
Toscana Aeroporti Group



INTERIM FINANCIAL REPORT AT 30 June 2021

This report is available in the Investor Relations section of Toscana Aeroporti's website at www.toscana-aeroporti.com

Toscana Aeroporti S.p.A.

Via del Termine, 11 - 50127 Firenze - www.toscana-aeroporti.com

R.E.A. FI-637708 - Fully paid-up Share Capital € 30,709,743.90

VAT Number and Tax Code: 00403110505

Contents

1. COMPOSITION OF THE SHARE CAPITAL OF THE PARENT COMPANY	5
2. THE TOSCANA AEROPORTI STOCK.....	5
3. CORPORATE GOVERNANCE.....	6
4. MACROSTRUCTURE OF THE TOSCANA AEROPORTI GROUP.....	7
5. COMPOSITION OF CORPORATE GOVERNING BODIES	9
6. HIGHLIGHTS	10
7. THE MACROECONOMIC SCENARIO AND THE AIR TRANSPORT INDUSTRY..	12
8. TUSCAN AIRPORT SYSTEM TRAFFIC TRENDS.....	12
8.1 Traffic trends in the Pisa "Galileo Galilei" airport	15
8.2 Traffic trends in the Florence "Amerigo Vespucci" airport.....	18
8.3 Business combinations	21
9. SIGNIFICANT EVENTS OF THE FIRST 6 MONTHS OF 2021.....	21
10. OPERATING RESULTS OF THE TOSCANA AEROPORTI GROUP.....	22
10.1 Consolidated Income Statement	22
10.2 Consolidated Statement of Financial Position.....	26
10.3 Cash flow analysis.....	28
10.4 Consolidated Net Financial Position	30
11. THE GROUP'S INVESTMENTS	31
12. HUMAN RESOURCES.....	32
13. RELATIONSHIPS WITH THE OTHER ENTITIES OF THE GROUP AND WITH RELATED PARTIES.....	33
14. INFORMATION ON THE PARENT COMPANY, ITS SUBSIDIARIES AND THEIR RELATIONSHIPS.....	36
14.1 Parcheggi Peretola S.r.l.....	36
14.2 Toscana Aeroporti Engineering S.r.l.....	36
14.3 Jet Fuel Co. S.r.l.....	37

14.4 Toscana Aeroporti Handling S.r.l.....	38
14.5 Vola S.r.l.....	38
14.6 Toscana Aeroporti Engineering S.r.l.	39
15. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED	39
16. SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE PERIOD AT 30 June 2021.....	43
17. OUTLOOK ON OPERATIONS.....	45
CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT – FOR THE PERIOD CLOSED 30 JUNE 2021	46
EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 JUNE 2020	51
ANNEXES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT 2021	96
CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT	100
LIMITED AUDITING ACTIVITY REPORT BY PWC	101

Dear Shareholders,

The Consolidated Interim Financial Report at 30 June 2021 (hereinafter also “Interim Report”), approved by the Board of Directors on 8 September 2021, has been prepared in compliance with Legislative Decree no. 58/1998 and subsequent amendments, as well as with CONSOB Issuers’ Regulation.

This Consolidated Interim Financial Report includes the Report on Operations, which contains the Directors’ comments on operations and management trends for the first half of 2021, and the Condensed Consolidated Interim Financial Report.

The valuation and measurement criteria adopted for the preparation of the Condensed Consolidated Interim Financial Report included in the Consolidated Interim Financial Report at 30 June 2021 are those required by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB) and adopted by the European Commission according to the procedure described in Art. 16 of European Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with particular reference to IAS 34 concerning interim financial reporting. These accounting standards are the same as those adopted for the preparation of the Consolidated Financial Statement at 31 December 2020, except for the contents of the section “New accounting standards, amendments and interpretations effective for annual reporting periods beginning on or after 1 January 2020” in the Explanatory Notes.

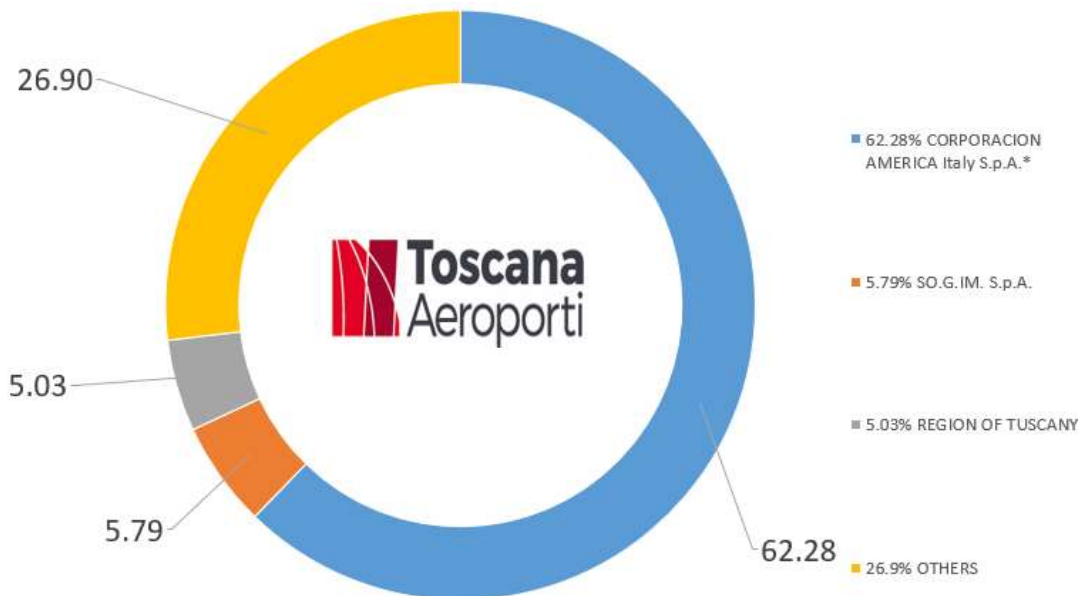
Toscana Aeroporti S.p.A. is a group incorporated to manage and develop the “Galileo Galilei” airport in Pisa and the “Amerigo Vespucci” airport in Florence in terms of air traffic, infrastructures and passenger services.

Accounting information as at 30 June 2021 includes data regarding the Holding “Toscana Aeroporti S.p.A.” and its subsidiaries Toscana Aeroporti Engineering S.r.l. (hereinafter “TAE”), “Parcheggi Peretola S.r.l.”, Toscana Aeroporti Handling S.r.l. (hereinafter “TAH”), “Jet Fuel Co. S.r.l.”, Vola S.r.l., and Toscana Aeroporti Costruzioni S.r.l. (hereinafter “TAC”), processed according to the full consolidation method.

The limited auditing activity for the Condensed Consolidated Interim Financial Report at 30 June 2021 has been carried out by the auditor “PricewaterhouseCoopers S.p.A.”

1. COMPOSITION OF THE SHARE CAPITAL OF THE PARENT COMPANY

We are providing below a list of the parties who, at 7 September 2021 directly or indirectly held an interest greater than 5% of the subscribed share capital of Toscana Aeroporti S.p.A. (hereinafter also briefly referred to as “TA” or the “Holding”), consisting of shares with voting rights, according to the Shareholders’ Register, as supplemented by the information disclosed pursuant to art. 120 of Legislative Decree 58/1998 and by any other information owned by the Company.



* Declarant, i.e. person positioned at the top of the control chain: Southern Cone Foundation

The subscribed and fully paid-up share capital of Toscana Aeroporti S.p.a. is € 30,709.743,90 and consists of 18,611,966 ordinary shares without nominal value.

The whole of TA’s shares owned by Corporación America Italy S.p.a. have been pledged until December 2024 as collateral to secure the debenture loan issued by the shareholder in question.

Shareholder Agreements

There are no Shareholder Agreements in place at the date of this Interim Financial Report.

Further details and contents are available on the official website of the company: www.toscana-aeroporti.com, “Investor Relations /Corporate Governance/ Documents section.

2. THE TOSCANA AEROPORTI STOCK

Toscana Aeroporti (ISIN code: IT0000214293, Bloomberg ticker: TYA:IM; Reuters ticker: TYA.MI) is listed in the “Mercato Telematico Azionario” (screen-based stock exchange) organized and managed by Borsa Italiana S.p.A.

As of 30 June 2021, the stock is traded for Euro 13.95 per share, for a corresponding capitalization of approx. Euro 260 million.

Further details and contents are available on the official website of the company: www.toscana-aeroporti.com.

3. CORPORATE GOVERNANCE

The Company adopted a Corporate Governance policy to implement the principles of the Voluntary Code of Conduct for the companies listed by Borsa Italiana S.p.A., in line with the recommendations issued by CONSOB and international best practices. A Control and Risk Committee and an Appointments and Remuneration Committee have been created some time ago and are regularly operating.

For further information, see the Report on Corporate Governance and Ownership that is prepared every year in compliance with regulatory requirements, which contains a general description of the corporate governance system adopted by TA and information on the ownership layout and Voluntary Code of Conduct, including the main governance practices and the main features of the risk management and internal control systems implemented for the financial disclosure process.

This Report is available for consultation in the website www.toscana-aeroporti.com, "Investor Relations" section.

Being an "EIPR" (Ente di Interesse Pubblico Rilevante, meaning an "entity of significant public interest"), Toscana Aeroporti S.p.A. is required to prepare and submit a Non-Financial Consolidated Statement [*Dichiarazione consolidata di carattere non finanziario*] in the form of a "separate report", as required by Art. 5 "*Collocazione della dichiarazione e regime di pubblicità*" (Disclosure requirements) of Legislative Decree 254/2016. This statement is published at the same dates and with the same procedures as the Annual Report and is available on the website of the Company.

4. MACROSTRUCTURE OF THE TOSCANA AEROPORTI GROUP

Legal details of the Holding

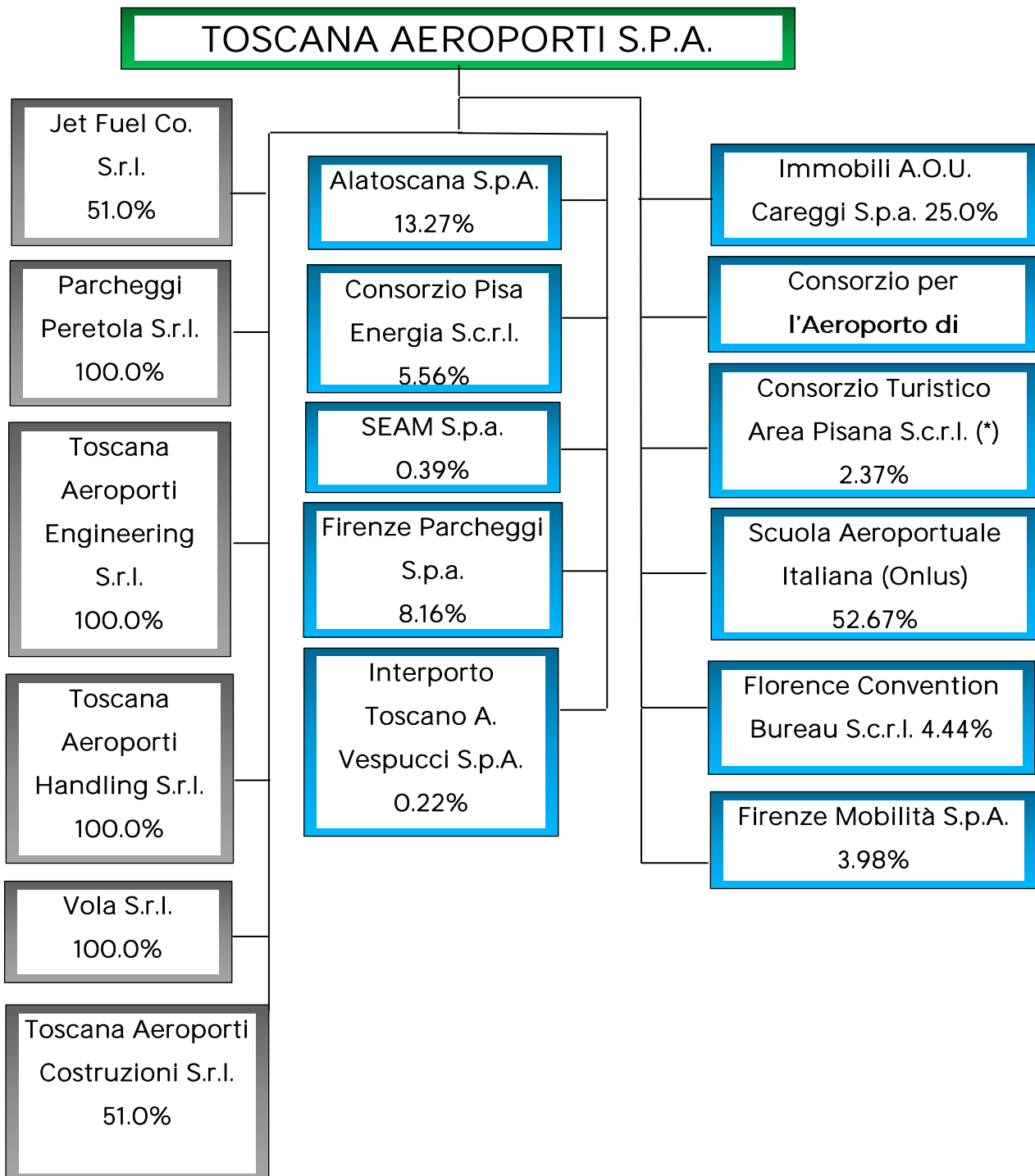
Company name: Toscana Aeroporti S.p.A., briefly "TA".


Registered office of the company: Firenze, Via del Termine n. 11


Tax Code: 00403110505.

Company Register of Florence and R.E.A. [Economic and Administrative Index] no. 366022: FI 637708.

Fully paid-up share capital: EUR € 30,709,743.90



 **Holding/Parent Company**- Toscana Aeroporti S.p.A. (hereinafter "TA").

 **Subsidiaries / Controlled Companies**- Jet Fuel Co, S.r.l. (hereinafter "Jet Fuel"), Parcheggi Peretola S.r.l., Toscana Aeroporti Engineering S.r.l., Toscana Aeroporti Handling S.r.l., Vola S.r.l., Toscana Aeroporti Costruzioni S.r.l. Within the framework of the consolidation, we inform readers that Toscana Aeroporti owns 33.33% of property and dividend rights and 51% of voting rights in the company Jet Fuel. For further details, see section on controlled companies.

 **Third-Party Companies** - (*) Winding-up Companies.

Line-by-line consolidation¹

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Toscana Aeroporti S.p.A.	Florence	30710	95911	Holding
Toscana Aeroporti Engineering S.r.l. Florence		80	413	100.00
Parcheggi Peretola S.r.l.	Florence	50	2303	100.00
Toscana Aeroporti Handling S.r.l.	Florence	1150	(3,710)	100.00
Vola S.r.l.	Florence	200	(50)	100.00
Jet Fuel Co. S.r.l.	Pisa	150	297	51.00
Toscana Aeroporti Costruzioni S.r.l.	Pisa	1000	1695	51.00

Full Consolidation²

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Immobili A.O.U. Careggi S.p.a.	Florence	200	1253	25.00
Alatoscana S.p.A.	M. di Campo	2910	2833	13.27

5. COMPOSITION OF CORPORATE GOVERNING BODIES

Board of Directors

Marco CARRAI	President
Roberto NALDI	CEO / Managing Director
Stefano BOTTAI	Vice President
Mariano Andres MOBILIA SANTI	Board Member
Elisabetta FABRI	Board Member
Saverio PANERAI	Board Member
Ana Cristina SCHIRINIAN	Board Member
Giorgio DE LORENZI	Board Member
Antonella MANSI	Board Member
Patrizia PACINI	Board Member
Mirko ROMOLI FENU	Board Member
Gino MANNOCCI	Board Member
Claudio Bertolaccini	Board Member
Nicoletta DE FRANCESCO	Board Member
Cristina MARTELLI	Board Member

Office held

Board of Auditors

Office held

¹ Data as of 30 June 2021

² Data as of 31 December 2020

Michele MOLINO	President
Silvia BRESCIANI	Statutory Auditor
Roberto GIACINTI	Statutory Auditor
Antonio MARTINI	Statutory Auditor
Raffaella FANTINI	Statutory Auditor

Secretary of the Board of Directors

Nico ILLIBERI¹

Supervisory Board

	<u>Title</u>
Edoardo MARRONI	President
Michele GIORDANO	Member
Nico ILLIBERI	Member

Financial Reporting Manager pursuant to Law 262/05

Marco GIALLETTI²

Independent Auditor

PricewaterhouseCoopers S.p.A.

6. HIGHLIGHTS

<p>Consolidated operating profit at 30 June 2021</p>	<p>Revenues totalled € 20,250 K, down by € 3,283 K (-14%) compared to € 23,533 K reported by the TA Group at 30 June 2020.</p> <p>Operating Revenues totalled € 11,925 K, down by € 7,561 K (-38.8%) compared to € 19,486 K reported by the TA Group at 30 June 2020.</p> <p>The EBITDA is negative for € 8,318 K, down by € 2,923 K compared to the negative figure of € 5,396 K reported by the TA Group at 30 June 2020.</p> <p>The EBIT is negative for € 15,152 K, down by € 3,459 K compared to the TA Group's EBIT of € 11,693 K reported for the first semester of 2020.</p> <p>The Profit Before Tax (PBT) is negative for € 16,414 K compared to a PBT of € 12,293 K reported by the TA Group in the first semester of 2020.</p> <p>The Group's net profit for the period shows a loss of € 13,320 K against a Group period loss of € 8,900 K reported in the first semester of 2020.</p> <p>The Net Indebtedness totalled € 107,503 K at 30 June 2021, against € 77,327 K at 31 December 2020 (+39%) and € 55,576 K at 30 June 2020.</p>
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¹ Corporate Manager qualified as Director of the Legal Affairs and Compliance area.

² Corporate Manager qualified as Director of the Accounting, Finance and Control areas.

	<p>The Net Adjusted Financial Position (not including commitments for deferred payments for corporate acquisitions and financial liabilities for rights of use) totalled € 98,287 K at 30 June 2021, against € 72,696 K at 31 December 2020 and € 51,078 K at 30 June 2020.</p>
<p>Investments at 30 June 2021</p>	<p>Investments totalled € 9,765 K at 30 June 2020, including approximately € 2.4 M for the purchase of X-ray equipment; € 7.3 M of intangibles, of which € 1.3 M for improvements of the flight infrastructure and expansion of strips in the Florence airport; € 1.6 M for the new Lighting & Visual Aids (LVA) for the runway of the Florence airport; € 3.8 M for the improvement of the BHS and baggage reclaim carousels in both TA airports.</p> <p>We also point out that, within the framework of the works for the improvement of the runway in the Florence airport, carried out by the Company in the first half of 2021, an additional € 6.4 M have been spent, being covered by the Provisions for repair and replacement.</p>
<p>Traffic</p>	<p>With the end of the movement restrictions that had been imposed at domestic and European level due to the pandemic, air traffic restarted in June. Although it remained well below 2019 levels, Toscana Aeroporti reported growing traffic levels, month after month. On the whole, in the first semester 2021, the Tuscan Airport System carried about 405,000 passengers, which means minus 60.6% for the Passenger component, minus 30.6% for the Flight component, and minus 44.9% for the Tonnage component. On the other hand, Goods and Mail traffic grew by +9.5%.</p> <p>During the first half of 2021, a total number of approximately 29,700 flights have been cancelled in the two airports due to the pandemic.</p> <p>Toscana Aeroporti estimated a loss of about 3.6 million passengers (of which ca. 2.2 MM in Pisa and 1.4 MM in Florence).</p>
<p>Outlook</p>	<p>The first half of 2021 has still been affected by the Covid-19 pandemic on the global economy, on global transport networks, and particularly on air transport, as well as on domestic and international tourism, especially for Italy.</p> <p>In view of the continuous evolution of the situation and the permanence of negative results in the first 8 months of 2021 (-14.5% in terms of passengers compared to the same period of 2020) - also due to the closure of the Florence airport from 5 February 2021 for the execution of works on the flight runway -, we still expect a significant impact on the financial results of 2021, in spite of the ongoing gradual resumption of operations, which might consolidate in the final part of the year, also due to the mitigation of the virus spread obtained with the ongoing vaccination campaign.</p>

7. THE MACROECONOMIC SCENARIO AND THE AIR TRANSPORT INDUSTRY

The global economy has been showing a marked recovery along with the progress of the vaccination campaign and income support policies for the families and business; however, these perspectives are rather heterogeneous among different Countries.

In the Euro Area, the GDP of the first 6 months of 2021 decreased in the main Countries, apart from the Italian economy, and seems to have grown in the second quarter of the year. However, there are still uncertainties associated with pandemic trends. The Next Generation EU € 750 billion plan adopted by the European Parliament and Council, that Italy will be able to access for € 209 billion, will give a further momentum to the relaunch of the European Union economy.

The Italian GDP grew by 0.1% in the first quarter of 2021, while in the second quarter, also due to the acceleration of the vaccine rollout and to the gradual loosening of restrictions, should show a growth of over 1 per cent, with a widespread increase in all the sectors.

According to Assaeroporti data, air traffic in Italian airports, with 16.5 million passengers carried in the first 6 months of 2021, decreased by 39% compared to the same period of 2020, while the decrease percentage becomes 81.6% if data are compared to the first semester of 2019. The comparison is also negative for aircraft movements (-11.4%) compared to the first semester of 2020, while the Cargo area increased by 34.4%.

8. TUSCAN AIRPORT SYSTEM TRAFFIC TRENDS

Even in the first few months of 2021, air traffic has been negatively impacted by the permanence of the health emergency. However, the vaccination rollout and the loosening of restrictions on people's mobility allowed the summer season to start and give the first signs of recovery - although with figures still very far from those of the pre-Covid era - starting from June.

The table below provides details of traffic in 2021 by month and a comparison with the same period of 2020, only partly affected by the Covid-19 pandemic, and with 2019, when the airports were operating at full stretch.

Toscana Aeroporti: January-June 2021 Monthly Traffic								
Airport	Month	2021	2020	2019	2021/20 DIFF.	2021/20 % Diff.	2021/20 DIFF.	2021/20 % Diff.
TA	Jan	36,704	480,816	460,725	-444,112	-92.4%	-424,021	-92.0%
TA	Feb	19,348	434,023	430,132	-414,675	-95.5%	-410,784	-95.5%
TA	Mar	19,373	90,813	532,312	-71,440	-78.7%	-512,939	-96.4%
TA	Apr	39,743	592	737,981	39,151	6613.3%	-698,238	-94.6%
TA	May	77,243	1,441	785,782	75,802	5260.4%	-708,539	-90.2%
TA	Jun	212,812	21,549	841,983	191,263	887.6%	-629,171	-74.7%
TA	Total	405,223	1,029,234	3,788,915	-624,011	-60.6%	-3,383,692	-89.3%

In the month of June alone, more passengers than in the whole 5 previous months were carried, which confirmed the clear sign of recovery observed in the last semester, albeit still far from 2019.

For a correct analysis of data, we remind readers that the Florence airport remained closed from February 1st to April 2021, during which period works were carried out to renovate the entire runway pavement.

It should be remembered that, in 2020, the effects of the pandemic began at the end of February (with the reduction of the flight load factor and then with the cancellations imposed by the Presidential Decree, "DPR", of 9 March 2020 "Urgent measures for the containment and management of the COVID-19 epidemiological emergency").

In addition, Ministerial Decree no. 112 of 12 March 2020 limited the operation of the Florence airport, starting from 13 March and until 3 May 2020, only to State and emergency flights (including those for health-related reasons). As regards Pisa, although this airport continued its operations, only one Alitalia passenger flight to Rome Fiumicino and cargo couriers were operated during the period described.

Toscana Aeroporti reported a total of ca. 405,000 passengers during the first half of 2021, which reflects a -60.6% drop due to the -33.4% reduction in passenger flights compared to the same period of 2020. Compared to the pre-Covid-19 period, Toscana Aeroporti reported a -89.3% decrease in passenger traffic, with a considerable improvement starting from June (-74.7%).

The scheduled flight load factor was 59%, down by 11.1 percentage points compared to 2020 (70.1%). In 2019 the load factor was 83.1%.

The Toscana Aeroporti traffic at 30 June 2021, distinguished in its various components, and the related comparison with the same period of 2020 is detailed below.

TOSCANA AEROPORTI TRAFFIC				
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Passengers	399,061	1,026,130	-627,069	-61.1%
Domestic (Scheduled + Charter)	202,756	296,049	-93,293	-31.5%
International (Scheduled + Charter)	196,305	730,081	-533,776	-73.1%
General Flight Passengers	6,162	3,104	3,058	98.5%
TOTAL PASSENGERS	405,223	1,029,234	-624,011	-60.6%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Flights	5,414	10,967	-5,553	-50.6%
Domestic (Scheduled + Charter)	1,845	3,063	-1,218	-39.8%
International (Scheduled + Charter)	2,665	7,087	-4,422	-62.4%
Cargo	904	817	87	10.6%
General Flights	3,673	2,131	1,542	72.4%
TOTAL FLIGHTS	9,087	13,098	-4,011	-30.6%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Tonnage	345,296	681,847	-336,551	-49.4%
Domestic (Scheduled + Charter)	113,865	180,387	-66,522	-36.9%
International (Scheduled + Charter)	164,963	435,258	-270,295	-62.1%
Cargo	66,468	66,202	266	0.4%
General Aviation Tonnage	43,799	24,162	19,637	81.3%
TOTAL TONNAGE	389,095	706,009	-316,914	-44.89%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Air cargo (kg)	6,986,514	6,000,652	985,862	16.4%
Ground cargo (kg)	146,561	504,158	-357,597	-70.9%
Mail (kg)	10	12,074	-12,064	-99.9%
TOTAL CARGO AND MAIL	7,133,085	6,516,884	616,201	9.5%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
TOTAL TRAFFIC UNITS	476,554	1,094,403	-617,849	-56.5%

Toscana Aeroporti estimated that about 29.700 flights have been cancelled in the period, with a loss of almost 3.64 million passengers.

