

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020

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.)

	Reviewed	Audited
	30 June	31 December
	2020	2019
ASSETS		
Current Assets	8,846,984	7,169,674
Cash and Cash Equivalents	5,208,662	3,882,681
Financial Investments		
- Restricted Bank Balances	181,574	459,111
- Marketable Securities To Be Held Until Maturity	385,410	-
Trade Receivables		
- Trade Receivables from Related Parties	68,965	79,980
- Trade Receivables from Third Parties	703,936	772,506
Other Receivables		
- Other Receivables from Related Parties	141,646	99,220
- Other Receivables from Third Parties	1,567,655	1,354,500
Inventories	68,400	59,414
Prepaid Expenses	315,166	101,587
Prepaid Taxes and Funds	62,706	187,002
Other Current Assets	142,864	173,673
Non-Current Assets	19,210,435	18,387,169
Trade Receivables		
- Trade Receivables from Third Parties	315,797	330,794
Other Receivables		
- Other Receivables from Related Parties	18,978	12,616
- Other Receivables from Third Parties	613,126	1,792,337
Equity-Accounted Investees	2,710,712	2,616,499
Property and Equipment	1,476,775	1,368,222
Right of Use Assets	459,986	389,938
Intangible Assets		
- Goodwill	1,060,617	915,708
- Rights From Concession Arrangements	12,114,893	10,520,298
- Other Intangible Assets	97,594	90,375
Prepaid Expenses	96,105	99,054
Deferred Tax Assets	157,856	176,971
Other Non-Current Assets	87,996	74,357
TOTAL ASSETS	28,057,419	25,556,843

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020 (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.)

	Reviewed	Audited
	30 June 2020	31 December 2019
LIABILITIES		
Current Liabilities	7,609,988	5,994,319
Short Term Borrowings	4,589,693	2,564,644
Current Portion of Long Term Borrowings	1,034,656	948,177
Trade Payables		
- Trade Payables to Related Parties	4,593	6,450
- Trade Payables to Third Parties	403,193	427,209
Employee Benefits Payables	70,099	49,713
Other Payables		
- Other Payables to Related Parties	-	186
- Other Payables to Third Parties	1,317,578	1,195,897
Deferred Income	93,030	95,815
Current Tax Liabilities	55,553	656,009
Short Term Provisions		
- Short Term Provisions Related to Employee Benefits	26,177	36,858
Other Short Term Liabilities	15,416	13,361
Non-Current Liabilities	12,138,418	10,853,155
Long Term Borrowings	4,456,558	4,212,464
Other Payables		
- Other Payables to Related Parties	2,322,912	2,034,372
- Other Payables to Third Parties	4,652,839	3,988,250
Derivative Financial Instruments	297,259	243,174
Deferred Income	126,029	112,741
Long Term Provisions		
- Long Term Provisions Related to Employee Benefits	112,316	124,433
Deferred Tax Liabilities	170,505	137,721
EQUITY	8,309,013	8,709,369
Total equity attributable to equity holders of the Company	8,224,910	8,773,935
Share Capital	363,281	363,281
Purchase of Shares of Entities Under Common Control	76,811	76,811
Share Premium	330,200	330,200
Items That Will Not Be Reclassified to Profit or Loss		
- Defined Benefit Obligation Actuarial Differences	(138,778)	(156,133)
- Translation Reserves	5,144,411	3,899,004
Items That Are or May Be Reclassified Subsequently to Profit or Loss		
- Translation Reserves	(183,269)	(86,418)
- Cash Flow Hedge Reserve	(98,366)	(54,766)
- Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method That Will Be Reclassified to Profit or Loss	(91,633)	(58,560)
Treasury Reserves	(25,775)	-
Legal Reserves	434,171	408,396
Retained Earnings	3,484,653	1,683,623
(Loss) / Profit for the Period	(1,070,796)	2,368,497
Non-Controlling Interests	84,103	(64,566)
TOTAL LIABILITIES	28,057,419	25,556,843

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Six-Month Period Ended 30 June 2020

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.)

