turkish Ground Services)	Aviation Ground Handling Services	50%	Türkiye
THY DO&CO İkram Hizmetleri A.Ş. (Turkish DO&CO)	Catering Services	50%	Türkiye
Pratt & Whitney THY Teknik Uçak Motoru Bakım Mrkz. Ltd. Şti. (Turkish Engine Center)	Engine Maintenance	49%	Türkiye
We World Express Limited (We World Express)	Cargo and Courier Transportation	45%	Hong Kong
Goodrich THY Teknik Servis Merkezi Ltd. Şti. (Turkish Nacelle Center)	Reverse Thrust and Engine Nacelle	40%	Türkiye
Air Albania SHPK (Air Albania)	Passenger and Cargo Transportation	49%	Albania

TFS Akaryakıt Hizmetleri A.Ş. (TFS)

The Company is operating with an equal partnership of Turkish Airlines, Zirve Holding A.Ş., Taya Gayrimenkul Yatırım İşletmeleri A.Ş. ve Demirören Yatırım Holding A.Ş. companies in order to provide services in the fields of transportation, storage and supply of fuel needed by aircraft and operates at Istanbul Airport. As of March 31, 2025, 161 employees are working for the Company.

Güneş Ekspres Havacılık A.Ş. (SunExpress)

Güneş Ekspres Havacılık A.Ş. (SunExpress), established in 1989 in Antalya through a 50%-50% partnership between Turkish Airlines & Lufthansa, remains the market leader in tourism transportation between Türkiye and Central Europe. SunExpress connects 82 flight destinations, 26 of which are in Türkiye, with scheduled and charter flights. As of March 31, 2025, the airline operates with a fleet of 72 aircraft, covers 162 routes in 37 countries with 4,586 employees.

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THY OPET Havacılık Yakıtları A.Ş. (THY OPET)

THY OPET Havacılık Yakıtları A.Ş. (THY OPET), established on September 18, 2009, engages in the domestic and international sale, importation, exportation, distribution and transport of various petroleum products, chemicals, lubricants and paints for all types of aircraft. The Company which has the largest integrated jet fuel facility in Türkiye, commenced operations on July 1, 2010. Kuzey Tankercilik A.Ş. and Güney Tankercilik A.Ş. were established on November 1, 2012, as wholly owned subsidiaries of THY OPET Havacılık Yakıtları A.Ş. (THY OPET), in order to provide transportation of petroleum and petroleum products via sea tankers. As of March 31, 2025, the Company, which supplies fuel to the Partnership at over 50 Anatolian airports, provides fuel loading services ("ITP-into-plane") at Istanbul Airport with its experienced personnel, and storage and aircraft refueling services at Sabiha Gökçen Airport. As of March 31, 2025, the Company has 581 employees.

TGS Yer Hizmetleri A.Ş. (Turkish Ground Services)

The Company was established as a joint venture with equal 50% stakes of Turkish Airlines and Havaş Havaalanları Yer Hizmetleri A.Ş. on January 1, 2010. It operates at a total of 10 stations, including Istanbul, Istanbul Atatürk, Istanbul Sabiha Gökçen, Ankara Esenboğa, İzmir Adnan Menderes, Antalya, Çukurova, Milas Bodrum, Dalaman and Eskişehir Hasan Polatkan Airports. As of March 31, 2025, the Company has 19,269 employees.

THY DO&CO İkram Hizmetleri A.Ş. (Turkish DO&CO)

Established in September 2006, Turkish Do&Co is a joint venture between Turkish Airlines and Do & Co Restaurants & Catering AG (Austria based company), with each holding a 50% stake. The Company provides inflight catering services primarily to Turkish Airlines and more than 50 local and foreign airlines. As of March 31, 2025, it operates at 31 airports across Türkiye with 10 production units and 6,780 employees.

Pratt & Whitney THY Teknik Uçak Motoru Bakım Mrkz. Ltd. Şti. (Turkish Engine Center)

Turkish Engine Center provides engine maintenance, repair and overhaul services to customers located in Türkiye and surrounding regions. Established in 2008, as a 49%-51% partnership between Turkish Technic and Pratt & Whitney, a subsidiary of United Technologies, the center operates in an area of over 25 thousand m² facility at Istanbul Sabiha Gökçen Airport. Equipped with advanced technology and eco-friendly feautures, it has the capacity to service around 200 aircraft engines per year when fully utilized. As of March 31, 2025, the Company has 619 employees.

