

**TAV Havalimanları Holding A.Ş.  
and its Subsidiaries**

**Interim Condensed Consolidated Financial Statements  
As at and for the Three-Month Period Ended 31 March 2020**

**22 April 2020**

This report contains the “Interim Condensed Consolidated Financial Statements and their explanatory notes” comprising 45 pages.

**TAV Havalimanları Holding A.Ş.  
and its Subsidiaries**

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# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2020

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

|                                      | <b>Notes</b> | <b>(Unaudited)<br/>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|--------------------------------------|--------------|--|-----------------------------|
| <b>ASSETS</b>                        |              |  |                             |
| Property and equipment               |              | 194,248                                  | 205,729                     |
| Intangible assets                    |              | 13,341                                   | 13,589                      |
| Airport operation right              | 8            | 1,567,696                                | 1,581,857                   |
| Right of use assets                  |              | 59,972                                   | 58,632                      |
| Equity-accounted investees           | 21           | 374,742                                  | 393,423                     |
| Goodwill                             |              | 137,635                                  | 137,688                     |
| Trade receivables                    | 10           | 45,471                                   | 49,738                      |
| Non-current due from related parties | 20           | 2,455                                    | 1,898                       |
| Other non-current assets             |              | 104,288                                  | 295,574                     |
| Deferred tax assets                  |              | 22,150                                   | 26,610                      |
| <b>Total non-current assets</b>      |              | <b>2,521,998</b>                         | <b>2,764,738</b>            |
|                                      |              |  |                             |
| Inventories                          |              | 8,718                                    | 8,939                       |
| Trade receivables                    | 10           | 105,989                                  | 116,156                     |
| Due from related parties             | 20           | 27,087                                   | 26,945                      |
| Other receivables and current assets | 9            | 350,647                                  | 273,170                     |
| Cash and cash equivalents            | 11           | 785,206                                  | 583,809                     |
| Restricted bank balances             | 12           | 44,170                                   | 69,033                      |
| <b>Total current assets</b>          |              | <b>1,321,817</b>                         | <b>1,078,052</b>            |
|                                      |              |  |                             |
| <b>TOTAL ASSETS</b>                  |              | <b>3,843,815</b>                         | <b>3,842,790</b>            |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Financial Position (continued)

As at 31 March 2020

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

|   | Notes | (Unaudited)<br>31 March<br>2020 | 31 December<br>2019 |
|---|-------|---------------------------------|---------------------|
| <b>EQUITY</b>   |       |                                 |                     |
| Share capital   | 13    | 162,384                         | 162,384             |
| Share premium   |       | 220,286                         | 220,286             |
| Legal reserves  |       | 121,975                         | 121,975             |
| Other reserves  |       | (29,645)                        | (29,645)            |
| Treasury reserves   |       | (2,654)                         | -                   |
| Purchase of shares of entities under common control               |       | 40,064                          | 40,064              |
| Cash flow hedge reserve   |       | (70,914)                        | (59,174)            |
| Translation reserves  |       | (51,198)                        | (37,375)            |
| Retained earnings   |       | 768,722                         | 900,757             |
| <b>Total equity attributable to equity holders of the Company</b> |       | <b>1,159,020</b>                | <b>1,319,272</b>    |
| <b>Non-controlling interests</b>                                  | 21    | 14,306                          | (9,711)             |
| <b>Total Equity</b>   |       | <b>1,173,326</b>                | <b>1,309,561</b>    |
| <b>LIABILITIES</b>  |       |                                 |                     |
| Loans and borrowings  | 15    | 627,174                         | 633,396             |
| Reserve for employee severance indemnity                          |       | 18,341                          | 18,710              |
| Due to related parties  | 20    | 308,131                         | 305,893             |
| Derivative financial instruments                                  | 17    | 39,188                          | 36,562              |
| Deferred income   |       | 16,539                          | 16,952              |
| Other payables  | 16    | 588,931                         | 599,693             |
| Deferred tax liabilities  |       | 19,712                          | 20,706              |
| <b>Total non-current liabilities</b>                              |       | <b>1,618,016</b>                | <b>1,631,912</b>    |
| Bank overdraft  |       | 1,807                           | 1,380               |
| Loans and borrowings  | 15    | 703,686                         | 526,816             |
| Trade payables  |       | 45,300                          | 55,532              |
| Due to related parties  | 20    | 603                             | 998                 |
| Current tax liabilities   | 7     | 91,762                          | 98,639              |
| Other payables  | 16    | 191,113                         | 198,005             |
| Provisions  |       | 4,659                           | 5,542               |
| Deferred income   |       | 13,543                          | 14,405              |
| <b>Total current liabilities</b>                                  |       | <b>1,052,473</b>                | <b>901,317</b>      |
| <b>Total Liabilities</b>  |       | <b>2,670,489</b>                | <b>2,533,229</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                               |       | <b>3,843,815</b>                | <b>3,842,790</b>    |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Three-Month Period Ended 31 March 2020

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

|   | Notes | (Unaudited)<br>1 January-<br>31 March<br>2020 | (Unaudited)<br>1 January-<br>31 March<br>2019 |
|---|-------|---|---|
| Operating revenue   | 6     | 118,476                                       | 150,929                                       |
| Other operating income  |       | 1,131   | -   |
| Cost of catering inventory sold   |       | (6,167)                                       | (8,951)                                       |
| Cost of services rendered   |       | (15,665)                                      | (16,029)                                      |
| Personnel expenses  |       | (50,680)                                      | (55,252)                                      |
| Concession and rent expenses  |       | (244)   | (881)   |
| Depreciation and amortisation expenses  |       | (16,307)                                      | (17,830)                                      |
| Other operating expenses  |       | (30,730)                                      | (32,629)                                      |
| Share of profit of equity-accounted investees, net of tax                                       | 21    | (19,592)                                      | (10,626)                                      |
| <b>Operating profit</b>   |       | <b>(19,778)</b>                               | <b>8,731</b>                                  |
| Finance income  |       | 3,130   | 2,993   |
| Finance costs   |       | (23,785)                                      | (24,482)                                      |
| <b>Net finance costs</b>  |       | <b>(20,655)</b>                               | <b>(21,489)</b>                               |
| <b>Loss before tax</b>  |       | <b>(40,433)</b>                               | <b>(12,758)</b>                               |
| Tax expense   | 7     | (5,787)                                       | (8,747)                                       |
| <b>Loss for the period</b>  |       | <b>(46,220)</b>                               | <b>(21,505)</b>                               |
| Net results from discontinued activities  |       | (8,302)                                       | 44,357  |
| <b>Loss for the period after discontinued operations</b>  |       | <b>(54,522)</b>                               | <b>22,852</b>                                 |
| <b>Other comprehensive income</b>   |       |   |   |
| <b>Items that will not be reclassified to profit or loss:</b>                                   |       |   |   |
| Defined benefit obligation actuarial differences  |       | 121   | (96)  |
| Defined benefit obligation actuarial differences from equity accounted investees                |       | 121   | (930)   |
| Tax on defined benefit obligation actuarial differences   |       | (21)  | 19  |
| Tax on defined benefit obligation actuarial differences from equity accounted investees         |       | (21)  | 186   |
| <b>Total items that will not be reclassified to profit or loss</b>                              |       | <b>200</b>                                    | <b>(821)</b>                                  |
| <b>Items that are or may be reclassified subsequently to profit or loss:</b>                    |       |   |   |
| Effective portion of changes in fair value of cash flow hedges                                  |       | (1,967)                                       | (5,207)                                       |
| Effective portion of changes in fair value of cash flow hedges from equity accounted investees  |       | (5,441)                                       | (3,173)                                       |
| Foreign currency translation differences for foreign operations                                 |       | (11,487)                                      | 4,626   |
| Foreign currency translation differences for foreign operations from equity accounted investees |       | (4,368)                                       | (862)   |
| Tax on cash flow hedge reserves   |       | 506   | 1,187   |
| Tax on cash flow hedge reserves from equity accounted investees                                 |       | 1,072   | 207   |
| <b>Total items that are or may be reclassified subsequently to profit or loss</b>               |       | <b>(21,685)</b>                               | <b>(3,222)</b>                                |
| <b>Other comprehensive income for the period, net of tax</b>                                    |       | <b>(21,485)</b>                               | <b>(4,043)</b>                                |
| <b>Total comprehensive income for the period</b>  |       | <b>(76,007)</b>                               | <b>18,809</b>                                 |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Three-Month Period Ended 31 March 2020

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

|  | Notes | (Unaudited)<br>1 January-<br>31 March<br>2020 | (Unaudited)<br>1 January-<br>31 March<br>2019 |
|--|-------|---|---|
| <b>(Loss) / profit attributable to:</b>                            |       |   |   |
| Owners of the Company  |       | (56,053)                                      | 23,902  |
| Non-controlling interest   | 21    | 1,531   | (1,050)                                       |
| <b>(Loss) / profit for the period</b>                              |       | <b>(54,522)</b>                               | <b>22,852</b>                                 |
| <b>Total comprehensive income attributable to:</b>                 |       |   |   |
| Owners of the Company  |       | (75,506)                                      | 23,779  |
| Non-controlling interest   |       | (501)   | (4,970)                                       |
| <b>Total comprehensive income for the period</b>                   |       | <b>(76,007)</b>                               | <b>18,809</b>                                 |
| <b>Weighted average number of shares outstanding</b>               |       | <b>363,281,250</b>                            | <b>363,281,250</b>                            |
| <b>Basic loss per share for continued operations</b>               | 14    | <b>(0.13)</b>                                 | <b>(0.06)</b>                                 |
| <b>Basic (loss) / profit per share for discontinued operations</b> | 14    | <b>(0.02)</b>                                 | <b>0.12</b>                                   |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Changes in Equity For the Three-Month Period Ended 31 March 2020

