

SHARE TRANSFER OF ALMATY AIRPORT IN KAZAKHSTAN

First Airport Owned



April 29, 2021

TRANSACTION HIGHLIGHTS

- ❖ **The SPV of which TAV Airports is an 85% shareholder, acquired 100% of shares of Almaty Airport and its associated fuel and catering businesses in Kazakhstan.**

Transaction Overview	
Transaction	→ Almaty Airport is now owned by the SPV of which TAV Airports is an 85% shareholder.
Co-Investor	→ The Kazakhstan Infrastructure Fund managed by VPE Capital, a specialist fund manager in the capital markets of Russia and the CIS, holds a 15% stake in the SPV.
Date of Share Transfer	→ April 29, 2021
Price	→ The buy-out was settled at USD 365 million enterprise value. The payment of an additional USD 50 m of an `earn out` will be subject to reaching certain thresholds of traffic recovery. Please see pg. 2 of the presentation for details of the earn out mechanism.
Impact on TAV	<ul style="list-style-type: none"> → Perpetuity with no rent payments and no renewal risk → Double-digit net income margin around or above mid teens in pre-pandemic conditions → Had positive net income in 2020 under pandemic conditions.
Source of Funding for Acquisition	→ SPV received approval from IFC and EBRD to finance c. 50% of the acquisition with a 15 year maturity loan with 3 year grace period. Expected close for the loan funding is Q3 2021. SPV financed USD 200m of the acquisition with equity and TAV Airports provided bridge financing to the SPV for the remainder of the acquisition which will be paid back to TAV Airports upon close of loan funding.
Capital Expenditure	→ c. 200 million USD on EPC basis will be invested for the construction of a new international terminal building at Almaty Airport that will increase the current passenger capacity of 7 million per year to at least 14 million per year. The construction of the terminal is planned to take between 2 to 3 years.
Source of Funding for Capital Expenditure	→ SPV received approval from IFC and EBRD to finance c.100% of capex with a 15 year maturity loan with three year grace period. Expected close for the loan funding is Q3 2021.
Consolidation	→ Asset to be fully consolidated

ALMATY ACQUISITION EARN-OUT SCHEDULE

- The previously agreed purchase price of an Enterprise Value of **415 million USD** has been revised down to **365 million USD** to take into account the traffic decrease in Almaty Airport due to the pandemic.
- The payment of an '**earn-out**' up to the remaining **50 million USD** will be subject to reaching certain thresholds of traffic recovery compared to the total of international & cargo ATM served during 2018 and 2019. The threshold number of international & cargo ATM to be reached is 28.883 flights.
- Almaty Airport is at c.50% of earn-out benchmark in 2020.
- The details of the earn-out schedule are provided in the table below.
- For example, if in 2021 the total number of international and cargo ATM served reach 23.107 (80% of the threshold of 28.883 flights) an additional USD 40m will be paid to the seller by the consortium. If 25.995 ATM (90%) is then reached in 2022, an additional USD 5m will be paid. If 28.883 ATM (100%) is then reached in 2023, another USD 5m will be paid and the USD 50m of earn out will be completely earned by the seller and paid by the consortium. The earn-out will be paid in full in 2030 regardless of traffic.

Cumulative Additional Amount To Be Paid To The Seller Upon Traffic Recovery (Earn-Out, mUSD)

Traffic Recovery Threshold Compared to the Average of 2018 and 2019 International & Cargo ATM (28.883 flights) Required to Make Additional Earn-Out Payment	Year						
		2021	2022	2023	2024	2025	2026+
70%		35	35	35	21	14	0
80%		40	40	40	24	16	0
90%		45	45	45	27	18	0
100%		50	50	50	30	20	0
125%		50	50	50	50	50	50

SOLID FINANCIAL PERFORMANCE DURING NORMAL CONDITIONS & DEFENSIVE BUSINESS MODEL DELIVERS POSITIVE BOTTOMLINE EVEN DURING PANDEMIC

	2017	2018	2019	2020
Int. Pax (m)	2.7	2.8	3.0	0.8
Dom. Pax (m)	3.0	2.8	3.4	2.8
Revenue (mUSD)*	171	189	206	119
EBITDA (mUSD)*	47	51	69	20
EBITDA Margin	27%	27%	33%	17%
Net Income (mUSD)*	26	27	45	5
Net Income Margin	15%	14%	21%	4%

*Combined Results, 2020 Results Not Audited, Local GAAP

- Passenger charge is USD 7.7 per international passenger for Non-Kazakh Airlines.
- Other passenger charges vary.
- The main driver of the airport is handling and fueling of international and cargo flights. The revenue profile which is not very dependent on passenger numbers provides the airport with defensive characteristics.
- Very low aviation charges compared to other CIS country airports with upside potential (50% of the median CIS charge)
- Very low percentage of non-aviation revenue with significant room for growth