We World Express Limited (We World Express)

We World Express, headquartered in Hong Kong, is a joint venture company that was founded in January 2019 and began operations in April 2019. This global cargo/courier company provides door-to-door logistics services, primarily targeting the global e-commerce market. Turkish Airlines International Investment and Transport, a 100% owned subsidiary of Turkish Airlines, holds a 45% stake, Hong Kong headquartered ZTO Express (Hong Kong) Limited owns a 45% stake and Hong Kong headquartered PAL Air Limited has a 10% stake of the company. As of 31 March 2025, the Company has reached a total of 5 offices in İstanbul, Shanghai, Hong Kong, Maastricht and Shenzhen. As of March 31, 2025, 70 employees are working for the Company.

Goodrich THY Teknik Servis Merkezi Ltd. Şti. (Turkish Nacelle Center)

Established in 2010, the Goodrich THY Teknik Servis Merkezi Ltd. Şti. (TNC) is a joint venture with 40%-60% stakes of Turkish Technic and Collins Aerospace. It provides maintenance and repair services regarding aircraft engine nacelles and reverse thrust systems to local and foreign airline companies, especially Turkish Airlines. The

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Company has been providing services under the brand "Turkish Nacelle Center" since 2019. As of March 31, 2025, the Company has 88 employees.

Air Albania SHPK (Air Albania)

The Company established a joint venture company based in the Republic of Albania to operate in the field of passenger and cargo transportation. Founded on September 12, 2018, the Company is owned by Turkish Airlines (49%), MDN Investment SHPK (41%), and Albcontrol (10%), which manages Albanian airspace and air traffic on behalf of the Government of Albania. As of March 31, 2025, 136 employees are working for the Company.

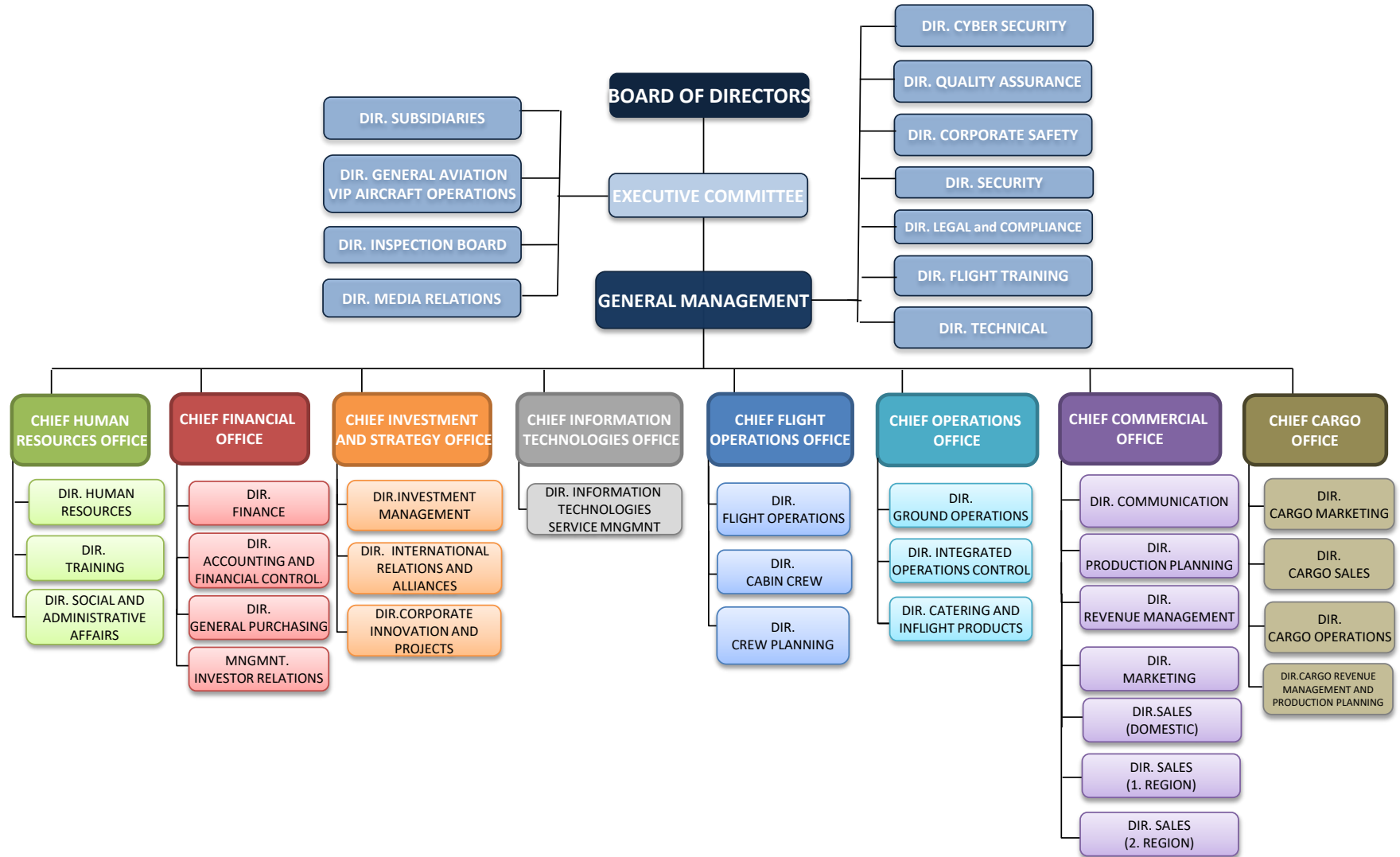
The Company is responsible for the full and joint control over subsidiaries and affiliates through Board of Directors. Additionally, the operations of subsidiaries and affiliates are monitored by the Senior Vice President of Subsidiaries, within the body of the Parent Company. The internal audit and control functions in the Company are managed by SVP of Inspection Board, SVP of Quality Assurance and other relevant expertise and financial departments.