	Reviewed 1 January – 30 June 2020	1 April – 30 June 2020	Reviewed 1 January – 30 June 2019	1 April – 30 June 2019
PROFIT AND LOSSES				
Revenue	1,011,974	215,766	2,154,343	1,234,760
Cost of Sales (-)	(759,584)	(228,468)	(1,176,701)	(648,705)
GROSS PROFIT / (LOSS)	252,390	(12,702)	977,642	586,055
General Administrative Expenses (-)	(499,537)	(234,802)	(514,416)	(243,788)
Marketing Expenses (-)	(3,144)	(1,175)	(7,596)	(4,522)
Other Income From Operating Activities	179,836	97,303	168,992	89,179
Other Expenses From Operating Activities (-)	(106,217)	(40,703)	(60,293)	48,403
OPERATING (LOSS) / PROFIT	(176,672)	(192,079)	564,329	475,327
Income From Investing Activities	36,407	19,256	44,908	26,398
Share of (Loss) / Profit from Investments Accounted for Using Equity Method	(323,416)	(191,750)	29,939	94,683
OPERATING (LOSS) / PROFIT BEFORE FINANCE COSTS	(463,681)	(364,573)	639,176	596,408
Finance Income	-	-	17,825	17,825
Finance Costs (-)	(486,086)	(313,471)	(463,070)	(342,579)
(LOSS)/ PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	(949,767)	(678,044)	193,931	271,654
Tax Expense	(93,264)	(54,373)	(90,933)	(37,642)
Current Year Tax Expense	(40,129)	(32,125)	(59,097)	(31,193)
Deferred Tax Expense	(53,135)	(22,248)	(31,836)	(6,449)
(LOSS)/ PROFIT FROM CONTINUING OPERATIONS	(1,043,031)	(732,417)	102,998	234,012
(Loss)/ Profit from Discontinued Operations	(23,145)	32,648	295,159	24,901
(LOSS)/ PROFIT FOR THE PERIOD AFTER DISCONTINUED OPERATIONS	(1,066,176)	(699,769)	398,157	258,913
(Loss) / Profit Attributable to:				
Non-Controlling Interest	4,620	(5,669)	9,379	15,779
Owners of the Company	(1,070,796)	(694,100)	388,778	243,134
(Loss) / Profit for the Period	(1,066,176)	(699,769)	398,157	258,913
Basic and diluted earnings per share for continued operations (full TRL)	(2.88)	(2.00)	0.26	0.60
Basic and diluted earnings per share for discontinued operations (full TRL)	(0.06)	0.09	0.81	0.07

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Six-Month Period Ended 30 June 2020 (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.)

	Reviewed 1 January – 30 June 2020	1 April – 30 June 2020	Reviewed 1 January – 30 June 2019	1 April – 30 June 2019
OTHER COMPREHENSIVE INCOME :				
Items that will not be reclassified to profit or loss:				
Gains / (losses) on remeasurements of defined benefit plans	21,961	21,148	(45,055)	(44,470)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss				
- Gains / (losses) on remeasurements of defined benefit plans of associates and joint ventures accounted for using equity method	528	(285)	(3,282)	2,385
- Share of other comprehensive income of other associates and joint ventures accounted by equity method that will not be reclassified to profit or loss	(55,921)	(71,806)	40,362	18,990
Exchange differences on translation	1,301,328	625,423	471,923	197,910
Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss				
- (Losses) / (gains) on remeasurements of defined benefit plans, tax effect	(4,906)	(4,765)	9,011	8,894
- 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	(228)	(87)	656	(477)
	1,262,762	569,628	473,615	183,232
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation	(96,571)	(18,930)	(37,372)	(64,250)
Other comprehensive (loss) / income related with cash flow hedges				
- (Losses) / gains on cash flow hedges	(2,467)	10,752	(59,497)	(27,778)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss				
- Losses on cash flow hedges of associates and joint ventures accounted for using equity method	(42,760)	(6,194)	(51,596)	(32,264)
- Exchange differences on translation of associates and joint ventures accounted for using equity method	(34,810)	(5,455)	(20,655)	(15,403)
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	2,752	(649)	14,101	6,869
- 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	7,943	739	1,345	84
	(165,913)	(19,737)	(153,674)	(132,742)
OTHER COMPREHENSIVE INCOME	1,096,849	549,891	319,941	50,490
TOTAL COMPREHENSIVE INCOME	30,673	(149,878)	718,098	309,403
Total Comprehensive Income Attributable to:				
Non-Controlling Interest	(29,910)	(32,936)	(5,944)	27,438
Owners of the Company	60,583	(116,942)	724,042	281,965
Total Comprehensive Income / (Loss)	30,673	(149,878)	718,098	309,403

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity For the Six-Month Period 30 June 2020