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

|   | Attributable to owners of the Company |                |                |                 |                   |   |                         |                      |                   |                  |                 | Non-Controlling Interests | Total Equity |
|---|---------------------------------------|----------------|----------------|-----------------|-------------------|---|-------------------------|----------------------|-------------------|------------------|-----------------|---------------------------|--------------|
|   | Share Capital                         | Share Premium  | Legal Reserves | Other Reserves  | Treasury reserves | Purchase of Shares of Entities Under Common Control | Cash Flow Hedge Reserve | Translation Reserves | Retained Earnings | Total            |                 |                           |              |
| <b>Balance at 1 January 2019</b>  | <b>162,384</b>                        | <b>220,286</b> | <b>119,598</b> | <b>(83,649)</b> | -                 | <b>40,064</b>                                       | <b>(52,154)</b>         | <b>(62,366)</b>      | <b>693,762</b>    | <b>1,037,925</b> | <b>(6,113)</b>  | <b>1,031,812</b>          |              |
| <b>Total comprehensive income for the period</b>                              |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| Profit for the period   | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | 23,902            | 23,902           | (1,050)         | 22,852                    |              |
| Other comprehensive income  |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| Effective portion of changes in fair value of cash flow hedges, net of tax    | -                                     | -              | -              | -               | -                 | -   | (7,255)                 | -                    | -                 | (7,255)          | 269             | (6,986)                   |              |
| Defined benefit obligation actuarial differences, net of tax                  | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | (821)             | (821)            | -               | (821)                     |              |
| Foreign currency translation differences for foreign operations               | -                                     | -              | -              | -               | -                 | -   | -                       | 7,953                | -                 | 7,953            | (4,189)         | 3,764                     |              |
| Total other comprehensive income  | -                                     | -              | -              | -               | -                 | -   | (7,255)                 | 7,953                | (821)             | (123)            | (3,920)         | (4,043)                   |              |
| <b>Total comprehensive income for the period</b>                              | <b>-</b>                              | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>          | <b>-</b>  | <b>(7,255)</b>          | <b>7,953</b>         | <b>23,081</b>     | <b>23,779</b>    | <b>(4,970)</b>  | <b>18,809</b>             |              |
| <b>Transactions with owners of the Company, recognised directly in equity</b> |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| <i>Contributions by and distributions to owners of the Company</i>            |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| Dividend distributions (Note 20)  | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | (121,469)         | (121,469)        | (2,275)         | (123,744)                 |              |
| Change in non-controlling interest (Note 15)                                  | -                                     | -              | -              | (1,184)         | -                 | -   | -                       | -                    | -                 | (1,184)          | 1,338           | 154                       |              |
| <b>Total transactions with owners of the Company</b>                          | <b>-</b>                              | <b>-</b>       | <b>-</b>       | <b>(1,184)</b>  | <b>-</b>          | <b>-</b>  | <b>-</b>                | <b>-</b>             | <b>(121,469)</b>  | <b>(122,653)</b> | <b>(937)</b>    | <b>(123,590)</b>          |              |
| Transfers   | -                                     | -              | 2,377          | -               | -                 | -   | -                       | -                    | (2,377)           | -                | -               | -                         |              |
| <b>Balance at 31 March 2019</b>   | <b>162,384</b>                        | <b>220,286</b> | <b>121,975</b> | <b>(84,833)</b> | -                 | <b>40,064</b>                                       | <b>(59,409)</b>         | <b>(54,413)</b>      | <b>592,997</b>    | <b>939,051</b>   | <b>(12,020)</b> | <b>927,031</b>            |              |
| <b>Balance at 1 January 2020</b>  | <b>162,384</b>                        | <b>220,286</b> | <b>121,975</b> | <b>(29,645)</b> | -                 | <b>40,064</b>                                       | <b>(59,174)</b>         | <b>(37,375)</b>      | <b>900,757</b>    | <b>1,319,272</b> | <b>(9,711)</b>  | <b>1,309,561</b>          |              |
| <b>Total comprehensive income for the period</b>                              |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| Loss for the period   | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | (56,053)          | (56,053)         | 1,531           | (54,522)                  |              |
| Other comprehensive income  |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| Effective portion of changes in fair value of cash flow hedges, net of tax    | -                                     | -              | -              | -               | -                 | -   | (5,830)                 | -                    | -                 | (5,830)          | -               | (5,830)                   |              |
| Defined benefit obligation actuarial differences, net of tax                  | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | 200               | 200              | -               | 200                       |              |
| Foreign currency translation differences for foreign operations               | -                                     | -              | -              | -               | -                 | -   | -                       | (13,823)             | -                 | (13,823)         | (2,032)         | (15,855)                  |              |
| Total other comprehensive income  | -                                     | -              | -              | -               | -                 | -   | (5,830)                 | (13,823)             | 200               | (19,453)         | (2,032)         | (21,485)                  |              |
| <b>Total comprehensive income for the period</b>                              | <b>-</b>                              | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>          | <b>-</b>  | <b>(5,830)</b>          | <b>(13,823)</b>      | <b>(55,853)</b>   | <b>(75,506)</b>  | <b>(501)</b>    | <b>(76,007)</b>           |              |
| <b>Transactions with owners of the Company, recognised directly in equity</b> |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| <i>Contributions by and distributions to owners of the Company</i>            |                                       |                |                |                 |                   |   |                         |                      |                   |                  |                 |                           |              |
| Dividend distributions (Note 20)  | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | (55,640)          | (55,640)         | (1,934)         | (57,574)                  |              |
| Purchase of non-controlling interest  | -                                     | -              | -              | -               | -                 | -   | (5,910)                 | -                    | (20,542)          | (26,452)         | 26,452          | -                         |              |
| Change in treasury reserves   | -                                     | -              | -              | -               | (2,654)           | -   | -                       | -                    | -                 | (2,654)          | -               | (2,654)                   |              |
| <b>Total transactions with owners of the Company</b>                          | <b>-</b>                              | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>(2,654)</b>    | <b>-</b>  | <b>(5,910)</b>          | <b>-</b>             | <b>(76,182)</b>   | <b>(84,746)</b>  | <b>24,518</b>   | <b>(60,228)</b>           |              |
| Transfers   | -                                     | -              | -              | -               | -                 | -   | -                       | -                    | -                 | -                | -               | -                         |              |
| <b>Balance at 31 March 2020</b>   | <b>162,384</b>                        | <b>220,286</b> | <b>121,975</b> | <b>(29,645)</b> | <b>(2,654)</b>    | <b>40,064</b>                                       | <b>(70,914)</b>         | <b>(51,198)</b>      | <b>768,722</b>    | <b>1,159,020</b> | <b>14,306</b>   | <b>1,173,326</b>          |              |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Cash Flows For the Three-Month Period Ended 31 March 2020

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

|  | Notes | (Unaudited)<br>1 January-<br>31 March<br>2020 | (Unaudited)<br>1 January-<br>31 March<br>2019 |
|--|-------|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                      |       |   |   |
| Loss for the period  |       | (46,220)                                      | (21,505)                                      |
| (Loss) / profit from discontinued operations                                     |       | (8,302)                                       | 44,357  |
| Adjustments for:   |       |   |   |
| Amortisation of airport operation right  | 8     | 7,004   | 11,328  |
| Depreciation of property and equipment   |       | 8,642   | 14,833  |
| Amortisation of intangible assets  |       | 661   | 622   |
| Concession and rent expenses   |       | 244   | 35,221  |
| Provision for employee severance indemnity                                       |       | 877   | 806   |
| Provision for doubtful receivables   |       | 62  | 509   |
| Provision set for unused vacation  |       | (282)   | 660   |
| Discount on receivables and payables, net  |       | (1,303)                                       | (64)  |
| Gain on sale of property and equipment   |       | (1,077)                                       | -   |
| Interest income  |       | (3,378)                                       | (4,372)                                       |
| Interest expense on financial liabilities  |       | 13,979  | 15,267  |
| Tax expense  | 7     | 7,325   | 22,809  |
| Unwinding of discount on concession receivable and payable                       |       | 5,555   | 5,250   |
| Share of profit of equity-accounted investees, net of tax                        | 21    | 19,592  | 10,626  |
| Unrealised foreign exchange differences on statement of financial position items |       | (11,301)                                      | (20,890)                                      |
| <b>Cash flows from operating activities</b>                                      |       | <b>(7,922)</b>                                | <b>115,457</b>                                |
| Change in current trade receivables  |       | 7,975   | (8,097)                                       |
| Change in non-current trade receivables  |       | 4,268   | 6,162   |
| Change in inventories  |       | (135)   | 4   |
| Change in due from related parties   |       | 3,142   | 3,237   |
| Change in other receivables and assets   |       | 113,662                                       | (12,209)                                      |
| Change in trade payables   |       | (7,145)                                       | 675   |
| Change in due to related parties   |       | (986)   | 337   |
| Change in other payables and provisions  |       | (39,788)                                      | 3,207   |
| <b>Cash provided from operations</b>   |       | <b>73,071</b>                                 | <b>108,773</b>                                |
| Income taxes paid  | 7     | (9,192)                                       | (13,222)                                      |
| Retirement benefits paid   |       | (1,024)                                       | (1,360)                                       |
| <b>Net cash provided from operating activities</b>                               |       | <b>62,855</b>                                 | <b>94,191</b>                                 |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Cash Flows For the Three-Month Period Ended 31 March 2020

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

|   | Notes | (Unaudited)<br>1 January-<br>31 March<br>2020 | (Unaudited)<br>1 January-<br>31 March<br>2019 |
|---|-------|---|---|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       |   |   |
| Proceeds from sale of property, equipment and intangible assets   |       | 560   | 1,722   |
| Additions to property, plant and equipment and intangible assets related with acquisition of subsidiary |       | -   | (4,912)                                       |
| Acquisition of property and equipment   |       | (6,160)                                       | (15,105)                                      |
| Acquisition of intangible assets  |       | (348)   | (493)   |
| Change in due from related parties  |       | 5,406   | (8,839)                                       |
| Change in due to related parties  |       | -   | (25,102)                                      |
| Dividends from equity-accounted investees   |       | 893   | 68,371  |
| Effect of acquisition of subsidiary   |       | -   | (2,215)                                       |
| <b>Net cash provided from investing activities</b>  |       | <b>351</b>                                    | <b>13,427</b>                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |   |   |
| Proceeds from borrowings  |       | 192,083                                       | 7,122   |
| Repayment of borrowings   |       | (18,721)                                      | (15,880)                                      |
| Dividends paid  |       | (57,574)                                      | (123,744)                                     |
| Interest received   |       | 856   | 4,237   |
| Interest paid   |       | (66)  | (1,206)                                       |
| Change in due to related parties  |       | 58  | (214)   |
| Purchase of treasury shares   |       | (2,654)                                       | -   |
| Change in restricted bank balances  |       | 24,863  | 20,831  |
| Change in finance lease liabilities   |       | (1,081)                                       | (803)   |
| <b>Net cash provided from/ (used in) financing activities</b>   |       | <b>137,764</b>                                | <b>(109,657)</b>                              |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   |       |   |   |
|   |       | <b>200,970</b>                                | <b>(2,039)</b>                                |
| <b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>   | 11    | <b>582,429</b>                                | <b>552,157</b>                                |
| <b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>  | 11    | <b>783,399</b>                                | <b>550,118</b>                                |

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Notes to the interim condensed consolidated financial statements

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# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 1. REPORTING ENTITY

TAV Havalimanları Holding A.Ş. (“TAV”, “TAV Holding” or “the Company”) was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. in Turkey for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a limited period of 66 months. On 7 August 2006, the Company’s name has been changed to TAV Havalimanları Holding A.Ş.. The address of the Company’s registered office is Vadi İstanbul Bulvarı, Ayazağa Mah. Cendere Cad. Sarıyer, İstanbul, Turkey.

The Company is listed in Borsa İstanbul since 23 February 2007 and the Company’s shares are traded as “TAVHL”.

The interim condensed consolidated financial statements of the Company as at and for the three-month period ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in joint ventures.

Changes in ownership interest percentages of the Company’s subsidiaries since 31 December 2019 are as follows:

| Name of Subsidiary                   | Principal Activity | Place of operation | 31 March 2020        |                     | 31 December 2019     |                     |
|--------------------------------------|--------------------|--------------------|----------------------|---------------------|----------------------|---------------------|
|                                      |                    |                    | Ownership interest % | Voting power held % | Ownership interest % | Voting power held % |
| TAV Tunisie SA (“TAV Tunisia”)       | Airport Operator   | Tunisia            | 100.00               | 100.00              | 82.00                | 82.00               |
| ATU Holdings, Inc. (“ATU Holdings”)* | Holding            | United States      | -                    | -                   | 100.00               | 100.00              |
| ATU Americas LLC (“ATU America”)*    | Duty Free Services | United States      | -                    | -                   | 100.00               | 100.00              |

(\* In 2020 ATU Holdings and ATU America were closed as legal entities.

In March 2020, BS Kahve Yiyecek ve İçecek Hizmetleri A.Ş. (“BS Kahve”) is merged under BTA Havalimanları Yiyecek ve İçecek A.Ş. (“BTA”).

Company’s subsidiaries since 31 December 2019 are as follows:

| Name of Subsidiary                   | Principal Activity           | Place of operation | 31 March 2020        |                     | 31 December 2019     |                     |
|--------------------------------------|------------------------------|--------------------|----------------------|---------------------|----------------------|---------------------|
|                                      |                              |                    | Ownership interest % | Voting power held % | Ownership interest % | Voting power held % |
| Avito Technologies W.L.L. (IT Qatar) | Software and System Services | Qatar              | 49.00                | 100.00              | -                    | -                   |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 1. REPORTING ENTITY (continued)

#### Description of Operations

The Group and its joint ventures' core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. TAV Esenboğa entered into Build-Operate-Transfer ("BOT") agreements with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMI"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisia with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA"), Ministry of Transportation ("MOT"), TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC"). Tibah Development entered into Build-Transfer-Operate ("BTO") agreement with General Authority of Civil Aviation ("GACA"). TAV Ege, TAV Milas Bodrum, TAV Gazipaşa and TAV Antalya entered into concession agreement with DHMI and Medunarodna Zracna Luka Zagreb D.D. ("MZLZ") with Ministry of Maritime Affairs, Transport and Infrastructure of The Republic of Croatia ("MMTI"). Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a pre-established period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMI, JSC, GMED, OACA, MOT, MOTC, GACA and MMTI accordingly. Group also signs separate contracts related with the airport operations. On 3 June 2005, TAV İstanbul signed a rent agreement to operate Atatürk International Airport Terminal ("AIAT") and Atatürk Domestic Airport Terminal ("ADAT") for 15.5 years until year 2021. According to the concession agreement dated 16 December 2011, TAV Ege started renting and operating the international terminal of İzmir Adnan Menderes Airport at 10 January 2015.

