

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2019

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of TRL unless otherwise stated. Currencies other than TRL also expressed in thousands unless otherwise stated.)

	Audited 31 December 2019	Audited 31 December 2018
ASSETS		
Current Assets	7,169,674	5,462,462
Cash and Cash Equivalents	3,882,681	3,330,686
Financial Investments		
- Restricted Bank Balances	459,111	425,119
Trade Receivables		
- Trade Receivables from Related Parties	79,980	131,849
- Trade Receivables from Third Parties	772,506	905,796
Other Receivables		
- Other Receivables from Related Parties	99,220	47,247
- Other Receivables from Third Parties	1,354,500	33,778
Inventories	59,414	55,081
Prepaid Concession and Rent Expenses	101,587	332,221
Prepaid Taxes and Funds	187,002	33,461
Other Current Assets	173,673	167,224
Non-Current Assets	18,387,169	15,341,819
Trade Receivables		
- Trade Receivables from Third Parties	330,794	395,156
Other Receivables		
- Other Receivables from Related Parties	12,616	11,148
- Other Receivables from Third Parties	1,792,337	-
Derivative Financial Instruments	-	194
Equity-Accounted Investees	2,616,499	2,969,591
Property and Equipment	1,368,222	1,394,493
Right of Use Assets	389,938	-
Intangible Assets		
- Goodwill	915,708	819,687
- Rights From Concession Arrangements	10,520,298	9,443,167
- Other Intangible Assets	90,375	66,240
Prepaid Concession and Rent Expenses	99,054	36,560
Deferred Tax Assets	176,971	175,820
Other Non-Current Assets	74,357	29,763
TOTAL ASSETS	25,556,843	20,804,281

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2019 (continued)

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(Amounts expressed in thousands of TRL unless otherwise stated. Currencies other than TRL also expressed in thousands unless otherwise stated.)

	Audited	Audited
	31 December	31 December
	2019	2018
LIABILITIES		
Current Liabilities	5,994,319	5,005,601
Short Term Borrowings	2,564,644	2,288,080
Current Portion of Long Term Borrowings	948,177	625,881
Trade Payables		
- Trade Payables to Related Parties	6,450	1,593
- Trade Payables to Third Parties	427,209	369,094
Employee Benefits Payables	49,713	173,823
Other Payables		
- Other Payables to Related Parties	186	151,505
- Other Payables to Third Parties	1,195,897	1,228,973
Deferred Income	95,815	50,490
Current Tax Liabilities	656,009	68,747
Short Term Provisions		
- Short Term Provisions Related to Employee Benefits	36,858	35,359
Current Liabilities	13,361	12,056
Non-Current Liabilities	10,853,155	9,579,130
Long Term Borrowings	4,212,464	3,873,627
Other Payables		
- Other Payables to Related Parties	2,034,372	1,843,924
- Other Payables to Third Parties	3,988,250	3,369,527
Derivative Financial Instruments	243,174	177,168
Deferred Income	112,741	107,483
Long Term Provisions		
- Long Term Provisions Related to Employee Benefits	124,433	131,784
Deferred Tax Liabilities	137,721	75,617
EQUITY	8,709,369	6,219,550
Total equity attributable to equity holders of the Company	8,773,935	6,256,416
Share Capital	363,281	363,281
Purchase of Shares of Entities Under Common Control	76,811	76,811
Share Premium	330,200	(12,624)
Items That Will Not Be Reclassified to Profit or Loss		
- Defined Benefit Obligation Actuarial Differences	(156,133)	(102,155)
- Translation Reserves	3,899,004	3,188,642
Items That Are or May Be Reclassified Subsequently to Profit or Loss		
- Translation Reserves	(86,418)	(254,492)
- Cash Flow Hedge Reserve	(54,766)	(51,747)
- Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method That Will Be Reclassified to Profit or Loss	(58,560)	(17,015)
Legal Reserves	408,396	393,307
Retained Earnings	1,683,623	1,217,661
Profit for the Year	2,368,497	1,454,747
Non-Controlling Interests	(64,566)	(36,866)
TOTAL LIABILITIES	25,556,843	20,804,281

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2019

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of TRL unless otherwise stated. Currencies other than TRL also expressed in thousands unless otherwise stated.)