3. ORGANIZATIONAL STRUCTURE

As of March 31, 2025, the number of countries served was 131.

General Management and all central units are gathered around Istanbul Ataturk Airport. Organization chart of Turkish Airlines, as of March 31, 2025 is shown on the next page.

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4. BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS

The Board of Directors is comprised of 9 members, including 3 independent members, elected by the General Assembly. The Board of Directors shall approve the strategic targets, continuously and effectively monitor these targets, as well as the activities of the Company and its past performance. In doing so, the Board shall strive to ensure compliance with international standards, and whenever necessary, take preemptive action for potential problems.

Members of the Board who were on duty and committees as of March 31, 2025 are listed below:

Name	Title
Prof. Dr. Ahmet BOLAT	Chairman of the Board of Directors and the Executive Committee
Şekib AVDAGIÇ	Deputy Chairman of the Board of Directors and the Executive Committee, Independent Member of the Board of Directors
Bilal EKŞİ	Member of the Board of Directors and General Manager
Assoc. Dr. Murat ŞEKER	Member of the Board of Directors and the Executive Committee / Chief Financial Officer
Dr. Melih Şükrü ECERTAŞ	Member of the Executive Committee and Independent Member of the Board of Directors
Ramazan SARI	Member of the Board of Directors and the Executive Committee / Senior Vice President General Aviation (VIP Aircraft) Operations
Prof. Dr. Mecit EŞ	Member of the Board of Directors
Dr. Hüseyin KESKİN	Member of the Board of Directors
Assoc. Dr. Fatmanur ALTUN	Independent Member of the Board of Directors

COMMITTEES

Chairman and the member of the Board Committees were appointed by the Board of Directors on July 25, 2023 as indicated below:

Audit Committee

Chairman: Şekib Avdagiç

Member: Dr. Melih Şükrü Ecertaş

Corporate Governance Committee

Chairman: Assoc. Prof. Fatmanur Altun

Member: Ramazan Sarı, Mehmet Fatih Korkmaz (Investor Relations Manager)

Early Identification of Risks Committee

Chairman: Dr. Melih Şükrü Ecertaş

Member: Şekib Avdagiç

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Brief resumes of our Board of Directors and their duties outside of the Company are reachable via Turkish Airlines Investor Relations Website. (<http://investor.turkishairlines.com/en/governance/board-of-directors>)

5. SENIOR MANAGEMENT

Information about the Senior Management of the Company is presented below as of March 31,2025:

Name	Title	Starting Date of Position	Profession
Bilal Ekşi	General Manager	24.10.2016	Electronics and Communications Engineer
Assoc. Prof. Murat Şeker	Chief Financial Officer	26.07.2016	Economist
Ahmet Olmuştur	Chief Commercial Officer	30.04.2014	Manager
M. Akif Konar	Chief Operations Officer	1.01.2024	Management Engineer
Levent Konukcu	Chief Investment and Strategy Officer	28.01.2022	Aeronautical Engineer
Abdulkерim Çay	Chief Human Resources Officer	21.04.2015	Manager
Dr. Kerem Kızıltunç	Chief Information Technology Officer	17.02.2022	Computer Engineer
Mehmet Kadaifçiler	Chief Flight Operations Officer	28.01.2022	Pilot
Ali Türk	Chief Cargo Officer	1.01.2024	Industrial Engineer

6. HUMAN RESOURCES

Number of employees increased by 6% to 35,433 as of March 2025 from 33,350 as of March 2024. Employee numbers according to working groups are as follows:

	31.12.2024	31.03.2024	31.03.2025	Change (%)
Cockpit Personnel	7,546	6,854	7,652	12%
Cabin Personnel	15,579	15,069	16,001	6%
Aircraft Maintenance Tech.	49	55	52	-5%
Staff Abroad	3,680	3,495	3,707	6%
Domestic Staff	8,120	7,877	8,021	2%
TOTAL	34,974	33,350	35,433	6%

Most of the employees located in Türkiye of our Company are members of the labor union. The relations between the employees and the employer, at each level, with respect to the Collective Bargaining Agreement and any matter concerning the staff, are conducted in the most efficient manner and in a manner to obtain result, through

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the agency of the representatives and union executives assigned by the labor union, in numbers and proportions specified in the legal legislation. All employees get fair treatment in terms of the rights granted and also training programs are conducted to improve their skills, knowledge and experience. The employees are provided with a safe working environment and conditions, both in Türkiye and overseas.