The cargo and mail traffic had an overall growth of +9.5% compared to the same period of 2020, mainly due to the growth of cargo handled by courier flights, which counterbalanced the reduction in all charter cargo flights, road transport, and cargo & mail on passenger flights.

The Coronavirus emergency impacted the entire Italian airport system. Trends regarding Italian airports in the first semester 2021 are provided below. They show an average 39% decrease in passenger traffic compared to the first semester of 2020 and an 81.6% decrease compared to the same pre-Covid period.

The table shows that airports with a strong component of international incoming traffic, like Florence and Pisa, had a slower recovery.

No.	Airport	Flights	% vs 2020	% vs 2019	Passengers	% vs 2020	% vs 2019	Cargo (tons)	% vs 2020	% vs 2019
	Milan (System)	73,114	-13.7	-63.9	4,462,974	-40.0	-80.9	374,041	44.8	11.3
	Rome (System)	47,015	-33.3	-73.3	3,158,353	-56.5	-86.5	55,367	15.6	-44.9
	Venice (System*)	13,314	-30.6	-76.7	742,777	-59.6	-89.3	19,713	-3.6	-36.9
1	Catania	13,662	14.8	-61.1	1,433,061	3.2	-69.3	3,297	40.1	8.9
2	Palermo	11,475	12.9	-54.0	1,032,815	5.0	-67.6	1,367	30.1	464.9
3	Bologna	11,005	-27.2	-70.4	773,611	-46.1	-82.6	23,821	19.2	-4.3
4	Napoli	9,443	-28.1	-75.3	705,642	-48.9	-85.8	5,477	25.7	-3.1
5	Cagliari	8,183	11.1	-50.8	610,883	-1.5	-69.7	3,179	46.8	65.6
6	Bari	8,883	0.9	-57.6	571,928	-26.8	-77.2	987	-33.0	-1.3
7	Turin	8,683	-13.5	-61.4	437,584	-41.0	-78.3	979	16.0	-35.1
8	Lamezia Terme	6,490	9.8	-42.0	420,664	16.0	-67.5	866	15.6	61.7
9	Brindisi	4,188	5.1	-57.5	350,590	1.5	-70.8	10	-69.7	150.0
10	Olbia	6,878	276.9	-36.3	346,097	265.6	-66.0	16	191.0	-65.6
11	Pisa	5,561	-19.7	-71.6	293,044	-53.6	-88.0	7,060	15.7	10.7
12	Verona	3,856	-21.0	-74.6	278,184	-38.4	-82.6	1,565	597.5	87.6
13	Alghero	2,145	29.8	-52.4	166,805	-3.4	-70.1	6	186.8	551.5
14	Genoa	4,192	8.5	-55.1	112,968	-35.8	-83.2	376	-42.7	-70.2
15	Florence	3,526	-42.9	-79.3	112,182	-71.8	-91.6	73	-82.4	-38.4
	TOTALS	276,965	-11.4	-64.3	16,485,068	-39.0	-81.6	521,888	34.4	-2.4
	Italian Airport System	9,087	-30.6	-75.2	405,226	-60.6	-89.3	7,133	9.5	9.8

8.1 Traffic trends in the Pisa "Galileo Galilei" airport

The table below compares January-June 2021 traffic trends against the same period of 2020, broken down into the various components:

PISA AIRPORT TRAFFIC

	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Passengers	289,049	629,855	-340,806	-54.1%
Domestic (Scheduled + Charter)	184,974	237,828	-52,854	-22.2%
International (Scheduled + Charter)	104,075	392,027	-287,952	-73.5%
General Flight Passengers	3,992	1,603	2,389	149.0%
TOTAL PASSENGERS	293,041	631,458	-338,417	-53.6%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Flights	3,545	6,031	-2,486	-41.2%
Domestic (Scheduled + Charter)	1,519	2,241	-722	-32.2%
International (Scheduled + Charter)	1,124	2,973	-1,849	-62.2%
Cargo	902	817	85	10.4%
Postal flight			0	#DIV/0!
General Flights	2,016	890	1,126	126.5%
TOTAL FLIGHTS	5,561	6,921	-1,360	-19.7%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Tonnage	244,507	402,980	-158,473	-39.3%
Domestic (Scheduled + Charter)	98,881	133,858	-34,977	-26.1%
International (Scheduled + Charter)	79,288	202,920	-123,632	-60.9%
Cargo	66,338	66,202	136	0.2%
Postal flight			0	#DIV/0!
General Aviation Tonnage	28,584	12,729	15,855	124.6%
TOTAL TONNAGE	273,091	415,709	-142,618	-34.31%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Air cargo (kg)	6,985,647	5,994,872	990,775	16.5%
Ground cargo (kg)	74,472	96,163	-21,691	-22.6%
Mail (kg)	10	12,069	-12,059	-99.9%
TOTAL CARGO AND MAIL	7,060,129	6,103,104	957,025	15.7%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
TOTAL TRAFFIC UNITS	363,642	692,489	-328,847	-47.5%

In the first half of 2021, 293,000 passengers transited through the Pisa airport, down by 53.6% compared to the same period of 2020 (338,000 million passengers less), against a 23.7% reduction in commercial passenger flights.

The load factor of flights operated in the period is 63.3%, down by 11.3% compared to the same period of 2020 (74.65% in 2020).

The table below shows 2021 traffic trends in the Pisa airport by month and compares them with the same period of 2020 and 2019, when the airport operated at full capacity. Only in the month of June, the Pisa airport carried more passengers than in all the previous 5 months.

As already pointed out earlier, 2020 was affected by restrictions imposed to face the pandemic only starting from the end of February.

Pisa airport: January-June 2021 Monthly Traffic								
Airport	Month	2021	2020	2019	2021/20 Diff.	2021/20 % Diff.	2021/20 Diff.	2021/20 % Diff.
PSA	Jan	24,659	295,676	288,569	-271,017	-91.7%	-263,910	-91.5%
PSA	Feb	19,348	265,782	275,797	-246,434	-92.7%	-256,449	-93.0%
PSA	Mar	19,373	58,023	329,614	-38,650	-66.6%	-310,241	-94.1%
PSA	Apr	26,273	592	485,081	25,681	4338.0%	-458,808	-94.6%
PSA	May	46,946	1,382	515,094	45,564	3297.0%	-468,148	-90.9%
PSA	Jun	156,442	10,003	555,404	146,439	1464.0%	-398,962	-71.8%
PSA	Total	293,041	631,458	2,449,559	-338,417	-53.6%	-2,156,518	-88.0%

Carriers that operated in the Galilei airport and the related and destinations are listed below:

- The Irish carrier **Ryanair** continued operating flights to Brindisi, Cagliari, Catania and Palermo during the winter season. With the start of the summer season, the connection with Bari was also operated again, while flights to Alghero, Comiso, Lamezia and Trapani began in May. International flights, after a slight recovery in the first days of January (during the winter holiday season), were suspended until May, when the flight to Paris Beauvais was resumed. Starting from June, 28 international destinations have been served in the airport, including the new destination of Malaga, for a total of 37 destinations served by Ryanair in Pisa.
- The Czech airline **Silver Air** ensures territorial continuity flights to the Elba Island (2 weekly flights).
- The Moroccan airline **AirArabia** operated a flight to Casablanca until the suspension of flights to and from Italy imposed by the Moroccan government at the end of February. Flights were resumed in mid-June 2021 (1 weekly flight).
- The Albanian airline **AirAlbania** operated 2/3 weekly flights to Tirana for the whole period.
- The other Albanian airline **Albawings** operated two weekly flights to Tirana for the whole period.
- The Hungarian carrier **Wizzair** operated one weekly flight to/from Tirana until April. Flights increased again since May up to a maximum of 4 flights in June 2021. Also, the flight to Bucharest Otopeni (2 per week) and new domestic flights to Palermo (4 per week), Catania (4 per week) and Brindisi (3 per week during high season) were also resumed since June.
- **British Airways** restarted operating its direct flight to London Heathrow (3 weekly flights) since the end of May.
- **Transavia** restarted operating its flight to Amsterdam (up to 5 weekly flights) in the summer.
- Since the end of June, **SAS** operated its flight to Stockholm Arlanda (2 weekly flights).
- In June **Easyjet** flew to Paris Orly twice per week.
- **Volotea** opened a new connection with Olbia at the end of May 2021.

Scheduled passenger traffic by Country

A total of 19 markets have been regularly connected with the Pisa airport with scheduled flights in the first semester of 2021, with Italy and Albania as the two primary markets, covering over 75% of the traffic. The two markets also connected the Pisa airport during the winter, because the restrictions imposed on transfers last winter due to the pandemic drove the family reunion market.

International non-ethnic market was also resumed from June 2021, which brought the weight of non-domestic traffic to 35.6% over the total scheduled passenger traffic of the Galilei airport.

The table below shows the percentage incidence of each European country over the total scheduled passenger traffic recorded by the Galilei airport in the first semester of 2021 and the difference, both in absolute and percentage terms, compared to 2020:

Passenger Scheduled Traffic	2021	2020	Diff.	% Diff.	% over TOT
Italy	183,063	236,863	-53,800	-22.7%	64.4%
Albania	32,322	21,385	10,937	51.1%	11.4%
Spain	11,132	80,723	-69,591	-86.2%	3.9%
United Kingdom	8,515	81,789	-73,274	-89.6%	3.0%
The Netherlands	8,431	19,482	-11,051	-56.7%	3.0%
Morocco	7,533	14,310	-6,777	-47.4%	2.6%
France	6,058	31,876	-25,818	-81.0%	2.1%
Germany	5,368	20,451	-15,083	-73.8%	1.9%
Belgium	4,489	27,437	-22,948	-83.6%	1.58%
Poland	3,570	5,745	-2,175	-37.9%	1.3%
Romania	3,125	13,036	-9,911	-76.0%	1.1%
Sweden	2,448		2,448	100.0%	0.86%
Czech Republic	2,180	8,722	-6,542	-75.0%	0.77%
Malta	1,605	5,881	-4,276	-72.7%	0.56%
Portugal	1,540	9,389	-7,849	-83.6%	0.54%
Hungary	858	6,750	-5,892	-87.3%	0.30%
Denmark	820		820	100.0%	0.29%
Russian Federation	752	19,857	-19,105	-96.2%	0.26%
Greece	460		460	100.0%	0.16%
Ireland		6,815	-6,815	-100.0%	0.00%
Austria		68	-68	-100.0%	0.00%
Qatar		11,941	-11,941	-100.0%	0.00%
TOTAL	284,269	622,520	-338,251	-54.3%	100.0%

Cargo & Mail Traffic

Cargo traffic grew by 15.7% during the period compared to the same period of 2020. This growth was driven by cargo couriers, which increased their average cargo flights and, as in the case of DHL, even introduced larger freighter aircraft. The 17.4% growth in all cargo traffic was counterbalanced by a drop of over 66.3% in mixed cargo & mail flights and a 22.6% drop in road transport.

The global cargo & mail traffic in the Pisa airport confirms the growth trend, with +10,7% compared to the same pre-Covid period of 2019.

8.2 Traffic trends in the Florence "Amerigo Vespucci" airport

The table below compares January-June 2021 traffic trends against 2020, broken down into the various components:

FLORENCE AIRPORT TRAFFIC				
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Passengers	110,012	396,275	-286,263	-72.2%
Domestic (Scheduled + Charter)	17,782	58,221	-40,439	-69.5%
International (Scheduled + Charter)	92,230	338,054	-245,824	-72.7%
General Flight Passengers	2,170	1,501	669	44.6%
TOTAL PASSENGERS	112,182	397,776	-285,594	-71.8%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Flights	1,869	4,936	-3,067	-62.1%
Domestic (Scheduled + Charter)	326	822	-496	-60.3%
International (Scheduled + Charter)	1,541	4,114	-2,573	-62.5%
General Flights	1,657	1,241	416	33.5%
TOTAL FLIGHTS	3,526	6,177	-2,651	-42.9%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Commercial Tonnage	100,789	278,867	-178,078	-63.9%
Domestic (Scheduled + Charter)	14,984	46,529	-31,545	-67.8%
International (Scheduled + Charter)	85,675	232,338	-146,663	-63.1%
General Aviation Tonnage	15,215	11,433	3,782	33.1%
TOTAL TONNAGE	116,004	290,300	-174,296	-60.04%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
Air cargo (kg)	867	5,780	-4,913	-85.0%
Ground cargo (kg)	72,089	407,995	-335,906	-82.3%
TOTAL CARGO AND MAIL	72,956	413,780	-340,824	-82.4%
	YOY at 30.June.21	YOY at 30.June.20	2021/20 Diff.	2021/20 % Diff.
TOTAL TRAFFIC UNITS	112,912	401,914	-289,002	-71.9%

A total of 112,182 passengers transited through the Florence airport in 2021, down by 71.8% compared to the same period of 2020 (corresponding to a reduction of about 285,594 million passengers), for a -42.9% reduction in passenger flights.

The load factor of flights operated in the period is 50.1%, down by 13.9% compared to the same period of 2020 (64.1% in 2020).

The table below shows 2021 traffic trends in the Florence airport by month and compares them with the same period of 2020 and 2019, when the airport operated at full capacity (pre-Covid).

We remind readers that, as already pointed out above, the Amerigo Vespucci airport remained closed for runway pavement renovation works from February 1st to April 1st, 2021.

Florence airport: January-June 2021 Monthly Traffic								
Airport	Month	2021	2020	2019	2021/20 DIFF.	2021/20 % Diff.	2021/20 DIFF.	2021/20 % Diff.
FLR	Jan	12,045	185,140	172,156	-173,095	-93.5%	-160,111	-93.0%
FLR	Feb		168,241	154,335	-168,241	-100.0%	-154,335	-100.0%
FLR	Mar		32,790	202,698	-32,790	-100.0%	-202,698	-100.0%
FLR	Apr	13,470		252,900	13,470	#DIV/0!	-239,430	-94.7%
FLR	May	30,297	59	270,688	30,238	51250.8%	-240,391	-88.8%
FLR	Jun	56,370	11,546	286,579	44,824	388.2%	-230,209	-80.3%
FLR	Total	112,182	397,776	1,339,356	-285,594	-71.8%	-1,227,174	-91.6%

Furthermore, 2020 was affected by the restrictions imposed by the Government to face the Covid-19 outbreak only starting from the end of February. Starting from 13 March 2020 and until 3 May 2020, the Florence airport, as ordered by decree, operated only State and emergency flights (including those for health-related purposes).

The carriers that operated in the Vespucci airport and the related and destinations are listed below:

- The Czech airline **Silver Air** continued operating territorial continuity flights to the Elba Island with 2 flights per week and up to 5 in June.
- The Dutch carrier **KLM** operated 1 daily flight to Amsterdam in January and, starting at the beginning of the summer, it increased flights to the Dutch capital up to 2 daily flights in June.
- **AirFrance** operated one daily flight to Paris Charles de Gaulle in January. With the beginning of the summer, the French carrier increased its flights up to 10 weekly flights in June.
- **AirDolomiti** operated 3 weekly flights to Frankfurt and 2 weekly flights to Catania in January. With the beginning of the summer, it also flew to Munich up to 6 times per week and increased its flight to Frankfurt up to 11 weekly flights. Since the end of June, domestic flights to Catania (2 weekly flights), Palermo and Cagliari (1 weekly flight) were also resumed.
- **BlueAir** operated a direct flight to Bucharest until 17 January 2021. Starting from June, it operated 3 weekly flights to the Romanian capital.
- **Swiss Airlines** operated its flight to/from Zurich until 20 January. Starting from June, it operated 3 weekly flights to Zurich.
- **Austrian Airlines** came back in the summer with their direct flight to Vienna up to 4 times a week.
- Always in June, **Brussels Airlines** also resumed its connection with Brussels, with 3 weekly flights.
- **Iberia** resumed its direct flight to Madrid in the summer, with up to 4 weekly flights.
- **Luxair** reconnected Florence with Luxembourg in June with 2 weekly flights.
- The Spanish carrier **Vueling Airlines** operated on the domestic (Catania and Palermo) and international market (Barcelona, London Gatwick, Madrid and Parigi Orly) in the first 15 days of January. With the start of the summer, domestic flights to Catania (up to 4 weekly flights) and Palermo (up to 3 weekly flights) were regularly resumed with one aircraft per base, and a new weekly connection with Olbia was also operated. As regards the international market, flights to Amsterdam (2 per week), Barcelona (up to 1 daily flight), London Gatwick (2 per week) and Paris Orly (up to 4 weekly flights), were operated again.

Scheduled passenger traffic by Country

A total of 11 markets have been regularly connected with the Florence airport with scheduled flights in the first semester of 2021.

The international market accounts for 83.8% of the total scheduled passenger traffic of the Vespucci airport, while domestic traffic accounts for 16.2%. France, the Netherlands, and Spain are the first three markets, accounting for 56.9% of the total scheduled traffic

The table below shows the percentage incidence of each European country over the total number of scheduled passenger traffic recorded by the Vespucci airport in 2021 and the difference, both in absolute and percentage terms, compared to 2020.

Passenger Scheduled Traffic	2021	2020	Diff.	% Diff.	% over TOT
France	25,086	89,184	-64,098	-71.9%	23.1%
The Netherlands	19,084	32,835	-13,751	-41.9%	17.6%
Spain	17,634	53,989	-36,355	-67.3%	16.2%
Italy	17,023	57,995	-40,972	-70.6%	15.7%
Germany	16,631	65,952	-49,321	-74.8%	15.3%
Austria	4,171	5,786	-1,615	-27.9%	3.8%
Romania	3,376	5,535	-2,159	-39.0%	3.1%
Switzerland	2,349	24,930	-22,581	-90.6%	2.2%
United Kingdom	2,116	34,318	-32,202	-93.8%	1.95%
Belgium	771	665	106	15.9%	0.7%
Luxembourg	325	352	-27	-7.7%	0.3%
Albania		9,227	-9,227	-100.0%	0.00%
Portugal		10,336	-10,336	-100.0%	0.00%
Czech Republic		4,853	-4,853	-100.0%	0.00%
TOTAL	108,566	395,957	-287,391	-72.6%	100.0%

8.3 Business combinations

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

The acquisition is part of Ta's investment strategy aimed to the development of infrastructures for the Florence and Pisa airports through a subsidiary.

The price of the transaction was EUR 4.5 M. the amount will be paid in five annual instalments until 31 December 2025, with no borrowing or assignment of credit.

We also inform readers that, as specified in the acquisition agreement, Cemes S.p.a. guaranteed TA with an irrevocable option pursuant to Art. 1331 of the Civil Code, through which TA will have the right to purchase from Cemes, who will be obliged to sell, a share of 19% of the share capital of TAC for a price of EUR 2.2 M. This option may be exercised by TA during the period going from January 1st, 2024 to July 1st, 2024.

For details, please refer to the Explanatory Notes.

9. SIGNIFICANT EVENTS OF THE FIRST 6 MONTHS OF 2021

Due to the continuing health emergency and restrictions on the movements of people, air transport was adversely affected by this scenario even in the first few months of 2021.

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC).

On 2 March 2021, the European Commission announced the compliance with the provisions of the Treaty on the Functioning of the European Union of the € 10 million subsidy allocated by the Region of Tuscany under Regional Law no. 75 of 4 August 2020 on regulatory measures connected with the budget adjustment law 2020–2022 and with Regional Law no. 95 of 3 December 2020 on the direct subsidy for the company Toscana Aeroporti S.p.A. Said contribution was received by the Company on 16 August 2021.

As part of the flight infrastructure scheduled maintenance plan, the runway of the Vespucci airport was closed to air traffic from February 1st, 2021 to April 2nd 2021 for the renovation of the runway pavement, strips, airfield markings and lighting, in compliance with EASA certification requirements. These works concerned the entire pavement of the runway of the airport and consisted in the replacement of all the lighting and signage; the introduction of new last-generation LED lights, which are more performing in environmental terms, have a greater durability and require less maintenance compared to the previous halogen lamps; the improvement of the electrical system with the replacement of some power lines, connectors, and all isolation transformers; all this to make the entire system more efficient and advanced.

On 20 May 2021, the Board of Directors of Toscana Aeroporti S.p.A., appointed by the Shareholders' Meeting held on 18 May 2021, met to elect the corporate officers and to appoint proxies for management, as required by the applicable Articles of Association and Code of Corporate Governance 2020 adopted by the Company.

10. OPERATING RESULTS OF THE TOSCANA AEROPORTI GROUP

10.1 Consolidated Income Statement

The traffic volumes of the Pisa Galileo Galilei airport and of the Florence Amerigo Vespucci airport have been historically characterized, as most Italian airports, by **seasonal peaks** during the summer months, which negatively affected the profit margins of the first six months of the year.

This was worsened by the unexpected decrease in traffic due to the rapid spreading of the Coronavirus pandemic globally starting from the end of February 2020 and by the increasing restrictions imposed by Governments globally. In the first six months of 2021, the Tuscan airport system carried approx. **405,000 passengers**, with an overall decrease of **-60.6%** for the Passenger component, **-30.6%** for the Flight component, **-44.6%** for the Tonnage component, and **+6.5%** for the Cargo & Mail component, compared to the respective aggregate data for the Pisa and Florence airports in the first semester of 2020.

The consolidated economic data of first half of 2021 are summarised below and compared with those of the same period of 2020. Changes in P&L details have been negatively impacted by the final traffic figures reported for the first semester by the Tuscan airport system.

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs. Diff.	% Diff.
REVENUES				
Operating Income				
Aviation revenues	7,354	15,065	-7,711	-51.2%
Non-Aviation revenues	5,520	6,624	-1,104	-16.7%
Network development expenses	-948	-2,203	1,254	-56.9%
Total operating revenues	11,925	19,486	-7,561	-38.8%
Other revenues	1,141	351	790	224.8%
Revenues from construction services	7,184	3,695	3,488	94.4%
TOTAL REVENUES (A)	20,250	23,533	-3,283	-14.0%
COSTS				
Operating Costs				
Consumables	142	669	-527	-78.8%
Cost of personnel	11,577	13,667	-2,090	-15.3%
Costs for services	9,339	9,810	-471	-4.8%
Sundry operating expenses	700	712	-12	-1.6%
Airport leases	429	1,054	-625	-59.3%
Total operating costs	22,187	25,913	-3,725	-14.4%
Costs for construction services	6,381	3,016	3,365	111.6%
TOTAL COSTS (B)	28,568	28,929	-361	-1.2%
GROSS OPERATING MARGIN (A-B)	-8,318	-5,396	-2,923	54.2%
% incid. over total revenue	-41.1%	-22.9%		
% incid. over operating revenue	-69.8%	-27.7%		
Amortization and impairment	5,132	5,363	-231	-4.3%
Provision for risks and repairs	1,045	726	319	44.0%
Value write-ups (write-downs) net of trade	656	207	449	216.3%
OPERATING EARNINGS	-15,152	-11,693	-3,459	29.6%
% incid. over total revenue	-74.8%	-49.7%		
% incid. over operating revenue	-127.1%	-60.0%		
ASSET MANAGEMENT				
Financial income	3	4	-1	-30.5%
Financial expenses	-1,341	-649	-693	106.7%
Profit (loss) from equity investments	76	44	32	73.4%
TOTAL ASSET MANAGEMENT	-1,263	-601	-662	110.2%
PROFIT (LOSS) BEFORE TAX	-16,414	-12,293	-4,121	33.5%
Taxes for the period	3,360	3,263	97	3.0%
PROFIT/(LOSS) FOR THE PERIOD	-13,054	-9,030	-4,024	44.6%
Minority interest's loss (profit) for the period	-266	130	-396	NS
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	-13,320	-8,900	-4,420	49.7%
Profit (loss) per share (€)	-0.716	-0.478	-0.2375	49.7%

In compliance with the content of CONSOB Notice no. DEM/6064293 of 28 July 2006 and subsequent amendments and supplements (CONSOB Notice no. 0092543 of 3 December 2015 implementing ESMA/2015/1415 guidelines), we specify that the summarised income statement details reported can be easily reconciled with those indicated in financial statements. As to alternative performance indicators, in this Consolidated Financial Statement TA will provide, in addition to the financial indicators required by the IFRS, some indicators derived from the latter, although not required by IFRS (Non-GAAP Measures).

These indicators are presented with the purpose of allowing for a better assessment of the Group's management trends and should not be considered as alternative to those required by IFRS. In detail:

- the interim EBIT (Earnings Before Interests and Taxes) coincides with the Operating profit shown in the Income Statement;
- the interim PBT (Profit Before Taxes) coincides with the Profit before taxes shown in the Income Statement.

As regards the EBITDA (Earnings Before Interests, Taxes, Depreciation, Amortization) or Gross Operating Margins, we point out that it reflects the EBIT before amortization and provisions. In general terms, we point out that the interim profits indicated in this document are not defined as an accounting measure under IFRS and that, consequently, the criteria for the definition of said interim profits might not be consistent with those adopted by other companies.

The table below shows the main income statement results for the period examined.

REVENUES

Total consolidated revenues, down by € 3.3 M (-14%), passed from approx. € 23.5 M at mid-2020 to € 20.3 M at mid-2021. This change is the result of the € 7.6 M reduction in operating revenues, partially offset by the € 790 K increase in other revenues and proceeds, and by the € 3,488 K increase in revenues from construction services. The latter have been recognised against the external and internal costs incurred for the construction and expansion of assets under concession, as well as for the related design, coordination and control activities carried out during the period examined.

OPERATING INCOME

Consolidated aviation revenues totalled € 11.9 M at mid-2020, down by 38.8% compared to the same period of 2020, when they totalled € 19.5 M.

Aviation revenues

Aviation revenues totalled € 7.4 M at mid-2020, down by 51.2% compared to the same period of 2020, when they totalled € 15.1 M.

In detail, revenues from airport duties, tariffs and fees decreased by 51.8% as a consequence of the decrease in the traffic managed during the semester (-60.6% in terms of passengers). Handling revenues decreased by 49.9% as a consequence of the decrease in aircraft movements (-30.6%) and assisted tonnage (-44.9%) reported in the two airports.