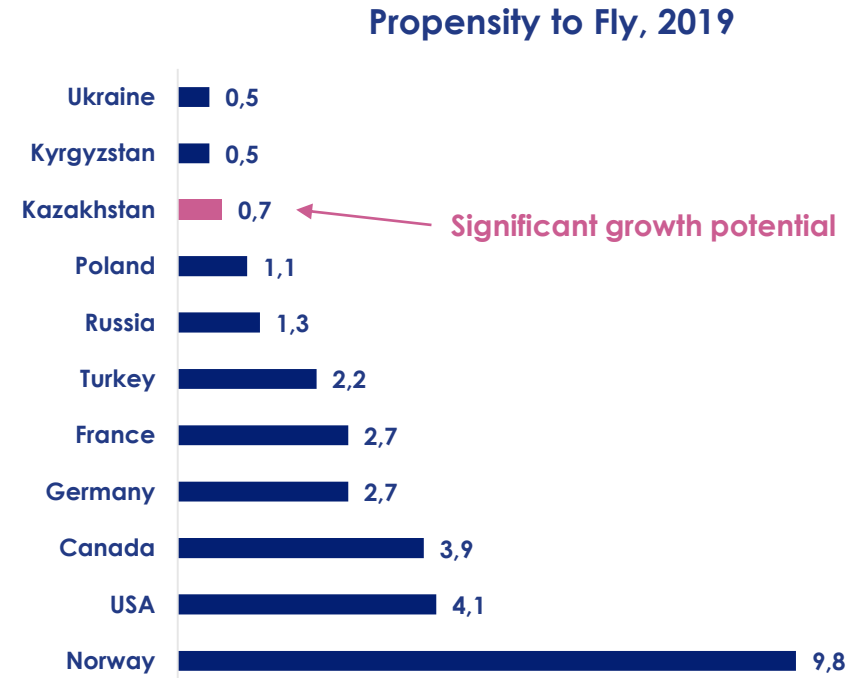
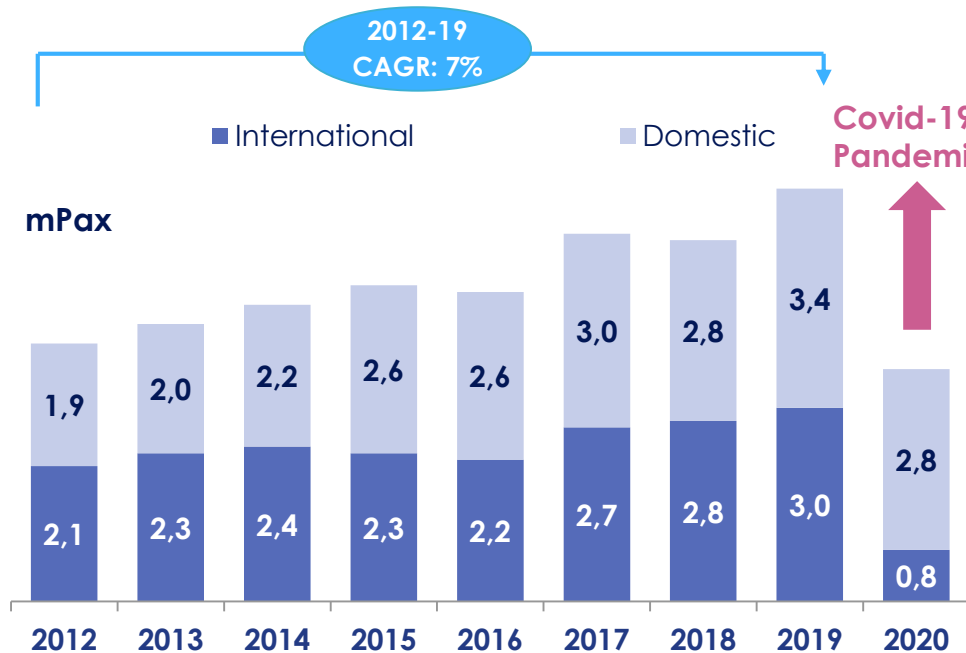
→ Almaty Airport performed well financially even during the pandemic and had USD 5mn in Net Income in 2020.