A tender was held on 3 May 2013 for construction of a new airport in İstanbul. It has been announced that the winning bid for the tender as per the tender specifications of İstanbul's New Airport Project to be undertaken by BOT model within the framework of the procedures and principles defined by DHMI as per the law no. 3996 and cabinet decree no. 2011/1807 was offered by a venture other than the Group. The opening of 3rd airport led to closure of Atatürk Airport at a date earlier than the concession contract end date, which in turn led to change in expected amortization period of prepaid rent and leasehold assets. However, TAV Holding and TAV İstanbul received a formal letter issued by DHMI dated 22 January 2013, stating that DHMI will fully reimburse the Group for potential loss of profit over the remaining period of its existing rent period that may be incurred in case that another airport is opened for operation on the European side of İstanbul before the end of the rent period of TAV İstanbul; i.e. 3 January 2021. In addition, it is stated that independent expert companies will be consulted for the computation of the total reimbursement amount. On 26 December 2019, The Group and DHMI agreed on the compensation payment related with the early closure of Atatürk Airport. As of 31 December 2019, the Group write off the carrying value of leasehold improvements and prepaid rent amounting to EUR 46,273 and EUR 8,738, respectively, and accrued a compensation income amounting to EUR 389,000 which is disclosed in Note 22.

#### Seasonality of Operations

Due to seasonal nature of operations, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period June to August are mainly attributed to the increased number of passengers during the peak season.

The Group employs 15,145 in subsidiaries (average: 15,178) and 8,810 in joint ventures (average: 8,865) people as at 31 March 2020 (31 December 2019: 15,230 in subsidiaries (average: 15,886) and 8,950 in joint ventures (average: 9,461).

TAV İstanbul employs 33 (average: 33) (31 December 2019: 45 (average: 618)) people as at 31 December 2019.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 22 April 2020. The power to change the interim condensed consolidated financial statements after the issuing of the interim condensed consolidated financial statements is held by the General Assembly.

#### b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

#### c) Functional and presentation currency

TAV Holding and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TRL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and tax legislation.

Functional currency of most of the Group companies operating in Turkey and other countries are determined to be Euro, different from their country's currency according to IAS 21. Accordingly functional currency of TAV Holding as a parent company has been determined as Euro. The accompanying consolidated financial statements are presented in EUR, which is the functional currency of TAV Group.

All financial information presented in EUR has been rounded to the nearest thousands, except when otherwise indicated.

The functional currencies of the Group entities and joint ventures are consistent with the Group's interim consolidated financial statements for the three-month period ended 31 March 2020.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 3. CHANGES IN ACCOUNTING POLICIES

#### The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2020 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2020. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

#### i) The new standards, amendments and interpretations which are effective as at 1 January 2020 are as follows:

##### Definition of a Business (Amendments to IFRS 3)

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:

- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

The amendments to IFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively.

The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

##### Amendments to IFRS 9, IAS 39 and IFRS 7- Interest Rate Benchmark Reform

The amendments issued to IFRS 9 and IAS 39 which are effective for periods beginning on or after 1 January 2020 provide certain reliefs for 4 fundamental matters in connection with interest rate benchmark reform. These reliefs are related to hedge accounting as follows:

- Highly probable requirement
- Prospective Assessments
- Retrospective Assessments
- Separately identifiable risk components

Reliefs used as a result of amendments in IFRS 9 and IAS 39 is aimed to be disclosed in financial statements based on the amendments made in IFRS 7.

The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

##### Definition of Material (Amendments to IAS 1 and IAS 8)

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020.

The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 3. CHANGES IN ACCOUNTING POLICIES (continued)

##### The new standards, amendments and interpretations (continued)

##### ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

##### **IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

##### **IFRS 17 - The new Standard for insurance contracts**

The IASB issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The IASB issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the the Group.

##### **Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

23 January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements. The amendments issued to IAS 1 which are effective for periods beginning on or after 1 January 2022, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 4. DETERMINATION OF FAIR VALUES

Fair value determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### ***i) Property and equipment:***

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

##### ***ii) Intangible assets:***

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

The fair values of customer relationship and DHMİ licence acquired in a business combination are determined according to the excess earnings method and depreciated replacement cost approach, respectively.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered less any financial asset recognised. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV Esenboğa, TAV Gazipaşa, TAV Macedonia and TAV Ege are 0%, TAV Tbilisi and TAV Tunisia are 15% and %5 respectively.

##### ***iii) Trade and other receivables:***

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined for disclosure purposes or when acquired in a business combination.

##### ***iv) Derivatives:***

The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

##### ***v) Other non-derivative financial liabilities:***

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.



# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 4. DETERMINATION OF FAIR VALUES (continued)

##### Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

| <b>31 March 2020</b>    | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|-------------------------|----------------|----------------|----------------|
| Trade receivables       | -              | 151,460        | -              |
| Loans and borrowings    | -              | (1,332,667)    | -              |
| Other payables (*)      | -              | (773,071)      | -              |
| Interest rate swap      | -              | (39,188)       | -              |
| <b>31 December 2019</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| Trade receivables       | -              | 165,894        | -              |
| Loans and borrowings    | -              | (1,161,592)    | -              |
| Other payables (*)      | -              | (793,044)      | -              |
| Interest rate swap      | -              | (36,562)       | -              |

(\*) Other payables do not include advances received amounting to EUR 6,973 (31 December 2019: EUR 4,654).

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 5. OPERATING SEGMENTS

##### Operating Segments:

For management purposes, the Group and its joint ventures are currently organised into four reportable segments regarding to their activities; such as Terminal Operations, Catering Operations, Duty Free Operations, Ground Handling and Bus Operations. These reportable segments are the basis on which the Group reports its primary segment information, the principal activities of each are as follows:

- **Terminal operations:** Operating terminal buildings, the car park and the general aviation terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Tunisia, TAV Tbilisi, TAV Batumi, Batumi Airport LLC, TAV Macedonia, TAV Gazipaşa, TAV Uluslararası Yatırım, Tibah Development, Tibah Operation, MZLZ, MZLZ Operation and AMS. TAV Tbilisi, TAV Batumi, TAV Tunisia, TAV Macedonia, TAV Gazipaşa, TAV Antalya and MZLZ also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.
- **Catering operations:** Managing all food and beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, BTA France, Cakes & Bakes, BTA Tedarik, BTA Latvia, BTA Denizyolları, BTU Lokum, BTU Gıda, BTA Medinah, BS Kahve, BTA Uluslararası Yiyecek, and BTA MZLZ.
- **Duty free operations:** Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATU, ATU Georgia, ATU Tunisia, ATU Macedonia, ATU Latvia, ATU Tunisia Duty Free, ATU Medinah, ATU Mağazacılık, ATU Uluslararası Mağazacılık and ATU Americas.
- **Ground handling and bus operations:** Providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License. The Group operates the ground handling services through HAVAŞ, HAVAŞ Latvia, HAVAŞ Germany, TAV Gözen, TGS, Saudi HAVAŞ and HAVAŞ Adriatic. HAVAŞ, HYT İzmir, HYT Muğla and HYT Samsun provides bus operations.
- **Other:** Providing lounge services, IT, security and education services, airline taxi services, the Group companies included in this segment are TAV Holding, TAV Latvia, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus, TAV İşletme Macedonia, TAV İşletme Germany, TAV İşletme Latvia, TAV İşletme Kenya, TAV İşletme America, TAV İşletme Washington, TAV İşletme New York, GIS Spain, GIS France, GIS Germany, GIS Italy, GIS Mexico, GIS Argentina, GIS Brazil, GIS Colombia TAV İşletme Saudi, TAV İşletme Chile, TAV Havacılık, TAV Bilişim, TAV IT Saudi, TAV Qatar TAV Güvenlik, TAV Akademi, TAV Aviation Minds, Aviator Netherlands, ZAIC-A, ATU Holdings and Medinah Hotel

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Consolidated Interim Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 5. SEGMENT REPORTING (continued)

#### Operating Segments (continued)

|  | Three-month period ended 31 March        |                  |                     |                  |                      |                  |                                    |                  |                  |                  |               |                  |
|--|--|------------------|---------------------|------------------|----------------------|------------------|------------------------------------|------------------|------------------|------------------|---------------|------------------|
|  | Terminal Operations                      |                  | Catering Operations |                  | Duty Free Operations |                  | Ground Handling and Bus Operations |                  | Other Operations |                  | Total         |                  |
|  | 2020                                     | 2019             | 2020                | 2019             | 2020                 | 2019             | 2020                               | 2019             | 2020             | 2019             | 2020          | 2019             |
| Total external revenues                      | 65,617                                   | 59,363           | 22,007              | 35,861           | 19,477               | 64,224           | 60,856                             | 58,168           | 31,479           | 40,713           | 199,436       | 258,329          |
| Inter-segment revenue                        | 5,427                                    | 25,858           | 2,079               | 4,925            | 73                   | 141              | 49                                 | 36               | 8,262            | 11,060           | 15,890        | 42,020           |
| Construction revenue                         | -  | 788              | -                   | -                | -                    | -                | -                                  | -                | -                | -                | -             | 788              |
| Construction expenditure                     | -  | (788)            | -                   | -                | -                    | -                | -                                  | -                | -                | -                | -             | (788)            |
| Interest income                              | 2,146                                    | 795              | 39                  | 166              | 263                  | 479              | 1,516                              | 527              | 3,440            | 1,870            | 7,404         | 3,837            |
| Interest expense                             | (15,221)                                 | (14,536)         | (898)               | (250)            | (199)                | (33)             | (1,891)                            | (1,292)          | (3,802)          | (3,090)          | (22,011)      | (19,201)         |
| Depreciation and amortisation                | (20,075)                                 | (24,109)         | (2,101)             | (1,539)          | (978)                | (1,382)          | (4,443)                            | (4,529)          | (2,817)          | (1,653)          | (30,414)      | (33,212)         |
| Reportable segment operating profit / (loss) | 3,533                                    | 13,677           | (5,465)             | 1,205            | (1,751)              | 6,007            | 3,211                              | (2,591)          | (3,947)          | 5,378            | (4,419)       | 23,676           |
| Capital expenditure                          | 1,690                                    | 3,195            | 1,043               | 3,605            | 532                  | 1,249            | 5,610                              | 10,512           | 1,810            | 6,265            | 10,685        | 24,826           |
|  | As at 31 March 2020 and 31 December 2019 |                  |                     |                  |                      |                  |                                    |                  |                  |                  |               |                  |
|  | Terminal Operations                      |                  | Catering Operations |                  | Duty Free Operations |                  | Ground Handling and Bus Operations |                  | Other Operations |                  | Total         |                  |
|  | 31 March 2020                            | 31 December 2019 | 31 March 2020       | 31 December 2019 | 31 March 2020        | 31 December 2019 | 31 March 2020                      | 31 December 2019 | 31 March 2020    | 31 December 2019 | 31 March 2020 | 31 December 2019 |
| Reportable segment assets                    | 3,848,258                                | 3,970,672        | 58,683              | 64,463           | 160,752              | 164,341          | 260,188                            | 268,127          | 723,211          | 607,399          | 5,051,092     | 5,075,002        |
| Reportable segment liabilities               | 2,773,108                                | 2,645,594        | 90,978              | 89,280           | 95,992               | 101,265          | 212,326                            | 221,762          | 307,168          | 314,422          | 3,479,572     | 3,372,323        |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 5. OPERATING SEGMENTS (continued)