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								
					Revaluation Surplus	Translation Reserves	Translation Reserves	Gains / (Losses) on Hedge	Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	Retained Earnings					
	Share Capital	Share Premium	Purchase of Shares of Entities Under Common Control	Treasury Reserves	Losses on Defined Benefit Obligation Actuarial differences			Cash Flow Hedge Reserve		Legal Reserves	Retained Earnings	(Loss)/ Profit for the Period	Total Equity Attributable to Equity Holders of the Company	Non- Controlling Interests	Equity
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	-	-	-	-	-	-	-	-	-	15,083	1,439,664	(1,454,747)	-	-	-
Comprehensive income	-	(28,658)	-	-	(38,670)	540,943	(39,271)	(47,633)	(51,447)	-	-	388,778	724,042	(5,944)	718,098
Profit	-	-	-	-	-	-	-	-	-	-	-	388,778	388,778	9,379	398,157
Other comprehensive income	-	(28,658)	-	-	(38,670)	540,943	(39,271)	(47,633)	(51,447)	-	-	-	335,264	(15,323)	319,941
Dividends	-	-	-	-	-	-	-	-	-	-	(757,587)	-	(757,587)	(31,106)	(788,693)
Increase / (decrease) through other changes	-	(13,288)	-	-	-	-	-	-	-	-	-	-	(13,288)	10,667	(2,621)
Balance at 30 June 2019	363,281	(54,570)	76,811	-	(140,825)	3,729,585	(293,763)	(99,380)	(68,462)	408,390	1,899,738	388,778	6,209,583	(63,249)	6,146,334
Balance at 1 January 2020	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)	8,709,369
Transfers	-	-	-	-	-	-	-	-	-	-	2,368,497	(2,368,497)	-	-	-
Comprehensive income	-	-	-	-	17,355	1,245,407	(96,851)	(1,459)	(33,073)	-	-	(1,070,796)	60,583	(29,910)	30,673
(Loss) / profit	-	-	-	-	-	-	-	-	-	-	-	(1,070,796)	(1,070,796)	4,620	(1,066,176)
Other comprehensive income	-	-	-	-	17,355	1,245,407	(96,851)	(1,459)	(33,073)	-	-	-	1,131,379	(34,530)	1,096,849
Dividends	-	-	-	-	-	-	-	-	-	-	(392,491)	-	(392,491)	(12,763)	(405,254)
Purchase of non-controlling interest	-	-	-	-	-	-	-	(42,141)	-	-	(149,201)	-	(191,342)	191,342	-
Change in treasury reserves	-	-	-	(25,775)	-	-	-	-	-	25,775	(25,775)	-	(25,775)	-	(25,775)
Balance at 30 June 2020	363,281	330,200	76,811	(25,775)	(138,778)	5,144,411	(183,269)	(98,366)	(91,633)	434,171	3,484,653	(1,070,796)	8,224,910	84,103	8,309,013

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows For the Six-Month Period 30 June 2020

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.)

	Reviewed	
	1 January – 30 June 2020	1 January – 30 June 2019
CASH FLOWS FROM OPERATING ACTIVITIES	352,708	291,039
(Loss)/ Profit from continuing operations	(1,043,031)	102,998
(Loss)/ Profit from discontinued operations	(23,145)	295,159
Adjustments for profit for the period	919,792	757,357
- Adjustments for depreciation, amortisation and impairment expense	179,485	644,275
- Adjustments for provisions		
Adjustments for provision for defined benefit obligation	4,856	13,179
Adjustments for other provisions	50,447	307,534
- Adjustments for interest		
Adjustments for interest income	(69,920)	(86,401)
Adjustments for interest expenses	329,698	323,486
- Adjustments for unrealised foreign exchange differences	3,141	(258,612)
- Adjustments for share of profit of equity-accounted investees	323,416	(29,939)
- Adjustments for tax expense	105,400	192,913
- Gain on sale of property and equipment	(6,731)	-
- Other income accruals	-	(349,078)
Increase in working capital	1,203,309	(658,693)
- Adjustments for decrease in trade receivables		
Decrease in trade receivables from related parties	17,933	35,047
Decrease in trade receivables from third parties	188,654	77,958
- Adjustments for decrease / (increase) in other receivables	1,379,813	(643,865)
- Adjustments for (increase) / decrease in inventories	(2,838)	1,598
- Adjustments regarding increase in trade payables		
Increase in trade payables to related parties	3,065	2,202
(Decrease) / increase in trade payables to third parties	(40,921)	29,496
- Adjustments for other increase in working capital	(342,397)	(161,129)
Cash provided from operations	1,056,925	496,821
Retirement benefits paid	(4,121)	(103,973)
Income taxes paid	(700,096)	(101,809)

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Interim Condensed Consolidated Statement of Cash Flows For the Six-Month Period 30 June 2020 (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.)

	Reviewed	
	1 January – 30 June 2020	1 January – 30 June 2019
CASH FLOWS FROM INVESTING ACTIVITIES	(402,615)	151,768
- Acquisition of subsidiary, net-of cash acquired	-	(13,072)
- Proceeds from sale of property, equipment and intangible assets	4,777	16,822
- Acquisition of property, plant and equipment and intangible assets		
Acquisition of property, plant and equipment	(82,211)	(201,999)
Acquisition of intangible assets	(9,569)	(5,654)
- Dividends from equity-accounted investees	5,545	434,715
- Other cash inflows / (outflows)	35,358	(79,044)
- Purchase of treasury bonds	(356,515)	-
CASH FLOWS FROM FINANCING ACTIVITIES	714,383	(1,013,262)
- Cash inflows regarding borrowings	1,649,959	52,478
- Cash outflows regarding repayment of borrowings	(543,386)	(200,187)
- Cash outflows related with repayments of finance lease liabilities	(70,569)	(13,116)
- Interest received	14,624	34,038
- Interest paid	(162,963)	(122,457)
- Other cash inflows	319,995	82,104
- Purchase of treasury shares	(25,775)	-
- Dividends paid	(405,254)	(788,693)
- Change in due related parties	(62,248)	(57,429)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS PRIOR TO FOREIGN CURRENCY TRANSLATION DIFFERENCES	664,476	(570,455)
Foreign currency translation difference on cash and cash equivalents	669,835	281,821
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,334,311	(288,634)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,873,503	3,328,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,207,814	3,039,769