Non-Aviation revenues

The Non-Aviation business consisting in commercial and real estate operations in the two Florence and Pisa airports are carried out:

- through subcontracting to third parties (Retail, Food, Car Rental, specific areas and other subconcessions);
- through direct control (Advertising, Parking Lots, Business Centre, Welcome Desk and VIP Lounge, Air Ticket Office and Cargo Agency).

At 30 June 2021, revenues from subconcession activities accounted for 75.6% of Non-Aviation revenues, while revenues from directly managed activities accounted for the remaining 24.4%. During the first 6 months of 2020, these percentages were 60.1% and 39.9%, respectively.

Year-to-date Non-Aviation revenues totalled € 5.5 M at 30 June 2021, down by 16.7% compared to the first half of 2020, when they totalled € 6.6 M.

This decrease of € 1,104 K is mainly due to the lower passenger traffic reported for the period examined.

In detail, the most significant decreases observed in the semester are revenues from parking lots (€ -647 K, -61.3%), VIP lounges (€ -380 K, -98.5%), and Food (€ -96 K, -19.2%).

Network development expenses

Network development expenses totalled € 948 M at 30 June 2021, down by € 1,254 K compared to 30 June 2020, when they totalled € 2.2 M.

This item also includes charges deriving from traffic incentive contracts.

OTHER REVENUE AND INCOME

Year-to-date "Other revenues and proceeds" totalled € 1,141 K at 30 June 2021, a lower amount compared to the first half of 2020, when they totalled € 351 M. These mainly include Other income (€ 769 K), utility charges (€ 292 K), consulting services (€ 39 K).

REVENUES FROM CONSTRUCTION SERVICES

Revenues from construction services totalled € 7.2 M at mid-2021 against € 3.7 M at mid-2020.

Balance revenues, higher for € 3.5 M, mainly derive from the greater investments made during the period examined.

COSTS

As in the previous year, Toscana Aeroporti continued to make efforts to minimize operating costs by rediscussing all contract terms with its suppliers and suspending, wherever possible, any non-concluded obligation, to tackle the emergency situation caused by the pandemic.

In the first semester of 2021, costs totalled € 28.6 M, down by 1.2% compared to the same period of 2020, when they totalled € 28.9 M. This has been the result of decreased operating costs for € 3,725 K during the first half of 2021 (-14.4%) partially mitigated by the 111.7% increase in costs from construction services (which passed from € 3,016 K in the first half of 2020 to € 6,381 K in the first half of 2021).

OPERATING COSTS

Operating costs totalled € 22.2 M in the first semester of 2021, down by 14.4% compared to € 25.9 M reported for the same period of 2020.

Consumables totalled € 142 K at mid-2021, down by € 527 K compared to the same period of 2020, mainly due to less a lower consumption of materials for operating services (€ -68 K), clothing (€ -174 K), fuel for ramp vehicles (€ -67 K), personal protection equipment ("PPE") and materials for the sanitization of the ambience required for the health emergency (€ -200 K).

The Group spent € 11.6 M for its staff in the first semester of 2021, down by € 2.1 M compared to the employee benefits disbursed in the first semester of 2020 (-15.3%).

In spite of the reduction in the staff units of the new subsidiary TAC (+15.1 FTEs), the reduction in the Group's staff, mainly a consequence of the reduced air traffic operated after the Covid-19 outbreak (-7%) and the continued use of temporary unemployment benefits even in the second quarter helped mitigate variable costs and achieve a lower aggregate cost of labour for the first semester of 2021 compared to the same period of 2020.

"Costs for services" totalled € 9.3 M at mid-2020, down by 4.8% compared to the same period of 2020, when they totalled € 9.8 M (€ -471 K). The lower costs of the period examined are mainly due to the decrease in costs for operating services (€ -719 K), partially due to the lower traffic managed during the period, communication costs (€ -190 K),

professional services (€ -74 K), and canteen (€ -178 K). The lower costs have been partially offset by the increase in costs for maintenance services (€ +474 K), healthcare services (€ +138 K), and industrial insurance (€ +109 K).

During the first semester of 2021, the item "Sundry operating expenses" totalled € 700 K, slightly less (€ -12 K) than in the same period of 2020 (-1.6%).

"Airport fees" totalled € 429 K at mid-2021, down by 59.3% compared to the same period of 2020. The difference is mainly due to the lower traffic balance reported in the 6-month period examined (+60.6% of passengers).

COSTS FOR CONSTRUCTION SERVICES

"Costs for construction services" totalled approx. € 6.4 M in the first semester of 2021, up by € 3.4 M compared to the same period of 2020, for the same reasons indicated in our comment to the corresponding revenue item.

YEAR'S PROFIT

As a consequence, the **EBITDA** or Gross Operating Margin (GOM) of the first semester of 2021 is **negative for about € 8.3 M**, down by approximately **€ 2.9 M** compared to the first semester of 2020, when it was negative for € 5.4 M.

"Amortization and provisions" totalled € 6.8 M at mid-2021, up by € 536 K compared to the same period of 2020 (+8.5%). This is mainly due to the higher amounts set aside in the Provision for repair for € 331 K and in the Provision for bad debt for € 449 K, partially mitigated by the lower amortization (€ -416 K).

The **EBIT** (operating profit) of the first semester of 2021 is a **negative value for € 15,152 K**, down by € 3.5 M compared to the first half of 2020, when it was negative for € 11,693 K.

Financial operations passed from a negative amount of € -601 K in the first half of 2020 to a negative amount of € -1,263 K in the first half of 2021. The difference of € 662 K is mainly due to higher bank interests (€ +832 K) essentially due to the SACE loan undersigned in the fourth quarter 2020, partially mitigated by the reduction in actuarial interest calculated on the Provision for repair for € 153 K.

The **Profit Before Tax (PBT)** of the first semester 2021 is **negative for approx. € 16.4 M**, down by € 4.1 M compared to the result of the same period of 2020, when it was negative for € 12.3 M.

The tax burden of the period reflects the calculation methods adopted according to IAS criteria, which require the use of a tax rate specified at the end of the current financial year.

Therefore, in the light of the data given above, the first half of 2021 was closed with a **net loss of € 13,320 K for the Group**, which corresponds to approx. a € 4.4 M decrease compared to the first half of 2020, when it was negative for € 8,900 K.

10.2 Consolidated Statement of Financial Position

The table below provides a comparison between the **Consolidated Statement of Financial Position** of the TA Group at 30 June 2021 and the same value at 31 December 2020.

ASSETS	30.06.2021	31.12.2020	DIFFERENCE
NON-CURRENT ASSETS			
Intangible assets	186,590	177,760	8,830
Property, plant and equipment	30,312	29,476	836
Rights of use	4,784	4,542	243
Equity investments in other entities	2,945	2,945	0
Equity investments in associated companies	689	613	76
Other financial assets	3,203	3,202	1
Receivables from others due beyond the year	158	272	-114
Deferred tax assets	9,213	4,986	4,227
TOTAL NON-CURRENT ASSETS	237,895	223,796	14,099
CURRENT ASSETS			
Trade receivables	12,571	13,180	-609
Current tax assets	1,083	1,026	57
Other tax assets	3,419	3,194	225
Receivables from others, due within the year	14,454	14,402	52
Cash and cash equivalents	48,816	76,344	-27,528
TOTAL CURRENT ASSETS	80,344	108,146	-27,803
TOTAL ASSETS	318,239	331,942	-13,704

The difference in total assets, which decreased by € 13.7 M compared to total assets at 31 December 2020, mainly reflects the decrease in cash (€ -27.5 M), partially offset by the increase in non-current assets for € 14.1 M.

In detail, the difference mainly reflects the increase in intangible assets, for approx. € 8.8 M (including € 3.7 M of goodwill recognised within the framework of the acquisition of Toscana Aeroporti Costruzioni S.r.l. and € 5.1 M for net period investments) and deferred tax assets (€ +4.2 M) due to the effect of the loss for the period (prepaid taxes).

SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2021	31.12.2020	DIFFERENCE
TOTAL SHAREHOLDERS' EQUITY	94,436	106,769	-12,333
NON-CURRENT LIABILITIES			
Provisions for risks and charges	2,203	2,016	186
Provisions for repair and replacement	14,909	13,920	990
Provisions for employee retirement and benefits	5,603	5,736	-133
Financial liabilities due beyond one year	100,979	103,014	-2,035
Financial liabilities for rights of use beyond one year	4,214	4,132	81
Other payables due beyond the year	3,736	368	3,368
TOTAL NON-CURRENT LIABILITIES	131,642	129,185	2,457
CURRENT LIABILITIES			
Financial liabilities due within one year	46,125	46,026	98
Financial liabilities for rights of use within one year	685	499	186
Current tax liabilities	87	5	81
Other tax liabilities	8,242	9,706	-1,465
Trade payables	26,444	23,968	2,476
Payables to social security institutions	545	1,322	-777
Other payables due within the year	7,257	6,219	1,038
Provisions for repair and replacement (current portion)	2,777	8,242	-5,465
TOTAL CURRENT LIABILITIES	92,161	95,988	-3,827
TOTAL LIABILITIES	223,803	225,173	-1,370
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	318,239	331,942	-13,704

The Shareholders' Equity decreased by about € 12.3 M, mainly due to the loss for the period.

Medium/long-term liabilities include decreased financial liabilities for about € 2 M for the short-term reclassification of the capital instalments for the period. The Provision for repair increased during the period by € 990 K after the additions made and the planning of works for the airport infrastructure, as well as by € 3.4 M for the other long-term debt resulting from liabilities to Cemes S.p.a. (purchase of TAC equity interest).

Current liabilities (€ -3.8 M) contain the approx. € 5.5 M decrease in the Provision for repair caused by the unscheduled maintenance made on the flight infrastructure of the Florence airport.

10.3 Cash flow analysis

The Consolidated Cashflow Statement provided below has been prepared by using the indirect method as defined by IAS 7 which shows the main determining factors of movements in cash and cash equivalents occurred during the reporting periods.

CONSOLIDATED CASH FLOW STATEMENT (amounts in €K)

<i>Euro K</i>	HI 2021	HI 2020
OPERATING ASSETS		
Net result for the period	(13,054)	(9,030)
<i>Adjusted for:</i>		
- Amortization of tangible, intangible assets, and rights of use	5,069	5,363
- Impairment of assets	62	0
- Difference in provision for liabilities and charges	186	(512)
- Net difference in employee benefits	(322)	(189)
- Net difference in provisions for repair	(4,629)	(3,223)
- Other non-monetary differences	(340)	0
- Financial expenses for rights of use	67	70
- Other net financial expenses (income)	1,271	575
- Net changes in (prepaid)/deferred taxes	(3,396)	(3,372)
- Year's taxes	36	109
- (Increase)/decrease in trade receivables	723	8,673
- Increase/(decrease) in other receivables	(275)	2,908
- Increase/(decrease) in payables to suppliers	2,365	(10,012)
- Increase/(decrease) in other payables	(2,114)	(7,000)
Cash flow generated by operating assets	(14,351)	(15,642)
- Paid financial expenses	(483)	(191)
- Paid income taxes	(12)	(2,320)
Cash flow generated by operating assets	(14,845)	(18,152)
INVESTMENT ASSETS		
- Investments in tangible assets	(2,449)	(389)
- Divestment of tangible assets	29	2
- Investments in intangible assets	(7,317)	(3,750)
- Disinvestment of intangibles	0	(44)
- Divestment of equity and other financial assets	(76)	0
- Net acquisition of controlled companies	8	0
Cash flow generated (absorbed) by investments assets	(9,804)	(4,181)
- Short-/long-term loans taken out	41,500	21,000
- (Repayment of) short-/long-term loans	(43,962)	(2,330)
- (Repayment of) financial liabilities for rights of use	(417)	(291)
Cash flow generated (absorbed) by loans	(2,878)	18,379
Net increase/(decrease) in available cash and cash equivalents	(27,528)	(3,954)
Cash and cash equivalents at beginning of period	76,344	19,863
Cash and cash equivalents at end of period	48,816	15,908

At 30 June 2021, cash available is positive for approx. € 48.8 M and increased by € 32.9 M compared to the available cash at 30 June 2020, when it was approx. € 15.9 M. Cash is reduced by about € 27.5 M compared to 31 December 2020.

The items of the Consolidated Statement of Cash Flows at 30 June 2021 specifically include:

- the net difference in the Provision for repair for about € 4.6 M;
- investments for approx. € 9.8 M in airport infrastructures;
- the net difference in the loans undersigned by the parent company for about € 2.9 M.

Although it is difficult to predict the impact of the Coronavirus outbreak, we may estimate that, considering the restrictions imposed on airport services, as in the previous business year, the impact on the income statement and balance sheet in 2021 will be significant. Also, please read the section “Liquidity risk” of the Explanatory Notes.

10.4 Consolidated Net Financial Position

To complete the information given above, we are providing the Consolidated Net Financial Position at 30 June 2021 and at 31 December 2020, in compliance with the provisions set forth in CONSOB’s Notice prot. no. 6064293 of 28 July 2006 (updated based on the ESMA guidelines published in 2021).

NET CONSOLIDATED FINANCIAL INDEBTEDNESS				
<i>Euro K</i>	30.06.2021	31.12.2020	Abs. Diff.	30.06.2020
A. Cash	48,816	76,344	(27,528)	15,908
B. Cash equivalents	-	-	-	-
C. Other current financial assets	-	-	-	-
D. Liquid assets (A) + (B) + (C)	48,816	76,344	(27,528)	15,908
E. Current financial liabilities	41,065	41,042	23	41,015
F. Current portion of non-current financial liabilities	6,745	5,484	1,261	5,268
G. Current financial liabilities (E) + (F)	47,810	46,525	1,285	46,282
H. Net current financial liabilities (G) - (D)	(1,006)	(29,818)	28,812	30,374
I. Non-current financial debt	100,979	103,014	(2,035)	21,113
J. Debt instruments	-	-	-	-
K. Trade payables and other non-current liabilities	7,531	4,132	3,399	4,089
L. Non-current financial liabilities (I) + (J) + (K)	108,510	107,146	1,364	25,203
M. Total financial liabilities (H) + (L) (NFP)	107,504	77,327	30,176	55,576

The Group's cash at 30 June 2021 is € 48.8 M. We point out that the “Cash and Banks” item includes a minimum amount of € 1 M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated by the Florence airport with the Intesa-San Paolo-MPS bank pool.

Current financial liabilities totalled € 41,065 K at 30 June 2021 reflecting the use of short-term facilities. The item “Current portion of non-current liabilities” includes the portions of medium-long term loans expiring within the next 12 months (€ 5,060 K), financial liabilities for rights of use (€ 685 K) and the other liabilities that arose in the first semester of 2021 relating to the purchase of the equity investment in TAC (€ 1 M).

Then non-current bank payables totalled approximately € 101 M, mainly as non-current portion of the three outstanding loans obtained to make the investments foreseen in the Group's Business Plan and in anticipation of the need to meet cash requirements in the period due to the pandemic, with repercussions on the working capital.

The item “Trade payables and other non-current liabilities” includes the non-current portion of financial liabilities for rights of use (€ 4.2 M) and the liabilities for the purchase of the TAC equity investment (€ 3.3 M).

Based on the details given above, the new **debt/equity ratio** at 30 June 2021 is **1.14** (against 0.72 at 31 Dec. 2019), against 0.50 at 30 June 2020.

The composition of the **Net Adjusted Financial Position** used by the Management for periodic monitoring, is given below. Compared to the financial liabilities described in the previous point, the item does not include the other payables and financial liabilities for rights of use.

ADJUSTED NET FINANCIAL LIABILITIES ("Banks")				
<i>Euro K</i>	30.06.2021	31.12.2020	Abs. Diff.	30.06.2020
Total Debt	107,504	77,327	30,176	55,576
(Liabilities for deferred payment of acquisitions)	(4,317)	-	(4,317)	-
(Financial liabilities for rights of use)	(4,899)	(4,631)	(268)	(4,498)
Total Adjusted Financial Liabilities	98,287	72,696	25,591	51,078

Therefore, the **Adjusted Consolidated Financial Position** at the closing date (30 June 2021) is **€ € 98.2 M**, up by € 25.6 M compared to 31 December 2020. The adjusted consolidated net financial position at 30 June 2020 was € 51.1 M.

As a consequence, the new **debt/equity ratio** at 30 June 2021 is **1.04** (0.68 at 31 Dec. 2020), and the similar index at 30 June 2020 was 0.46.

11. THE GROUP'S INVESTMENTS

At the end of the first six months of 2021, the Group's investments totalled approx. **€ 9.8 million**, of which € 7.3 M relating to intangible fixed assets and € 2.4M to tangible fixed assets.

Amounts in € K		Airport	Sub-tot	Sub-tot	Sub-tot	TOTAL
Toscana Aeroporti Group's investments at 30 June 2021						9,765
A) Amortization of Intangible assets						7,317
- Software						106
- Concession rights						2,555
	Expansion of flight infrastructure and strips	FLR	1,208			
	New Lighting & Visual Aids (LVA)	FLR	1,084			
	Change made to tramway canopy	FLR	217			
	Installation of fixed GPU 400 Hz systems	PSA	33			
	Other minor items	PSA/FLR	13			
- Assets under construction						4,629
	Expansion of flight infrastructure and strips	FLR	104			
	New Lighting & Visual Aids (LVA)	FLR	558			
	BHS and baggage carousel improvement	PSA/FLR	3,780			
	Other minor items	PSA/FLR	187			
- Current software:						27
B) Tangible assets						2,449
- Land and Buildings						1
- Plant and machinery						2,421
	Standard 3 EDS X-ray systems	PSA/FLR	2398			
	Fuel distributor in Parking Lot P4	PSA	12			
	Other minor items	PSA/FLR	11			
- Assets under construction						8
- Other assets						19

Investments in **intangible fixed assets** concerned the renovation of the flight infrastructure and expansion of the strips in the Florence airport for € 1,312 K, the new Lighting & Visual Aids (LVA) for the runway of the Florence airport for € 1,642 K, and the improvement of the BHS and baggage reclaim carousels in both TA airports for € 3.780 K.

Investments in **tangible fixed assets** mainly consisted in the purchase of new X-ray equipment (EDS Standard 3) for approx. € 2.4 M.

Pursuant to Art. 10 of Law 72/83, the Group informs the public that no revaluation (write-up) was made to its assets pursuant to any special law in the first 6-month period of 2021.

12. HUMAN RESOURCES

During the first half of 2020, the average number of employees working for the TA Group has been € 669.4 FTEs, down by 50.2 FTEs (-7.0%) in absolute terms compared to the same period of 2020. This difference is affected by the lower traffic managed in the two airports after the Covid-19 outbreak that started at the end of March 2020.

The mean number of employees of TA is 323.5 FTEs, down by 6.8 FTEs (-2.1%), in absolute terms, compared to the same period of 2020, while TAH has an average number of 314.6 FTEs, down by 55.6 FTEs (-15.0%).

TA' and TAH' employees received temporary unemployment benefits "Cassa Integrazione Guadagni Straordinaria" (CIGS) until 23 March 2021 and then "Cassa Integrazione in Deroga" (currently put off until 28 December 2021).

The number of employees of the subsidiary Jet Fuel, the company that manages the fuel storage facility in the Pisa airport, was reduced by 1 unit, totalling 10 FTEs in the period. In 2021, Jet Fuel used the CIGS until 8 April and then the CID unemployment benefits.

The subsidiary TAE decreased its staff, for a total of 6.3 FTEs. We remind readers that, for infrastructure development, TAE also uses technical staff (engineers, land surveyors, etc.) seconded by the Parent Company TA.

TAE is presently using the wage guarantee fund called "Fondo di Integrazione Salariale".

Vola s.r.l., a company operating in the food and catering industry, which entered the Group in January 2020, has no personnel at the moment.

Finally, in January 2021 the Group acquired 51% of Cemes Aeroporti S.r.l., with a staff of 15.1 FTEs.

We remind readers that the subsidiary "Parcheggi Peretola S.r.l." has no staff.

FTE Table	1H 2021	1H 2020	Diff.	% Diff.
Toscana Aeroporti	323.5	330.3	-6.8	-2.1%
Toscana Aeroporti Handling	314.6	370.2	-55.6	-15.0%
Jet Fuel	10.00	11.0	-1.0	-9.1%
TAE	6.26	7.5	-1.2	-16.5%
TAC	15.07	0.0	15.1	NS
VOLA	0.00	0.6	-0.6	NS
Group	669.4	719.6	-50.2	-7.0%

NOTE: Part-time FTEs are determined proportionally to full-time units (1 FTE).

The Group's cost of personnel totalled € 11.6 M in 2021, down by € 2.1 M compared to 2020 (-15.3%).

The overall reduction in the cost of labour is mainly due to the reduction in staff numbers both due to the pandemic and due to voluntary exits, as well as to the reduction of variable costs and to temporary unemployment benefits.

13. RELATIONSHIPS WITH THE OTHER ENTITIES OF THE GROUP AND WITH RELATED PARTIES

Revenues, costs, receivables and payables at 30 June 2021 from/to parent companies, subsidiaries, associates and other related parties concern the sale of assets or services that consist of routine Group operations. Transactions are performed at an arm's length, based on the characteristics of the goods sold and the services delivered. Information regarding relationships with related parties, including the disclosures required by CONSOB communication no. DEM/6664293 of 28 July 2006, are provided in the Explanatory Notes to the Condensed Consolidated Interim Financial Report at 30 June 2021.

At 30 June 2021, the TA Group holds interests in the following other associated companies:

- Immobili A.O.U. Careggi S.p.a.

A company incorporated to manage the retail area at the new entrance of the Careggi Hospital of Florence ("NIC"), whose share capital is 25% owned by TA (unchanged with respect to 31 December 2020), while the remaining 75% is owned by Azienda Ospedaliera Universitaria Careggi. Its registered office is at the address of the Careggi Hospital of Florence and the administrative office is located in the Pisa Galilei airport.

At 30 June 2021, TA has a service agreement in place with this associate for staff management activities, for a period value of approx. € 9.5 K and reported a variable price based on revenues of € 50 K.

- Alatoscana S.p.a.

Company that manages the Elba Island airport. TA owns a 13.27% share in the share capital of this company (13.27% at 31 Dec. 2020), and the majority is owned by Regione Toscana (51.05%) and the Maremma and Tirreno Chamber of Commerce (34.36%).

A service level agreement is in place with this Associate at 30 June 2021 for the continuation of previous years' staff activities, for a global value of approx. € 32 K.

The main relationships with the other related parties at 30 June 2021 are:

- Delta Aerotaxi S.r.l.

A number of agreements are in force between the Holding and Delta Aerotaxi S.r.l.:

- the subconcession of office premises and other types of spaces in the Pisa airport for a value of € 77 K in revenues at 30 June 2021;
- Aviation revenues for € 56 K for the invoicing of airport duties, taxes and extra handling services concerning General Aviation in the Pisa airport.
- In addition, the interim report at 30 June 2021 shows a further € 8 K in revenues to said related party concerning the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Corporate Air Services S.r.l.

At 30 June 2021, the Parent Company had the following relationships with the related party Corporate Air Services S.r.l., the company that manages General Aviation at the Florence airport, indirectly connected with TA through SO.G.IM. S.p.a., a TA shareholder:

- Aviation revenues for € 44 K for the invoicing of airport duties, taxes, handling fees and centralized General Aviation infrastructure in the Florence airport, € 8 K for the same services provided in the Pisa airport;
- the sub-licensing of offices and other types of spaces in the Pisa airport for a value of € 16.5 K in revenues for TA at 30 June 2021;

- Non-aviation revenues for € 33 K at 30 June 2021 regarding the subconcession of 130 square metres in the air-side area in the Florence airport.

In addition, the interim report at 30 June 2020 shows a further € 1 K in revenues to said related party concerning the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Delifly S.r.l.

On 13 September 2007, AdF (today TA) and Delifly S.r.l. (related party through SO.G.IM. S.p.A) signed an agreement by which AdF (today TA) committed to sub-lease Delifly an area of approx. 122 sq.m. that Delifly would use exclusively to install a removable object to be used for the delivery of General Aviation catering services in the Florence airport (€ 16 K of revenues for TA at 30 June 2021).

Lastly, the Group accrued a further € 4 K revenues from Delifly for the charge-back of common services, third-party liability insurance coverage expenses, and the assignment of parking passes and airport permits in the two airports.

- ICCAB S.r.l.

ICCAB S.r.l. is a related party of TA since the Member of TA's BoD, Mr. Saverio Panerai, has a significant influence on ICCAB S.r.l. pursuant to the regulation on related-party transactions adopted by CONSOB.

We point out that the Holding gave ICCAB in sub-concession approx. 40 sq.m. of premises in the Florence airport to be used for retail activities (of € 10 K of revenues for TA at mid-2021).

In addition, an agreement is in place for the subconcession of premises located in an air-side area of the Pisa airport used by ICCAB for retail activities, for a value of € 10 K in revenues at 30 June 2021.

Finally, during the first half of 2021, the Group accrued a further € 1 K in revenues from ICCAB S.r.l. for the charge-back of common services of the two airports.

- Corporación America Italy S.p.A.

Since 2016, the holding adopted the tax consolidation option provided for by Articles 117 to 129 of the Consolidated Text on Income Taxation ("*Testo Unico delle Imposte sui Redditi*" - T.U.I.R), whose consolidating entity is Corporación America Italia S.p.a. The consolidating entity calculates a single global income equalling the algebraic sum of the taxable bases (income or loss) realized by the individual entities that adopted this group taxation option. The consolidating entity recognised an account receivable from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, the consolidating entity recorded an account payable to the companies that contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income. Furthermore, as a result of participating in the National Tax Consolidation, pursuant to art. 96 of D.P.R. 917/86, companies can contribute the excessive interests payable that can no longer be deducted for one of them in order to reduce the global aggregate income of the Group until the Gross Operating Income amount produced in the same tax period by other consolidated entities is reached. At 30 June 2021, TA has no IRES payable to the parent company CAI, as a consequence of the negative result for the period.

Finally, we specify that no non-typical transaction was performed with related parties in the first 6 months of 2021 and that Toscana Aeroporti S.p.A. does not own and did not

purchase or transfer treasury stock or stock of parent companies, including through the intermediary of trust companies or other persons.