The rights and benefits provided to the staff by the Company are pass tickets, private health insurance, company kindergarten, marriage benefit, maternity benefit and death benefit.

7. DEVELOPMENTS WITHIN THE COMPANY

I. Developments During the Period

New Route Announcement

Our Company decided to start operating scheduled flights to Phnom Penh, capital of Cambodia, based on market conditions. Our Company started operating scheduled flights to Ohrid in North Macedonia with Turkish Airlines main brand; to Algiers, capital of Algeria and to Damascus, capital of Syria with AJet brand.

Türk Hava Yolları Elektronik Para ve Ödeme Hizmetleri A.Ş. (TKPAY)'s Operating Permit

Our Company's subsidiary, Türk Hava Yolları Elektronik Para ve Ödeme Hizmetleri A.Ş. (TKPAY), which was incorporated on August 18, 2023, has been granted authorization by the Central Bank of the Republic of Türkiye to operate as an electronic money institution. This authorization allows TKPAY to provide the payment services specified under items (a), (b), (c), (f), and (g) of the first paragraph of Article 12, as well as the electronic money issuance service defined in the second paragraph of Article 18 of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions (Law No. 6493, dated 20/6/2013).

Disclosure Regarding Share Buy-Back Program

Within the scope of the share buy-back program, THYAO shares with 233,500 TRY nominal value were bought back by our Company between 19.03.2025- 24.03.2025. Repurchased shares represent 0,418445% of the Company's capital, following the transaction.

2024 Dividend Distribution Proposal

Dividend Distribution Proposal resolved by our Board of Director for submission to the consideration and approval of the shareholders at the ordinary general assembly meeting disclosed on the Public Disclosure Platform.

Related Party Transactions

The conclusion section of the "Common and Continuous Related Party Transactions Report" prepared by the Board of Directors as per Article 10 of the Capital Markets Board's Communique No. II-17.1 on Corporate Governance is provided below for the information of our shareholders.

Conclusion Section of the Report on Related Party Transactions:

Due to the fact that the rate of the amount of common and continuous fuel supply / purchasing transactions executed between Turkish Airlines and TFS Akaryakıt Hizmetleri A.Ş. exceeded 10%, compared to the cost of sales in 2024 financial statements disclosed to public; it is also foreseen that transactions with similar features are expected to continue in compliance with the determined principles in 2025 as well. These transactions mentioned

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in the aforementioned report are considered to be made consistent with the transactions of previous years and at-arm's length when compared with market conditions.

Change in Articles of Association

Our Board of Directors has resolved to determine a new validity period and capital ceiling for the registered capital, which expired on December 31, 2024, in accordance with Capital Markets regulations, and to ensure that the Company's Articles of Association comply with current regulations and the Company's requirements. In this context, it has been decided to amend Article 6, titled "Share Capital and Share Certificates", Article 8, titled "Increase and Decrease in the Share Capital" Article 11, titled "Qualifications And Conditions Required For Election Of The Board Members" Article 15, titled "Duties And Powers Of The Board Of Directors" Article 34, titled "Documents to Be Submitted" Article 36, titled "Determination and Distribution of Profit" Article 38, titled "Time And Form Of Payment Of The Profit" and Provisional Article 1. Necessary actions will be taken to obtain approvals from the Capital Markets Board and the Republic of Türkiye Ministry of Trade. The application was submitted to the Capital Markets Board on 05.02.2025 in order to obtain the approval of the Capital Markets Board to amend the Articles of Association and the Capital Markets Board has approved our application on 14.02.2025. Following the approval of the Capital Markets Board, an application was submitted to the Ministry of Trade of the Republic of Türkiye on 17.02.2025. The Ministry of Trade of the Republic of Türkiye has approved our application on 19.02.2025.

The proposed amendments to the Articles of Association will be submitted for shareholder approval at the first General Assembly Meeting.

Notification Regarding Authorized Capital

Our Board of Directors has resolved to increase the Company's registered capital ceiling, which was set to expire on December 31, 2024, to 10 billion TL for the years 2025-2029 and to amend Article 6, titled "Share Capital and Share Certificates" of the Articles of Association accordingly, as detailed in the attached amendment text. The application was submitted to the Capital Markets Board on 05.02.2025 in order to obtain the approval for the resolution and the Capital Markets Board has approved our application on 14.02.2025. Following the approval of the Capital Markets Board, an application was submitted to the Ministry of Trade of the Republic of Türkiye on 17.02.2025. The Ministry of Trade of the Republic of Türkiye has approved our application on 19.02.2025.