##### Reconciliations of reportable segment revenues, profit before tax, assets and liabilities and other material items

|  | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|--|---|---|
| <b>Revenues</b>                                      |   |   |
| Total revenue for reportable segments                | 175,585                                 | 249,364                                 |
| Other revenue  | 39,741                                  | 51,773                                  |
| Elimination of inter-segment revenue                 | (15,890)                                | (42,020)                                |
|  | <b>199,436</b>                          | <b>259,117</b>                          |
| Effect of using the equity method for joint ventures | (80,960)                                | (108,188)                               |
| <b>Consolidated revenue</b>                          | <b>118,476</b>                          | <b>150,929</b>                          |
|  | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
| <b>Operating profit</b>                              |   |   |
| Segment operating (loss) / profit                    | (472)                                   | 18,298                                  |
| Other operating (loss) / profit                      | (3,947)                                 | 5,378                                   |
| Elimination of inter-segment operating loss          | -                                       | (200)                                   |
|  | <b>(4,419)</b>                          | <b>23,476</b>                           |
| Effect of using the equity method for joint ventures | (15,359)                                | (14,745)                                |
| <b>Consolidated operating (loss) / profit</b>        | <b>(19,778)</b>                         | <b>8,731</b>                            |
| Finance income                                       | 3,130                                   | 2,993                                   |
| Finance expense                                      | (23,785)                                | (24,482)                                |
| <b>Consolidated loss before tax</b>                  | <b>(40,433)</b>                         | <b>(12,758)</b>                         |
|  | <b>31 March<br/>2020</b>                | <b>31 December<br/>2019</b>             |
| <b>Assets</b>  |   |   |
| Total assets for reportable segments                 | 4,327,881                               | 4,467,603                               |
| Other assets   | 723,211                                 | 607,399                                 |
|  | <b>5,051,092</b>                        | <b>5,075,002</b>                        |
| Effect of using the equity method for joint ventures | (1,207,277)                             | (1,232,212)                             |
| <b>Consolidated total assets</b>                     | <b>3,843,815</b>                        | <b>3,842,790</b>                        |
|  | <b>31 March<br/>2020</b>                | <b>31 December<br/>2019</b>             |
| <b>Liabilities</b>                                   |   |   |
| Total liabilities for reportable segments            | 3,172,404                               | 3,057,901                               |
| Other liabilities                                    | 307,168                                 | 314,422                                 |
|  | <b>3,479,572</b>                        | <b>3,372,323</b>                        |
| Effect of using the equity method for joint ventures | (809,083)                               | (839,094)                               |
| <b>Consolidated total liabilities</b>                | <b>2,670,489</b>                        | <b>2,533,229</b>                        |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 5. OPERATING SEGMENTS (continued)

|  | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|--|---|---|
| <b>Interest income</b>                               |   |   |
| Total interest income for reportable segments        | 3,964                                   | 1,967                                   |
| Other interest income                                | 3,440                                   | 1,870                                   |
| Elimination of inter-segment interest income         | (3,550)                                 | (4,158)                                 |
|  | <b>3,854</b>                            | <b>(321)</b>                            |
| Effect of using the equity method for joint ventures | (1,302)                                 | 3,314                                   |
| <b>Consolidated interest income</b>                  | <b>2,552</b>                            | <b>2,993</b>                            |
|  |   |   |
|  | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
| <b>Interest expense</b>                              |   |   |
| Total interest expense for reportable segments       | (18,209)                                | (16,111)                                |
| Other interest expense                               | (3,802)                                 | (3,090)                                 |
| Elimination of inter-segment interest expense        | 3,541                                   | 4,109                                   |
|  | <b>(18,470)</b>                         | <b>(15,092)</b>                         |
| Effect of using the equity method for joint ventures | 4,563                                   | (175)                                   |
| <b>Consolidated interest expense</b>                 | <b>(13,907)</b>                         | <b>(15,267)</b>                         |

#### Geographical information

The main geographical segments of the Group and its joint ventures are comprised of Turkey, Georgia, Macedonia, Oman, Spain, Tunisia, Latvia and Saudi Arabia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of revenue. Segment assets are based on the geographical location of the assets.

|  | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|--|---|---|
| <b>Revenue</b>                         |   |   |
| Turkey                                 | 66,679                                  | 89,562                                  |
| Georgia                                | 13,830                                  | 21,597                                  |
| Macedonia                              | 6,422                                   | 7,387                                   |
| Oman                                   | 6,297                                   | 7,298                                   |
| Latvia                                 | 5,124                                   | 6,169                                   |
| Spain                                  | 3,623                                   | 4,531                                   |
| Tunisia                                | 3,166                                   | 3,807                                   |
| Saudi Arabia                           | 2,915                                   | 3,285                                   |
| Other                                  | 10,420                                  | 7,293                                   |
| <b>Consolidated revenue</b>            | <b>118,476</b>                          | <b>150,929</b>                          |
|  |   |   |
|  | <b>31 March<br/>2020</b>                | <b>31 December<br/>2019</b>             |
| <b>Non-current assets</b>              |   |   |
| Turkey                                 | 1,885,402                               | 2,122,637                               |
| Tunisia                                | 461,051                                 | 462,240                                 |
| Georgia                                | 61,479                                  | 72,506                                  |
| Macedonia                              | 53,338                                  | 54,157                                  |
| Oman                                   | 15,782                                  | 12,701                                  |
| Latvia                                 | 4,155                                   | 4,903                                   |
| Spain                                  | 3,959                                   | 3,716                                   |
| Saudi Arabia                           | 1,350                                   | 1,943                                   |
| Other                                  | 35,482                                  | 29,935                                  |
| <b>Consolidated non-current assets</b> | <b>2,521,998</b>                        | <b>2,764,738</b>                        |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 6. OPERATING REVENUE

An analysis of the Group's operating revenue for the three-month periods ended on 31 March 2020 and 2019 are as follows:

|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|---|---|---|
| Ground handling income                                      | 28,453                                  | 28,733                                  |
| Aviation income   | 22,044                                  | 30,587                                  |
| Catering services income                                    | 19,486                                  | 26,030                                  |
| Income from lounge services                                 | 12,694                                  | 16,692                                  |
| Area allocation income                                      | 5,827                                   | 6,559                                   |
| Software sales income                                       | 5,439                                   | 5,861                                   |
| Commission from sales of duty free goods                    | 4,827                                   | 4,998                                   |
| Income from car parking operations and valet service income | 3,811                                   | 4,494                                   |
| Security services income                                    | 2,850                                   | 2,238                                   |
| Bus services income   | 2,508                                   | 3,007                                   |
| Operating financial revenue                                 | 2,144                                   | 2,537                                   |
| Rent income from sublease                                   | 1,035                                   | 4,739                                   |
| Utility and general participation income                    | 993                                     | 777                                     |
| Advertising income  | 980                                     | 1,496                                   |
| Loyalty card income   | 671                                     | 2,026                                   |
| Hotel and reservation income                                | 118                                     | 1,717                                   |
| Other operating revenue                                     | 4,596                                   | 8,438                                   |
| <b>Total operating revenue</b>                              | <b>118,476</b>                          | <b>150,929</b>                          |

### 7. TAX EXPENSE

An analysis of the Group's tax expense for the three-month periods ended on 31 March 2020 and 2019 are as follows:

#### Tax recognised in profit or loss

|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|---|---|---|
| <b><u>Current tax expense</u></b>                     |   |   |
| Current year tax expense                              | 1,190                                   | 4,113                                   |
| Adjustments for prior periods                         | -                                       | 465                                     |
|   | <u>1,190</u>                            | <u>4,578</u>                            |
| <b><u>Deferred tax expense</u></b>                    |   |   |
| Origination and reversal of temporary differences     | 2,128                                   | 1,985                                   |
| Change in previously recognised investment incentives | 2,469                                   | 2,184                                   |
|   | <u>4,597</u>                            | <u>4,169</u>                            |
| <b>Total tax expense</b>                              | <b>5,787</b>                            | <b>8,747</b>                            |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the Three-Month Period Ended 31 March 2020

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

#### 7. TAX EXPENSE (continued)

The reported tax expenses for the periods ended 31 March 2020 and 2019 are different than the amounts computed by applying the statutory tax rate to profit before tax of the Group, as shown in the following reconciliation:

|  | %           | 2020            | %         | 2019          |
|--|-------------|-----------------|-----------|---------------|
| Loss before tax from continuing operations   |             | (40,433)        |           | (12,758)      |
| (Loss) / profit before tax from discontinued operations                                |             | (6,764)         |           | 58,418        |
| <b>(Loss) / profit before tax</b>  |             | <b>(47,197)</b> |           | <b>45,660</b> |
| Tax using the Company's domestic tax rate  | 22          | (10,383)        | 22        | 10,045        |
| Tax effects of:  |             |                 |           |               |
| - nondeductible expenses   | -           | 194             | 3         | 1,304         |
| - translation of non-monetary items according to IAS 21                                | (12)        | 5,797           | 3         | 1,329         |
| - change in previously recognised investment incentives                                | (5)         | 2,469           | 5         | 2,184         |
| - tax exempt income  | 3           | (1,450)         | -         | (51)          |
| - used tax loss carry forwards which no deferred tax asset is recognised               | (8)         | 3,763           | 15        | 6,827         |
| - current year losses for which no deferred tax asset is recognised                    | 1           | (519)           | (2)       | (1,084)       |
| - under provided in prior years  | -           | -               | 1         | 466           |
| - effect of different tax rates for foreign jurisdictions                              | -           | -               | 2         | 708           |
| - change in unrecognized temporary differences   | (8)         | 3,918           | 5         | 2,338         |
| - effect of different tax rates  | (3)         | 1,263           |           | -             |
| - adjustments related to tax legislation of subsidiaries which is in foreign countries | (4)         | 1,662           |           | -             |
| - other consolidation adjustments  | (2)         | 611             | (3)       | (1,257)       |
| <b>Tax expense</b>   | <b>(16)</b> | <b>7,325</b>    | <b>50</b> | <b>22,809</b> |
| <b>Total tax expense from continuing operations</b>                                    |             | <b>5,787</b>    |           | <b>8,748</b>  |
| <b>Total tax expense from discontinued operations</b>                                  |             | <b>1,538</b>    |           | <b>14,061</b> |

#### Corporate tax:

|  | 31 March<br>2020 | 31 December<br>2019 |
|--|------------------|---------------------|
| Corporate tax provision from continuing operations   | 1,190            | 22,500              |
| Corporate tax provision from discontinued operations | 1,125            | 89,378              |
| <b>Corporate tax provision</b>                       | <b>2,315</b>     | <b>111,878</b>      |
| Add: taxes payable from previous year                | 98,639           | 11,405              |
| Less: corporation taxes paid during the year         | (9,192)          | (24,644)            |
| <b>Current tax liabilities</b>                       | <b>91,762</b>    | <b>98,639</b>       |

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 8. AIRPORT OPERATION RIGHT

|  | İzmir<br>Adnan Menderes<br>International<br>Airport | Tbilisi<br>International<br>Airport | Enfidha<br>International<br>Airport | Alanya Gazipaşa<br>Airport | Skopje<br>International<br>Airport | Milas-Bodrum<br>Airport | Total            |
|--|---|-------------------------------------|-------------------------------------|----------------------------|------------------------------------|-------------------------|------------------|
| <b>Cost</b>                              |   |                                     |                                     |                            |                                    |                         |                  |
| <b>Balance at 1 January 2019</b>         | 773,654   | 109,517                             | 516,555                             | 45,700                     | 86,736                             | 490,463                 | 2,022,625        |
| Effect of movements in<br>exchange rates | -   | 1,157                               | -                                   | -                          | -                                  | -                       | 1,157            |
| <b>Balance at 31 March 2019</b>          | <u>773,654</u>                                      | <u>110,674</u>                      | <u>516,555</u>                      | <u>45,700</u>              | <u>86,736</u>                      | <u>490,463</u>          | <u>2,023,782</u> |
| <b>Balance at 1 January 2020</b>         | 776,616   | 104,802                             | 595,488                             | 45,700                     | 86,736                             | 490,463                 | 2,099,805        |
| Effect of movements in<br>exchange rates | -   | (13,699)                            | -                                   | -                          | -                                  | -                       | (13,699)         |
| <b>Balance at 31 March 2020</b>          | <u>776,616</u>                                      | <u>91,103</u>                       | <u>595,488</u>                      | <u>45,700</u>              | <u>86,736</u>                      | <u>490,463</u>          | <u>2,086,106</u> |

There is no capitalised borrowing cost on airport operation right during 2020 (31 March 2019: None).



# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 8. AIRPORT OPERATION RIGHT (continued)

|  | İzmir<br>Adnan Menderes<br>International<br>Airport | Tbilisi<br>International<br>Airport | Enfidha<br>International<br>Airport | Alanya Gazipaşa<br>Airport | Skopje<br>International<br>Airport | Milas-Bodrum<br>Airport | Total            |
|--|---|-------------------------------------|-------------------------------------|----------------------------|------------------------------------|-------------------------|------------------|
| <b><u>Accumulated amortisation</u></b>   |   |                                     |                                     |                            |                                    |                         |                  |
| <b>Balance at 1 January 2019</b>         | <b>192,035</b>                                      | <b>46,091</b>                       | <b>122,465</b>                      | <b>10,370</b>              | <b>33,084</b>                      | <b>52,029</b>           | <b>456,074</b>   |
| Effect of movements in<br>exchange rates | -   | 509                                 | -                                   | -                          | -                                  | -                       | 509              |
| Amortisation for the period              | 4,800   | 1,565                               | 3,469                               | 329                        | 788                                | 377                     | 11,328           |
| <b>Balance at 31 March 2019</b>          | <b>196,835</b>                                      | <b>48,165</b>                       | <b>125,934</b>                      | <b>10,699</b>              | <b>33,872</b>                      | <b>52,406</b>           | <b>467,911</b>   |
| <b>Balance at 1 January 2020</b>         | <b>219,819</b>                                      | <b>49,576</b>                       | <b>135,310</b>                      | <b>11,474</b>              | <b>37,309</b>                      | <b>64,460</b>           | <b>517,948</b>   |
| Effect of movements in<br>exchange rates | -   | (6,542)                             | -                                   | -                          | -                                  | -                       | (6,542)          |
| Amortisation for the period              | 4,611   | 728                                 | 337                                 | 94                         | 853                                | 381                     | 7,004            |
| <b>Balance at 31 March 2020</b>          | <b>224,430</b>                                      | <b>43,762</b>                       | <b>135,647</b>                      | <b>11,568</b>              | <b>38,162</b>                      | <b>64,841</b>           | <b>518,410</b>   |
| <b><u>Carrying amounts</u></b>           |   |                                     |                                     |                            |                                    |                         |                  |
| <b>At 31 March 2019</b>                  | <b>576,819</b>                                      | <b>62,509</b>                       | <b>390,621</b>                      | <b>35,001</b>              | <b>52,864</b>                      | <b>438,057</b>          | <b>1,555,871</b> |
| <b>At 31 December 2019</b>               | <b>556,797</b>                                      | <b>55,226</b>                       | <b>460,178</b>                      | <b>34,226</b>              | <b>49,427</b>                      | <b>426,003</b>          | <b>1,581,857</b> |
| <b>At 31 March 2020</b>                  | <b>552,186</b>                                      | <b>47,341</b>                       | <b>459,841</b>                      | <b>34,132</b>              | <b>48,574</b>                      | <b>425,622</b>          | <b>1,567,696</b> |

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 9. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 31 March 2020 and 31 December 2019, other receivables and current assets comprised the following:

| <b><u>Other receivables and current assets</u></b> | <b><u>31 March<br/>2020</u></b> | <b><u>31 December<br/>2019</u></b> |
|--|---------------------------------|------------------------------------|
| Prepaid taxes and funds                            | 90,198                          | 28,118                             |
| Advances to suppliers                              | 20,178                          | 8,407                              |
| VAT deductible                                     | 16,445                          | 17,421                             |
| Other prepaid expense                              | 5,547                           | 4,979                              |
| Prepaid insurance                                  | 4,461                           | 1,889                              |
| Income accruals                                    | 1,784                           | 7,864                              |
| Deposits and guarantees given                      | 1,657                           | 1,682                              |
| Advances given to personnel                        | 716                             | 613                                |
| Other receivables (*)                              | 209,661                         | 202,197                            |
|  | <b><u>350,647</u></b>           | <b><u>273,170</u></b>              |

(\*) EUR 192,999 of the other receivables is related with the compensation payment of TAV İstanbul (31 December 2019: EUR 192,641).

#### 10. TRADE RECEIVABLES

At 31 March 2020 and 31 December 2019, trade receivables comprised the following:

| <b><u>Trade receivables:</u></b>                  | <b><u>31 March<br/>2020</u></b> | <b><u>31 December<br/>2019</u></b> |
|---|---------------------------------|------------------------------------|
| Trade receivables                                 | 80,869                          | 90,823                             |
| Guaranteed passenger fee receivable from DHMİ (*) | 22,911                          | 22,371                             |
| Doubtful receivables                              | 20,305                          | 20,785                             |
| Allowance for doubtful receivables (-)            | (20,305)                        | (20,785)                           |
| Notes receivable                                  | 2,209                           | 2,962                              |
|   | <b><u>105,989</u></b>           | <b><u>116,156</u></b>              |
| <b><u>Non-current trade receivables:</u></b>      |                                 |                                    |
| Guaranteed passenger fee receivable from DHMİ (*) | 45,471                          | 49,738                             |
|   | <b><u>45,471</u></b>            | <b><u>49,738</u></b>               |

(\*) Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreement made for the operations of Ankara Esenboğa Airport as a result of IFRIC 12 application.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 11. CASH AND CASH EQUIVALENTS

At 31 March 2020 and 31 December 2019, cash and cash equivalents comprised the following:

|  | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|--|--------------------------|-----------------------------|
| Cash on hand   | 645                      | 814                         |
| Cash at banks  |                          |                             |
| - Demand deposits  | 233,625                  | 70,088                      |
| - Time deposits  | 550,601                  | 512,677                     |
| Other liquid assets                                      | 335                      | 230                         |
| Cash and cash equivalents                                | <b>785,206</b>           | <b>583,809</b>              |
| Bank overdraft   | (1,807)                  | (1,380)                     |
| Cash and cash equivalents in the statement of cash flows | <b>783,399</b>           | <b>582,429</b>              |

The details of the Group's time deposits, maturities and interest rates as at 31 March 2020 and 31 December 2019 are as follows:

| <b>31 March 2020</b>     |                 |                        |                |
|--------------------------|-----------------|------------------------|----------------|
| <u>Original Currency</u> | <u>Maturity</u> | <u>Interest rate %</u> | <u>Balance</u> |
| EUR                      | April 2020      | 0.001 – 0.54           | 474,447        |
| USD                      | April 2020      | 0.25 – 1.50            | 68,126         |
| TRL                      | April 2020      | 6.36 – 10.60           | 8,028          |
|                          |                 |                        | <b>550,601</b> |
| <b>31 December 2019</b>  |                 |                        |                |
| <u>Original Currency</u> | <u>Maturity</u> | <u>Interest rate %</u> | <u>Balance</u> |
| EUR                      | January 2020    | 0.01 – 0.75            | 433,015        |
| USD                      | January 2020    | 0.01 – 2.35            | 71,794         |
| TRL                      | January 2020    | 6.50 – 11.90           | 7,868          |
|                          |                 |                        | <b>512,677</b> |

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 18.

There is no blockage or restriction on the use of cash and cash equivalents as at 31 March 2020 and 31 December 2019.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 12. RESTRICTED BANK BALANCES

At 31 March 2020 and 31 December 2019, restricted bank balances comprised the following:

|  | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|--|--------------------------|-----------------------------|
| Project reserve and funding accounts (*) | 44,170                   | 69,033                      |
|  | <b>44,170</b>            | <b>69,033</b>               |

(\*) Certain subsidiaries, namely TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum and TAV Ege (“the Borrowers”) opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ and other state authorities based on agreements with their lenders (31 December 2019: TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum, TAV Ege and TAV Holding). As a result of pledges regarding the project bank loans as explained in Note 15, all cash except for cash on hand are classified in these accounts for TAV Esenboğa, TAV Tunisia, TAV Ege, TAV Macedonia and TAV Milas Bodrum. Based on these agreements, the Group can access and use such restricted cash as per the conditions and cascade defined in respective loan agreements. The project accounts should be used for predetermined purposes, such as, operational expenses, loan repayments or rent payments to airport administrations, tax payments, debt service, etc.

#### 31 March 2020

| <u>Original Currency</u> | <u>Interest rate %</u> | <u>Balance</u> |
|--------------------------|------------------------|----------------|
| EUR                      | 0.05 – 0.30            | 41,201         |
| TRL                      | 8.90 – 9.75            | 1,611          |
| USD                      | 0.10 – 0.65            | 1,243          |
| Other                    |                        | 115            |
|                          |                        | <b>44,170</b>  |

#### 31 December 2019

| <u>Original Currency</u> | <u>Interest rate %</u> | <u>Balance</u> |
|--------------------------|------------------------|----------------|
| EUR                      | 0.05 – 1.50            | 64,420         |
| TRL                      | 10.10 – 10.75          | 3,660          |
| USD                      | 1.00 – 1.85            | 743            |
| Other                    |                        | 210            |
|                          |                        | <b>69,033</b>  |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

### 13. CAPITAL AND RESERVES

At 31 March 2020 and 31 December 2019, the shareholding structure of the Company was as follows:

| <u>Shareholders</u>                                  | <u>(%)</u>    | <u>31 March<br/>2020</u> |
|--|---------------|--------------------------|
| Tank ÖWA Alpha GmbH                                  | 46.12         | 167,542                  |
| Tepe İnşaat Sanayi A.Ş. (“Tepe İnşaat”)              | 5.06          | 18,375                   |
| Sera Yapı Endüstrisi ve Ticaret A.Ş. (“Sera Yapı”)   | 1.18          | 4,278                    |
| Other non-floated                                    | 3.20          | 11,625                   |
| Other free float                                     | 44.44         | 161,461                  |
| <b>Paid in capital in TRL (nominal)</b>              | <b>100.00</b> | <b>363,281</b>           |
| Paid in capital in EUR (nominal) as at 31 March 2020 |               | 50,351                   |
| Effect of non-cash increases and exchange rates      |               | 112,033                  |
| <b>Paid in capital EUR</b>                           |               | <b>162,384</b>           |

| <u>Shareholders</u>                                     | <u>(%)</u>    | <u>31 December<br/>2019</u> |
|---|---------------|-----------------------------|
| Tank ÖWA Alpha GmbH                                     | 46.12         | 167,542                     |
| Tepe İnşaat   | 5.06          | 18,375                      |
| Sera Yapı   | 1.18          | 4,278                       |
| Other non-floated                                       | 3.20          | 11,625                      |
| Other free float  | 44.44         | 161,461                     |
| <b>Paid in capital in TRL (nominal)</b>                 | <b>100.00</b> | <b>363,281</b>              |
| Paid in capital in EUR (nominal) as at 31 December 2019 |               | 54,624                      |
| Effect of non-cash increases and exchange rates         |               | 107,760                     |
| <b>Paid in capital EUR</b>                              |               | <b>162,384</b>              |

#### Treasury reserves

Group’s buyback transactions have reached 1,367,331 shares in 2020 (2019: None).