Stakes of the members of the management and control boards

At the date of this Interim Report, the following stakes are held in the Holding TA:

- 6,345 shares by statutory auditor Roberto Giacinti;
- Board Member Saverio Panerai; 2,403 shares.

14. INFORMATION ON THE PARENT COMPANY, ITS SUBSIDIARIES AND THEIR RELATIONSHIPS

14.1 Parcheggi Peretola S.r.l.

The company Parcheggi Peretola S.r.l. is a 100% owned subsidiary of Toscana Aeroporti and its prevalent activity is the management of a 640-slot paid car parking lot available for the public in front of the Departures Terminal of the Florence airport.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the condensed consolidated interim financial report, the financial statement of this Subsidiary is appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

The main portion of revenues, in its income statement, is earned from car parks, which are recognised in its balance sheet as revenues from sales and services for € 88 K (-76.9% compared to the first semester of 2020), down by € 250 K compared to the first semester of 2020 mainly as a consequence of the lower number of passengers transiting through the Florence airport in the first semester 2021, which implied a lower number of cars parked in the company's parking lot. The other revenues - € 84 K (+113.3%) - include € 71 K of contributions received from the State during the year.

As to costs, the most significant component is the cost of professional and administrative services (€ 16 K), local taxes (IMU/Tari) for about € 27 K, and system maintenance (€ 8 K).

The EBITDA of the first half of 2021 is € 89 K, down by € 120 K, and the year's net profit is € 50 K, down by € 79 K compared to the first half of 2020.

14.2 Toscana Aeroporti Engineering S.r.l.

Toscana Aeroporti Engineering ("TAE") is a subsidiary fully owned by Toscana Aeroporti, whose mission is to provide TA with the engineering services required for the implementation of the program for the development of the two (Florence and Pisa) airports.

For the engineering activities serving the design of the Master Plan, TAE uses its own staff and the support of:

1. detachment of technical/engineering staff by TA (10 units at 30 June 2021);
2. in-house staff (7 employees at 30 June 2021);

3. specialized service contractors.

As in the past year (2020), the design activities carried out by TAE on behalf of TA during the first semester 2021 concerned the renovation and upgrade of the strip and pavement of the flight runway 05-23 of the Florence airport and the phase 1 expansion of the passenger terminal of the Pisa airport.

TAE also continued directing its building sites for the upgrade of the BHS and electromechanical improvement of baggage carousels (in both Florence and Pisa) and completed the works for the upgrade of the strip and pavement of the flight runway 05-23 of the Florence airport.

At 30 June 2021, the company had 7 direct employees and, consistently with 2020, staff-related activities have been carried out by the Holding under a servicing agreement signed between the parties.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the sole purpose of issuing the condensed consolidated interim financial report of the subsidiary, its financial statement has been adjusted to take into account the impact deriving from the application of international accounting standards.

Revenues in the first 6 months of 2021 totalled € 756 K (€ 1,424 K at 30 June 2020), reflecting the year's portion of the projects commissioned by TA, as detailed above.

Total costs in the first half of 2021 totalled € 889 K (€ 1,215 K at 30 June 2020) and mainly include the cost of internal personnel for € 233 K, outsourced survey and design services for € 312 K, and cost of TA's seconded personnel for € 207 K.

The EBITDA of the period is negative for € -133 K (it was positive for € 209 K at 30 June 2020) and the net result for the period is a loss of € 99 K (against profits for € 115 K at 30 June 2020).

14.3 Jet Fuel Co. S.r.l.

Jet Fuel Co. S.r.l. is the entity that manages the centralized fuel storage facility in the Pisa airport. The stake held by TA is 51.0% of voting rights, while property and dividend rights are exercised in identical portions with the other shareholders, Refuelling S.r.l. and Air BP Italy S.p.A. Therefore, for consolidation purposes, said equity and operating result share has been considered at 33% for the TA Group.

The jet fuel volumes managed by the subsidiary are affected by the Pisa Galileo Galilei airport traffic trends, which have been historically characterized, as most Italian airports, by seasonal peaks during the summer months, a factor that negatively affects the profit margins of the first six months of the year.

This was worsened by the unexpected decrease in traffic due to the rapid spreading of the Coronavirus pandemic globally at the beginning of 2020 and by the increasing restrictions imposed by the Government.

A total of 10,065 cubic metres of jet fuel was handled in the storage facility during the first 6 months of 2021, with a -31% decrease in volume compared to the 14,582 cubic metres of the first semester of 2020. The company provided into-plane services for 9,042 cubic metres of fuel, with a 3.5% decrease compared to the 9,373 cubic metres of the first semester of 2020.

At 30 June 2021, Jet Fuel had a sub-concession agreement in place with TA for the management of the centralized fuel storage facility, for a global value of € 49 K in the first semester of 2021 (€ 91 K at 30 June 2020) and a utility service agreement of € 8 K.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the sole purpose of issuing the condensed consolidated interim financial report of the subsidiary, its financial statement has been adjusted to take into account the impact deriving from the application of international accounting standards.

The main revenues of Jet Fuel (Aviation) in the first 6 months of 2021 consist of € 143 K (€ 207 K at 30 June 2020) from the fuel storage service and € 127 K for the into-plane service (€ 120 K at 30 June 2020). Other revenues consist of € 81.5 K received from the Government as relief for the business lost due to the pandemic.

Total costs totalled € 366 K at mid-2021 (€ 522 K at mid-2020). The main costs have been for personnel (€ 183 K), airport sub-concession fee (€ 49 K), tank truck maintenance and fuel (€ 7 K), professional services (€ 22 K), and industrial insurance (€ 42.5 K).

As a consequence, the EBITDA of the first semester of 2021 is positive for € 25 K (it was negative for € 164 K at 30 June 2020) and shows a loss of € 18 K for the period compared to the loss of € 179 K reported in the first semester of 2020.

14.4 Toscana Aeroporti Handling S.r.l.

Toscana Aeroporti Handling S.r.l. is a 100% subsidiary of Toscana Aeroporti S.p.A., which started operating on July 1st, 2019 with the business purpose of providing the services described in Legislative Decree no. 18 of 13 January 1999, and subsequent amendments and supplements, as well as conducting other handling or related activities. Handling activities consist in airport ground aircraft, passenger and cargo handling services.

The subsidiary TAH was also affected by the significant decrease in air traffic in the first semester of 2021 due to the global Coronavirus outbreak, as in 2020, and by the restrictions imposed by Government.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the condensed consolidated interim financial report, the financial statement of this Subsidiary is appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

The main revenues of the first semester of 2021 consisted of approx. € 2,336 K of handling services and € 490 K of other revenues and proceeds, substantially consisting in the debiting of the required operating services to TA.

The main costs, in the first half of 2021, have been for personnel, € 3 M (against € 5.2 M at 30 June 2020) and outsourced services for € 1,687 K (€ 1,788 K at 30 June 2020).

As a consequence, the EBITDA shows a loss of € 1,957 K (€ -2,000 K at 30 June 2020) and the net result for the period is a loss of € -1,872 K (€ -1,790 K at 30 June 2020), mainly due to the collapse of air traffic caused by the restrictions introduced for the Covid-19 emergency in the first half of the year in the two Tuscan airports.

14.5 Vola S.r.l.

This company, fully owned by TA, was created in 2020 to directly or indirectly manage catering and food services in the two airports.

No significant event took place during the first semester of 2021.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the condensed consolidated interim financial report, the financial statement of this Subsidiary is appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

14.6 Toscana Aeroporti Costruzioni S.r.l.

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

During the first semester 2021, the company has been mainly working on two job orders: the first, mostly completed at 30 June 2021, consisted in the maintenance and upgrade of the building of the Fire Brigade premises at the Pisa airport, and the second, which was finally tested at 30 June 2021, consists in significant works performed in the Florence airport to renovate the flight infrastructure (runway 5-23) and the adjacent strips.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the condensed consolidated interim financial report, the financial statement of this Subsidiary is appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

The main revenues of the first semester 2021 are € 8.86 M corresponding to the progress of the ongoing works ordered by the Parent Company. These mainly concerned the work of renovation of the flight infrastructure of the Florence airport runway, for € 8.66 M, and the maintenance and upgrade of the building of the Fire Brigade premises at the Pisa airport, for € 0.13 M.

As to costs, the most significant component is the cost of services, approx. € 5.4 M. In detail, these consisted in work done for third parties, for approx. € 3 M, rental of machines and equipment for approx. € 1.7 M, professional services for € 293 K, seconded personnel for € 162 K, and industrial insurance for € 46 K.

Consequently, the EBITDA of the first semester 2021 is € 836 K and a positive result for the period of € 127 K.

15. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The main risk factors that may affect the Group's operations are described below.

- RISKS ASSOCIATED WITH THE GENERAL CONDITIONS OF THE ECONOMY AND THE INDUSTRY, ALSO DUE TO THE COVID-19 OUTBREAK

The main factors that may affect operations in the transport sector where the Group operates are, *inter alia*, the gross domestic product (GDP), the business and consumer confidence level, the unemployment rate and the oil price. In general, the international political unrest, the credit crunch, the high unemployment rate, the reduction in the available income for families in real terms, and the consequent decrease in consumption,

as well as events like the Covid-19 outbreak, continue causing a significant reduction in the demand for air transport. Should this weak economic situation persist, we cannot exclude a negative impact on the economic and financial situation of the Company and the Group. As to the Covid-19 pandemic, taking into account the current situation related to the spread of the virus both in Italy and globally and the continuing infection trends, in the hope that the vaccination campaigns launched at the end of 2020 will confirm their effectiveness, there is still uncertainty as to the duration and geographical expansion of this health emergency and the potential future impact it may have on the development of air traffic and on the economic performance of the Group.

These effects could be the consequence of the extension of restrictive measures which limit the movement of people within and between countries and geographical areas, of economic challenges and impacts on many business sectors, and finally also the psychological impact of the emergency on the propensity of individuals to travel by air, as well as the possible extension or further tightening of health protection measures (i.e. social distancing), which could eventually reduce the capacity of the airport infrastructure and aircraft compared to the pre-Covid-19 situation.

The persistence, over a medium-long time horizon, of lower traffic levels than those reported in the pre-Covid period could make it necessary to revise, even substantially, the business model and infrastructure development plan of the Florence and Pisa airports.

In any case, we should point out how authoritative sector studies expect a return to pre-Covid traffic levels not before 2024, also thanks to the vaccination campaign underway worldwide.

For further information and insights, see the “Liquidity risk” and “Impact of the Covid-19 outbreak” sections in the Explanatory Notes.

- RISKS ASSOCIATED WITH CLIMATE CHANGE

Concerning risks associated with climate change, which are to be considered as external risks for Toscana Aeroporti, the Group is monitoring its potential implications for the air transport business. Although these risks are not directly related to the core business of the Group, the adoption of environment protection policies may lead to the development of climate change resilient practices and to the implementation of actions consistent with the 17 Sustainable Development Goals (SDGs) outlined by the United Nations.

- RISKS ASSOCIATED WITH CYBERSECURITY

The cybersecurity approach adopted by the Group has been successfully preventing information security incidents since the birth of Toscana Aeroporti (2015).

The technological investment, the improvement of processes, standardization, the integration and consolidation of IT systems implemented in previous years enabled the TA Group to rapidly respond to the new corporate requirements, also regarding the protection of our technological infrastructure and of the information contained therein, even in connection with the further needs emerged with the global health emergency, namely smart or home working, thus capitalizing on the work done in the past and exploiting the scalability obtained with past actions.

In fact, managing about 140 remote workers exclusively required the rental and configuration of their laptops and the installation of the protection software already in use, the configuration of further VPN connections on already existing equipment and the activation of data SIM cards for the employees who did not have their own Internet connection at home.

We can therefore conclude that, thanks to the work done in the past, the pandemic did not negatively impacted corporate IT systems and did not require changes in the existing procedures.

- RISKS ASSOCIATED WITH AIRPORT HANDLING ACTIVITIES AND THE EXTREMELY COMPETITIVE LAYOUT OF THE RELATED MARKET

Airports with a traffic exceeding 2 M passengers or 50,000 tons of goods are recognised free access to the “ground assistance services” market (Leg. Dec. 18/99). To date, these services are mostly provided by TAH, a subsidiary of TA, in the Pisa and Florence airports starting from July 1st, 2020.

Due to the limited operating spaces available both in the Pisa airport (ENAC Resolution of 4 June 2020) and in the Florence airport (ENAC Resolution of 30 November 2020), TA obtained a positive opinion concerning the request to restrict the number of ground handling operators for categories 3 and 5, as specified in Annex A to Leg. Dec. 18/99¹. In both airports, the number of handlers for Commercial Aviation has been limited to 2, one being Toscana Aeroporti Handling.

Since June 2020, another competitor started operating as handler in the Pisa airport for Commercial Aviation, while, in the Florence airport, the same competitor obtained the handler certification from ENAC, but has not yet been operating.

In the first semester of 2021, revenues generated by the handling business accounted for 12.9% over total revenues (19.1% of the total, after deducting revenues from construction services). The market where the providers of handling services operate is typically characterized by a high level of competitiveness, as well as by a limited profitability in terms of operating income.

The increase in competitive pressure, on the one hand, and the reduced margins that characterise these activities, on the other, could adversely affect the TA Group's economic situation, equity and financial standing.

These effects were also amplified by market trends showing a significant decline due to the Covid-19 outbreak. Therefore, the Group is even more committed to taking all the possible countermeasures at managerial level to mitigate losses and take the handling company TA towards the much hoped-for recovery of the market. In this context, the Group started a process aimed at the disposal of the equity investment in TAH.

- REGULATORY RISK

The Group, within the framework of the two concessions for the global management of the Pisa and Florence airports, operates in a sector regulated by domestic and international legislation. Any unpredictable change in the regulatory framework might adversely impact the bottom line of the Group.

A potential risk factor in the airport sector is the constant evolution of the specific legislative and regulatory scenario where the Group, like the other airport operators, operates. The Company's financial results are affected by developments in the regulatory framework, particularly as regards the regulation of airport service tariffs.

In this regard, we remind readers that, at the date of approval of this financial statement, consultations with airport users had been positively concluded according to the procedure established by the tariff models for the 2020-2022 period for both the Pisa and Florence airports. The Transport Regulation Authority issued Resolutions no. 50/2020 and no. 94/2020 for the final compliance with tariff models for the Pisa and Florence airport, respectively, for the 2020-2022 period.

As to the development of the infrastructure, TA could find it difficult to implement its investments as planned and approved by ENAC due to unpredictable events or delays, and also due to the future evolution of the Covid-19 pandemic, as well as to any legal dispute connected with authorization or implementation procedures, which may negatively

¹ Baggage Assistance and runway operations.

impact the applicable tariffs and the general economic, equity and financial situation of the Group.

Furthermore, on 16 July 2020, the Transport Regulation Authority "ART" published the new tariff models that, for the aforesaid reasons, will be applied in the TA Group only starting from 2023. TA is presently studying the situation, together with its trade association, to understand how any future condition might impact said new tariff models and how to mitigate any risks in their future application.

- RISKS ASSOCIATED WITH RELATIONSHIPS WITH EMPLOYEES AND TRADE UNIONS

The Holding operates in an industrial context characterised by a significant presence of trade unions and is potentially exposed to the risk of strikes and interruptions in its production activities.

In the recent past, within a changing corporate framework and with the implementation of strategic organizational changes (separation of handling activities), no significant strikes blocked the provision of services in the Florence or Pisa airport.

On 21 December 2018, three agreements were signed with all the trade unions that represent all employee levels - executives, clerical staff and workers - of the two airports, to regulate important rationalization and simplification projects regarding labour costs and the protection of second level salary elements. Furthermore, in order to develop actions aimed to increase the well-being of its employees, TA shared the implementation of a corporate welfare services platform, that was also used in 2020 and 2021.

Starting from June 2020, as a consequence of the Covid-19 outbreak and of the restrictions imposed on operations in the two airports, the companies of the TA Group implemented routine and special measures aimed to the maximum possible flexibilization and variabilization of the cost of labour, such as, for example, the block of overtime and supplementary work in non-operating areas and the reduction of supervision/emergency operating activities required. In addition to this, in collaboration with control bodies, TA reduced the level of supervision posts and the related assigned staff, required employees to use their past accrued holidays and anticipate part of 2021 holidays, and temporarily blocked the hiring of new personnel in operating/non-operating and staffing areas.

As a result of the continuing health emergency and of the expected traffic reduction, both TA and TAH adopted temporary unemployment benefits ("CIGS") for 12 months starting from the end of June 2020, while Jet Fuel did the same from the beginning of April 2020. TAE adopted the wage guarantee fund (*Fondo di Integrazione Salariale*) for 9 weeks starting from the end of June. Finally, another 9-week temporary layoff fund called *Cassa Integrazione in Deroga* has been requested for personnel with less than 90 days of service starting from May 1st, 2020.

These instruments have been continuously used since March 2020 and, subsequently, have been put off until 28 December 2021.

Finally, the parent company maintains regular relations with trade union organizations for a continuous and constructive involvement and discussion, as well as with government institutions, in order to extend the measures described above for the entire duration of the pandemic, so as to protect its employees as much as possible.

- RISKS ASSOCIATED WITH AIR TRAFFIC TRENDS IN THE TWO AIRPORTS AND WITH THE CONCENTRATION ON CERTAIN CARRIERS

As for the other operators of the sector, the reduction or interruption of flights by one or more carriers also due to an economic/financial crisis in their business organizations might adversely impact the bottom line and traffic goals of the TA Group.

Due to the Coronavirus emergency and to the related national security regulations implemented in airports, including the closure of the Florence airport starting from

February 1st, 2021 until April 2nd, 2021 for the works to be carried out (renovation of the runway pavement, safety strips, horizontal signage and lighting), in compliance with EASA certification requirements, the TA Group reported about 400 K passengers against about 1 million in the same period of 2020. The total incidence of the first three carriers is 69.8%. In detail, the incidence of the first carrier is 55.2%, while the second and third carriers account for 9% and 5.6%, respectively.

The Group is working with the main carriers to lay the basis of a safe restarting of operations in the two airports managed, also leveraging on multi-year commercial agreements that bind carriers to the conduction of marketing and advertising campaigns, as well as to achieve preset goals in terms of passengers and flights. At the same time, the Group will contribute to the related expenses and disburse economic incentives for the achievement of the aforesaid goals.

The attractiveness of the reference market where the Group operates, together with the constant consolidation of relations with the main carriers, is key to restarting operations, as the Group believes that the traffic risk caused by the pandemic may be considered as an event limited in time.

The Group also constantly monitors the situation of the national airline, Alitalia, which is presently under receivership, as well as the potential economic and social repercussions of Brexit on air transport, which are still difficult to estimate today.

- RISKS ASSOCIATED WITH DEPENDENCE ON KEY STAFF

The Group believes that its operating and management structure is capable of ensuring the continuity of the management of its corporate affairs. However, the perspectives, operations and financial results of the Group could be negatively impacted by the interruption of the cooperation of one or more key Group staff, such as the CEO or other senior/top managers, without appropriate notice. The Company has recently completed a process of assessment and evaluation of the potential of its personnel, aimed, inter alia, at identifying people having the most appropriate characteristics to cover general management roles. In addition, following the resignation of the previous CEO, the Company reviewed and redefined its corporate organization, thus rationalizing its layout and developing horizontal forms of coordination.

- ENVIRONMENTAL RISK

The operations of the Group are regulated by many European Union regulations and domestic, regional and local legislation on the protection of the environment. The Group has the priority of carrying out its activity in compliance with the applicable environmental legislation; however, since the risk of environmental liability is intrinsic to the activity of the Group, there can be no certainty that any new future regulations may not involve further regulatory requirements for the Group. In this regard, we point out that the Company adopted an independently certified environmental management system (EMS) for compliance with the ISO 14001 standard in both Pisa and Florence airports.

- FINANCIAL RISK

As regards financial risks, see the specific section in the Explanatory Notes.

16. SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE PERIOD AT 30 June 2021

[Main news on the operations of the Florence airport](#)

- **Vueling Airlines:** starting from July, the Spanish carrier resumed connections with Bilbao, Copenhagen, Mykonos, Santorini, Munich and Prague and increased its flights for the destinations already operated in the past. Always from July, a new weekly flight to **Lampedusa** was also operated, for a total of 14 destinations served since July against 7 in June.
- **Albawings:** two weekly direct flights to Tirana were operated since 17 July by the Albanian carrier.
- **TAP:** resumed its 4 weekly direct flights to Lisbon.
- **Blue Air:** increased its flights to Bucharest Otopeni passing from 3 to 4 weekly flights starting from July.

Main news on the operations of the Pisa airport

- **Ryanair:** the Irish carrier resumed its flights to Dublin, Edinburgh, Barcelona Girona and Rhodes starting from July. It also served the new destination of **Skiatos**. So, the destinations served passed from 37 in June to 42 in July.
- **AirDolomiti:** operated a new flight to Frankfurt am Main, 4 times a week since July.
- **Air Baltic:** this new carrier for the airport started operating two weekly flights to/from Riga starting 2 July 2021.
- **Air France:** the French carrier operated a new flight to Paris Charles de Gaulle from Pisa since July.
- **Alitalia:** the national company resumed operations in the airport in July with 2 weekly flights to Olbia.
- **Aegean Airlines:** starting from July, the Greek carrier operated 2 weekly flights to Athens.
- **Pobeda Airlines:** the Russian low-cost carrier resumed its operations with 1 weekly flight to Moscow Vnukovo since 4 July.
- **Norwegian Airlines:** connected Pisa to Copenhagen starting from July (up to two weekly flights). Since 21 August, flights to Stockholm Arlanda and Oslo were also resumed.
- **Eurowings:** in July, the German low-cost carrier resumed its twice-weekly flight to Cologne/Bonn.
- **SAS:** in addition to the flight to Stockholm Arlanda, already operated since the end of June, in July the Scandinavian carrier operated a flight to Copenhagen.
- **Volotea:** resumed its twice-weekly flight to Nantes in July.
- **Vueling:** the Spanish airline resumed operations with a flight to Barcelona-El Prat starting from July.

Increased operations were reported for each individual destination for the carriers that were already operating in both Florence and Pisa.

Additional information

On 26 July 2021, the European Commission approved, under EU Regulations on State Aids, a financial package of € 800 million for Italy to be used to indemnify airports and ground handling service providers for the damages suffered due to the health crisis and the consequent travel restrictions imposed to contain the spreading of the virus.

With Resolution no. 752 of 26 July 2021, the Region of Tuscany confirmed € 10 M of allocation of the contribution with Regional Law no. 95 of 3 December 2020 and

mandated the competent sector of the “Direzione Attività Produttive” (DG of Production Activities) to adopt the necessary measures for the disbursement of the aid granted to the company Toscana Aeroporti Spa. On 16 August 2021, the aid was disbursed by the Region and cashed by the Parent Company.

17. OUTLOOK ON OPERATIONS

The year 2020 and the first semester of 2021 have been characterised by the effects of the Covid-19 pandemic on the global economy, on global transport networks, and particularly on air transport, as well as on domestic and international tourism, especially for Italy.

In view of the continuous evolution of the situation and the permanence of negative results in the first 8 months of 2021 (-14.5% in terms of passengers compared to the same period of 2020) - also due to the closure of the Florence airport from 5 February 2021 for the execution of works on the flight runway -, we still expect a significant negative impact on the financial results of 2021, in spite of the ongoing gradual resumption of operations, which might consolidate in the final part of the year, also due to the mitigation of the virus spread obtained with the ongoing vaccination campaign.

In a short-to-medium-term horizon, the traffic level recovery estimates, also developed on the basis of external sources, such as surveys conducted by the main players of the industry, do not yet seem to be comparable with pre-pandemic levels for 2021 and 2022, too. Consequently, the Group confirmed the actions undertaken in 2020, after the start of the health crisis to minimize costs and protect its liquidity, also for 2021, and ensured the maintenance of infrastructure development plans and adequate service levels for the ongoing operations to allow Toscana Aeroporti to restart its routine operations in the medium term when the health emergency will have ended.

As to the information required by Art. 40, paragraph 2, letter d), of Legislative Decree no. 127/91, we specify that Toscana Aeroporti S.p.a., during the first six months of 2021, did not own and did not buy or sold treasury stock or shares of parent companies, including through the intermediary of trust companies or other persons.

The Financial Reporting Manager, Mr. Marco Gialletti, hereby declares, pursuant to art. 154-bis, paragraph 2, of “Testo Unico della Finanza” (Consolidated Finance Act), that the information contained in this Report reflects the accounting records and books of the company.