→ Significant cash generation capacity, solid EBITDA with strong Net Income margin in non-pandemic conditions

→ Perpetuity with no rent payments and no renewal risk



SIGNIFICANT GROWTH POTENTIAL



Source: EIU, public sources

- Traffic CAGR 2012-2019 : Int: 5%, Total: 7%.
- 2019 Traffic: 6.4 mn total pax served (3,0 m international and 3,4m domestic)
- Significant beneficiary of increased commerce between China and Europe
- New routes were regularly added pre-pandemic (7 in 2019) with a focus on EU, South-East Asia and Middle East
- C.170 daily departures and arrivals pre-pandemic with significant growth potential
- Integration of aviation market in Eurasian Economic Union would also be a major driver

STRATEGIC LOCATION

Almaty Airport

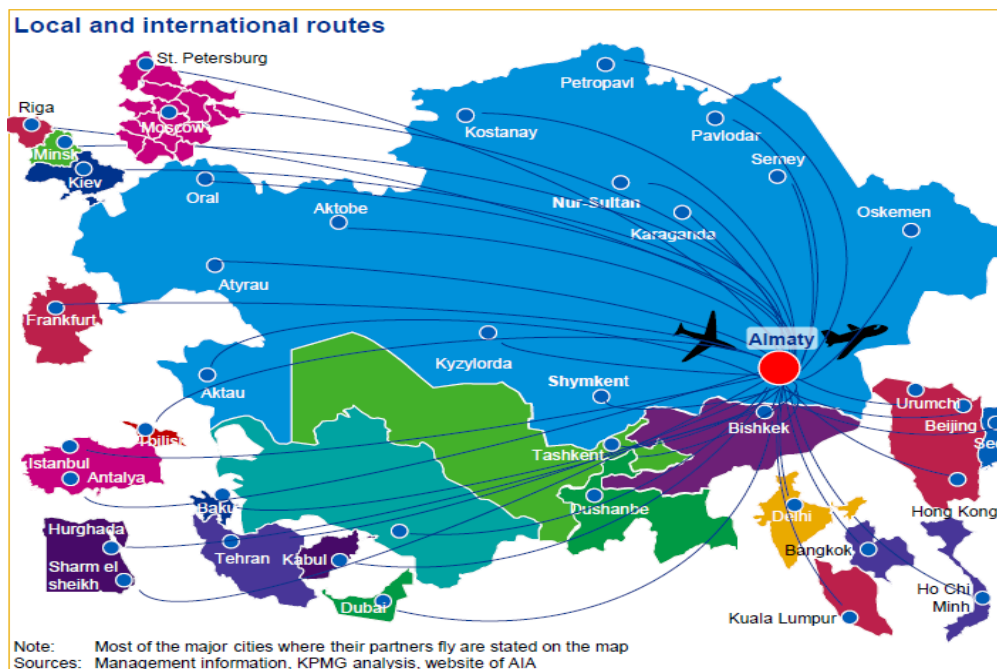


Aerial View



- Almaty, the ex-capital of Kazakhstan, is the largest city in the country with a population 2m and controls 20% of of Kazakhstan's GDP
- Kazakhstan Stock Exchange is based in Almaty
- Largest airport in Central Asia and Kazakhstan's main international airport founded in 1935
- Strategically located along the One Belt One Road, connecting China-Central to West Asia
- Pre-Pandemic, Air Astana, the national flag carrier served 64 destinations and uses the airport as a main base for its fleet (34 total; 39 by 2020) With its new A320 Neo orders, it may reach all of Europe, China and most of South East Asia and East Africa
- 2 runways (not independently usable)
 - RWY 05R/23L, dimensions 4,400 x 45 m (asphalt , concrete)
 - RWY 05L/23R, dimensions 4,500 x 45 m (concrete)