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 14. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 31 March 2020 was based on the loss attributable to ordinary shareholders of EUR 56,053 (31 March 2019: profit attributable to ordinary shareholders of EUR 23,902) and a weighted average number of ordinary shares outstanding of 363,281,250 (31 March 2019: 363,281,250) as follows:

|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|---|---|---|
| Numerator:  |   |   |
| Net loss for the continued operations   | <b>(47,751)</b>                         | <b>(20,455)</b>                         |
| Net (loss) / profit for the discontinued operations                           | <b>(8,302)</b>                          | <b>44,357</b>                           |
| Denominator:  |   |   |
| Weighted average number of shares   | 363,281,250                             | 363,281,250                             |
| <b>Basic loss per share for continued operations (full EUR)</b>               | <b>(0.13)</b>                           | <b>(0.06)</b>                           |
| <b>Basic (loss) / profit per share for discontinued operations (full EUR)</b> | <b>(0.02)</b>                           | <b>0.12</b>                             |
|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
| Issued ordinary shares at 1 January   | 363,281,250                             | 363,281,250                             |
| <b>Weighted average number of ordinary shares</b>                             | <b>363,281,250</b>                      | <b>363,281,250</b>                      |

#### 15. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to foreign currency risk arising from these loans and borrowings, see Note 18.

|   | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|---|--------------------------|-----------------------------|
| <b>Non-current liabilities</b>                      |                          |                             |
| Secured bank loans (*)                              | 543,799                  | 548,346                     |
| Unsecured bank loans                                | 26,814                   | 21,237                      |
| Lease liabilities                                   | 56,561                   | 63,813                      |
|   | <b>627,174</b>           | <b>633,396</b>              |
| <b>Current liabilities</b>                          |                          |                             |
| Short term secured bank loans                       | 550,492                  | 373,551                     |
| Current portion of long term secured bank loans (*) | 127,908                  | 128,054                     |
| Short term unsecured bank loans                     | 9,471                    | 10,155                      |
| Current portion of long term unsecured bank loans   | 11,185                   | 9,351                       |
| Current portion of lease liabilities                | 4,630                    | 5,705                       |
|   | <b>703,686</b>           | <b>526,816</b>              |

(\*) Secured bank loans mainly consist of project finance loans that have been secured by pledges.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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

#### 15. LOANS AND BORROWINGS (continued)

The Group's total bank loans and finance lease liabilities as at 31 March 2020 and 31 December 2019 are as follows:

|                   | <u>31 March<br/>2020</u> | <u>31 December<br/>2019</u> |
|-------------------|--------------------------|-----------------------------|
| Bank loans        | 1,269,669                | 1,090,694                   |
| Lease liabilities | 61,191                   | 69,518                      |
|                   | <u><b>1,330,860</b></u>  | <u><b>1,160,212</b></u>     |

The Group's bank loans as at 31 March 2020 are as follows:

|                  | <b>Presented as</b>                   |   |                         |
|------------------|---------------------------------------|---|-------------------------|
|                  | <u><b>Current<br/>liabilities</b></u> | <u><b>Non-current<br/>liabilities</b></u> | <u><b>Total</b></u>     |
| TAV Tunisia (*)  | 367,285                               | -   | 367,285                 |
| TAV Ege          | 18,785                                | 210,967                                   | 229,752                 |
| TAV Istanbul     | 175,064                               | -   | 175,064                 |
| TAV Milas Bodrum | 12,041                                | 125,037                                   | 137,078                 |
| HAVAŞ            | 37,539                                | 98,406                                    | 135,945                 |
| TAV Esenboğa     | 27,085                                | 58,084                                    | 85,169                  |
| TAV Macedonia    | 8,528                                 | 34,577                                    | 43,105                  |
| BTA              | 19,671                                | 20,728                                    | 40,399                  |
| TAV Gazipaşa     | 23,930                                | -   | 23,930                  |
| Other            | 9,128                                 | 22,814                                    | 31,942                  |
|                  | <u><b>699,056</b></u>                 | <u><b>570,613</b></u>                     | <u><b>1,269,669</b></u> |

(\*) TAV Tunisia had started negotiations with the Tunisian Authorities and the Lenders regarding a potential restructuring to restore the economic balance of the concession in line with the Concession Agreement terms. In the meantime, Tunisia has suffered from major terrorist attacks on 18 March 2015 and 26 June 2015, which had a substantial negative impact on tourism and passenger traffic, which in turn negatively affected the revenues of TAV Tunisia. Passenger traffic has dropped from 3.3 million in 2014 to 1.4 million in 2015 and increased to 1.7 million in 2017, to 2.5 million in 2018 and to 3.0 million in 2019. Under these adverse circumstances, TAV Tunisia continued to be engaged in negotiations with the Tunisian Authorities and its Lenders for the restructuring of its concession and financing arrangements.

In the meantime, since TAV Tunisia has been in breach of its financing agreements due to its current difficulties, non-current loan liabilities of TAV Tunisia were reclassified to current loan liabilities on 30 June 2015 and the amount outstanding as of 31 March 2020 is EUR 367,285 thousand (included interest accrual). TAV Tunisia received an Acceleration Notice from the Lenders accompanied by a Letter of Intent stating that the Lenders' current intention is to protect their security rights while continuing the three-party negotiations towards a restructuring and they do not intend to make the loans due and payable. The Letter of Intent had been originally set as 30 September 2015 and was extended several times to accommodate for the revised calendar for the signing of the Restructuring Agreement.

Furthermore, TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 64,080 thousand becoming due and payable (31 December 2019: EUR 64,080). The Company had been advised by its legal counsels that under the Finance Documents the Hedging Banks cannot act alone in demanding these payments.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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

#### 15. LOANS AND BORROWINGS (continued)

In order to restore the economic balance of the concessions, negotiations regarding concession restructuring and debt restructuring were continuing with the Tunisian Authorities and Lenders. As of today:

- Restructuring of the concessions has been agreed and amendments to the Concession Agreements have been signed with the Tunisian Authorities on 6 November 2019. These amendments mainly include adjusting concession fee rates based on certain passenger traffic thresholds and restructuring historical concession fee payments as 1,200 EUR yearly payments until the end of the concessions.
- Restructuring of the debt has been agreed with the Lenders and amendments to the Finance Documents are in execution version. Certain minor adjustments are made in the refinancing due to effect of Covid-19 but there is no major change to principal terms impacting the Company and Shareholders. The management believes that all critical steps of the debt restructuring have been completed and Financial Close of the transaction is expected to take place by the end of year, further to the satisfaction of a number of conditions precedents.

The Group's bank loans as at 31 December 2019 are as follows:

|                  | Presented as               |                                | <u>Total</u>     |
|------------------|----------------------------|--------------------------------|------------------|
|                  | <u>Current liabilities</u> | <u>Non-current liabilities</u> |                  |
| TAV Tunisia (*)  | 365,704                    | -                              | 365,704          |
| TAV Ege          | 18,631                     | 207,870                        | 226,501          |
| HAVAŞ            | 35,256                     | 104,399                        | 139,655          |
| TAV Milas Bodrum | 11,493                     | 124,044                        | 135,537          |
| TAV Esenboğa     | 26,445                     | 57,951                         | 84,396           |
| TAV Macedonia    | 7,883                      | 34,643                         | 42,526           |
| BTA              | 12,967                     | 19,135                         | 32,102           |
| TAV Gazipaşa     | 23,677                     | -                              | 23,677           |
| Other            | 19,055                     | 21,541                         | 40,596           |
|                  | <u>521,111</u>             | <u>569,583</u>                 | <u>1,090,694</u> |

Redemption schedules of the Group's bank loans according to original maturities as at 31 March 2020 and 31 December 2019 are as follows:

|                              | <u>31 March 2020</u> | <u>31 December 2019</u> |
|------------------------------|----------------------|-------------------------|
| On demand or within one year | 699,056              | 521,111                 |
| Between one and five years   | 384,360              | 382,700                 |
| After five years             | 186,253              | 186,883                 |
|                              | <u>1,269,669</u>     | <u>1,090,694</u>        |

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spreads for EUR denominated loans as at 31 March 2020 are between 0.75% - 5.50%, USD denominated loans as at 31 March 2020 are between 0.95% - 3.00% (31 December 2019: Spreads for EUR denominated loans as at 31 December 2019 are between 1.54% - 5.50%, USD denominated loans as at 31 December 2019 are between 0.95% - 3.00%).

Interest payments of 99%, 100%, 100%, 100% and 90% of floating bank loans for TAV Ege, TAV Macedonia, TAV İşletme, TAV İşletme America and TAV Milas Bodrum respectively are fixed with interest rate swaps.

The Group has obtained project financing loans to finance construction of its BOT and BTO concession projects, namely TAV Esenboğa, TAV Macedonia, TAV Tunisia and TAV Ege; and to be able to finance advance payments to DHMİ related to rent agreement of TAV Milas Bodrum.



## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 16. OTHER PAYABLES

At 31 March 2020 and 31 December 2019, other payables comprised the following:

|                                     | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|-------------------------------------|--------------------------|-----------------------------|
| <b>Other short term payables</b>    |                          |                             |
| Concession payable (*)              | 87,549                   | 90,019                      |
| Taxes and duties payable            | 9,818                    | 11,637                      |
| Expense accruals                    | 9,730                    | 13,292                      |
| Advances received                   | 6,973                    | 4,654                       |
| Due to personnel                    | 6,248                    | 3,635                       |
| Social security premiums payable    | 2,905                    | 3,840                       |
| Other accruals and liabilities      | 67,890                   | 70,928                      |
|                                     | <b>191,113</b>           | <b>198,005</b>              |
| <b>Other long term payables</b>     |                          |                             |
| Concession payable (*)              | 558,555                  | 579,426                     |
| Other accruals and liabilities (**) | 30,376                   | 20,267                      |
|                                     | <b>588,931</b>           | <b>599,693</b>              |

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 18.

(\*) TAV Tunisia has a concession period of 40 years and annual concession fee is paid based on the annual revenue of Monastir and Enfidha Airports. The Group and The Republic of Tunisia have signed an amendment on 6 November 2019 to the existing concession agreement governing the operation of Monastir and Enfidha airports. This amendment significantly reduces the past and present concession fees of TAV Tunisia and restructures the historical concession fees payable and the future concession fee calculation schedule. The concession fee is computed at an increasing rate between 5% and 39% of the annual revenues.

The concession fee of TAV Macedonia is 15% of the gross annual turnover until the number of passengers using the two airports reaches to 1 million, and when the number of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers.

A concession agreement was executed between TAV Milas Bodrum and DHMİ on 11 July 2015 for the leasing of the operating rights of the Milas Bodrum Airport's existing international terminal, CIP, general aviation terminal, domestic terminal and its auxiliaries. The agreement covers the operation right of the international terminal starting from 22 October 2015 to 31 December 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from July 2014 to December 2035. The concession payable of TAV Milas Bodrum domestic terminal is presented in financials EUR 288,196 as of 31 March 2020 (31 December 2019: EUR 284,803).

The concession payable of the international and domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 248,957 as of 31 March 2020 (31 December: 2019:EUR 274,453).

(\*\*) EUR 26,938 of the other payables is related with the joint ventures that has negative net assets (31 December 2018: 17,052).

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 17. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 March 2020 and 31 December 2019, derivative financial instruments comprised the following:

|                    | 31 March 2020 |                 |                 |
|--------------------|---------------|-----------------|-----------------|
|                    | Assets        | Liabilities     | Net Amount      |
| Interest rate swap | -             | (39,188)        | (39,188)        |
|                    | <b>-</b>      | <b>(39,188)</b> | <b>(39,188)</b> |

  

|                    | 31 December 2019 |                 |                 |
|--------------------|------------------|-----------------|-----------------|
|                    | Assets           | Liabilities     | Net Amount      |
| Interest rate swap | -                | (36,562)        | (36,562)        |
|                    | <b>-</b>         | <b>(36,562)</b> | <b>(36,562)</b> |

#### Interest rate swap:

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2020, 99% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2019: 100%).

TAV Milas Bodrum uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2020, 90% of total loan is hedged through IRS contract (31 December 2019: 90%).

TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 64,080 becoming due and payable.

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2020, 100% of total loan is hedged through IRS contract (31 December 2019: 100%).

TAV İşletme uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2020, 100% of total loan is hedged through IRS contract (31 December 2019: 100%).

TAV İşletme America uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2020, 100% of total loan is hedged through IRS contract (31 December 2019: 100%).

The fair value of derivatives at 31 March 2020 is estimated at loss of EUR 39,188. This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 March 2020, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to an expense of EUR 1,461 net of tax.