For the Board of Directors
Marco Carrai (President)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS –
FOR THE PERIOD CLOSED 30 JUNE 2021

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in €K	o t e	1 H 2021	of which Related Parties	1 H 2020	of which Related Parties
REVENUES					
Operating income	1-2	11,925	320	19,486	260
Other revenues	3	1,141	55	351	61
Revenues from construction services	4	7,184	0	3,695	0
TOTAL REVENUES (A)		20,250	375	23,533	321
COSTS					
Operating Costs					
Consumables	5	142	0	669	0
Cost of personnel	6	11,577	0	13,667	0
Costs for services	7	9,339	0	9,810	0
Sundry operating expenses	8	700	0	712	0
Airport leases	9	429	0	1,054	0
Total operating costs		22,187	0	25,913	0
Costs for construction services	10	6,381		3,016	
TOTAL COSTS (B)		28,568	0	28,929	0
GROSS OPERATING MARGIN (A-B)		-8,318	375	-5,396	321
Amortization and impairment	11	5,132	0	5,363	0
Provision for risks and repairs	12	1,045	0	726	0
Value write-ups (write-downs) net of trade receivables and other receivables	13	656	0	207	0
OPERATING EARNINGS		-15,152	375	-11,693	321
ASSET MANAGEMENT					
Financial income	14	3	0	4	0
Financial expenses	15	-1,341	0	-649	0
Profit (loss) from equity investments	16	76	0	44	0
TOTAL ASSET MANAGEMENT		-1,263	0	-601	0
PROFIT (LOSS) BEFORE TAX		-16,414	375	-12,293	321
Taxes for the period	17	3,360	0	3,263	0
PROFIT/(LOSS) FOR THE PERIOD		-13,054	375	-9,030	321
Minority Interest's loss (profit) for the period	18	-266		130	
GROUP'S PROFIT/(LOSS) FOR THE PERIOD		-13,320	375	-8,900	321
Profit (loss) per share (€)	19	(0,7157)		-0,4782	
Profit (loss) diluted per share (€)		(0,7157)		-0,4782	

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in €K	N o t e s	1 H 2021	1 H 2020
PROFIT (LOSS) FOR THE PERIOD (A)		-13,054	-9,030
<i>Other comprehensive profits/(losses) that will not be subsequently reclassified to the Income Statement:</i>			
- Profit (loss) arising from the determination of the Termination Benefit after tax	40	199	-4
COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)		-12,855	-9,034
Minority Interest's comprehensive profit (loss) for the period	38	-285	132
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		-13,141	-8,902

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)

ASSETS	Notes	30.06.2021	31.12.2020
NON-CURRENT ASSETS			
Intangible assets	20	186,590	177,760
Property, plant and equipment	21	30,312	29,476
Rights of use	22	4,784	4,542
Equity investments in other entities	23	2,945	2,945
Equity investments in associated companies	24	689	613
Other financial assets	25	3,203	3,202
Receivables from others due beyond the year	26	158	272
Deferred tax assets	27	9,213	4,986
TOTAL NON-CURRENT ASSETS		237,895	223,796
CURRENT ASSETS			
Trade receivables	28	12,571	13,180
<i>of which to Related Parties</i>		<i>639</i>	<i>787</i>
Current tax assets	29	1,083	1,026
Other tax assets	30	3,419	3,194
Receivables from others, due within the year	31	14,454	14,402
Cash and cash equivalents	32	48,816	76,344
TOTAL CURRENT ASSETS		80,344	108,146
TOTAL ASSETS		318,239	331,942
SHAREHOLDERS' EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share Capital	33	30,710	30,710
Capital reserves	34	79,833	87,678
IAS adjustments reserve	35	-3,229	-3,229
Profit/(Loss) carried forward	36	-587	3,858
Group's profit (loss) for the period	37	-13,320	-12,470
TOTAL GROUP SHAREHOLDERS' EQUITY		93,407	106,547
Minority interest	38	1,029	222
TOTAL SHAREHOLDERS' EQUITY		94,436	106,769
NON-CURRENT LIABILITIES			
Provisions for risks and charges	39	2,203	2,016
Provisions for repair and replacement	40	14,909	13,920
Provisions for employee retirement and benefits	41	5,603	5,736
Financial liabilities due beyond one year	42	100,979	103,014
Financial liabilities for rights of use beyond one year	43	4,214	4,132
Other payables due beyond the year	44	3,736	368
TOTAL NON-CURRENT LIABILITIES		131,642	129,185
CURRENT LIABILITIES			
Financial liabilities due within one year	42	46,125	46,026
Financial liabilities for rights of use within one year	43	685	499
Current tax liabilities	45	87	5
Other tax liabilities	46	8,242	9,706
Trade payables	47	26,444	23,968
Payables to social security institutions	48	545	1,322
Other payables due within the year	49	7,257	6,219
Provisions for repair and replacement (current portion)	40	2,777	8,242
TOTAL CURRENT LIABILITIES		92,161	95,988
TOTAL LIABILITIES		223,803	225,173
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		318,239	331,942

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY (€K)

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STATUTORY / EXTRAORDINARY RESERVES	OTHER RESERVES	IAS ADJUSTMENTS RESERVE	TOTAL RESULT RESERVES	TOTAL GROUP'S S.E.	MINORITY INT. S.E.	TOTAL SHAREHOLDERS' EQUITY
S.E. AT 31 December 2019	30,710	18,941	4,691	25,906	24,585	(3,229)	17,552	119,156	361	119,518
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	(8,900)	(8,900)	(130)	(9,030)
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	(3)	(3)	(1)	(4)
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	(8,902)	(8,902)	(132)	(9,034)
<i>Transactions with Shareholders</i>										
PROFIT ALLOCATION	-	-	678	12,877	-	-	(13,555)	0	0	0
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	678	12,877	-	-	(13,555)	-	-	-
S.E. AT 30 June 2020	30,710	18,941	5,369	38,783	24,585	(3,229)	(4,905)	110,254	230	110,484
S.E. AT 31 December 2020	30,710	18,941	5,369	38,783	24,585	- 3,229	(8,612)	106,547	221.926	106,769
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	(13,320)	(13,320)	266	(13,054)
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	179	179	20	199
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	(13,141)	(13,141)	286	(12,855)
<i>Transactions with Shareholders</i>										
PROFIT ALLOCATION	-	-	-	(7,845)	-	-	7,845	0	0	0
NON-CONTROLLING INTEREST ON ACQUISITION OF SUBSIDIARY	-	-	-	-	-	-	-	-	522	522
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	-	(7,845)	-	-	7,845	-	522	522
S.E. AT 30 June 2021	30,710	18,941	5,369	30,938	24,585	- 3,229	(13,907)	93,407	1,029	94,436

CONSOLIDATED CASH FLOW STATEMENT (amounts in €K)

<i>Euro K</i>	HI 2021	HI 2020
OPERATING ASSETS		
Net result for the period	(13,054)	(9,030)
<i>Adjusted for:</i>		
- Amortization of tangible, intangible assets, and rights of use	5,069	5,363
- Impairment of assets	62	0
- Difference in provision for liabilities and charges	186	(512)
- Net difference in employee benefits	(322)	(189)
- Net difference in provisions for repair	(4,629)	(3,223)
- Other non-monetary differences	(340)	0
- Financial expenses for rights of use	67	70
- Other net financial expenses (income)	1,271	575
- Net changes in (prepaid)/deferred taxes	(3,396)	(3,372)
- Year's taxes	36	109
- (Increase)/decrease in trade receivables	723	8,673
- Increase/(decrease) in other receivables	(275)	2,908
- Increase/(decrease) in payables to suppliers	2,365	(10,012)
- Increase/(decrease) in other payables	(2,114)	(7,000)
Cash flow generated by operating assets	(14,351)	(15,642)
- Paid financial expenses	(483)	(191)
- Paid income taxes	(12)	(2,320)
Cash flow generated by operating assets	(14,845)	(18,152)
INVESTMENT ASSETS		
- Investments in tangible assets	(2,449)	(389)
- Divestment of tangible assets	29	2
- Investments in intangible assets	(7,317)	(3,750)
- Disinvestment of intangibles	0	(44)
- Divestment of equity and other financial assets	(76)	0
- Net acquisition of controlled companies	8	0
Cash flow generated (absorbed) by investments assets	(9,804)	(4,181)
- Short-/long-term loans taken out	41,500	21,000
- (Repayment of) short-/long-term loans	(43,962)	(2,330)
- (Repayment of) financial liabilities for rights of use	(417)	(291)
Cash flow generated (absorbed) by loans	(2,878)	18,379
Net increase/(decrease) in available cash and cash equivalents	(27,528)	(3,954)
Cash and cash equivalents at beginning of period	76,344	19,863
Cash and cash equivalents at end of period	48,816	15,908

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2021

BACKGROUND

The Toscana Aeroporti Group (hereinafter also briefly referred to as the “Group” or the “TA Group”) includes the holding/parent company, Toscana Aeroporti S.p.A. (hereinafter also briefly the “Holding” or the “Parent Company” or “TA”), a joint-stock company with registered office in Florence, Via del Termine n. 11, registered in the Register of Companies of Florence, and its subsidiaries Toscana Aeroporti Engineering S.r.l., Parcheggi Peretola S.r.l., Toscana Aeroporti Handling S.r.l., Jet Fuel Co. S.r.l., Vola S.r.l., and Toscana Aeroporti Costruzioni S.r.l.

The main activities of the Group are described in the Report on Operations.

This Condensed Consolidated Interim Financial Report of the TA Group shows amounts in Euro thousands (K) as this is the currency used by TA and its subsidiaries for most their operations.

In addition, international accounting standards have been consistently applied for all the companies of the Group. The financial statements of the Subsidiaries, used for the consolidation, have been appropriately amended and reclassified, where necessary, for consistency with international accounting standards and classification criteria.

The limited auditing of the Consolidated Interim Financial Report of the TA Group has been carried out by the company “PricewaterhouseCoopers S.p.A.”

BASIS FOR CONSOLIDATION

At 30 June 2021, the structure of the TA Group is the one described in the annex to the Report on Operations, which is recalled in this document.

Compared to 31 December 2020, a change has been made to the layout of the Group after the acquisition, last January 2021, of a 51% share of the share capital of Toscana Aeroporti Costruzioni S.r.l. - for details, see the section “Business combinations” of these Explanatory Notes.

STRUCTURE AND CONTENT OF STATEMENTS AND REPORTS

The Condensed Consolidated Interim Financial Report of the TA Group at 30 June 2021 has been prepared in compliance with International Accounting Standards (IAS/IFRS) in force to date, issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the measures issued to implement art. 9 of Leg. Dec. no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 concerning “Provisions on financial statements”, CONSOB Resolution no. 15520 of 27 July 2006 concerning “Amendments and additions to the Issuers’ Regulation adopted with Resolution no. 11971/99”, CONSOB Notice no. 6064293 of 28 July 2006 concerning “Company disclosures required by to art. 114, paragraph 5, of Leg. Dec. no. 58/98”). Furthermore, we considered the International Financial Reporting Interpretations Committee (“IFRIC”), formerly Standing Interpretations Committee (“SIC”).

In the preparation of this Condensed Interim Financial Report, prepared in compliance with IAS 34 - Interim Financial Reporting, we applied the same accounting standards adopted for the preparation of the Consolidated Financial Statement at 31 December 2020, except for the contents of the section “New accounting standards, amendments and interpretations effective for annual reporting periods beginning on or after 1 January 2021”. The information provided in this Interim Financial Report must be read together with the Consolidated Financial Statement at 31 December 2020, prepared in compliance with IFRS.

To prepare this Interim Financial Report, the Management is required to develop estimates and assumptions that affect revenues, costs, assets and liabilities entered in the balance sheet, as well as the information disclosed regarding potential assets and liabilities at the closing date. Should said estimates and assumptions prepared by the Management be seen to differ from the actual circumstances in the future, they would be amended appropriately in the year when said circumstances would occur. For a more in-depth description of the most significant valuation processes used by the Group, see the section “Use of estimates” in the Consolidated Financial Statement at 31 December 2020.

Furthermore, we point out that some valuation processes, and particularly the most complex, such as the determination of any impairment of fixed assets, are generally made completely only during the preparation of the annual report, when all the necessary information is available, except for the rare case where there are indicators requiring an immediate assessment of any impairment.

Income taxes are recognised based on the best estimate of the weighted average tax rate expected for the entire period.

IMPACT OF THE COVID-19 OUTBREAK

The first semester of 2021 was still characterised by the impact of the global health crisis caused by the SARS-COV-2 virus outbreak (hereinafter also “Covid-19” or “Coronavirus”).

Due to cancellations and then also to the restrictions imposed by the Government, the two airports had an overall contraction in air traffic of about 624,000 million passengers in the first 6 months of 2021 compared to the previous semester. In the first semester of 2021, the Tuscan airport system carried approx. **405,000 passengers**, with an overall decline of about **-61%** for the Passenger component, **-31%** for the Flights component, **-45%** for the Tonnage component, and a **+9.5%** growth for the Cargo & Mail component compared to the aggregate data on passengers, flights and tonnage of 2020 for the Pisa and Florence airports. This reduction in the demand for air traffic strongly and negatively impacted the **year’s profits for the Group, causing a loss of approx. € 13.3 M in the first semester of 2021**. Please remember that, in the first semester of 2020, the negative impact of the pandemic had been reported only starting from the month of March.

This scenario caused, even in the first 6 months of 2021, an absorption of cash from operations that had to be tackled by the Group with the use of the available facilities and **with the cash acquired with the € 85 M loan secured by a SACE collateral obtained under Law Decree 23/2020 (the so-called “Decreto Liquidità”) last October 2020 (hereinafter “SACE Loan”)**.

As to the initiatives undertaken in 2020 after the COVID-19 outbreak, in view of the reduction in passengers, the Group maintained even in the first semester 2021 a number of countermeasures aimed to adapt costs to the reduced traffic demand, also taking into account the measures adopted by the Italian Government with Law Decree no. 18 of 17 March 2020 (so-called “Cura Italia”).

Based on the structure of the Group's Income Statement, of which the cost of personnel is one of the main components, the measures adopted were aimed to mitigate that cost and the related cash outflows primarily by using up any holidays left for all the employees that were not required to remain in the airport during said period. The office administrative and

support personnel started working from home. In addition, after the necessary discussion and negotiation with trade unions concerning any appropriate measure to be adopted, **the temporary unemployment benefit fund ("Cassa Integrazione Guadagni")** was activated starting from 25 March 2020 for all the existing labour force, while maintaining the minimum operating services required and reducing the activities of clerks. This measure, which was used until March 2021, has been put off until 28 December 2021 through the **use of the temporary unemployment benefit called "Cassa Integrazione in Deroga"** for the companies of the Group.

As to the containment of costs for services, the Management continued analysing the existing labour contracts and identified any non-strategic cost, initiating new actions with its suppliers.

In addition to that, as at 31 December 2020, in 2021 the company obtained a specific exemption from MPS Capital Services concerning the measurement of financial ratios, as required in the loan agreement signed by the Parent Company with the bank, with an **outstanding debt of € 2 M at 30 June 2021 (expiry 2022)**.

In addition, in the first semester 2021, the Group also asked an exemption from the measurement of financial ratios at 31 December 2021 for the loan obtained from the bank **Intesa San Paolo (outstanding debt at 30 June 2021: € 18.7 M)**.

After the end of the first lockdown period, the Country had a period of progressive recovery in the summer 2020 when, in addition to a slight but encouraging increase in aviation activities, most retail stores and other business activities reopened in the two airports. Similarly, road and rail transport services had been resumed, thus making the two airports easy to reach again. And finally, almost all parking lots and car rental companies had also restarted operating with particularly interesting promotional offers.

Nevertheless, traffic volumes were gradually zeroed by the airlines since October 2020 as the second wave of infections progressed in all European countries, with the consequent almost complete closure of all retail activities. The operation level in the Florence and Pisa airports remained extremely limited even in the first semester of 2021.

In this context, considering the significant losses suffered by the Company and the Group, on 26 October 2020 the Region of Tuscany, with Regional Law no. 75 of 4 August 2020 on regulatory measures connected with the budget adjustment law 2020-2022 and with Regional Law no. 95 of 3 December 2020 on the direct subsidy for the company Toscana Aeroporti S.p.A. granted Toscana Aeroporti a direct subsidy to compensate for the damage suffered in 2020 as a result of the Covid-19 outbreak. This subsidy consisted of a maximum **amount of € 10 M, which could be** obtained after notifying the European Commission, which had to decide on its compatibility pursuant to Art. 108 of the Treaty on the Functioning of the European Union. In this regard, we point out that, on 2 March 2021, the European Commission confirmed that the subsidy was compatible with the provisions of the Treaty on the Functioning of the European Union, which has been subsequently cashed by Toscana Aeroporti on 16 August 2021.

Also, as noted above, on 30 October 2020, Toscana Aeroporti signed an important loan agreement with a pool of primary financial institutions, namely Intesa Sanpaolo and BNL-BNP Paribas Group, for a total amount of **€ 85 M secured by a SACE collateral, as provided for in the "Decreto Liquidità" within the framework of the Garanzia Italia programme**. The loan, which has a duration of 6 years and a pre-amortization of 24 months, allows the Company to reinforce its cash levels for the conduction of its business operations and supports the planned investments in the Florence and Pisa airports.

In the light of the information and assumptions made, also on the basis of external sources, such as independent surveys conducted by the main players of the industry, the air transport industry will not return to pre-Covid-19 traffic levels before 2024 - an estimate that, in any case, could be affected by the effectiveness of vaccination campaigns or by a possible resurgence of infections.

In a short-to-medium-term horizon, considering the aforesaid traffic level recovery estimates, also developed on the basis of external sources, such as surveys conducted by the main players of the industry, volumes are expected not to be yet comparable with pre-pandemic levels for 2021 and 2022, too. Consequently, the Group confirmed the actions undertaken in 2020, after the start of the health crisis to minimize costs and protect its liquidity, also for 2021, and ensured the maintenance of infrastructure development plans and adequate service levels for the ongoing operations to allow Toscana Aeroporti to restart its routine operations in the medium term when the health emergency will have ended.

The Management estimated that, in spite of the significantly lower traffic levels expected for the financial year 2021 - although slightly higher than those reported at year-end 2020 -, the implementation of the aforesaid cost containment measures, the cash received during 2020 also through the SACE Loan, may allow the Group to fulfil its short-term obligations and keep operating on a going-concern basis in a foreseeable future.

RECENTLY-ISSUED PRINCIPLES

New accounting standards, amendments and interpretations effective from 1 January 2021

At the date of this report, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments applicable for the Group at 1 January 2021.

- In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2" - concerning issues triggered by the implementation of the IBOR rate reform, including the replacement of a benchmark with an alternative benchmark. The amendments have been effective from 1 January 2020 and did not significantly affect the condensed interim consolidated financial report at 30 June 2021.
- On August 2020, the IASB published some amendments to "IFRS 4 - Insurance Contracts - Deferral of IFRS 9". The amendments extend the expiry date of the temporary exemption from the application of IFRS 9 from January 1st, 2021 to January 1st, 2023 in order to align the effective date of IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts". The amendments have been effective from 1 January 2020 and did not significantly affect the condensed interim consolidated financial report at 30 June 2021.

Accounting standards, amendments and interpretations not yet applicable

At the date of this report, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments, not yet applied by the Company.

- In May 2020, the IASB published some amendments to IFRS 3 "Business combinations", to IAS 16 "Property, plant and equipment", and to IAS 37 "Provisions, contingent liabilities and contingent assets". In addition, some amendments to IFRS 1 "First-time Adoption of IFRS", IFRS 9 "Financial instruments", IAS 41 "Agriculture", as well as some Illustrative Examples accompanying IFRS 16 "Leases", have been published. These amendments will be effective from 1 January 2022.
- In March 2021, the IASB published an additional amendment to IFRS 16 to extend the availability of the practical expedient for the period from 30 June 2021 to 30 June 2022.

The amendment, approved on 31 August 2021, will be applicable starting from the financial periods beginning on or after 1 April 2021.

At the date of this report, the competent bodies of the European Union have not yet concluded the ratification process required for the adoption of the following accounting standards and amendments:

- In May 2017, the IASB issued the new IFRS 17 standard **"Insurance Contracts"**, later amended in June 2020. The new standard will replace IFRS 4 and will be effective starting from the financial periods beginning on or after 1 January 2023.
- In January 2020, the IASB published (and updated in July 2020) an amendment to IAS 1 **"Presentation of financial statements"**, which provides clarifications on the classification of current and non-current liabilities. The amendment will be effective from 1 January 2023.
- In February 2021, the IASB published some minor amendments to IAS 1, to the Practice Statement 2, and to IAS 8. These amendments aim to improve information on accounting standard and help companies distinguish between changes in accounting estimates and changes in accounting standards. The amendments will be applicable from the financial periods starting in or after 1 January 2023.
- In May 2021, the IASB published an amendment to IAS 12 "Income Taxes", "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", which clarifies how companies should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments will be applicable from the financial periods starting in or after 1 January 2023.

The Group will adopt said new standards, amendments and interpretations based on the effectiveness date specified and will assess their potential impact when they will be ratified by the European Union.

MAIN FINANCIAL RISKS

A description of the main financial risks and of the mitigating actions implemented by the TA Group is given below.

1. Credit risk

The effects of the Covid-19 crisis and the consequent economic recession produced in the main industrialized Countries may negatively impact the financial statements of the airlines, which are the main clients of the Group. Hence, the risk of a partial non-collection of receivables accrued from airlines. In addition to this, the reduction in air traffic may impact sub-concessionaires.

The Group believes that it has suitably controlled said risk through its constant monitoring of accounts receivable, also sometimes promptly initiating legal actions to protect said receivables, which are reflected in the allocation of a specific provision for bad debt in the balance sheet, which is deemed to be adequate for the amounts of the existing receivables. Always with the purpose of facing the credit risk, the Holding usually asks for sureties as guarantee (e.g., from sub-licensees) or pre-payments (e.g., from unknown airlines).

We point out that the Holding took out an excess-of-loss type of insurance on credit positions to cover collection risks should insolvency proceedings be opened against the assets of any customer. The insurance covers the total amount of the Holding's receivables for the period included between 2016 and 30 September 2020, and has a limit of liability

and an excess. Furthermore, the Holding hired a company for its long-term debt collection activities.

See also section "Trade and sundry receivables".

The ongoing economic and financial crisis caused by the reduction in traffic increased the credit risk due to the general shortage of cash for the businesses of the industry. To tackle these challenges, the Group appropriately took into account the increased risk in the provision for doubtful debt, which has been determined also in connection with the specific solvency situations of the counterparties. The Group will continue to monitor the **situation and adjust its assessments of customers' performances also in the light of trends of the coming months and the timing of the recovery.**

However, no specific criticality has been detected to date.

2. Liquidity risk

At 30 June 2021, the Group had a negative net financial position (NFP) for € 103.2 M (€ 77.3 M at 31 December 2020). This is the result of a positive current NFP of € 46.8 M (€ 46.5 K at 31 December 2020) and a negative non-current NFP of € 105.2 M (€ 107.1 M at 31 December 2020). Non-current liabilities include two loans (expiring in 2027 and 2022, respectively) **granted to the parent company by the banks "Banca Infrastrutture Innovazione e Sviluppo" ("BIIS", a bank of the Intesa San Paolo Group) and MPS Capital Services, for the development of the two airport infrastructures, and the SACE Loan (expiring in 2026) signed in October 2020.**

These loans that the parent company obtained from BIIS and MPS Capital Services have interest rates based on three- and six-month EURIBOR rates and several commitments such as financial covenants, i.e. NFP/EBITDA and NFP/Shareholders' Equity, according to the definitions agreed with the lending banks and measured at 30 June (only for the loan granted by MPS Capital Services) and at 31 December of each business year. For the loan granted by MPS Capital Services (outstanding debt at 30 June 2021: **approx. € 2 M, fully expiring within the next 12 months**), in July 2021 the parent company obtained a specific exemption from the measurement of financial ratios at 30 June 2021 as provided for in the loan agreement.

We also recall the other loan signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of **€ 85 M, secured by a SACE collateral as required by the Italian "Decreto Liquidità" for an amount equal to 90% of the sums disbursed as principal, plus interests and ancillary costs (the "SACE Loan").**

The SACE Loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortization of 24 months (first instalment due in December 2022). This agreement also requires compliance with a financial parameter, to be measured at the time of presentation of the annual consolidated financial statements, consisting of the value of the consolidated net financial position, as conventionally defined in the agreement itself, not **exceeding € 100 million. This financial ratio was met at 31 December 2020.**

According to the provisions of the SACE loan agreement and of the Liquidity Decree, this facility can be used to support the Group's cash requirements needs arising from the obligation to pay personnel costs, rents or leases, investments and working capital; the interest rate applied is indexed to the EURIBOR rate plus a margin. In addition, the agreement requires the calculation of annual commissions related to the SACE guaranteed component of the loan on the share of principal paid out and not repaid, with a fixed increasing percentage for the entire term of the loan.

For completeness, we report two medium/long-term loans for a nominal amount of € 500 K each, **disbursed by the banking group "Banco Popolare di Milano" in 2017 and 2018 to**

the subsidiary Jet Fuel to support the purchase of four new airplane fuel supply trucks required for into-plane activities in the Pisa airport.

In addition to that, the Group also uses short-term fixed-rate bank facilities to meet short-term requirements.

The amount of the Group's non-revolving lines of credit available at 30 June 2021 is € 11.5 million.

Specifically referring to the impact of the Coronavirus epidemic, we expect a significant negative impact on 2021 profits and financial results. However, as operations are gradually recovering in the two airports, it is reasonable to assume that, although the next 12 months may still be characterised by poor cash flows compared to the situation at 30 June 2021, this phenomenon will still be reduced compared to the final balance of the global health crisis to date.

In response to the events described above, the Management promptly activated a number of specific countermeasures aimed to adjust the cost structure of the Group to the reduced traffic demand (use of temporary unemployment benefits, so-called **"Cassa Integrazione Guadagni or CIGS"**; **changes made to non-strategic service agreements** and other initiatives regarding suppliers; a re-timing of investments; discussions with the Grantor, and so on), together with the submission of the request to obtain State-guaranteed credit through the **"Liquidity Decree"**, which was obtained by subscribing the aforesaid SACE loan.

Based on the assumptions above, the Management estimated that, in spite of the significantly lower (than pre-Covid) traffic levels expected for 2021 (although a slight recovery is being seen compared to end of 2020), the implementation of the aforesaid cost containment measures, the cash acquired during 2020 also in the form of the loan secured by SACE collateral will allow the Group to fulfil its short-term obligations and continue operating on a going-concern basis in a foreseeable future.

For this purpose, sensitivity analyses were carried out, assuming a further reduction in inflows compared to the basic scenario.

In this context, also considering the expectation of significantly lower traffic levels and revenues (than in pre-Covid-19 times) for the second semester of 2021, the Company and the Group will reasonably total margin levels, also in 2021, that will not fulfil the financial ratios expected to be met under the loan agreements signed before 2020, namely: the loan obtained from MPS Capital Services, due in 2022, **with an outstanding debt of € 2 M** at 30 June 2021 (fully due within the next 12 months); the loan obtained from BIIS – Intesa Sanpaolo Group **due in 2027 and with an outstanding debt of € 18.7 M** at 30 June 2020 (of which **€ 2.9 M** within the next twelve months).