The proposed amendment to the Articles of Association will be submitted for shareholder approval at the first General Assembly Meeting.

Fitch Credit Rating

The international credit rating agency Fitch upgraded the credit rating of our Company to BB from BB-. The outlook affirmed as Stable. Fitch also affirmed BB+ rating on our USD-denominated Enhanced Equipment Trust Certificates (EETC) issued in 2015.

THY Gayrimenkul Yatırım Hizmetleri A.Ş. Capital Increase

The capital of our wholly owned subsidiary, THY Gayrimenkul Yatırım Hizmetleri A.Ş., will be increased to 7.5 billion TL.

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I. Subsequent Events

Nomination of Independent Board Member Candidates and Capital Markets Board Application

Our Company's Board of Directors decided to increase the number of independent board members to four from three, within the framework of the best corporate governance practices, and nominate Assoc. Prof. Fatmanur Altun, Şekib Avdagiç, Dr. Melih Şükrü Ecertaş and Dr. Hüseyin Keskin as independent board member candidates following the recommendation of the Corporate Governance Committee. An application was submitted to the Capital Markets Board in order to present the independent member candidates for shareholders' approval at the General Assembly meeting.

2024 Ordinary General Assembly Meeting dated May 21, 2025

The Ordinary General Assembly of our Company will take place on Wednesday, May 21, 2025 at 14:00 at the General Management Building located at Yeşilköy Mahallesi, Havaalanı Cad. No.3/1 Bakırköy/İstanbul.

Launch of a Share Buyback Program

With the decision of our Board of Directors dated 14.02.2023, the share buyback program initiated within the framework of the Capital Markets Board's ("CMB") Communiqué No. II-22.1 on Buybacked Shares and the Principle Decision No. i-SPK.22.7 (dated 14.02.2023 and numbered 9/177) will automatically conclude on the date of the first general assembly meeting to be held as a result of the CMB's Principle Decision No. i-SPK.22.8 (dated 01.08.2024 and numbered 41/1198).

In this context, with the aim of;

- Ensuring the continuation of our share buybacks in full compliance with current legislation,
- Supporting our Company's shares to be valued at a level close to their fair value,
- Mitigating the potential negative effects of sharp downward price movements in our shares on our investors and the value of our Company in the short term, thus protecting the interests of our shareholders,
- Contributing to a healthy price formation by supporting the stability of our Company's share price,
- Maintaining the interest of our investors in our Company's shares and encourage them to increase the holding duration as one of the tools of our Company's total shareholder return strategy;

Our Company's Board of Directors decided to;

1. Launch a Share Buyback Program covering 3 years as of the date of the first General Assembly Meeting,
2. Allocate a maximum amount subject to buyback as 9,000,000,000 TL to be covered from our Company's cash portfolio,
3. Limit the maximum number of shares to be repurchased to 1.7% of our Company's issued share capital and present the attached Share Buyback Program Proposal to the approval of the shareholders at the first general assembly meeting to be held.

8. TRAFFIC RESULTS

January – March 2025 period traffic results are shown below:

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TOTAL			
	2024	2025	Change (%)
Number of Landing (Passenger Flights)	119,352	122,156	2.3%
Available Seat Km ('000)	58,451,064	60,955,111	4.3%
Revenue Passenger Km ('000)	47,019,502	49,111,433	4.4%
Passenger Load Factor (%)	80.4%	80.6%	0.1 pt
Passengers Carried	18,488,276	18,911,360	2.3%
Int-to-Int Transfer Passengers Carried	7,571,391	7,896,546	4.3%
Cargo and Mail (Tons)	477,429	478,358	0.2%
Fleet	453	472	4.2%
Seat Capacity	93,170	97,697	4.9%
Number of Destinations	348	353	1.4%
Km Flown ('000)	267,718	273,957	2.3%
Hours Flown	423,901	433,209	2.2%

DOMESTIC			
	2024	2025	Change (%)
Number of Landing (Passenger Flights)	44,973	44,724	-0.6%
Available Seat Km ('000)	5,437,183	5,430,480	-0.1%
Revenue Passenger Km ('000)	4,491,367	4,390,585	-2.2%
Passenger Load Factor (%)	82.6%	80.9%	-1.8 pt
Passengers Carried	6,444,313	6,332,017	-1.7%
Cargo and Mail (Tons)	14,000	13,505	-3.5%
Km Flown ('000)	30,700	30,510	-0.6%

INTERNATIONAL			
	2024	2025	Change (%)
Number of Landing (Passenger Flights)	74,379	77,432	4.1%
Available Seat Km ('000)	53,013,881	55,524,631	4.7%
Revenue Passenger Km ('000)	42,528,135	44,720,848	5.2%
Passenger Load Factor (%)	80.2%	80.5%	0.3 pt
Passengers Carried	12,043,963	12,579,343	4.4%
Excl. Int-to-Int Transfer Passenger	4,472,572	4,682,797	4.7%
Cargo and Mail (Tons)	463,428	464,853	0.3%
Km Flown ('000)	237,018	243,447	2.7%

I. Scheduled Domestic Flights:

During January – March 2025, the Company did not start operating any scheduled flights with Turkish Airlines main brand to new domestic destinations.