#### Fair value disclosures:

The Group has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 18. FINANCIAL INSTRUMENTS

##### Currency risk

##### Exposure to currency risk:

The Group's exposure to foreign currency risk in Euro equivalent of their original currencies are as follows:

##### 31 March 2020

| <b>Foreign currency<br/>denominated financial assets</b>      | <b>USD</b>      | <b>EUR (*)</b>  | <b>TRL</b>      | <b>Other</b>    | <b>Total</b>    |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Other non-current assets                                      | 80,180          | -               | 11,214          | 321             | 91,715          |
| Trade receivables   | 1,949           | 2,241           | 8,086           | 17,997          | 30,273          |
| Due from related parties                                      | 13,987          | 669             | 2,123           | 2,048           | 18,827          |
| Other receivables and current assets                          | 8,014           | 2,615           | 5,788           | 1,388           | 17,805          |
| Restricted bank balances                                      | 1,243           | -               | 1,611           | 115             | 2,969           |
| Cash and cash equivalents                                     | 80,346          | 2,435           | 7,265           | 6,462           | 96,508          |
|   | <b>185,719</b>  | <b>7,960</b>    | <b>36,087</b>   | <b>28,331</b>   | <b>258,097</b>  |
| <b>Foreign currency<br/>denominated financial liabilities</b> |                 |                 |                 |                 |                 |
| Loans and borrowings  | (20,032)        | (22,027)        | (11,742)        | (1,597)         | (55,398)        |
| Bank overdrafts   | -               | -               | (1,393)         | -               | (1,393)         |
| Trade payables  | (2,664)         | (1,141)         | (4,539)         | (11,548)        | (19,892)        |
| Due to related parties  | (388)           | 74              | (6)             | (201)           | (521)           |
| Other payables  | (2,676)         | (945)           | (3,341)         | (2,606)         | (9,568)         |
|   | <b>(25,760)</b> | <b>(24,039)</b> | <b>(21,021)</b> | <b>(15,952)</b> | <b>(86,772)</b> |
| <b>Net exposure</b>   | <b>159,959</b>  | <b>(16,079)</b> | <b>15,066</b>   | <b>12,379</b>   | <b>171,325</b>  |

(\*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 18. FINANCIAL INSTRUMENTS (continued)

##### Currency risk (continued)

##### Exposure to currency risk (continued):

##### 31 December 2019

| <b>Foreign currency<br/>denominated financial assets</b>      | <b>USD</b>      | <b>EUR (*)</b>  | <b>TRL</b>      | <b>Other</b>    | <b>Total</b>    |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Other non-current assets                                      | 77,367          | -               | 11,256          | 471             | 89,094          |
| Trade receivables   | 1,948           | 2,663           | 8,609           | 18,889          | 32,109          |
| Due from related parties                                      | 15,293          | 902             | 4,036           | 504             | 20,735          |
| Other receivables and current assets                          | 5,361           | 3,576           | 8,705           | 2,241           | 19,883          |
| Restricted bank balances                                      | 744             | -               | 3,668           | 208             | 4,620           |
| Cash and cash equivalents                                     | 81,665          | 4,193           | 7,491           | 9,173           | 102,522         |
|   | <b>182,378</b>  | <b>11,334</b>   | <b>43,765</b>   | <b>31,486</b>   | <b>268,963</b>  |
| <b>Foreign currency<br/>denominated financial liabilities</b> |                 |                 |                 |                 |                 |
| Loans and borrowings  | (20,830)        | (16,412)        | (9,920)         | (1,704)         | (48,866)        |
| Bank overdraft  | -               | -               | (1,380)         | -               | (1,380)         |
| Trade payables  | (4,436)         | (1,837)         | (5,164)         | (5,866)         | (17,303)        |
| Due to related parties  | (546)           | (134)           | (23)            | (1)             | (704)           |
| Other payables  | (3,965)         | (1,204)         | (6,302)         | (3,074)         | (14,545)        |
|   | <b>(29,777)</b> | <b>(19,587)</b> | <b>(22,789)</b> | <b>(10,645)</b> | <b>(82,798)</b> |
| <b>Net exposure</b>   | <b>152,601</b>  | <b>(8,253)</b>  | <b>20,976</b>   | <b>20,841</b>   | <b>186,165</b>  |

(\*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 18. FINANCIAL INSTRUMENTS (continued)

##### *Sensitivity analysis:*

The Group's principal currency risk relates to changes in the value of the Euro relative to TRY and USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts.

A 10 percent strengthening / (weakening) of EUR against the following currencies at 31 March 2020 and 31 December 2019 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

|                         | Equity                  |                     | Profit or loss          |                     |
|-------------------------|-------------------------|---------------------|-------------------------|---------------------|
|                         | Strengthening<br>of EUR | Weakening<br>of EUR | Strengthening<br>of EUR | Weakening<br>of EUR |
| <b>31 March 2020</b>    |                         |                     |                         |                     |
| USD                     | -                       | -                   | (15,996)                | 15,996              |
| TRY                     | -                       | -                   | (1,507)                 | 1,507               |
| Other                   | -                       | -                   | (1,238)                 | 1,238               |
| <b>Total</b>            | -                       | -                   | <b>(18,741)</b>         | <b>18,741</b>       |
| <b>31 December 2019</b> |                         |                     |                         |                     |
| USD                     | -                       | -                   | (15,260)                | 15,260              |
| TRY                     | -                       | -                   | (2,097)                 | 2,097               |
| Other                   | -                       | -                   | (2,084)                 | 2,084               |
| <b>Total</b>            | -                       | -                   | <b>(19,441)</b>         | <b>19,441</b>       |

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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#### 18. FINANCIAL INSTRUMENTS (continued)

##### Fair values

##### Fair values versus carrying amounts:

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

|  | Note | 31 March 2020      |                    | 31 December 2019   |                    |
|--|------|--------------------|--------------------|--------------------|--------------------|
|  |      | Carrying Amount    | Fair Value         | Carrying Amount    | Fair Value         |
| <b>Financial assets</b>                  |      |                    |                    |                    |                    |
| Other non-current assets                 |      | -                  | -                  | 192,230            | 192,230            |
| Trade receivables - non current          | 10   | 45,471             | 51,296             | 49,738             | 56,056             |
| Trade receivables - current              | 10   | 105,989            | 106,591            | 116,156            | 117,191            |
| Due from related parties                 | 20   | 29,542             | 29,542             | 28,843             | 28,843             |
| Other receivables and current assets (*) |      | 192,999            | 192,999            | 192,641            | 192,641            |
| Restricted bank balances                 | 12   | 44,170             | 44,170             | 69,033             | 69,033             |
| Cash and cash equivalents                | 11   | 785,206            | 785,206            | 583,809            | 583,809            |
| <b>Financial liabilities</b>             |      |                    |                    |                    |                    |
| Bank overdraft                           |      | (1,807)            | (1,807)            | (1,380)            | (1,380)            |
| Loans and borrowings                     | 15   | (1,330,860)        | (1,333,235)        | (1,160,212)        | (1,162,587)        |
| Trade payables (**)                      |      | (45,300)           | (45,300)           | (52,953)           | (52,953)           |
| Due to related parties                   | 20   | (308,734)          | (308,734)          | (306,891)          | (306,891)          |
| Derivative financial instruments         | 16   | (39,188)           | (39,188)           | (36,562)           | (36,562)           |
| Other payables (**)                      |      | (773,071)          | (794,333)          | (793,044)          | (814,806)          |
|  |      | <b>(1,295,583)</b> | <b>(1,312,793)</b> | <b>(1,118,592)</b> | <b>(1,135,376)</b> |

(\*) Non-financial instruments such as prepaid expenses, prepaid taxes and dues and advances given are excluded from other non-current assets and other receivables and current assets.

(\*\*) Non-financial instruments such as advances received are excluded from trade payables and other payables.

The methods used in determining the fair values of financial instruments are discussed in Note 4.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 19. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

##### Commitments and contingencies

|  | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|--|--------------------------|-----------------------------|
| Letters of guarantee given to third parties            | 247,539                  | 244,934                     |
| Letters of guarantee given to DHMİ                     | 223,873                  | 222,489                     |
| Letters of guarantee given to Tunisian Government      | 19,193                   | 19,246                      |
| Letters of guarantee given to Saudi Arabian Government | 8,027                    | 11,512                      |
| Letters of guarantee given to Macedonian Government    | 250                      | 250                         |
|  | <b>498,882</b>           | <b>498,431</b>              |

The Group is obliged to give 6% of the total rent amount of USD 152,580 of TAV İstanbul as a letter of guarantee according to the rent agreement made with DHMİ. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of USD 8,888 (EUR 8,027) (31 December 2019: USD 12,888 (EUR 11,512)) to GACA according to the BTO agreement signed with GACA in Saudi Arabia. Furthermore, the Group is obliged to provide a letter of guarantee at an amount equivalent of USD 162,169 (EUR 146,458) (31 December 2019: USD 162,246 (EUR 144,915)) to National Commercial Bank which is included in letters of guarantee given to third parties. This letter of guarantee is provided to back an Equity Bridge Loan which was rolled in 2019 within a maturity of 2021. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 12,203 (31 December 2019: EUR 12,229) to the Ministry of State Property and Land Affairs and EUR 6,990 (31 December 2019: 7,017) to OACA according to the BOT agreements and its amendments signed with OACA in Tunisia. The total obligation has been provided by the Group.

TAV Ege is obliged to pay an aggregate amount of EUR 610,000 plus VAT during the rent period according to the concession agreement. 5% of this amount is already paid in two installments. The remaining amount will be paid in equal installments at the first business days of each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 36,600 to DHMİ. The total obligation has been provided by the Group.

TAV Milas Bodrum is obliged to pay an aggregate amount of EUR 717,000 plus VAT during the rent period according to the concession agreement. 20% of this amount is already paid. The remaining amount will be paid in equal installments at the last day of October for each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 43,020 to DHMİ. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs, lenders and some customers.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 20. RELATED PARTIES

The major immediate parents and ultimate controlling party of the Group is Group Aéroport de Paris.

##### Key management personnel compensation:

The remuneration of directors and other members of key management during the year comprised the following:

|  | <b>1 January -<br/>31 March<br/>2020</b> | <b>1 January -<br/>31 March<br/>2019</b> |
|--|--|--|
| Short-term benefits (salaries, bonuses etc.) | 4,467                                    | 10,136                                   |
|  | <b>4,467</b>                             | <b>10,136</b>                            |

As at 31 March 2020 and 31 December 2019, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

##### Other related party transactions:

|                                 | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|---------------------------------|--------------------------|-----------------------------|
| Due from related parties        | 8,884                    | 12,026                      |
| Current loan to related parties | 18,203                   | 14,919                      |
|                                 | <b>27,087</b>            | <b>26,945</b>               |

|                                     | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|-------------------------------------|--------------------------|-----------------------------|
| Non-current loan to related parties | 2,455                    | 1,898                       |
|                                     | <b>2,455</b>             | <b>1,898</b>                |

|   | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|---|--------------------------|-----------------------------|
| <b>Due from related parties</b>                         |                          |                             |
| ATU (1) (*)   | 7,306                    | 7,692                       |
| Tibah Operation (1)                                     | 1,254                    | 1,863                       |
| TAV Tepe Akfen Yat. İnş ve İşl. A.Ş. ("TAV İnşaat") (2) | 64                       | 67                          |
| BTA Medinah (1)   | 19                       | 2,102                       |
| Other related parties                                   | 241                      | 302                         |
|   | <b>8,884</b>             | <b>12,026</b>               |

(\*) Receivables from ATU comprise of concession fee duty-free receivables.