	Audited	
	2019	2018
PROFIT AND LOSSES		
Revenue	4,756,204	3,975,497
Cost of Sales (-)	(2,510,013)	(2,017,650)
GROSS PROFIT	2,246,191	1,957,847
General Administrative Expenses (-)	(1,132,663)	(924,857)
Marketing Expenses (-)	(15,274)	(12,737)
Other Income From Operating Activities	401,456	677,065
Other Expenses From Operating Activities (-)	(192,048)	(784,948)
OPERATING PROFIT	1,307,662	912,370
Income From Investing Activities	85,941	70,627
Share of Profit from Investments Accounted for Using Equity Method	212,319	263,136
OPERATING PROFIT BEFORE FINANCE INCOME	1,605,922	1,246,133
Finance Costs (-)	(847,328)	(631,967)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	758,594	614,166
Tax Expense	(245,513)	(151,233)
Current Year Tax Expense	(142,832)	(115,433)
Deferred Tax Expense	(102,681)	(35,800)
PROFIT FROM CONTINUING OPERATIONS	513,081	462,933
Profit from discontinued operations	1,902,335	1,054,391
PROFIT FOR THE PERIOD AFTER DISCONTINUED OPERATIONS	2,415,416	1,517,324
Profit Attributable to:		
Non-Controlling Interest	46,919	62,577
Owners of the Company	2,368,497	1,454,747
Profit for the Year	2,415,416	1,517,324
Basic and diluted earnings per share for continued operations (full TRL)	1.28	1.1
Basic and diluted earnings per share for discontinued operations(full TRL)	5.24	2.9

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2019 (continued)

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of TRL unless otherwise stated. Currencies other than TRL also expressed in thousands unless otherwise stated.)

	Audited	
	2019	2018
OTHER COMPREHENSIVE INCOME :		
Items that will not be reclassified to profit or loss:		
Losses on remeasurements of defined benefit plans	(60,726)	(42,096)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		
- Losses on remeasurements of defined benefit plans of associates and joint ventures accounted for using equity method	(3,929)	(7,343)
- Share of other comprehensive income of other associates and joint ventures accounted by equity method that will not be reclassified to profit or loss	15,885	38,609
Exchange differences on translation	694,477	1,292,326
Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		
- Losses on remeasurements of defined benefit plans, tax effect	10,049	8,419
- Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, tax effect	628	1,469
	656,384	1,291,384
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation	201,893	(44,440)
Other comprehensive income / (loss) related with cash flow hedges		
- Gains / (losses) on cash flow hedges	(2,558)	38,562
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		
- Gains / (losses) on cash flow hedges of associates and joint ventures accounted for using equity method	(52,975)	(16,949)
- Exchange differences on translation of associates and joint ventures accounted for using equity method	(43,332)	(41,115)
Taxes relating to components of other comprehensive income that will be reclassified to profit or loss		
- Other comprehensive income / (loss) related with cash flow hedges, tax effect	8,652	(8,215)
- Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, tax effect	11,427	93
	123,107	(72,064)
OTHER COMPREHENSIVE INCOME	779,491	1,219,320
TOTAL COMPREHENSIVE INCOME	3,194,907	2,736,644
Total Comprehensive Income Attributable to:		
Non-controlling interest	46,516	71,609
Owners of the company	3,148,391	2,665,035
Total Comprehensive Income	3,194,907	2,736,644

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2019

Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish

(Amounts expressed in thousands of TRL unless otherwise stated. Currencies other than TRL also expressed in thousands unless otherwise stated.)

	Items that will not be Reclassified to Profit or Loss				Items that are or may be Reclassified subsequently to Profit or Loss									
									Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss					
	Revaluation Surplus				Translation Reserves				Retained Earnings					
	Share Capital	Share Premium	Purchase of Shares of Entities Under Common Control	Losses on Defined Benefit Obligation Actuarial differences		Cash Flow Hedge Reserve		Legal Reserves	Retained Earnings	Profit for the Year	Total Equity Ettributable to Equity Holders of the Company	Non- Controlling Interests	Equity	
Balance at 1 January 2018	363,281	90,466	76,811	(62,604)	1,779,418	(170,657)	(71,337)	(164)	338,220	972,830	718,234	4,034,498	(18,938)	4,015,560
Effect of change in accounting policy (*)	-	-	-	-	-	-	-	-	-	(11,944)	-	(11,944)	-	(11,944)
Balance at 1 January 2018, restated	363,281	90,466	76,811	(62,604)	1,779,418	(170,657)	(71,337)	(164)	338,220	960,886	718,234	4,022,554	(18,938)	4,003,616
Transfers	-	-	-	-	-	-	-	-	55,087	663,147	(718,234)	-	-	-
Comprehensive income	-	(78,289)	-	(39,551)	1,409,224	(83,835)	19,590	(16,851)	-	-	1,454,747	2,665,035	71,609	2,736,644
Profit	-	-	-	-	-	-	-	-	-	-	1,454,747	1,454,747	62,577	1,517,324
Other comprehensive income	-	(78,289)	-	(39,551)	1,409,224	(83,835)	19,590	(16,851)	-	-	-	1,210,288	9,032	1,219,320
Dividends	-	-	-	-	-	-	-	-	-	(406,372)	-	(406,372)	(101,690)	(508,062)
Purchase of non-controlling interest	-	(8,486)	-	-	-	-	-	-	-	-	-	(8,486)	(1,142)	(9,628)
Increase / (decrease) through other changes	-	(16,315)	-	-	-	-	-	-	-	-	-	(16,315)	13,295	(3,020)
Balance at 31 December 2018	363,281	(12,624)	76,811	(102,155)	3,188,642	(254,492)	(51,747)	(17,015)	393,307	1,217,661	1,454,747	6,256,416	(36,866)	6,219,550
Balance at 1 January 2019	363,281	(12,624)	76,811	(102,155)	3,188,642	(254,492)	(51,747)	(17,015)	393,307	1,217,661	1,454,747	6,256,416	(36,866)	6,219,550
Transfers	-	-	-	-	-	-	-	-	15,089	1,439,658	(1,454,747)	-	-	-
Comprehensive income	-	-	-	(53,978)	710,362	168,074	(3,019)	(41,545)	-	-	2,368,497	3,148,391	46,516	3,194,907
Profit	-	-	-	-	-	-	-	-	-	-	2,368,497	2,368,497	46,919	2,415,416
Other comprehensive income	-	-	-	(53,978)	710,362	168,074	(3,019)	(41,545)	-	-	-	779,894	(403)	779,491
Dividends	-	-	-	-	-	-	-	-	-	(757,587)	-	(757,587)	(74,216)	(831,803)
Increase / (decrease) through other changes	-	342,824	-	-	-	-	-	-	-	(216,109)	-	126,715	-	126,715
Balance at 31 December 2019	363,281	330,200	76,811	(156,133)	3,899,004	(86,418)	(54,766)	(58,560)	408,396	1,683,623	2,368,497	8,773,935	(64,566)	8,709,376