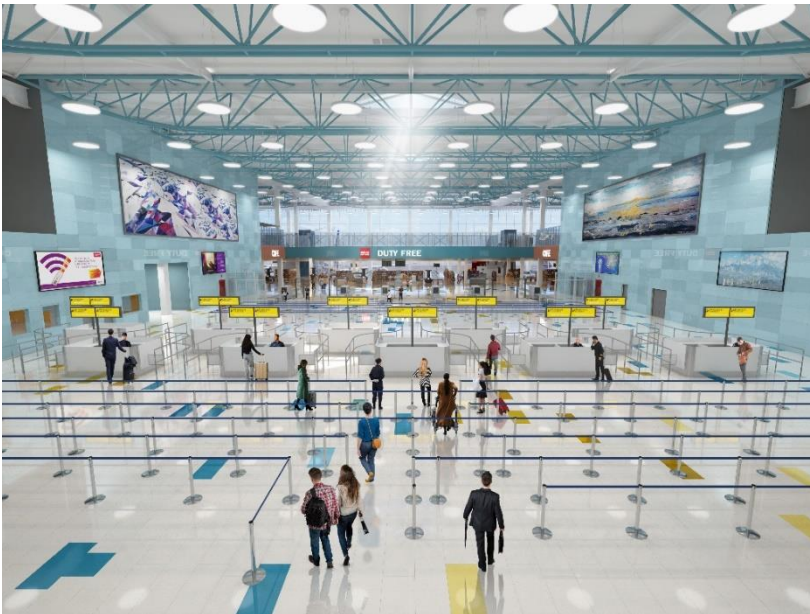
A DIVERSE PORTFOLIO OF AIRLINES



- ➔ Major regional transportation hub for 26 passenger and 8 cargo airlines serving multiple destinations
- ➔ Key passenger airlines are Air Astana (50% of traffic), Scat (16%), Bek Air (8%), Aeroflot (4%), Turkish Airlines (3%)
- ➔ Key cargo airlines are Turkish Airlines (18%), Air Astana (15%), Silk Way (14%), Hong Kong Air (12%), Lufthansa (11%)

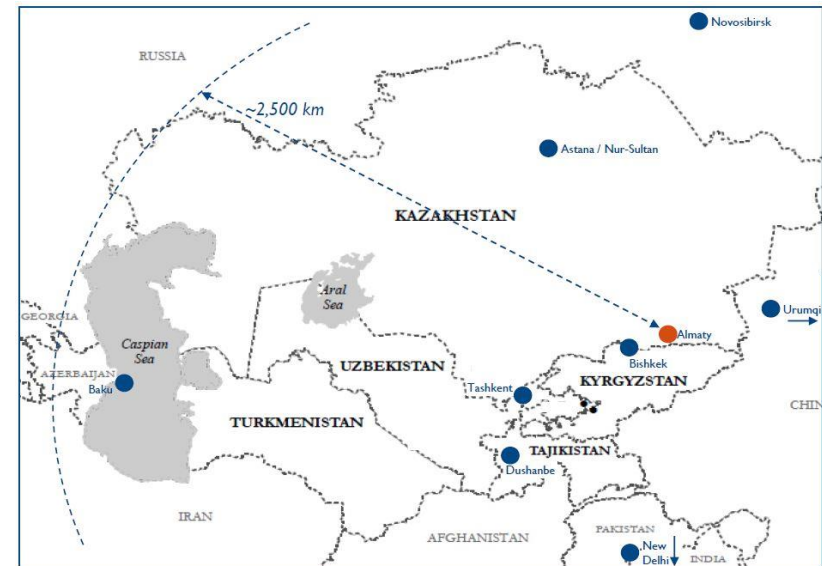
Top Airlines in 2019	Passenger traffic
Air Astana	3.537.934
SCAT	877.617
Bek air	367.279
Aeroflot	243.995
Turkish	187.639
Qazaq Air	159.576
Lufthansa	107.381
FlyDubai	112.128
Uzbekistan Airways	104.840
Ural Airlines	75.715
Asiana	72.872
S7 Airlines	69.851
Ukraine International	63.680
Belavia	62.391
Pegasus	52.859
Air Arabia PJSC	54.080
China Southern	48.862
AtlasJet	38.360
Turkmenistan Airlines	28.904
Somon Air	21.936
Other	73.922
Total	6.361.821

NEW TERMINAL RENDERS



KAZAKHSTAN

- Largest landlocked country in the world with 2.7 mn sq km area, more than 4 times of France or Turkey
- Kazakhstan leads Central Asia in economic growth and FDI and generates roughly 60% of the region's GDP.
- 2020 Population: 18,9 million
- 2000-2020 population CAGR of 1.2%
- 2020 GDP per Capita: 25.155 PPP USD
- 2000-2020 PPP USD GDP per capita CAGR of 4.6%
- 4,8% unemployment rate in 2019, 7.8% in 2020
- 9,000 foreign companies are reported to be operating in Kazakhstan currently.
- Kazakhstan ranks 28th among 190 countries in the World Bank Doing Business Index.
- Investment grade rated by Moody's (Baa3)



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About TAV Airports



Turkey

- Ankara Esenboga
- Izmir Adnan Menderes
- Gazipasa Alanya
- Milas Bodrum
- Antalya



Georgia

Tbilisi and Batumi



Kazakhstan

Almaty



Tunisia

Monastir and Enfidha



North Macedonia

Skopje and Ohrid



Saudi Arabia

Medinah



Latvia

Riga (only commercial areas)



Croatia

Zagreb

In addition to airport operations, TAV Airports provides auxiliary airport services including duty free, food and beverage, ground handling, IT, security and lounge services. In 2019, the company provided services for 600 thousand flights and 89 million passengers in 2019 and 27 million passengers in 2020 due to the pandemic. The Company's shares are listed in Borsa Istanbul since February 23, 2007, under the ticker code "TAVHL"

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Information in this presentation was prepared as of April 29, 2021.