(1) Joint Venture

(2) Subsidiary of shareholders



## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 20. RELATED PARTIES (continued)

|  | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|--|--------------------------|-----------------------------|
| <b>Current loan to related parties</b>     |                          |                             |
| Tibah Development (1)                      | 6,393                    | 6,127                       |
| BTA Medinah (1)                            | 4,007                    | 2,160                       |
| ZAIC-A (1)                                 | 2,616                    | -                           |
| Saudi Havaş (1)                            | 2,291                    | 2,273                       |
| TAV İşletme Saudi (1)                      | 1,271                    | 1,256                       |
| ATU Medinah (1)                            | 1,067                    | 1,052                       |
| TAV İşletme Chile (1)                      | 555                      | 632                         |
| ATU (1)                                    | -                        | 1,418                       |
| Other related parties                      | 3                        | 1                           |
|  | <b>18,203</b>            | <b>14,919</b>               |
| <b>Non-current loan to related parties</b> |                          |                             |
| Saudi HAVAŞ (1)                            | 2,455                    | 1,898                       |
|  | <b>2,455</b>             | <b>1,898</b>                |
| <b>Due to related parties</b>              |                          |                             |
| Due to related parties                     | 603                      | 970                         |
| Current loan from related parties          | -                        | 28                          |
|  | <b>603</b>               | <b>998</b>                  |
| Non-current loan from related parties      | 308,131                  | 305,893                     |
|  | <b>308,734</b>           | <b>306,891</b>              |
| <b>Due to related parties</b>              |                          |                             |
| Other related parties                      | 603                      | 970                         |
|  | <b>603</b>               | <b>970</b>                  |
| <b>Current loan from related parties</b>   |                          |                             |
| Other related parties                      | -                        | 28                          |
|  | <b>-</b>                 | <b>28</b>                   |

(1) Joint venture

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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

#### 20. RELATED PARTIES (continued)

|  | <b>31 March<br/>2020</b>    | <b>31 December<br/>2019</b> |
|--|-----------------------------|-----------------------------|
| <b>Non-current loan from related parties</b>           | <u>                    </u> | <u>                    </u> |
| Tank ÖWA Alpha GmbH (1)                                | 308,131                     | 305,893                     |
|  | <b><u>308,131</u></b>       | <b><u>305,893</u></b>       |
| <br>   |                             |                             |
|  | <u>                    </u> | <u>                    </u> |
| <b>Short term deferred income from related parties</b> | <b>31 March<br/>2020</b>    | <b>31 December<br/>2019</b> |
| ATU (2) (*)  | 990                         | 992                         |
|  | <b><u>990</u></b>           | <b><u>992</u></b>           |
| <br>   |                             |                             |
|  | <u>                    </u> | <u>                    </u> |
| <b>Long term deferred income from related parties</b>  | <b>31 March<br/>2020</b>    | <b>31 December<br/>2019</b> |
| ATU (2) (*)  | 14,610                      | 14,854                      |
|  | <b><u>14,610</u></b>        | <b><u>14,854</u></b>        |

(\*) Deferred income from related parties is related with the unearned portion of concession rent income from ATU.

|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|---|---|---|
| <b>Services rendered to related parties</b> | <u>                    </u>             | <u>                    </u>             |
| ATU (2) (*)                                 | 7,990                                   | 48,050                                  |
| Other related parties                       | 2,263                                   | 2,108                                   |
|   | <b><u>10,253</u></b>                    | <b><u>50,158</u></b>                    |

(\*) Services rendered to ATU comprise of concession fee for duty-free operations.

(1) Shareholder

(2) Joint venture

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 20. RELATED PARTIES (continued)

|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|---|---|---|
| <b>Services rendered by related parties</b>       |   |   |
| TAV İnşaat (1)                                    | 3,956                                   | 42                                      |
| Other related parties                             | 256                                     | 375                                     |
|   | <b>4,212</b>                            | <b>417</b>                              |
|   |   |   |
|   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
| <b>Interest income from related parties (net)</b> |   |   |
| Tank ÖWA Alpha GmbH (2)                           | (2,238)                                 | (2,219)                                 |
| Other related parties                             | 29                                      | -                                       |
|   | <b>(2,209)</b>                          | <b>(2,219)</b>                          |

The average interest rate used within the Group is 4.18% per annum (31 December 2019: 4.33%). The Group converts related party TRL loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

#### Dividend distribution

In 2020 the Company distributed dividends to the shareholders amounting to EUR 55,640 (TRL 392,491) from the Company's distributable profits computed for 2019 (2019: EUR 121,469 (TRL 757,587)). Dividend per share is full EUR 0.15 (full TRL 1.08) (2019: EUR 0.33 (full TRL 2.09)).

- (1) Subsidiary of shareholders
- (2) Shareholders

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the Three-Month Period Ended 31 March 2020

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

#### 21. INTERESTS IN OTHER ENTITIES

##### Non-controlling interests in subsidiaries

The following table summarizes the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI") before any intra-group eliminations.

|                                   | <b>31 March 2020</b>             |  |               |
|-----------------------------------|----------------------------------|--|---------------|
|                                   | <b>TAV Tbilisi</b>               | <b>Other<br/>immaterial<br/>subsidiaries</b> | <b>Total</b>  |
| <b>NCI Percentage</b>             | <b>20.00%</b>                    |  |               |
| Non-current assets                | 54,034                           |  |               |
| Current assets                    | 11,869                           |  |               |
| Non-current liabilities           | 9,394                            |  |               |
| Current liabilities               | 4,615                            |  |               |
| <b>Net assets</b>                 | <b>51,894</b>                    |  |               |
| Carrying amount of NCI            | 10,379                           | 3,927  | 14,306        |
|                                   | <b>10,379</b>                    | <b>3,927</b>                                 | <b>14,306</b> |
|                                   | <b>1 January – 31 March 2020</b> |  |               |
|                                   | <b>TAV Tbilisi</b>               | <b>Other<br/>immaterial<br/>subsidiaries</b> | <b>Total</b>  |
| Revenue                           | 12,096                           |  |               |
| Profit                            | 6,586                            |  |               |
| <b>Total comprehensive income</b> | <b>6,586</b>                     |  |               |
| Profit allocated to NCI           | 1,317                            | 214  | 1,531         |

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 21. INTERESTS IN OTHER ENTITIES (continued)

##### Non-controlling interests in subsidiaries (continued)

|                                    | 31 December 2019 |               |                               | Total          |
|------------------------------------|------------------|---------------|-------------------------------|----------------|
|                                    | TAV Tunisia      | TAV Tbilisi   | Other immaterial subsidiaries |                |
| <b>NCI Percentage</b>              | <b>18.00%</b>    | <b>20.00%</b> |                               |                |
| Non-current assets                 | 465,283          | 62,911        |                               |                |
| Current assets                     | 44,051           | 14,962        |                               |                |
| Non-current liabilities            | 82,653           | 11,044        |                               |                |
| Current liabilities                | 573,635          | 4,397         |                               |                |
| <b>Net assets</b>                  | <b>(146,954)</b> | <b>62,432</b> |                               |                |
| Carrying amount of NCI             | (48,495)         | 12,486        | 4,255                         | (31,754)       |
| Change in non-controlling interest | 22,043           | -             | -                             | 22,043         |
|                                    | <b>(26,452)</b>  | <b>12,486</b> | <b>4,255</b>                  | <b>(9,711)</b> |

|                                   | 1 January – 31 March 2019 |               |                               | Total   |
|-----------------------------------|---------------------------|---------------|-------------------------------|---------|
|                                   | TAV Tunisia               | TAV Tbilisi   | Other immaterial subsidiaries |         |
| Revenue                           | 3,166                     | 19,586        |                               |         |
| (Loss) / profit                   | (10,340)                  | 11,540        |                               |         |
| <b>Total comprehensive income</b> | <b>(8,923)</b>            | <b>12,252</b> |                               |         |
| (Loss) / profit allocated to NCI  | (3,412)                   | 2,308         | 54                            | (1,050) |

##### Joint Ventures and Associates

As of 31 March 2020 and 31 December 2019, equity-accounted investees in consolidated statement of financial position comprise the following:

|                | 31 March 2020  | 31 December 2019 |
|----------------|----------------|------------------|
| Joint ventures | 369,832        | 387,787          |
| Associates     | 4,910          | 5,636            |
|                | <b>374,742</b> | <b>393,423</b>   |

For the periods ended 31 March 2020 and 2019, share of profit equity-accounted investees, net of tax in consolidated statement of comprehensive income comprise the following

|                | 1 January-31 March 2020 | 1 January-31 March 2019 |
|----------------|-------------------------|-------------------------|
| Joint ventures | (18,876)                | (9,863)                 |
| Associates     | (716)                   | (763)                   |
|                | <b>(19,592)</b>         | <b>(10,626)</b>         |

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements

#### As at and for the Three-Month Period Ended 31 March 2020

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

#### 21. INTERESTS IN OTHER ENTITIES (continued)

##### Joint Ventures

Carrying amounts of the Group's joint ventures in the statement of financial position as at 31 March 2020 and 31 December 2019 are as follows:

|                 | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|-----------------|--------------------------|-----------------------------|
| TAV Antalya     | 283,465                  | 293,403                     |
| TGS             | 46,664                   | 50,209                      |
| ATU             | 38,000                   | 41,723                      |
| Tibah Operation | 1,603                    | 2,297                       |
| Other           | 100                      | 155                         |
|                 | <b>369,832</b>           | <b>387,787</b>              |

Group's share of profit / (loss) of the Group's joint ventures in the statement of comprehensive income for the period ended 31 March are as follows:

|                   | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|-------------------|---|---|
| TGS               | 283                                     | (1,485)                                 |
| Tibah Operation   | 182                                     | 200                                     |
| ATU               | (3,810)                                 | 3,337                                   |
| Tibah Development | (5,056)                                 | (1,416)                                 |
| TAV Antalya       | (9,961)                                 | (10,420)                                |
| Other             | (514)                                   | (79)                                    |
|                   | <b>(18,876)</b>                         | <b>(9,863)</b>                          |

##### Associates

Carrying amount of the Group's associate in the statement of financial position as at 31 March 2020 and 31 December 2019 are as follows:

|        | <b>31 March<br/>2020</b> | <b>31 December<br/>2019</b> |
|--------|--------------------------|-----------------------------|
| ZAIC-A | 4,401                    | 5,178                       |
| Other  | 509                      | 458                         |
|        | <b>4,910</b>             | <b>5,636</b>                |

Group's share of profit of the Group's associate in the statement of comprehensive income for the period ended 31 March is as follows:

|        | <b>1 January-<br/>31 March<br/>2020</b> | <b>1 January-<br/>31 March<br/>2019</b> |
|--------|---|---|
| ZAIC-A | (778)                                   | (819)                                   |
| Other  | 62                                      | 56                                      |
|        | <b>(716)</b>                            | <b>(763)</b>                            |

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

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### 22. DISCONTINUED OPERATIONS

As of 6 April 2019 02:00, all commercial flights have been transferred to the new İstanbul Airport and operations of TAV İstanbul have ended. Due to this reason, the Group has decided to classify TAV İstanbul operations as discontinued operations. Operations of Group's other subsidiaries which were also operating in İstanbul Atatürk Airport, are not classified as discontinued, since these subsidiaries are still operating in the other airports and new İstanbul Airport as well.

As explained in Note 1, TAV Holding and TAV İstanbul received a formal letter issued by DHMİ dated 22 January 2013, stating that DHMİ will fully reimburse the Group for potential loss of profit over the remaining period of its existing rent period that may be incurred in case that another airport is opened for operation on the European side of İstanbul before the end of the rent period of TAV İstanbul; i.e. 3 January 2021.

On 26 December 2019, The Group and DHMI agreed on the compensation payment related with the early closure of Atatürk Airport. As of 31 December 2019, the Group write off the carrying value of leasehold improvements and prepaid rent amounting to EUR 46,273 and EUR 8,738, respectively, and accrued a compensation income amounting to EUR 389,000.

|   | <u>2020</u>           | <u>2019</u>          |
|---|-----------------------|----------------------|
| Revenue   | 513                   | 123,713              |
| Operating (loss) / profit   | (49)                  | 59,018               |
| Net finance costs   | (6,715)               | (600)                |
| (Loss) / profit before tax  | (6,764)               | 58,418               |
| Tax expense   | (1,538)               | (14,061)             |
| <b>(Loss) / profit for the period</b>                                       | <b><u>(8,302)</u></b> | <b><u>44,357</u></b> |
|   | <u>2020</u>           | <u>2019</u>          |
| Net cash provided from operating activities                                 | 105,546               | 147,388              |
| Net cash provided from investing activities                                 | 826                   | 1,292                |
| Net cash used in financing activities                                       | (137,510)             | (216,359)            |
|   | <u>2020</u>           | <u>2019</u>          |
| Weighted average number of shares   | 180,000,000           | 180,000,000          |
| <b>(Loss) / profit for the period attributable to owners of the Company</b> | <b>(8,302)</b>        | <b>44,211</b>        |
| <b>Basic and diluted (loss) / profit per share (full EUR)</b>               | <b>(0.05)</b>         | <b>0.25</b>          |

### 23. SUBSEQUENT EVENTS

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, has particularly affected the airline operations in the exposed to the contagion; therefore, passenger numbers of 2020 March was below what was estimated. Since the ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore the Company cannot reasonably estimate the impact on Company's operations.