II. Scheduled International Flights:

During January - March 2025, the Company has started operating scheduled flights with Turkish Airlines main brand to new international destinations indicated below.

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Flight Destination

North Macedonia-Ohrid

Flight Inaugural Date

27.03.2025

III. Additional, Charter and Hajj-Umrah Flights

During January – March 2025, number of additional, charter and Hajj-Umrah flights with Turkish Airlines main brand and number of passengers carried on these flights are stated on the table below:

	Number of Flights			Number of Passengers		
	3M'24	3M'25	Change (%)	3M'24	3M'25	Change (%)
Additional	572	895	56%	36,958	82,688	124%
Charter	249	188	-24%	42,665	34,741	-19%
Hajj-Umrah	879	1.138	29%	109,767	170,402	55%

IV. AJet Flights:

Scheduled and Additional Flights	3M'24	3M'25	Change (%)
Revenue Passenger (000)	4,403	4,583	4%
Availible Seats*Km (Millions)	5,665	5,980	6%
Passenger Load Factor (%)	78.8%	78.7%	-0.1 pt

- By the end of March 2025, AJet operated with 95 aircraft.
- During the period of January – March 2025, AJet flies to a total of 141 routes compared to a total of 136 routes in the same period of 2024.
- Number of passenger breakdown as domestic and international are 68% and 32% respectively.

9. FLEET

31.03.2025	Type	Total	Owned	Financial Lease	Opr./Wet Lease	Seat Capacity ('000)	Average Fleet Age
Wide Body	A330-2/3	49	20	14	15	14.1	12.7
	B777-3ER	34	15	12	7	12.2	11.6
	A350-9	26		26		8.5	2.0
	B787-9	23		23		6.9	3.9
	Total	132	35	75	22	41.6	8.8
Narrow Body	B737-8/9 MAX	32		25	7	5.1	4.4
	A321/320 NEO	85		40	45	16.2	3.2
	A321/320/319	90	54	25	11	16.0	13.1
	B737-8 MAX WL	3			3	0.6	7.0
	A321/320 WL	6			6	1.3	18.4
	B737-8/9	100	58	17	25	16.9	14.6
	Total	316	112	107	97	56.1	10.1
Cargo	A330-200F	10	4	6			11.4
	B777F	8		8			6.2
	Wet Lease	6			6		28.4
	Total	24	4	14	6		13.9
Grand Total		472	151	196	125	97.7	9.9

WL:Wet Lease

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10. FINANCIALS

Company's functional currency is US Dollars. Below financials for the period are stated in Turkish Lira and US Dollars in line with the relevant local regulations. Financial tables can be found on Investor Relations Website. (<http://investor.turkishairlines.com/en>).

SUMMARY OF BALANCE SHEET (Mn TRY)		
	31.Mar.25	31.Dec.24
ASSETS		
Current Assets	352,676	341,910
Non-Current Assets	1,182,270	1,057,696
Total Assets	1,534,946	1,399,606
LIABILITIES		
Total Current Liabilities	393,028	339,533
Total Non-Current Liabilities	424,482	380,061
Total Equity	717,436	680,012
Total Liabilities and Equity	1,534,946	1,399,606
Debt to Assets Ratio	0.53	0.51
Equity Ratio	0.47	0.49
SUMMARY OF INCOME STATEMENT (Mn TRY)		
	1 Jan. – 31 Mar. 2025	1 Jan. – 31 Mar. 2024
Sales Revenue	176,712	147,238
Gross Profit	11,731	16,140
Operating Profit Before Investment Activities	(2,879)	1,203
Profit/Loss Before Tax	(1,929)	5,095
Profit/Loss for the Period	(1,854)	6,918
Earnings Per Share (Kr)	(1.34)	5.01
SUMMARY OF BALANCE SHEET (Mn USD)		
	31.Mar.25	31.Dec.24
ASSETS		
Current Assets	9,338	9,693
Non-Current Assets	31,305	29,981
Total Assets	40,643	39,674
LIABILITIES		
Total Current Liabilities	10,387	9,606
Total Non-Current Liabilities	11,221	10,754
Total Equity	19,035	19,314
Total Liabilities and Equity	40,643	39,674