Even in this case, the Group, as it already happened during 2020 with reference to the above-mentioned loans, will promptly initiate appropriate discussions with the banks concerned to obtain specific exemptions from the measurement of financial parameters at 31 December 2021. In any case, based on traffic recovery assumptions for the next 12 months and in view of the cash expected at the end of the financial year 2021, also considering the planned cost containment measures, the Group should be able to fulfil a possible request for an early repayment of the outstanding debt on that date.

With regard to compliance with the financial parameters provided for in the SACE loan, on the basis of the financial forecasts defined for the financial year 2021 in the basic scenario with the assumptions described above, there should be no problem with the relative conformity.

3. Interest rate risk

Exposure to the interest rate risk arises from the need to finance both industrial and financial operations, as well as use the available cash. Changes in market interest rates may

have a negative or positive impact on the Group's EBIT, thereby indirectly influencing the costs and returns of loans and investments.

The Net Financial Position at 30 June 2021 is € 103.2 M and the debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2021 is 1.09 (vs 0.72 at 31 December 2020), which confirms the financial soundness of the Group.

Based on the NFP at 30 June 2021, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical growth/reduction of 100 bp, would be approximately € +/-1,470 K.

In addition, the potential impact on the Provision for repairs in terms of growth, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would correspond to approx. € +315 K. Conversely, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 bp in interest rates would be approx. € -293 K.

No further sensitivity analysis is provided, as it is considered immaterial.

4. Exchange rate risk

The TA Group is not subject to risks linked to fluctuations in exchange rates because it prevalently operates in a European context where transactions are made in Euro.

BUSINESS COMBINATIONS

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

The acquisition is part of Ta's investment strategy aimed to the development of infrastructures for the Florence and Pisa airports through a subsidiary.

The price of the transaction was EUR 4.5 M. the amount will be paid in five annual instalments until 31 December 2025, with no borrowing or assignment of credit. The fair value of consideration has been identified with the current net value of the price to be paid according to the aforesaid payment plan, and corresponds to € 4.3 M. A goodwill of € 3.7 M has been recognised after the transaction.

The goodwill refers to the experience in the industry of the acquired company and to the possibility to streamline the infrastructure development strategy of the Florence and Pisa airports through the subsidiary.

We also inform readers that, as specified in the acquisition agreement, Cemes S.p.a. guaranteed TA with an irrevocable option pursuant to Art. 1331 of the Civil Code, through which TA will have the right to purchase from Cemes, who will be obliged to sell, a share of 19% of the share capital of TAC for a price of EUR 2.2 M. This option may be exercised by TA during the period going from January 1st, 2024 to July 1st, 2024.

The net assets identified, deriving from the acquisition, totalled approx. € 1 M, as detailed below. TA purchased the shares of minority shareholders proportionally to the nett assets that could be identified upon the acquisition.

As to the net assets acquired, we are providing below details of the fair values of the assets and liabilities acquired with the business combination transaction in question.

The acquired Net Financial Position exclusively includes € 8 K of cash available.

<i>Description</i>	<i>Fair value</i>
<u>Assets</u>	
Intangible assets	550
Property, plant and equipment	62
Rights of use	41
Deferred tax assets	1,047
Inventories	99
Trade receivables	219
Cash and cash equivalents	8
<u>Liabilities</u>	
Deferred tax liabilities	(153)
Provision for employee benefits	(378)
Trade payables	(389)
Financial liabilities for rights of use	(41)
Net acquired assets	1,065
<hr/>	
Net acquired assets	1,065
- Minority interest	(522)
+ Goodwill	3,735
Fair value of consideration	4,278

OPERATING SEGMENT REPORTING

Information regarding the main operating sectors of the Group is given below as required by IFRS 8. First of all, it is important to highlight that the type of business activity carried out by TA Group does not allow for the identification of business segments related to completely independent activities in terms of market/customer combinations. Currently, the “traffic” component affects the results of all the company’s operations.

However, we may identify two significant operating segments characterized by the independent nature of their products/services and production processes, for which - for the aforesaid reasons - we propose a disclosure relating to the information directly made available by the company’s analytical accounting system used by Chief Operating Decision Makers.

The currently available information regarding the main operating segments identified are provided below: Aviation, Non-Aviation and Corporate.

- **Aviation Business:** this operating segment includes the so-called “air-side” activities (after the security check), which are the core business of an airport. They include: passenger and aircraft ground handling, landing, aircraft departure and stopover, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading. Revenues for the Aviation segment are represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, take-off and stopover fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- **Non-Aviation business:** this segment includes operations normally carried out in the landside area (before security gates), which are not directly associated with the core business (Aviation). They include retail activities, catering, car parking, car rental, advertising, ticket office, VIP Lounge.

Non-Aviation Business revenues consist in the royalties earned from activities conducted under a sub-concession, in the direct management of certain activities (i.e. car parking, ticket office and advertising) and in the rents paid by sub-concessionaires.

- **Corporate segment:** the values indicated in unallocated items mainly refer to corporate costs not directly attributable to the two operating segments, such as, for example, staff cost, executive professional services, general insurance and industry association membership fees, pro-rata portion of utilities, general maintenance and unallocated depreciation of infrastructure, administrative costs, provisions for liabilities, Directors' and Auditors' fees, etc.

The table below provides the main information regarding the operating segments described above by highlighting, in unallocated items, (corporate) revenues, costs, assets and investments not directly attributable to the two segments. More specifically, the main types of unallocated costs refer to the cost of labour/personnel (staff), professional services rendered, insurance and industry association membership fees, pro-rata portion of utilities, maintenance and depreciation, administrative costs, provisions for liabilities, Directors' and Auditors' fees.

Operating segment reporting: CONSOLIDATED FINANCIAL STATEMENT

(values in € K)	Aviation		Non-Aviation		Unallocated assets (Corporate)		Total	
<i>TA Group - Income Statement</i>								
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
Operating income and other revenues	7,159	14,596	5,032	4,482	875	759	13,066	19,838
<i>of which Pisa</i>	4,868	7,721	2,637	1,996	643	392	8,149	10,108
<i>of which Florence</i>	2,291	6,876	2,395	2,486	232	367	4,917	9,729
Revenues from construct. s	7,165	3,207	2	163	16	325	7,184	3,695
<i>of which Pisa</i>	2,126	1,433	2	47	0	0	2,129	1,479
<i>of which Florence</i>	5,039	1,774	0	117	16	325	5,055	2,216
Total Segment Income	14,324	17,803	5,034	4,646	891	1,085	20,250	23,533
Operating Costs (*)	13,719	18,128	1,479	2,113	6,989	5,673	22,187	25,914
<i>of which Pisa</i>	8,368	11,157	797	1,192	3,119	2,976	12,284	15,325
<i>of which Florence</i>	5,351	6,969	682	921	3,870	2,697	9,903	10,588
Cost of construct. serv.	6,362	2,618	2	133	16	265	6,381	3,016
<i>of which Pisa</i>	2,025	1,169	2	38	0	0	2,027	1,207
<i>of which Florence</i>	4,338	1,448	0	95	16	265	4,354	1,809
Amortization and provision	3,665	3,808	702	785	2,466	1,702	6,833	6,297
<i>of which Pisa</i>	1,867	2,055	444	509	1,751	236	4,063	2,800
<i>of which Florence</i>	1,798	1,753	258	276	715	1,467	2,770	3,496
Operating Earnings	-9,423	-6,751	2,851	1,614	-8,579	-6,556	-15,152	-11,693
<i>of which Pisa</i>	-5,265	-5,229	1,396	304	-4,227	-2,820	-8,097	-7,745
<i>of which Florence</i>	-4,157	-1,521	1,455	1,311	-4,352	-3,737	-7,055	-3,947
Asset management	0	0	0	0	-1,263	-601	-1,263	-601
Profit before tax	-9,423	-6,751	2,851	1,615	-9,842	-7,157	-16,414	-12,293
Year's taxes	0	0	0	0	3,360	3,263	3,360	3,263
Net year's result	-9,423	-6,751	2,851	1,615	-6,482	-3,894	-13,054	-9,030
Loss (profit) of minority inte	32	0	0	0	-297	130	-266	130
Net Group result	-9,391	-6,751	2,851	1,615	-6,779	-3,763	-13,320	-8,900
<i>TA Group - Statement of financial position</i>								
	<u>30 June 2021</u>	<u>December 2020</u>	<u>30 June 2021</u>	<u>31 December 2020</u>	<u>30 June 2021</u>	<u>December 2020</u>	<u>30 June 2021</u>	<u>December 2020</u>
Current assets	9,496	15,152	5,780	4,925	65,068	88,069	80,344	108,146
Non-current assets	149,086	141,909	41,805	39,450	47,004	42,437	237,895	223,796
<i>TA Group - Additional information</i>								
	<u>30 June 2021</u>	<u>30 June 2020</u>	<u>30 June 2021</u>	<u>30 June 2020</u>	<u>30 June 2021</u>	<u>30 June 2020</u>	<u>30 June 2021</u>	<u>30 June 2020</u>
Investments	9,598	3,515	60	247	107	377	9,765	4,139

(*) including Airport leases for € 429 K in the first semester of 2021 (€ 1.054 K in the first semester of 2020).

Information on the main customers of the Holding "TA"

During the first half of 2021, TA reported over 405K passengers in an airport system with 26 operating carriers. The total incidence of the first three carriers is 69.8%.

More specifically, the incidence of the first carrier (Ryanair) is 55.2%, while the incidences of the second (Vueling) and third (Air France) carriers are 9% and 5.6%, respectively.

NOTES TO THE MAIN ITEMS OF THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR 2021
INCOME STATEMENT

VALUE OF PRODUCTION (REVENUE ITEMS)

On the whole, consolidated revenues at 30 June 2021 totalled € 20.3 M (€ 23.5 M at 30 June 2020), with a negative difference of € 3.3 M, and include:

Amounts in €K	1 H 2021	1 H 2020	2021/2020	
			Abs. Diff.	% Diff.
REVENUES				
Operating income				
Aviation revenues	7,354	15,065	-7,711	-51.2%
Non-Aviation revenues	5,520	6,624	-1,104	-16.7%
Network development expenses	-948	-2,203	1,254	-56.9%
Total operating revenues	11,925	19,486	-7,561	-38.8%
Other revenues	1,141	351	790	224.8%
Revenues from construction services	7,184	3,695	3,488	94.4%
TOTAL REVENUES (A)	20,250	23,533	-3,283	-14.0%

For the analysis of the main deviations of the two six-month periods examined, see section 10.1 of the Report on Operations.

1. Aviation revenues

The table below shows the items of "Aviation revenues" at 30 June 2021 and the changes, both in absolute and percentage terms, compared to 30 June 2020:

Amounts in €K	1H 2021	1H 2020	2021/2020	
			Abs. Diff.	% diff.
AVIATION REVENUES				
Passenger boarding fees	1,423	4,039	-2,616	-64.8%
Landing/departure fees	1,430	2,795	-1,365	-48.9%
Stopover fees	775	653	121	18.6%
PRM assistance fees	245	594	-349	-58.7%
Cargo fees	166	149	17	11.6%
Passenger security fees	419	1,092	-672	-61.6%
Baggage security fees	142	378	-236	-62.4%
Handling	2,502	4,989	-2,487	-49.9%
Centralised infrastructures	252	377	-125	-33.2%
TOTAL AVIATION REVENUES	7,354	15,065	-7,711	-51.2%

2. Non-Aviation revenues

The table below provides details on revenues from non-aviation activities carried out during the first 6 months of 2021 and those of the first 6 months of 2020:

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	
			Diff.	% diff.
NON-AVIATION REVENUES				
Parking lots	408	1,054	-647	-61.3%
Food	405	501	-96	-19.2%
Retail	1,339	1,075	264	24.6%
Advertising	777	948	-171	-18.1%
Real Estate	937	718	219	30.6%
Car rental	1,093	1,152	-59	-5.1%
Other subconcessions	400	534	-134	-25.1%
VIP Lounges	6	386	-380	-98.5%
Air tickets	29	84	-56	-65.8%
Cargo agency	128	172	-44	-25.8%
TOTAL NON-AVIATION REVENUES	5,520	6,624	-1,104	-16.7%

Network development expenses

The main objective of the Group is to encourage the development of passenger scheduled and cargo traffic in the Tuscan Pisa (PSA-Galileo Galilei) and Florence (FLR-Amerigo Vespucci) airports, consistently with the characteristics of the Tuscan market and of the airport Infrastructure available, as well as to increase the number of scheduled flight connections to and from the airports, in order to support the consolidation and development of air traffic and thus contribute to the economic growth of the airport manager and meet the demand of the territory for better accessibility.

To pursue said objectives, the Group developed an action plan with incentives based on marketing contributions (the so-called “network development expenses”) of differing amounts based on the extent of the air services provided by the carriers in the airports and on the extent of the strategic interest of the operation for the reference airport and territory, in consideration of free business initiative.

Network development expenses totalled € 948 K at 30 June 2021, down by € 1,254 K compared to 30 June 2020, when they totalled € 2.2 M.

3. Other revenues and proceeds

The table below provides details on “Other revenues and proceeds” recognised during the first six months of 2021 and on those of the first six months of 2020.

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs. Diff.	% diff.
OTHER REVENUES				
Utilities and others	292	195	97	50.0%
Services and consulting	39	67	-28	-41.8%
Minors	139	89	50	56.4%
Other income	670	-	670	NS
<u>of which:</u>				
Compensation and contributions	154	-	154	NS
Proceeds from concession value	340	-	340	NS
Capital gains from disposal of tangible assets	177	-	177	NS
TOTAL OTHER REVENUES	1,141	351	790	224.8%

Proceeds from concession value have been recognised according to the provisions of Art. 703 of the “Codice della Navigazione” (Navigation Code), in terms of the value that the incoming concessionaire has to pay to the outgoing concessionaire upon the natural expiry of the concession, which is determined by using regulatory analytical accounting rules. In detail, the sum in question, recognised as a contraentry to concession rights, refers to the share of scheduled maintenance work that has been valued, for recognition in the accounts, within the framework of the determination of the Provision for repair, but which, for regulatory analytical accounting purposes, are assets that will not be completely amortized at the concession expiry date.

4. Revenues from construction services

At 30 June 2021, revenues from construction services totalled € 7.2 M (€ 3.7 M at 30 June 2020), with a positive difference of € 3,488 K.

The higher revenues determined at the end of the period stem from the different investment trends compared to the first half of 2020.

For further details, see the section “Group Investments” in the Report on Operations.

Revenues by type

Revenues are recognized below based on whether the services have been provided at a given Point In Time or Over Time.

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs. Diff.	% diff.
Revenues not included in the scope of IFRS 15 (*)	4,940	4,830	110	2.3%
“Over time” revenues	14,639	18,703	-4,064	-21.7%
“Point in time” revenues	0	0	0	NS
Other income	670	0	670	NS
TOTAL REVENUES	20,250	23,533	-3,283	-14.0%

(*) These are revenues from operating leases (subconcessions) where the Group plays the role of lessor.

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs. Diff.	% diff.
Fixed	1,044	1,310	-266	-20.3%
Variable depending on an index or rate	3,428	3,341	87	2.6%
Variable not depending on an index or rate	468	179	288	161.0%
Total revenues not included in the scope of IFRS 15	4,940	4,830	110	2.3%

COSTS

On the whole, consolidated costs totalled € 28.6 M at 30 June 2021 (€ 28.9 M at 30 June 2020), with a negative difference of € 361 K, as detailed below:

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs. Diff.	% Diff.
COSTS				
Operating Costs				
Consumables	142	669	-527	-78.8%
Cost of personnel	11,577	13,667	-2,090	-15.3%
Costs for services	9,339	9,810	-471	-4.8%
Sundry operating expenses	700	712	-12	-1.6%
Airport leases	429	1,054	-625	-59.3%
Total operating costs	22,187	25,913	-3,725	-14.4%
Costs for construction services	6,381	3,016	3,365	111.6%
TOTAL COSTS (B)	28,568	28,929	-361	-1.2%

For the analysis of the main deviations of the two six-month periods examined, see section 10.1 of the Report on Operations.

5. Consumables

This item refers to the cost of consumables, a total of € 142 K at 30 June 2021 (€ 669 K at 30 June 2020). More specifically, they consist in fuel costs (€ 112 K), clothing (€ 11 K) and materials for operating services (€ 6 K).

6. Cost of personnel

The total cost of personnel is € 11.6 M at 30 June 2021, down by € 2.1 M compared to 30 June 2020. This cost item is broken down below:

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs. Diff.	2021/2020 % Diff.
STAFF COST				
Remuneration	11,432	13,489	-2,057	-15.2%
<u>of which:</u>				
Wages	6,193	7,684	-1,491	-19.4%
Salaries	1,633	1,781	-148	-8.3%
Social security contributions	2,600	2,905	-305	-10.5%
ETB	1,005	1,118	-114	-10.2%
Other labour costs	146	179	-33	-18.4%
<u>of which:</u>				
Contributions to CRAL	4	4	0	-5.6%
Benefits to personnel	141	150	-9	-5.9%
Administered and sundry	0	24	-24	-99.1%
TOTAL COST OF STAFF	11,577	13,667	-2,090	-15.3%

The table below specified the average annual number of employees (expressed in *Equivalent Full Time*) regarding the first 6 months of 2021 and the difference compared to the same period of 2020:

FTE Table	1H 2021	1H 2020	Diff.	% Diff.
Toscana Aeroporti	323.5	330.3	-6.8	-2.1%
Toscana Aeroporti Handling	314.6	370.2	-55.6	-15.0%
Jet Fuel	10.00	11.0	-1.0	-9.1%
TAE	6.26	7.5	-1.2	-16.5%
TAC	15.07	0.0	15.1	NS
VOLA	0.00	0.6	-0.6	NS
Group	669.4	719.6	-50.2	-7.0%

NOTE: Part-time FTEs are determined proportionally to full-time units (1 FTE).

For the analysis of the main deviations of the two six-month periods examined, see section 12 of the Report on Operations.

7. Costs for services

On the whole, costs for services in the first semesters of 2021 and 2020 consisted of:

1 In FTE, 2 part-time units are considered as 1 full-time unit.

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Sales services	74	101	-27	-26.8%
Institutional expenses	769	650	120	18.4%
Other services	1,521	1,668	-147	-8.8%
Staff services	367	566	-199	-35.2%
Maintenance services	2,366	1,891	474	25.1%
Utilities	1,409	1,383	27	1.9%
Operating services	2,832	3,551	-719	-20.2%
TOTAL COSTS FOR SERVICES	9,339	9,810	-471	-4.8%

Retail services for € 74 K at 30 June 2021 (€ 101 K at 30 June 2020), including the following COSTS:

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Sales services	74	101	-27	-26.8%
<u>of which:</u>				
Advertising commissions	0	19	-19	-100.0%
Management of advertising systems	16	15	1	9.8%
Retail promotions	28	8	20	263.2%
Dry cleaning service	30	60	-30	-50.0%

Institutional expenses for € 769 K (€ 650 K at 30 June 2020), mainly including the cost of control and auditing boards;

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Institutional expenses	769	650	120	18.4%
<u>of which:</u>				
Directors' fees	534	457	77	17.0%
Auditors' fees	165	125	40	32.0%
Directors' business travels	65	66	0	-0.4%
Legal, notarial, meeting expenses	5	3	2	97.7%

Other services for € 1.5 M (€ 1.7 M at 30 June 2020), mainly including professional services, industrial insurance and communication costs.

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Other services	1,521	1,668	-147	-8.8%
<u>of which:</u>				
Professional services	1,070	1,144	-74	-6.5%
Industrial insurance	342	233	109	46.6%
Communication	101	291	-190	-65.2%
Other minors	8	0	8	NS

The main difference in these costs is due to the lower communication costs (€ -190 K) incurred by the parent company for sponsoring activities and to the higher insurance costs borne due to increases in insurance premiums charged by insurance companies (e.g., for D&O).

Staff services for € 367 K (€ 566 K at 30 June 2020) are specified below. They mainly refer to costs for the employees' canteen.

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Staff services	367	566	-199	-35.2%
<u>of which:</u>				
Canteen	168	346	-178	-51.5%
Insurance	91	95	-3	-3.4%
Preventive medicine and med. examinations	11	13	-2	-17.4%
Training	36	21	15	72.6%
Staff recruitment	0	5	-5	-100.0%
Payroll services	41	46	-4	-9.3%
Other personnel services	0	8	-8	NS
Travel	20	33	-13	-40.0%

Maintenance services for € 2.4 M (€ 1.9 M at 30 June 2020), including airport infrastructure, systems and installation, equipment and truck maintenance.

Amounts in €K	1 H 2021	1 H 2020	Diff. Abs.	Diff. %
			2021/2020	2021/2020
COSTS FOR SERVICES				
Maintenance services	2,366	1,891	474	25.1%
<u>of which:</u>				
Equipm./Truck Maint.	306	328	-22	-6.8%
BHS system maint.	315	264	51	19.1%
Maint. of infrastructures	836	631	205	32.5%
IT maintenance	909	668	241	36.1%

Utility services for € 1.4 M (€ 1.4 M at 30 June 2020), mainly including electricity, gas, and water costs.

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Utilities	1,409	1,383	27	1.9%
<u>of which:</u>				
Electricity	607	629	-21	-3.4%
Water	136	93	43	45.5%
Telephones	132	80	52	64.9%
Mobile phones	107	109	-2	-2.1%
Gas	421	421	0	0.0%
Minors	6	50	-44.0	-87.6%

Operating services for € 2.8 M (€ 3.6 M at 30 June 2020), mainly including outsourced costs for porters, surveillance, cleaning, rentals, parking lots, first aid care and other services typically associated with airport operations.

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs.	2021/2020 %
			Diff.	Diff.
COSTS FOR SERVICES				
Operating services	2,832	3,551	-719	-20.2%
<u>of which:</u>				
Porterage	696	651	45	6.9%
Aircraft and vehicle cleaning	120	119	1	0.7%
Agency/Wareh. service	107	90	17	18.8%
Cleaning	399	405	-6	-1.5%
PRM Support	191	261	-70	-26.7%
Surveillance service	643	837	-194	-23.2%
Services Centre	35	105	-70	-66.8%
Connection ? arco az	26	28	-2	-6.4%
Rental of mach. and equip.	64	157	-93	-59.4%
Management of parking lots	12	162	-151	-92.8%
Gardening	37	47	-11	-22.6%
VIP Lounge	1	179	-178	-99.4%
First Aid Service	141	164	-23	-14.3%
Shuttle bus	69	164	-95	-57.7%
Other operating services	1	6	-5	-81.0%
Emergency management services	290	152	138	91.0%
Trolley collection	0	24	-24	-100.0%

8. Sundry operating expenses

Sundry management expenses totalled € 700 K (€ 712 K at 30 June 2020) and mainly include taxes and levies, membership fees, sundry administrative costs, and other minor entries.

Amounts in €K	1H 2021	1H 2020	2021/2020 Abs. Diff.	2021/2020 % Diff.
SUNDRY OPERATING EXPENSES				
Publications	4	3	1	22.6%
Ins. entities and sundry institutions	194	154	39	25.5%
Taxes and levies	358	369	-11	-3.0%
Entertainment	11	41	-30	-72.9%
Sundry administrative costs	64	119	-54	-45.7%
Others	69	26	44	170.7%
SUNDRY OPERATING EXPENSES	700	712	-12	-1.6%

9. Airport leases

Airport leases for € 429 K (€ 1,054 K at 30 June 2020), including the rents paid for the concessions and the contribution paid to the fire-protection fund. Both costs are variable over the finally reported traffic. The difference, a decrease of 59.3%, is in line with the reduced passenger traffic finally accounted for in the first semester 2021 (-60.6%).

Amounts in €K	1 H 2021	1 H 2020	2021/2020 Abs. Diff.	2021/2020 % Diff.
AIRPORT FEES/LEASES				
Concession and security fees	245	578	-332	-57.5%
Fire Brigade fee	184	476	-293	-61.4%
TOTAL AIRPORT FEES/LEASES	429	1,054	-625	-59.3%

10. Costs for construction services

Costs for construction services, totalling € 6.4 M (€ 3 M at 30 June 2020), arise from the investment made in the airport infrastructures under concession during the first half of 2021. See section 11 of the Report on Operations for further details.

11. Amortization and depreciation

This item totalled € 5.1 M at mid-2021 (€ 5.4 M at 30 June 2020). It includes the following amortization and impairments:

- intangible assets for € 3 M (€ 3.3 M at 30 June 2020);
- property, plant and equipment for € 1.6 M (€ 1.8 M at 30 June 2020);
- rights of use for € 375 K (€ 253 K at 30 June 2020).

12. Provision for liabilities and repair

This item shows € 1,045 K (€ 726 K at 30 June 2020) and mainly includes the provision for repair (€ 850 K), which consists of the year's portion required for future maintenance expenses relating to repairs/replacements of the assets used under the two ENAC concessions to keep them in good operating conditions.

A difference of € 195 K has been set aside in the Provision for liabilities to cover potential labour dispute risks.

13. Value write-ups (write-downs) net of trade receivables and other receivables

This account, consisting of € 656 K (€ 207 K at 30 June 2020), is the provision set aside for bad debt.

Amounts in €K	IH 2021	IH 2020
Bad debt reserve	656	207
Credit loss	-	-
Use of provision for bad debt	-	-
Total	656	207

14. Financial income

This item, consisting of € 3 K (€ 4 K at 30 June 2020), mainly refers to interest receivable accrued on bank current accounts and interest on arrears.

15. Financial expenses

This item, which consists of € 1,341 K (€ 649 K at 30 June 2020), mainly includes interest payable and commissions due on bank current accounts and loans (€ 1,048 K) and interest expense relating to the discounting of the Provision for repair and replacements (€ 154 K), of the employee benefit provision (€ 72 K), and of financial liabilities for rights of use beyond the year (€ 67 K).

16. Profit (loss) from investment

This item consists of € 76 K (€ 44 K at 30 June 2020) and contains the valuation in the Shareholders' Equity of the equity investment made in associates (Immobili A.O.U. Careggi S.p.a. and Alatoscana S.p.a.).

17. Taxes for the period

Taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end. This led to the recognition of prepaid taxes for the period for about € 3.3 M.