(*) Impact of retrospective application of TFRS 15. It is related to investment recognized in equity accounted investees. This application change affects equity accounted investees and retained earnings.

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows For the Year Ended 31 December 2019

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	Audited	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	881,596	2,346,753
Profit from continued operations	513,081	462,933
Profit from discontinued operations	1,902,335	1,054,391
Adjustments for profit for the year	215,067	1,928,737
- Adjustments for depreciation, amortisation and impairment expense	990,643	613,432
- Adjustments for provisions		
Adjustments for provision for defined benefit obligation	23,596	34,678
Adjustments for other provisions	356,331	904,825
- Adjustments for interest		
Adjustments for interest income	(155,326)	(158,734)
Adjustments for interest expenses	675,958	592,923
- Adjustments for unrealised foreign exchange differences	204,623	(281,446)
- Adjustments for share of profit of equity-accounted investees	(212,319)	(263,136)
- Other income accruals	(2,469,411)	-
- Adjustments for tax expense	800,972	486,195
Increase in working capital	(1,500,231)	122,598
- Adjustments for (increase)/decrease in trade receivables		
(Increase) / decrease in trade receivables from related parties	62,199	(32,131)
Decrease in trade receivables from third parties	301,327	2,972
- Adjustments for (increase)/decrease in other receivables	(661,430)	153,559
- Adjustments for decrease in inventories	1,268	4,280
- Adjustments regarding decrease in trade payables		
Increase in trade payables to related parties	4,482	281,755
Increase / (decrease) in trade payables to third parties	59,439	(1,733)
- Adjustments for other increase in working capital	(1,267,516)	(286,104)
Cash provided from operations	1,130,252	3,568,659
Additions to prepaid concession and rent expenses	-	(661,542)
Defined benefits paid	(92,213)	(39,701)
Income taxes paid	(156,443)	(520,663)

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019 (continued)

Convenience Translation of Consolidated Financial Statements

Originally Issued in Turkish

(Amounts expressed in thousands of TRL unless otherwise stated. Currencies other than TRL also expressed in thousands unless otherwise stated.)

	Audited	
	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES	296,851	(2,702,213)
- Acquisition of subsidiary, net-off cash acquired	(7,910)	-
- Acquisition of non-controlling interest net of cash acquired	-	(1,960,683)
- Proceeds from sale of property, equipment and intangible assets	29,150	24,338
- Acquisition of property, plant and equipment and intangible assets		
Acquisition of property, plant and equipment	(416,434)	(514,176)
Acquisition of intangible assets	(29,963)	(12,034)
- Dividends received	812,636	106,680
- Change in due from related parties	(44,951)	(10,299)
- Change in due to related parties	(159,375)	(140,905)
- Adjustments for unrealised foreign exchange differences	113,698	(195,134)
CASH FLOWS FROM FINANCING ACTIVITIES	(986,224)	1,540,934
- Proceeds from borrowings	733,751	1,423,973
- Repayment of borrowings	(444,811)	(1,426,710)
- Change in finance lease liabilities	(62,173)	(8,113)
- Dividends paid	(831,803)	(508,062)
- Interest paid	(322,137)	(256,278)
- Change in restricted bank balances	(47,845)	563,991
- Interest received	57,311	107,690
- Change in due to related parties	(55,007)	1,710,270
- Adjustments for unrealised foreign exchange differences	(13,510)	(65,827)
NET INCREASE IN CASH AND CASH EQUIVALENTS PRIOR TO FOREIGN CURRENCY TRANSLATION DIFFERENCES	192,223	1,185,474
Foreign currency translation difference on cash and cash equivalents	352,877	588,621
NET INCREASE IN CASH AND CASH EQUIVALENTS	545,100	1,774,095
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,328,403	1,554,308
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,873,503	3,328,403