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Debt to Assets Ratio	0.53	0.51
Equity Ratio	0.47	0.49

SUMMARY OF INCOME STATEMENT (Mn USD)		
	1 Jan. – 31 Mar. 2025	1 Jan. – 31 Mar. 2024
Sales Revenue	4,887	4,769
Gross Profit	329	524
Operating Profit/Loss Before Investment Activities	(76)	42
Profit/Loss Before Tax	(46)	168
Profit/Loss for the Period	(44)	226
Earnings Per Share (USc)	(0.03)	0.16
EBITDAR	664	779
EBITDA	503	626
EBIT	(62)	95
EBITDAR Margin	13.6%	16.3%
EBITDA Margin	10.3%	13.1%
EBIT Margin	-1.3%	2.0%
Operating Profit Margin	-1.6%	0.9%
Net Profit Margin	-0.9%	4.7%

11. INVESTMENTS, INCENTIVES AND INVESTMENT POLICIES

By the end of March 2025, our operations have been carried out by 132 double-aisle passenger aircraft, 316 single-aisle passenger aircraft and 24 cargo aircraft. Double-aisle aircraft constitute about 28% of the total number of aircraft in fleet.

Aircraft indicated below were received in the period of January – March 2025:

- Two A321-Neo
- One A320-Neo
- Two A350-900

Decree on State Aids for Investments

In Türkiye, “Investment Incentive System” is implemented to support targets such as:

- Increasing production and employment,
- Increasing international direct investment,
- Reducing the regional development disparities,
- Encouraging strategic investments with regional and large-scaled investment which has high research-development content to increase international competitiveness,
- Directing savings to high value-added investments in line with targets, foreseen in annual programs and development plans,

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- Supporting research and development activities with clustering and environmental protection investments.

This system provides incentives to taxpayers when they guarantee the achievement of aforementioned targets. These incentives are:

- Customs Duty Exemption,
- Value Added Tax Exemption,
- Tax Reduction
- Income Tax Withholding Support,
- Insurance Premium Employer Contribution Support,
- Insurance Premium Employee Contribution Support,
- Interest Rate Support,
- Investment Space Allocation,

Our Company has the right to benefit from some incentives in “Investment Incentive System” due to its operations in air passenger and cargo transport. As a result of the applications within this scope, Investment Incentive Certificates are obtained for aircraft and airport ground service investments. The information on the Investment Incentive Certificates that may have an impact on the current or future financial reports of the Company and the incentives utilized are listed below:

Date of Cabinet Decree	Number of Cabinet Decree	Date of Inv. Incentive Certificate	Investment Status	Tax Reduction	Total Amount of Investment Million TRY: (*)	Utilized Contribution Amount of Investment Million TRY: (**)
14.07.2009	2009/15199	28.12.2010	Completed	Tax Reduction 50% / Contribution rate to Investment 20%	13,268	17
15.06.2012	2012/3305	18.12.2014	Completed	Tax Reduction 50% / Contribution rate to Investment 15%	16,968	0
15.06.2012	2012/3305	9.08.2018	Completed	Tax Reduction 90% / Contribution rate to Investment 50%	211,212	13,394
15.06.2012	2012/3305	28.02.2025	Continued	Tax Reduction 80% / Contribution rate to Investment 40%	14,633	0
20.01.2018	2017/11133	11.09.2018	Continued	Tax Reduction 50% / Contribution rate to Investment 25%	2,518	0
15.06.2012	2012/3305	12.12.2023	Continued	Tax Reduction 50% / Contribution rate to Investment 15%	1,105	133

(*) As the investments are realized in foreign currency and revisions are made on investments, the amount of investment at the time of application and the amount of investment at the time of completion may vary.

(**) The contribution amount of investment, which is not utilizable when there is no tax base, is transferrable by indexing with revaluation rate in accordance with the provisions of the relevant legislation.

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12. PROJECTIONS ABOUT THE COMPANY

Turkish Airlines decided to begin operating scheduled flights to cities including Abha (Saudi Arabia), Aswan (Egypt), Makhachkala (Russia), La Coruna (Spain), Lenkeran (Azerbaijan), Nantes (France), Port Sudan (Sudan), Atyrau (Kazakhstan), Sialkot (Pakistan), Hargeisa (Somalia), Katowice (Poland) and Cambodia (Phnom Penh) subject to aircraft availability and market conditions.

Turkish Airlines flies to more countries than any other airline in the world and is one of the leading airlines in the aviation industry's recovery. In 2023, our Company developed a strategic roadmap for 2033 in order translate its post-pandemic recovery to sustained growth trend. This strategy involves expanding the fleet to more than 800 aircraft by 2033 and increasing passenger capacity 2.5 times compared to 2022.