18. Minority Interest's loss (profit) for the period

This item shows the minority interest result of the subsidiaries Jet Fuel and TAC based on the property rights existing in the first semester of 2021.

Details are given below:

COMPANY	RESERVE FOR THE PERIOD	MINORITY %	MINORITY PERIOD RESERVE
JET FUEL	-48	66.7%	-32
TOSCANA AEROPORTI COSTRUZIONI	607	49.0%	297
TOTAL MINORITY PROFIT (LOSS) FOR THE PERIOD (€K)			266

19. Profit (loss) per share

Basic earnings (losses) per share at 30 June 2021 totalled € -0.716 (€ 0.478 at 30 June 2020), as calculated by dividing the Group's loss for the period (€ -13,320 K) by the weighted average of the ordinary shares outstanding during the period (18,661,996 shares). No diluting factor exists.

NOTES TO THE MAIN ITEMS OF THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR 2021
STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

Changes in non-current assets at 30 June 2021 are shown below compared to 31 December 2020.

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
NON-CURRENT ASSETS	237,895	223,796	14,099

More specifically, this aggregate consists of the following categories:

20. Intangible assets

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Goodwill	3,735	0	3,735
Concession rights (royalties)	151,167	149,153	2,014
Patents and intellectual property rights	823	358	464
Construction in progress and advance payments (intang.)	30,624	27,991	2,634
Other fixed assets	242	258	-16
Intangible assets	186,590	177,760	8,830

In addition to previous disclosures, an aggregate amount of approximately € 7.3 M has been invested in intangible assets during the first 6 months of 2020, specifically:

<i>(amounts in €K)</i>	Amount
Concession rights (royalties)	2555
Assets under construction	4629
Software	106
Other fixed assets	27
Total	7317

For a detailed analysis of the main investments made during the six-month period examined, see Section 11 of the Report on Operations.

No divestiture of assets was done in the first 6 months of 2021.

Details on intangible assets are provided in Annex A.

Goodwill

This is the amount recognised after the acquisition of 51% of Cemes Aeroporti S.r.l., the details of which are provided in the previous section of “Business combinations”.

Concession rights (royalties)

The value of this item at 30 June 2021 is € 151.1 M (€ 149.2 M at 31 December 2020), down by € 2 M due to the effect of the year's amortization, partially offset by the investments made during the semester.

Industrial patent rights

The value at 30 June 2021 is € 823 K at 30 June 2021 (€ 358 K at 31 December 2020), down by € 464 K due to the higher value of the year's amortization compared to investments.

Work in progress and advance payments

The value of this item at 30 June 2021 is € 30.6 M (€ 28 M at 31 December 2020), up by € 2.6 M as a result of the new ongoing investments for € 4.6 M - a difference partially offset by the item “Concession rights” for € 2 M after the conclusion of the related projects.

The value of fixed assets in progress includes about € 15.5 M of investments made for the development of the Florence airport Master Plan.

As regards said investments, the decisions of the Italian Regional Administrative Court “TAR” and of the Council of State, pronounced in 2019 and in February 2020, respectively, did not question the technical validity of the project and did not acknowledge any regulatory or environmental impediment to its implementation, and indeed TA could reuse the specialist analyses and design work developed until now within the framework of the new work approval procedure.

During 2020 and 2021, the Company continued to cooperate with ENAC in order to restart of the approval process, also in the light of the provisions of Law Decree 76/2020 (so-called “Decreto Semplificazioni” or Simplification Decree), which may help reducing the necessary authorization timeframe.

The amount of fixed assets in progress relating to the Florence airport Master Plan was also tested for impairment as described below.

Impairment test

At 30 June 2021, due to the Covid-19 outbreak and its impact on the global macroeconomic scenario in 2020 and 2021, including air traffic, an impairment test was conducted on data at 30 June 2021 - **approved, together with the Group's Business Plan**, by the Board of Directors on 29 July 2021 - both on both the CGUs of the Florence and Pisa airports.

In addition to concession rights (including, for the Florence airport, work in progress for the development of the Master Plan), these CGUs include the goodwill recognised after the acquisition of Toscana Aeroporti Costruzioni S.r.l., allocated to the aforesaid CGUs, all the assets that make up the net invested capital of the respective airports identified by the Directors and dedicated to the development of the airports, both as regards air traffic and for the infrastructure and passenger services.

More specifically, the expected cash flows of the two airports, estimated for the residual duration of the respective concessions (2048 for Pisa and 2045 for Florence - conventionally defined as 2044 in view of the expiry of the concession in February 2045), having acknowledged the postponement of the completion of the new Florence airport until the

new application process is initiated, have been approved by the Board of Directors of the holding TA on 29 July 2021 and discounted back by determining the recoverable value in use of the respective CGUs, therefore compared with the related carrying value, which includes the goodwill.

The objectives and assumptions of the Plan have been determined by taking into account the historical results of operations and have been processed based on accurate estimates of passenger traffic and of the related revenues, also by using industry-related growth factors and especially considering the significant reduction in the demand expected for the years 2020 and 2021 due to the pandemic.

The definition of the main drivers of the Plan, particular as regards future traffic development forecasts, has also been based on external information, such as independent studies carried out by primary operators of the sector. In the light of the information acquired from internal and external sources, the Plan forecasts are based on a possible recovery of pre-Covid passenger traffic levels by 2024, with 2021 levels being still significantly lower than those reported before the pandemic, and also 2022 levels expected to be significantly below 2019 volumes.

In the period following the pre-Covid level recovery period, revenue growth has been defined based on the following percentages, which are also in line with the forecasts developed by external sources on long-term traffic trends and with reported historical trends:

- Growth rate of operating revenues for the Florence airport: CAGR 2024-2045: 3.5%;
- Growth rate of operating revenues for the Pisa airport: CAGR 2024-2048: 2.8%.

As to cash flow discounting, the Group adopted a WACC (weighted average cost of capital) that reflects the current market assessments of interest rates and takes into account the specific risks of the activity and the geographical area in which the CGUs operate. The WACC so determined is 7.53%.

The Group then conducted a sensitivity analysis on the results of the test against the variations expected in basic assumptions (use of revenue growth rate and discount rate) that affect the value in use of the CGUs. Even in the event of a positive or negative 1% change in the WACC and CAGR used, the analyses would not show an impairment.

Based on Consob requirements indicated in resolution no. 1/21 of 16 February 2021 and on **the recommendations issued by ESMA in the Public Statement "European common enforcement priorities for 2020 annual financial reports"**, as well as considering the basic scenario described above, also supported by external studies, the new resulting scenario is still characterized by the negative impacts of the pandemic. In the envisaged scenario, the time to the recovery of pre-Covid-19 traffic levels is put off for two additional years. In detail, this estimate has been developed by applying the EBITDA expected for 2021 also for 2022 and 2023 (considering the final EBITDA reported by the respective CGUs in the first semester of 2021 and the EVITDA expected for the second semester 2022). So, the assumption is that only in 2024 will the company be able to achieve again the margin levels envisaged in the basic scenario of the 2022 Business Plan. Despite this further significantly negative impact, the value of use of the CGUs examined is still higher than their net carrying amounts.

In all the cases processed, the current value of expected cash flows generated by the CGUs is higher than the net book value tested for impairment.

In addition, the Group conducted a further simulation aimed at defining the reduction of revenues and, for the same amount, of the profits expected in the plan, which would determine a recoverable amount not lower than the carrying amount of the CGUs. The reduction in revenues, which, without any reduction in the amount of costs, would result in a recoverable amount not lower than the carrying amount of the CGUs, would be about 13.9% for Florence airport and about 12.3% for Pisa airport.

Considering that the recoverable value is determined based on estimates, the Group cannot ensure that an impairment may appear in future periods. In the current market context, the various factors used for the processing of the estimates could be reviewed. The Group will constantly monitor these factors and any possible impairment.

21. Property, plant and machinery

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Land, Buildings	17,199	17,329	-131
Other assets	2,648	3,135	-487
Ind. and comm. equipment	824	884	-60
Plant and machinery:	9,333	6,793	2,540
Construction in progress and advance payments (tang.)	307	1,334	-1,027
Property, plant and equipment	30,312	29,476	836

On the whole, investments for approximately € 2.4 M were made in the first 6 months of 2021, as detailed below:

<i>(amounts in €K)</i>	Amount
Owned land and buildings	1
Systems and machinery	2421
Furniture and fittings, hardware	19
Assets under construction	8
Total	2449

For a detailed analysis of the main investments made during the first six months of the year examined, see Section 11 of the Report on Operations.

No divestiture of assets was done in the first 6 months of 2021.

Details on tangible assets are provided in Annex B.

22. Rights of use

At 30 June 2021, the Company has rights of use for € 4.8 M, including:

1. Rights of use on parking lots for € 4.1 M, related to long-term contracts signed for the concession of car park areas with terms ranging from 9 to 20 years;
2. Rights of use on vehicles for € 710 K, related to long-term contracts signed for corporate cars with terms ranging from 3 to 4 years.

The details of the period are provided below.

Data in €K	30.06.2021	31.12.2020
Values at January 1st	4,542	4,619
Acquisitions	617	466
Disposals	0	0
Depreciation	-375	-544
Year-end rights of use	4,784	4,542

23. Equity investments in other entities

At 30 June 2021, the Holding TA owns shares and other shareholdings for € 2,945 K (€ 2,945 K at 31 Dec. 2019), consisting in:

- I.T. Amerigo Vespucci S.p.a. (0,22 % of the share capital): € 40.6 K
- Consorzio Turistico Area Pisana S.c.a.r.l. (2,4 % of the share capital): €420
- Scuola Aeroportuale Italiana Onlus (52.7% of the share capital): € 13.2 K
- Consorzio Pisa Energia S.c.r.l. (5,26 % of the share capital): €831
- Montecatini Congressi S.c.r.l. (5,0 % of the share capital): € 0
- Consorzio per l'Aeroporto di Siena (0.11% of the share capital): € 8.5 K
- Firenze Convention Bureau S.c.r.l. (4,44 % of the share capital): € 6.3 K
- Firenze Mobilità S.p.a. (3,98 % of the share capital): € 42.5 K
- Società Esercizio Aeroporto della Maremma S.p.a. (0,39 % of the share capital): € 10.2 K
- Firenze Parcheggi S.p.A. (8,16 % of the share capital): € 2,823 K.

Scuola Aeroportuale Italiana Onlus has been classified among "Other entities" because it is a non-profit organization.

Consorzio Turistico Area Pisana, Montecatini Congressi S.c.r.l., and Consorzio per l'Aeroporto di Siena are winding up at the closing date of this Report.

No significant change in the fair value of equity investments in other entities is recognized at 30 June 2021.

24. Investments in Associated Companies

At 30 June 2021, the value of TA's equity investments in associates and related entities is € 689 K (€ 613 K at 31 December 2020), as shown in the table below.

- Alatoscana for € 376 K (€ 374 K at 31 December 2020);
- Immobili AOU Careggi for € 313 K (€ 239 K at 31 December 2020).

For further considerations on the characteristics of the entities in question, see the section "Relationships with associated companies and related parties" of the Report on Operations.

No impairment indicator applies to Equity Investments in related entities.

25. Other financial assets

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Guarantee deposits	186	185	1
Receivables from others due beyond the year	3,017	3,017	0
Other financial assets	3,203	3,202	1

Guarantee deposits

These mainly refer to guarantee deposits issued in favour of utility providers (for connections), tobacco products, cash floats given to ticket offices and parking operators.

Receivables from others, due beyond the year

The receivable mainly consists in the guarantee deposit paid as advance on the price of € 3 M paid in June 2018 upon signing the preliminary agreement for the purchase from NIT – Nuove Iniziative Toscane S.r.l. (a real property subsidiary of the Unipol Group) of the “Piana di Castello” area in the vicinity of the Florence airport for Master Plan development purposes.

26. Receivables from others due beyond the year

These refer to trade receivables for agreed repayment plans.

27. Deferred tax assets

Deferred tax assets and liabilities have been posted in their net amount when they could be offset in the same jurisdiction. The net balance is € 9,213 K (€ 4,986 K at 31 December 2020). This amount mainly includes deferred taxes booked in connection with the period's tax loss, for which there is a reasonable certainty of their future recovery in the light of the projections of economic and tax results, as can be inferred from the Group's multi-year plans; taxes determined on temporary differences due to taxed provisions (Provision for repair, Provision for bad debt, etc); recognition of intangible assets (Concession rights) according to IFRIC 12. We remind the reader that taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end.

CURRENT ASSETS

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
CURRENT ASSETS	80,344	108,146	-27,803

The composition of current assets at 30 June 2021 and a comparison against 31 December 2020 are given below.

28. Trade receivables

At 30 June 2021, receivables from customers, net of the Provision for bad debt, total € 12,571 K (€ 13,180 K at 31 December 2020), as detailed below.

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Toscana Aeroporti	15,249	15,711	-462
Toscana Aeroporti Handling	1,837	1,403	433
Parcheggi Peretola	14	0	14
Jet Fuel	146	90	56
TAC	16	0	16
Receivables from associated companies	136	162	-26
- Provision for bad debt	-4,827	-4,187	-640
Trade receivables	12,571	13,180	-609

Additions for € 656 K and uses for € 16 K were made to the provision for bad debt during the period. The details of this item are given below (in €K):

Data in €K	31.12.2020	prov.	use	30.06.2021
Provision for bad debt	4,187	656	-16	4,827

Trade receivables also include receivables from related entities shown in the following table.

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Alatoscana	57	63	-6
Immobili AOU Careggi	79	99	-20
Receivables from associated companies	136	162	-26

29. Current tax assets

This item, which totalled € 1,083 K (€ 1,026 K at 31 December 2020), refers to current tax assets, of which € 953 K of TA (relating to the tax consolidation for € 151 K, IRES additional tax for € 605 K, IRAP for € 198 K); € 82 K of TAH (IRES for € 50 K and IRAP for € 32 K), and € 48 K for the IRES and IRAP taxes of the other subsidiaries.

30. Other Tax Assets

This item totalled € 3,419 K at 30 June 2021 (€ 3,194 K at 31 December 2020), mainly including VAT credit of the Parent Company for € 1,611 K and its subsidiaries, TAH for € 587, TAC for € 648 K, TAE for € 262 K, PP for € 160 K, Vola for € 81 K, and Jet Fuel for € 6 K.

31. Receivables from others, due within the year

The item "Receivables from others, due within the year" includes (data in €K):

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Public subsidies (State, Region) receiv. from carriers for municipal adult. tax pass.	10,035	10,035	0
boarding fees	2,167	2,507	-340
Advance payments made to suppliers	427	362	64
Prepaid expenses	754	467	287
Ticket office receivables	242	140	102
Monopoly products receivables	53	53	0
Other minor receivables	776	838	-61
Receivables from others, due within the year	14,454	14,402	52

the Public Subsidies item includes the € 10 M aid received from the Region of Tuscany in favour of the parent company in December 2020 to partially cover the loss suffered by the company due to the pandemic during 2020.

The Additional Municipal Tax on passenger boarding fees receivable, a tax established with Art. 2, par. 11, of Law no. 350 of 24 December 2003, shows the same trends as the item "Other taxes due" of the Current Liabilities (Note n. 46), because the amount collected is paid to the State. The decrease is mainly due to the lower Aviation revenues recognized after the collapse of air traffic due to the pandemic.

The "Prepaid expenses" item mainly includes supplies with advanced billing, membership fees, and insurance.

32. Cash and cash equivalents

This item consists of € 48,816 K (€ 76,344 K at 31 December 2020).

We point out that the "Cash and Banks" item includes a minimum amount of € 1 M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated with the MPS Capital Services bank pool.

For more details, see the Statement of Cash Flows in the Report on Operations.

SHAREHOLDERS' EQUITY AND LIABILITIES

The Shareholders' Equity decreased by € -12,333 K due to the recognition of the loss for the period (€ -13.3 M).

More specifically, the Shareholders' Equity consists of the following items:

33. Share Capital

At 30 June 2021, the fully paid-up share capital of the Holding consists of 18,611,966 ordinary shares without nominal value (same number of shares at 31 Dec. 2019).

For details on Shareholders, see the table and section "Shareholders of the Parent Company" in the Report on Operations.

34. Capital reserves

Capital reserves consist of:

- a share premium reserve for € 18,941 K created with the paid capital increase determined upon listing SAT (Società Aeroporto Toscano Galileo Galilei S.p.a.) on the Stock Exchange in July 2007;
- a legal reserve of € 5,369 K.
- Statutory reserves for € 30,938 K, which decreased by € 7,845 K compared to 31 December 2020, due to the complete coverage of the balance loss amount reported by the parent company TA in the financial year 2020, as determined by the Shareholders' Meeting.
- Other reserves, which mainly consist of the reserve deriving from the merger by incorporation of AdF, for € 24,585 K. Pursuant to point 5 of the first paragraph of Art. 2426 of the Civil Code, we specify that there is no restriction on available reserves.

35. IAS adjustments reserve

This reserve is negative by € 3,229 K, and included:

- (i) the IAS reserve (negative for € 711 K) after deducting the theoretical tax burden created at 1 Jan. 2005 upon First Time Adoption, so as to include the impact of international accounting standards on the Shareholders' Equity;
- (ii) the IAS reserve (negative for € 2,618 K) created after applying the new international standard IFRIC 12 from 1 January 2011.

36. Profit/(Loss) carried forward

This item includes profit carried forward for € 587 K (€ 3,858 K at 31 December 2020). The difference derives from the allocation of the 2020 result and from the actuarial effect of the recalculation of the T.I. Provision according to IAS 19.

Other components of the Statement of Comprehensive Income

The value at 30 June 2021 is broken down below:

SITUATION AT 30.06.2021	PROFIT/(LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
<i>Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:</i>				
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	-139	-139	-11	-151
<i>Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:</i>				
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	-3	-3	-1	-4

The tax effect regarding the other components of the Statement of Comprehensive Income is broken down below:

SITUATION AT 30.06.2021	Tax		Net Value
	Gross value	(charge)/ benefit	
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:	-198	48	-151

SITUATION AT 30.06.2020	Tax		Net Value
	Gross value	(charge)/ benefit	
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:	-5	1	-4

37. Group's profit (loss) for the period

This item includes TA's loss for the period at 30 June 2021, which totals € 13,320 K (€ 12,470 K of profits at 31 December 2020).

38. Minority interest

Based on the equity interests existing in the first half of 2021, the minority interest of € 66.67% for the subsidiary Jet Fuel and 49% for Toscana Aeroporti Costruzioni is € 1,029 K (€ 222 K at 31 December 2020). The difference is due to the result for the period of the two subsidiaries and to the recognition of the minority interest within the framework of the business combination with TAC.

NON-CURRENT LIABILITIES

The composition of non-current liabilities at 30 June 2021 and a comparison against 31 December 2020 are given below.

39. Provisions for risks and charges

The Provision for risks and charges consists of € 2,203 K (€ 2,016 K at 31 December 2020). The details of the year are provided below.

Data in €K	31.12.2020	prov.	use	30.06.2021
Provisions for risks and charges	2,016	195	-9	2,203

At 30 June 2021, the provision mainly includes the following amounts:

- 1) € 351 K of provisions set aside in connection with the Fire Brigade Protection Service dispute, which is described in detail in the section "Information on the main items of the Provision for risks and expenses at 30 June 2021";
- 2) € 1,123 K of provisions set aside in connection with potential labour dispute risks, better described in the section "Additional information";
- 3) € 200 K regarding a dispute where TA was summoned by the company that had been awarded the contract for the expansion works in the west apron of the Florence airport concerning problems identified by TA related to the execution of the contract.
- 4) € 328 K regarding disputes for local taxes, consisting in the different classification of airport areas for IMU (municipal property tax) determination purposes.

For further information, see Section "Information on the main items of the Provision for risks and charges at 30 June 2021".

The amounts set aside by the Company to face potential risks deriving from ongoing disputes are deemed appropriate for the predictable outcome of the legal proceedings.

40. Provisions for repair and replacement

This provision (valued according to the best estimate of the expense required to fulfil the obligation at the closing date of the report) includes the amounts spent for the maintenance and repair of infrastructures in the Florence and Pisa airports, to be returned in perfect maintenance conditions to the Grantor at the end of the concession period.

The global value of this item at 30 June 2021 was € 17,686 K, down by € 4,475 K compared to 31 December 2020 after the year's uses of about € 5.5 M, partially offset by the additions of the semester. Details are given below:

Data in €K	31.12.2020	Provision (costs net of uses)	Use (net of uses)	Fin. charg.	30.06.2021
Provisions for repair and replacement	22,162	850	-5,480	154	17,686

At 30 June 2021, this provision, depending on the estimated time of its use, is allocated to medium/long-term liabilities (€ 14,909 K) and to current liabilities (€ 2,777 K).

In addition, the potential impact on the Provision for repairs in terms of growth, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would correspond to approx. € +315 K. Conversely, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 bp in interest rates would be approx. € -293 K.

41. Provisions for employee retirement and benefits

The item includes the actuarial assessment of the ETB, considered as a defined benefit obligation to be recognised as recommended by IAS 19 "Employee Benefits".

The parameters used for the measurement of liabilities at 30 June 2021 are detailed below:

- annual technical discount rate: 0.82%
- Annual inflation rate: 1.20%
- annual ETB increase rate: 2.40%

As far as the discount rate is concerned, the Corporate AA iBoxx 10+ index has been selected as criterion for the valuation of this parameter, as its duration is suitable for the average time of permanence of the two staff groups being considered.

There is no defined benefit scheme for the executive staff of the company.

The value of consolidated liabilities is € 5,603 K (€ 5,736 K at 31 December 2020). This provision is booked net of the advance payments and settlements made during the period examined and shows an increase of € 133 K compared to 31 Dec. 2020, as specified below:

Data in €K	31.12.2020	Perimeter change	IAS Fin. charg.	use	Actuarial (gain)/loss	30.06.2021
Provisions for employee retirement and benefits	5,736	378	72	-322	-262	5,603

The difference shown in the Statement of Comprehensive Income (€ 199 K) corresponds to the actuarial gain of € 199 K, after a taxation of € 48 K.

The valuation of future benefits is obviously affected by all the assumptions required for its identification; therefore, in order to obtain the sensitivity shown by the actual value as determined above compared to said assumptions, some tests have been conducted to provide the difference in the actual value against a given difference in some of the assumptions adopted, which may mostly affect that value. The table below provides the sensitivity analysis of the Provision (in €K).

<i>Toscana Aeroporti Group</i>						
	Annual technical discount rate		Annual inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
	Provision	5,338	5,887	5,678	5,528	5,494

Finally, the table below provides a prediction of disbursement of the provision.

Year	TA Group
0 - 1	285,320
1 - 2	183,365
2 - 3	174,231
3 - 4	156,288
4 - 5	359,286
5 - 6	399,861
6 - 7	518,726
7 - 8	398,611
8 - 9	560,561
9 - 10	435,752

42. Financial liabilities

The details of non-current and current financial liabilities are given below:

Data in €K	31/12/2020	Loans	Repayments	Reclassification	Other movements	31/12/2020
Non-current liabilities	103,014	-	0	2,525	490	100,979
Current financial liabilities						
Bank overdrafts (short-term loans)	41,042	41,500	41,500	-	23	41,065
Current portion of medium/long-term indebtedness	4,985	-	2,462	2,525	12	5,060
Total current financial liabilities	46,026	41,500	43,962	2,525	35	46,125
Total financial liabilities	149,040	41,500	-43,962	0	525	147,103

The amount of € 46.1 M, corresponding to current financial liabilities at 30 June 2021, refers to the current portion of medium-long term liabilities for the loans described below in this Note for € 5,060 K and to short-term loans (i.e. "hot money") for € 41.1 M.

The approx. € 2 M decrease in non-current financial liabilities refers to the short-term reclassification of the capital shares expiring in the subsequent twelve months.

The aggregate amount of non-current financial liabilities and the related current share of medium-term liabilities refers to:

- 1) the loan agreement signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of € 85 M secured by a SACE collateral in accordance with the provisions of the "Liquidity Decree" for an equal amount 90% of the sums paid in principal, plus interest and ancillary costs (hereinafter also the "SACE loan"). This SACE loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortization

of 24 months (first instalment due in December 2022), and requires the company to comply a financial parameter, to be measured at the time of the annual consolidated financial statement, which consists in the value of the consolidated net financial position (NFP), as conventionally defined in the same agreement, not exceeding € 100 M. According to the provisions of the loan agreement and of the "Liquidity Decree", this facility can be used to support the Group's cash requirements in connection with the payment of personnel costs, rents or leases, investments and working capital, with an interest rate indexed to the EURIBOR rate plus a margin. In addition, annual commissions are determined in the agreement, to be calculated in connection with the SACE guaranteed component on the share of principal paid out and not repaid, with a fixed percentage increasing over the term of the loan - For additional details, see the "Liquidity risk" section of these Explanatory Notes;

- 2) two long-term loans granted by the bank "Banca Infrastrutture Innovazione Sviluppo" ("BIIS" - Intesa San Paolo Group) and MPS Capital Services to support the related infrastructure investments, with original amounts of € 40 M and € 12 M, respectively. The interest rates of these loans are indexed to the 6-month EURIBOR rate plus a spread. The loan obtained from MPS Capital Services is due in June 2022 and has an outstanding debt of approx. € 2 M at 30 June 2021 (to be fully repaid within the next 12 months). The loan obtained from BIIS - Intesa San Paolo Group is due in September 2027 and has an outstanding debt of € 18.6 M at 30 June 2021 (of which € 2.9 M due within the next 12 months).
- 3) Two loans obtained in 2017 and 2018 by the subsidiary Jet Fuel, with an outstanding debt of € 506 K at 30 June 2021. In this regard, we point out that Jet Fuel benefited from the moratorium provided for in the "Liquidity Decree", which allows the subsidiary in question to postpone the payment of the shares of principal due in 2020 for a total amount of € 200 K.

The financial liabilities arising from the loans granted to the parent company by BIIS - Intesa San Paolo Group and MPS Capital Service require compliance with preset financial ratios that are defined in the related agreement, such as the Net Financial Position/EBITDA and the Net Financial Position/Shareholders' Equity ratios, as defined in mutual agreement with the lending banks and measured on the book values of the parent company, for the € 40 M loan, and of the Group, for the € 20 M loan.