Within the framework of this vision, which was created to create high value for all stakeholders, our Partnership has demonstrated its determination to continue to lead the sector by setting targets within the scope of excellence in passenger experience, digitalization and sustainability, in addition to doubling its fleet and passenger numbers in 2022.

Under the 10-year strategy, Turkish Cargo is set to multiply its cargo volume by 2.3 times that of 2022, capitalizing on the capabilities of SMARTIST at Istanbul Airport, one of the world's largest air cargo terminals equipped with high technology, and Turkish Airlines' uniquely expansive flight network. Turkish Cargo plans to increase cargo flight destinations from 104 in 2022 to 150 in 2033 aiming to become one of the top three air cargo brands in terms of market share and service quality.

Aligned with the 2033 strategy, the Company is focused on delivering integrated and customized services across all passenger channels, aiming to be among the global top three in digital experience.

In addition to operational growth targets, the Company is committed to a sustainable future by aiming to have 90% of fleet consist of new generation aircraft by 2033. As a member of IATA, Turkish Airlines adopted targets to reduce aviation related carbon emissions and is dedicated to achieving these goals. Firm steps are being taken towards becoming a “carbon-neutral” airline by 2050, increasing the use of Sustainable Aviation Fuel (SAF) across more frequencies and destinations.

13. OTHER INFORMATION**Information regarding to lawsuits against the Company and any probable outcomes**

None.

Information about legislative amendments that may have a significant impact on Company's Operations

None.

Information on conflicts of interest with organizations from whom the Company obtains investment consultancy, rating or similar services and measures taken by the Company to prevent such conflicts of interest

None.

Information on administrative or judicial sanctions imposed on the Company and its management due to practices in violation of legislative provisions

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There were no administrative or judicial sanctions imposed on the Company and its management due to practices in violation of legislative provisions.

Company's Efforts on Research and Development Activities

Company's R&D activities are carried out by our subsidiaries Turkish Airlines Technology Inc. and Turkish Technic Inc.

Information about amendment on Articles of Association during the reporting period.

There is no amendment on Articles of Association during the reporting period.

Information on the Company's Acquisition of Own Share

On February 6, 2023, in response to the earthquakes with an epicenter in Kahramanmaraş and their adverse effects on financial markets, the Capital Markets Board issued new regulations regarding share buybacks on February 14, 2023. These were implemented to minimize potential grievances and to prevent possible loss of value in the shares of the companies traded on Borsa Istanbul. Consequently, our Board of Directors decided on the same date to initiate a share buyback program to ensure that our Company's shares trade close to their real value, mitigate any short-term adverse effects of sharp downward price movements on our investors and our Company's market value, and support the stability of our share price, thus contributing to a healthy price formation. In this context, it has been decided to initiate a share buyback covering three calendar years, with a maximum limit of 9 billion TRY to be funded from our Company's cash reserves, and the maximum number of shares to be repurchased will not exceed 5% of our issued capital.

Within the scope of the share buyback program, between February 17, 2023 and March 24, 2025, our Company repurchased shares equivalent to 0.418% of the Company capital, totaling 5,774,544 TL nominal value of THYAO shares at an average price of 159.7 TRY per share, amounting to a total expenditure of 922.4 million TRY (approximately 40.5 million USD). These repurchases were funded from our Company's cash portfolio.

This is an English translation of the original Board Activity Report made by Türk Hava Yolları A.O. in Turkish, for information purposes only. In the event of any discrepancy between this translation and the original Turkish report, the original Turkish report shall prevail. Türk Hava Yolları A.O. makes no warranties or representations about the accuracy or completeness of the English translation and assumes no liability for any errors, omissions or inaccuracies that may arise from use of this translation.

14. GLOSSARY

Available Seat Km: Number of seats available multiplied by the number of kilometers flown.

EBIT: Earnings Before Interest and Tax

EBITDA: Earnings Before Interest, Tax and Depreciation

EBITDAR : Earnings Before Interest, Tax, Depreciation and Rent

Financial Lease: It is a type of financing that enables the right to use the aircraft by paying the lease fee during the lease period and at the end of the lease period, the lessee firm possess the ownership of the aircraft.

MRO: Maintenance, Repair and Overhaul

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Op. Lease: Operating Lease; it is the leasing type by having the right to use the aircraft by paying the lease fee for the duration of the lease agreement. At the end of the lease period, the aircraft is delivered to the lessor, in other words; aircraft ownership does not pass to the lessee.

Passenger Capacity: Available seat kilometers

Revenue Passenger Km: The number of passengers multiplied by the kilometers flown of all passengers

Passenger Load Factor: Revenue Passenger Kilometer / Available Seat Kilometers

Wet Lease: Lease of an aircraft including the provision of a flight crew. In this type of leasing, the technical, operational and other administrative responsibilities of flight activities belong to the lessor company.