We finally point out that, in addition to the aforesaid parameters, the € 12 M loan agreement requires a minimum amount of € 1 M to be made available and deposited in a current account pledged as security for the same loan and requires that no non-recurring transaction be performed with third parties (entities that are not members of the Group) without the previous written consent of the lending banks.

The aforesaid measurements have been made in the preparation of the annual (at 31 December) and interim report (at 30 June) for the loan obtained from MPS Capital Services, and only in the annual report for the loan obtained from BIIS.

Failure to comply with the covenants and the other contractual commitments undertaken with the loan in question may lead, if the default is not remedied within the terms agreed, to the early repayment of the outstanding debt and/or to restrictions in the distribution of dividends.

The parent company, for the loan granted by MPS Capital Services, in July 2021 obtained a specific exemption from the measurement of financial ratios, as provided for in the agreement, on data at 30 June 2021. In any case, the related debt will be due within the next 12 months, to be exclusively measured at year end (31 December).

The SACE loan agreement also requires compliance with a financial parameter to be measured when the annual consolidated financial statements are adopted, which consists

of the value of the consolidated net financial position, as conventionally defined in the same agreement, not exceeding € 100 M.

Finally, in line with market practice, the aforesaid loans may include: negative pledge commitments under which the company cannot create real warranty rights or other constraints on company assets; *pari passu* clauses, under which the loans will have the same degree of priority in repayment as the other financial liabilities; and “change of control” clauses, that are activated in the event that the majority shareholder loses control over the company; limitations to the non-recurring transactions the parent company may perform.

Details of the loans existing at 30 June 2021 are shown below.

Amounts in €K	Capital share	Interest share	Total
Within the year	46,021	1,478	47,499
Included between 1 and 2 years	19,009	1,356	20,365
Included between 2 and 3 years	24,220	1,462	25,682
Included between 3 and 4 years	24,118	972	25,090
Included between 4 and 5 years	24,118	430	24,548
Included between 5 and 6 years	8,180	42	8,222
Beyond 6 years	1,437	7	1,444
Total	147,103	5,746	152,850

Details of the credit facilities existing at 30 June 2021 are shown below.

Data in €K	30.06.2021	31.12.2020	DIFF.
Credit lines granted	52,450	57,450	-5,000
<i>of which TA</i>	<i>52,150</i>	<i>57,150</i>	<i>-5,000</i>
<i>of which subsidiaries</i>	<i>300</i>	<i>300</i>	<i>-</i>
Credit lines used	41,000	41,000	-
<i>% used</i>	<i>78%</i>	<i>71%</i>	
Residual facilities	11,450	16,450	-5,000

Financial liabilities outstanding at 30 June 2021 are reported below, distinguished into fixed and variable interest rate categories.

Banking Institution	Expiry	type of Interest	Interest rate	Debt at 30 June
MONTE DEI PASCHI DI SIENA	June 2022	variable	6-Month Euribor + 250 bp	1,939,756
INTESA SAN PAOLO - 1 st tranche	September 2	variable	6-Month Euribor + 96 bp	8,086,247
INTESA SAN PAOLO - 2 nd tranche	September 2	variable	6-Month Euribor + 180 bp	10,676,606
Jet Fuel - 1 st Loan	June 2023	variable	3-Month Euribor + 110 bp	203,297
Jet Fuel - 2 nd Loan	June 2024	variable	3-Month Euribor + 110 bp	303,403
ISP-SACE	September 2	variable	3-Month Euribor + 115 bp	84,829,094
BPM	July 2021	fixed	0.40%	3,504,017
Bank Intesa San Paolo	March 2022	fixed	1.20%	11,038,696
BNL	April 2022	fixed	0.60%	5,005,178
BNL	April 2021	fixed	0.50%	788
UniCredit	September 2	fixed	0.30%	2,500,103
UniCredit	September 2	fixed	0.30%	2,501,870
UniCredit	September 2	fixed	0.30%	1,000,016
UniCredit	September 2	fixed	0.30%	2,500,103
UniCredit	August 2021	fixed	0.30%	1,001,094
CREDEM	December 20	fixed	0.09%	1,000,032
MPS	August 2021	fixed	0.48%	11,013,164
Total				147,103,462

Bank loans existing at 30 June 2021 are shown below, carried at their book value and at fair value.

Bank	Company	Notional	Fair value
Intesa San Paolo	TA	18,763	19,179
Monte dei Paschi di Siena	TA	1,940	1,985
Intesa San Paolo – SACE	TA	84,829	88,861
Banco Popolare di Milano	Jet Fuel	507	511
Short-term loans ("hot money")	Jet Fuel	41,065	41,042
Total		147,103	151,578

Residual credit facilities at 30 June 2021 totally refer to non-revolving credit lines.

The **financial indebtedness** at 30 June 2021, disclosed in compliance with the Consob Resolution no. 6064293 of 28 July 2006 and updated according to the ESMA guidelines published on 4 March 2021, is given in the following table:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS

<i>Euro K</i>	30.06.2021	31.12.2020	Abs. Diff.	30.06.2020
A. Cash	48,816	76,344	(27,528)	15,908
B. Cash equivalents	-	-	-	-
C. Other current financial assets	-	-	-	-
D. Liquid assets (A) + (B) + (C)	48,816	76,344	(27,528)	15,908
E. Current financial liabilities	41,065	41,042	23	41,015
F. Current portion of non-current financial liabilities	6,745	5,484	1,261	5,268
G. Current financial liabilities (E) + (F)	47,810	46,525	1,285	46,282
H. Net current financial liabilities (G) - (D)	(1,006)	(29,818)	28,812	30,374
I. Non-current financial debt	100,979	103,014	(2,035)	21,113
J. Debt instruments	-	-	-	-
K. Trade payables and other non-current liabilities	7,531	4,132	3,399	4,089
L. Non-current financial liabilities (I) + (J) + (K)	108,510	107,146	1,364	25,203
M. Total financial liabilities (H) + (L) (NFP)	107,504	77,327	30,176	55,576

See comments in the Report on Operations and to the “Statement of Cash Flows” for a more in-depth analysis of this item.

43. Financial liabilities for rights of use

At 30 June 2021, financial liabilities for rights of use, determined by discounting the value of the lease rentals due, total € 4.9 M, of which € 4.2 M classified among non-current liabilities and € 0.7 M among current liabilities.

Data in €K	30.06.2021	31.12.2020
Financial liabilities due beyond one year	4,214	4,132
Financial liabilities for rights of use within one year	685	499
Total	4,899	4,631

The Group adopted the practical expedient introduced by the amendment to IFRS 16 “Leasing” for the valuation of lease agreements, applicable when leases have been renegotiated as a result of Covid-19. The Group, as lessee, elected to account for the concession as a variable lease over the period in which a lower payment is recognized: the amount of these lower payments, € 90 K, is reported in the “Payments / Other reductions” line of the table below.

Data in €K	30.06.2021
Values at January 1st	4,631
Acquisitions	617
Payment / Other reductions	-417
Financial expenses	67
Financial liabilities for rights of use at year-end	4,899

Lease agreements contain no covenants.

The accrual of the financial liability is shown below.

	€K
< 1 year	858
1-2 years	708
2-3 years	578
3-4 years	497
4-5 years	464
5-6 years	390
Beyond 6 years	2,225
Total	5,720

The margin interest rates defined by the Group are reviewed on a recurring basis and applied to all the contracts with similar characteristics, which have been considered as a single contract portfolio. Rates are calculated starting from the average effective borrowing rate of the Holding, appropriately adjusted based on the requirements of new accounting standards, to simulate a theoretical margin interest rate consistent with the contracts to be recognised. The most significant items considered for the adjustment of the rate are the credit risk spread that can be observed in the market and the different duration of lease agreements.

The rates used are given below:

- 1) for the agreements signed in 2019 and previous years:
 - 0.94% for car rental agreements
 - 3.40% for long-term lease agreements
 - 2.37% for short/medium-term lease agreements
- 2) for the agreements signed in 2020 and 2021:
 - 0.69% for car rental agreements
 - 1.67% for long-term lease agreements
 - 1.10% for short/medium-term lease agreements

44. Other payables due beyond the year

Payables due beyond the subsequent year (entirely of the parent company TA) consist of € 3,736 K (€ 368 K at 31 December 2020), namely:

- the non-current component of the account payable to Cemes for the acquisition of 51% of the shares of Cemes Aeroporti's capital (today Toscana Aeroporti Costruzioni) for € 3,317 K;
- guarantee deposits received from customers as a guarantee of the services performed in their favour for € 419 K.

Payables due beyond 5 years

The Company has loans of a duration exceeding 5 years, whose details are given in Note 42 to Financial Liabilities and Note 43 of Financial liabilities for rights of use.

CURRENT LIABILITIES

Details of current liabilities for the period are shown below, with the related categories.

45. Current tax liabilities

This item totals € 87 K (€ 5 at 31 December 2020) and includes the balance of the taxes of the Group's subsidiaries, calculated on the final results before taxes of 2021.

46. Other tax liabilities

The aggregate amount of € 8,242 K (€ 9,706 K at 31 December 2020) is broken down below:

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Due to Rev. Ag. for Munic add. tax on pass. boarding fees	6,837	8,312	-1,475
IRPEF due for employees and self-employed prof.	1,029	1,016	13
Higher fees due for private flights	243	246	-3
Local taxes	132	132	0
Other tax liabilities	8,242	9,706	-1,465

In particular, the amount due to the Revenue Agency for the additional municipal tax on boarding fees has decreased in connection with the same trends associated with the decrease in receivables from others due within the year.

47. Trade payables

Payables to suppliers total € 26.4 M (€ 24 M at 31 December 2020), with an increase of € 2.5 M.

48. Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL) for € 545 K (€ 1,322 K at 31 December 2020).

49. Other payables due within the year

The other payables due within the year consist of € 7.3 M (€ 6.2 M at 31 December 2020) and include the following debit items:

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Employees/contractors fees	1,467	1,363	104
Concession fees	324	1,204	-880
Deferred income	1,449	634	815
Fire-protection service	569	1,002	-433
Air/bus/train ticket office receipts	552	479	73
Institutional bodies fees	404	164	240
Adv. paym. (carriers)	586	684	-98
Payable to CEMES for purchase of TAC shares	1,000	0	1,000
Other minor payables	906	689	217
Other payables due within the year	7,257	6,219	1,038

In detail:

- the Fire Protection Service is the account payable to the Revenue Agency introduced by the 2007 Finance Law. For further considerations, see details in the section “Provisions for risks and charges”.
- Prepaid expenses refer mainly to Non-Aviation revenues invoiced in advance.
- The account payable to Cemes refers to the price component to be paid within 31 December 2021.

ADDITIONAL INFORMATION

Commitments and Guarantees

At 30 June 2021, commitments and guarantees include € 16,486 K of third-party suretyships in favour of the TA Group and € 10,925 K of suretyships given by third parties on behalf of the TA Group.

Data in €K	30.06.2021	31.12.2020	DIFFERENCE
Third-party guarantees in favour of Group	14,322	15,498	-1,176
Guarantees given to third-parties on behalf of Group	10,905	10,925	-20

Suretyships provided by third parties in the favour of the TA Group mainly refer to performance bonds for contract works, for compliance with agreements by sub-concessionaires, air carriers and other customers.

The suretyships provided to third parties on behalf of the TA Group mainly refer to performance bonds in favour of ENAC to ensure full and exact fulfilment of the obligations established with the two 40-year Conventions signed with the Municipalities of Pisa and Florence as a guarantee of TA's compliance with municipal regulations in the expansion works for the airport infrastructures.

Allocation of financial instruments by valuation category applied

30 June 2021 (amounts in €K)	Assets valued at fair value	Assets valued at amortized cost	Total
Assets			
Trade receivables	-	12,729	12,729
Other financial assets	2,945		2,945
Other accounts receivable	-	17,045	17,045
Cash and cash equivalents	-	48,816	48,816
Total	2,945	78,590	81,536

30 June 2021 (amounts in €K)	Liabilities valued at fair value	Assets valued at amortized cost	Total
Liabilities			
Financial liabilities	-	106,038	106,038
Financial liabilities for rights of use	-	4,899	4,899
Trade payables and other liabilities	-	34,520	34,520
Total	-	145,457	145,457

Fair value measurement hierarchy

As regards the financial instruments recognised in the Financial Position at fair value, IFRS 7 requires these values to be classified based on a hierarchy of levels that reflects the significance of the input used in the determination of fair value.

The following levels are identified:

- Level 1 – the price of the asset or liability being measured is drawn from an active market;
- Level 2 – the inputs used are not the listed prices indicated above, but may be observed on the market, either directly (prices) or indirectly (price derivatives);
- Level 3 – the inputs are not based on observable market data. Assets valued at fair value, as detailed in the table above, are included in the level defined.

Information on financial instruments

There are no derivative financial instruments.

Information on the main items of the Provision for risks and charges at 30 June 2021

1. Provision for liability risks connected with the dispute on the Fire Brigade airport service (€ 351 K)

As regards the contribution to be paid for the Fund created by the 2007 Finance Law to reduce the cost for the State of the organization and implementation of the Fire Protection Service in Italian airports ("Fondo Antincendi"), the Parent Company TA (then AdF) in 2012 brought a specific legal action before the Civil Court of Rome to ask the Judge to ascertain and declare the termination of the obligation to pay said contribution after a change in the purposes of said Fund, starting from 1 January 2009. In fact, since that date, the resources contributed to the Fund had been used to provide general public rescue and civil defence services, as well as to finance the national collective labour agreements of the Fire Brigades.

A harsh legal dispute arose on the issue, with confirmed decisions expressed by the finance and civil courts, with a specific legislative instrument, and lastly with specific judgements issued by our highest jurisdictional bodies, the Constitutional Court and the Court of Cassation, with united sections.

In such a context, we remind readers that the lawmaker (with paragraph 478, Art. 1, of Law no. 208/2015, the so-called “Stability Law” - *Legge di Stabilità 2016*), had retroactively amended the regulation of the Fire-Prevention Fund in order to affect all the ongoing disputes in favour of the Administrations and thus imposing the nature of a consideration and the jurisdiction of the Ordinary Court. After the legislative amendment introduced by the Stability Law 2016 on the matter, a specific petition had been filed to raise the question of the constitutional legitimacy of the provision at issue. The Constitutional Court, with **judgement no. 167/2018, deposited on 20 July 2018, confirmed TA’s thesis and declares the lack of constitutional legitimacy for Art. 1, paragraph 478, of Law no. 208 of 28 December 2015.**

This having been said, several positive decisions have been pronounced in favour of TA in the first semester of 2020, which established that the Fire-Prevention Fund was a purpose tax, therefore no longer due, which allowed the Company to assess the liability associated with this dispute with a different attitude.

More specifically, decision no. 2517/19 issued by the Rome Provincial Tax Commission [Commissione Tributaria Provinciale di Roma] became final on 10 May 2020, admitting and approving the entire defence raised by the Company over the last few years concerning the Fire Protection Fund and, together with the other recent judgements of the Constitutional Court and Court of Cassation, overturned the outcome of all the ongoing disputes in favour of the Company.

More positive decisions were made in 2020, including the decision of the Court of Cassation (Joint Chambers), no. 3162/19 of 1 February 2020; the decision of the Provincial Tax Commission of Rome no. 4874/8/19 of 2 April 2020; and the decision of the Court of Appeal of Florence of 23 June 2020, which rejected the appeal of the Administrations against first degree decision no. 2975/2015, which had been favourable for TA.

For the sake of completeness, we should highlight that, on 19 February 2020, the *Avvocatura Generale dello Stato* (Attorney General), acting in the name and on behalf of the Administrations, notified TA with the appeal to the Court of Cassation against CTR Lazio’s decision no. 7164/19 of 20 December 2019.

In this global framework, the Provision for risks and liabilities booked in the balance sheet at 30 June 2021, also measured with the help of external independent professionals, is consistent, if we also take into account all the updated of the period.

2. Provision for potential labour dispute liabilities (€ 1,123 K)

At 30 June 2021, the holding, TA, booked a provision for potential liabilities of € 179 K in view of the probable persistence of the risk of liabilities arising from disputes with employees and labour disputes with a possible unfavourable outcome.

For the same reasons, the subsidiary TAH, at 30 June 2021, has a provision for risks of € 944 K, of which € 339 K for labour disputes and € 605 K regarding the estimate of liabilities deriving from the non-renewal of the CCNL (collective labour agreement) in 2019.

The amounts set aside by the company, including with the support of independent advisors, are consistent with the predictable outcome of the dispute.

3. Additional liabilities with a possible unfavourable outcome

We finally report risks for potential liabilities, also assessed as “possible” with the support of independent professionals, concerning:

- a) the dispute for the return of the fees for fuel supplies requested by certain airlines from oil companies, where the Company has been summoned as third party;
- b) TA's dispute concerning a claim for damages brought by a board member who left the BoD before the merger between SAT and AdF, against which the Company lodged a counterclaim.

Remuneration of Directors, Auditors and Executives with strategic responsibilities

For details, see the special table in the Report on Remuneration at 31 December 2020, specified in Art. 123-ter of Leg. Dec. no. 58/98 (published in the Company's website).

We point out that Directors and Statutory Auditors held no interest in non-recurring transactions performed during the first half of 2021, nor do they hold any in similar transactions initiated during previous years and not yet concluded.

At the closing date of this interim report, no loan existed in the favour of any member of the Board of Directors or Board of Statutory Auditors.

Relationships with related parties

See the specific section in the Report and Annex C to this financial statement at 30 June 2021 for a summary of the main effects of transactions with related parties on the financial statement.

Atypical or unusual transactions

According to Consob's Notice no. 6064293 of 28 July 2006, we disclose the information that no significant non-recurring events and transactions took place during 2021.

Significant events and non-recurring transactions

Pursuant to CONSOB's Notice of 28 July 2006, we specify that no significant non-recurring transaction was performed during the first semester of 2021.

Subsequent events

On 26 July 2021, the European Commission approved, under EU Regulations on State Aids, a financial package of € 800 million for Italy to be used to indemnify airports and ground handling service providers for the damages suffered due to the health crisis and the consequent travel restrictions imposed to contain the spreading of the virus. The Management will monitor the evolution of the context described above, also with the purpose of assessing the amount of the reimbursements due to the Group.

With Resolution no. 752 of 26 July 2021, the Region of Tuscany confirmed € 10 M of allocation of the contribution with Regional Law no. 95 of 3 December 2020 and mandated the competent sector of the “Direzione Attività Produttive” (DG of Production Activities) to adopt the necessary measures for the disbursement of the aid granted to the company Toscana Aeroporti Spa. On 16 August 2021, the aid was disbursed by the Region and cashed by the Parent Company.

Finally, the process for the probable disposal of the equity investment in TAH is continuing.

Authorization to publication

This document has been approved by the Board of Directors on 8 September 2021 and made available to the public on the same date as required by the applicable legislation.

For the Board of Directors
The Chairman
(Marco Carrai)

ANNEXES
TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS 2021

TABLE OF CHANGES IN INTANGIBLE ASSETS FOR THE FIRST HALF OF 2021
(amounts in €K)

	CONCESSION RIGHTS (ROYALTIES)	GOODWILL	PATENT AND INTELLECTUAL PROPERTY RIGHTS	ASSETS UNDER CONSTRUCTI ON	OTHER FIXED ASSETS	TOTAL
Historical cost	205,432	-	15,300	27,991	1,396	250,119
Accumulated depreciation	- 56,279	-	- 14,942	-	- 1,138	- 72,359
A - Value at 31.Dec.20	149,153	-	358	27,991	258	177,760
<i>CHANGES FOR THE PERIOD</i>						
Acquisition of new business	-	3,735	550	-	-	4,285
Purchases	2,555	-	106	4,656	-	7,317
Reclassification	1,897	-	63	- 1,960	-	-
Impairment	-	-	-	62	-	62
Other movements	340	-	-	-	-	340
Depreciation	- 2,778	-	- 255	-	- 16	- 3,049
B - Balance of changes	2,014	3,735	464	2,634	- 16	8,830
Historical cost	210,223	3,735	16,019	30,624	1,396	261,998
Accumulated depreciation	- 59,057	-	- 15,197	-	- 1,155	- 75,408
Value at 30.June.2021 (A+B)	151,167	3,735	823	30,624	242	186,590

TABLE OF CHANGES IN TANGIBLE ASSETS FOR THE FIRST HALF OF 2021
(amounts in €K)

	LAND, BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUCTI ON	OTHER ASSETS	TOTAL
Historical cost	25,451	39,785	1,697	1,334	19,268	87,534
Accumulated depreciation	(8,122)	(32,992)	(813)	-	(16,133)	(58,059)
A - Value at 31.Dec.20	17,329	6,793	884	1,334	3,135	29,476
<i>CHANGES FOR THE PERIOD</i>						
Acquisition of new business	-	77	-	-	3	80
Purchases	1	2,421	-	8	19	2,449
Reclassification	-	1,035	-	(1,035)	-	-
Disinvestments	-	(3,688)	-	-	(15)	(3,703)
Acquisition of new business	-	(17)	-	-	(1)	(18)
Depreciation	(131)	(947)	(60)	-	(509)	(1,646)
Reversal of previous years' accum.	-	3,660	-	-	15	3,675
B - Balance of changes	(131)	2,540	(60)	(1,027)	(487)	836
Historical cost	25,451	39,629	1,697	307	19,275	86,359
Accumulated depreciation	(8,253)	(30,295)	(872)	-	(16,627)	(56,047)
ALTRE IMMOB.NI - In corso	17,199	9,333	824	307	2,648	30,312

RELATIONSHIPS WITH RELATED PARTIES

balance sheet item	Values in € K	% incidence on balance sheet item	Book item (€K)	Values in € K	% incidence on balance sheet item	Book item (€K)
<u>Associated companies</u>						
<i>Immobili A.O.U. Careggi Spa</i>						
Investments in Associated Companies	-	0.00%	689.1	239.1	38.97%	613.4
Trade receivables	79.1	0.63%	12,571.0	122.9	86.64%	141.9
Non-Aviation revenues	50.0	0.91%	5,519.5	42.5	0.27%	15,496.6
Other revenues and proceeds	9.5	0.83%	1,141.3	18.0	2.32%	774.7
<i>Alatoscana Spa</i>						
Investments in Associated Companies	313.2	45.46%	689.1	374.4	61.03%	613.4
Trade receivables	56.9	0.45%	12,571.0	19.0	13.36%	141.9
Other revenues and proceeds	31.6	2.77%	1,141.3	31.6	4.08%	774.7
<u>Other related parties</u>						
<i>Delta Aerotaxi srl</i>						
Aviation revenues	55.6	0.76%	7,353.9	28.8	0.19%	15,065.2
Non-Aviation revenues	77.4	1.40%	5,519.5	55.5	0.84%	6,623.9
Other revenues and proceeds	8.2	0.72%	1,141.3	5.2	0.67%	774.7
Costs for services	16.0	0.17%	9,338.6	-	0.00%	15,943.3
Trade receivables	259.1	2.06%	12,571.0	234.0	2.66%	8,812.5
Receivables from others due beyond th	158.2	100.00%	158.2	109.5	53.25%	205.6
<i>Corporate Air Services srl</i>						
Aviation revenues	51.9	0.71%	7,353.9	84.0	0.56%	15,065.2
Non-Aviation revenues	49.1	0.89%	5,519.53	12.069	0.18%	6,623.9
Other revenues and proceeds	0.9	0.07%	1,141.3	1.4	0.18%	774.7
Trade receivables	103.7	0.83%	12,571.0	11.7	0.13%	8,812.5
<i>Delifly srl</i>						
Non-Aviation revenues	16.0	0.29%	5,519.5	14.3	0.22%	6,623.9
Other revenues and proceeds	3.6	0.32%	1,141.3	3.7	0.47%	774.7
Receivables from customers	97.9	0.78%	12,571.0	31.9	0.36%	8,812.5
<i>ICCAB srl</i>						
Non-Aviation revenues	20.0	0.36%	5,519.5	22.8	0.34%	6,623.9
Other revenues and proceeds	0.8	0.07%	1,141.3	1.0	0.12%	774.7
Trade receivables	41.9	0.33%	12,571.0	48.7	0.55%	8,812.5
<i>Corporación America Italy srl</i>						
Trade receivables	0.9	0.01%	12,571.0	0.9	0.01%	8,812.5

**CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR 2021 PURSUANT TO ART. 81-TER OF CONSOB'S
REGULATION NO. 11971 OF 14 MAY 1999, AND SUBSEQUENT AMENDMENTS
AND SUPPLEMENTS**

1. The undersigned Roberto Naldi (Chief Executive Officer) and Marco Gialletti (Financial Reporting Manager) of Toscana Aeroporti S.p.a., also considering the provisions contained in art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the appropriateness in connection with the distinguishing features of the company, and
- the actual implementation

of the administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Report at 30 June 2021.

2. Furthermore, it is hereby certified that the Condensed Consolidated Interim Financial Report at 30 June 2021:

- has been prepared in accordance with applicable accounting standards recognized within the European Community pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- reflects the contents of accounting books and records;
- provides a true and fair view of the assets, liabilities, and financial situation of the issuer and of the issuer.

3. The Report on Operations includes a reliable analysis of operating performance and income, as well as the situation of the issuer, along with a description of the primary risks and uncertainties to which it is exposed.

Florence, 08 September 2021

For the Board of Directors
Roberto Naldi (CEO / Managing Director)

Financial Reporting Manager
Marco Gialletti

LIMITED AUDITING ACTIVITY REPORT BY PWC



REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Toscana Aeroporti SpA

Foreword

We have reviewed the accompanying condensed consolidated interim financial statements of Toscana Aeroporti SpA and its subsidiaries (the Toscana Aeroporti Group) as of 30 June 2021, comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in the consolidated shareholders' equity, consolidated cashflow statement and related explanatory notes. The directors of Toscana Aeroporti SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Toscana Aeroporti Group as of 30 June 2021 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Florence, 8 September 2021

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.