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# Gruppo Toscana Aeroporti (Toscana Aeroporti Group)

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## INTERIM FINANCIAL REPORT AT 30 June 2020

This report is available in the Investor Relations section  
of Toscana Aeroporti's website at [www.toscana-aeroporti.com](http://www.toscana-aeroporti.com)

**Toscana Aeroporti S.p.A.**

Via del Termine, 11 – 50127 Firenze - [www.toscana-aeroporti.com](http://www.toscana-aeroporti.com)

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

VAT Number and Tax Code: 00403110505

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Dear Shareholders,

The Consolidated Interim Financial Report at 30 June 2020 (hereinafter also “Interim Report”), approved by the Board of Directors on 04 August 2020, 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 2020, and the Condensed Consolidated Interim Financial Report.

The valuation and measurement criteria adopted for the preparation of the Consolidated Interim Financial Report (Abridged) included in the Consolidated Interim Financial Report at 30 June 2020 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 that have been adopted for the preparation of the Consolidated Financial Statement at 31 December 2019.

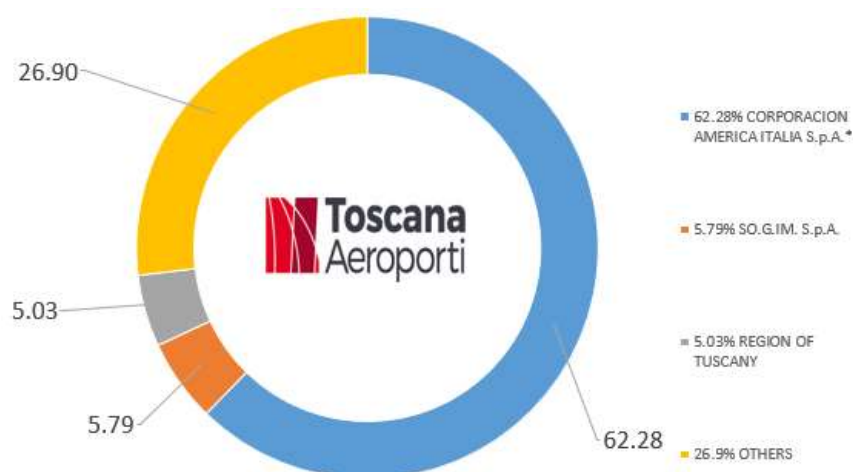
Toscana Aeroporti S.p.A. is a group incorporated to manage and develop the “Galileo Galilei” airport in Pisa and the “Amerigo Vespucci” airport in Florence in terms of air traffic, infrastructures and passenger services.

Accounting information as at 30 June 2020 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.”, and Vola S.r.l., processed according to the full consolidation method.

The limited auditing activity for the Condensed Consolidated Interim Financial Report at 30 June 2020 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 03 August 2020 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 held 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. (hereinafter also referred to as "CAI") have been pledged until December 2024 as collateral to secure the debenture loan issued by the shareholder in question.

### Shareholder Agreements

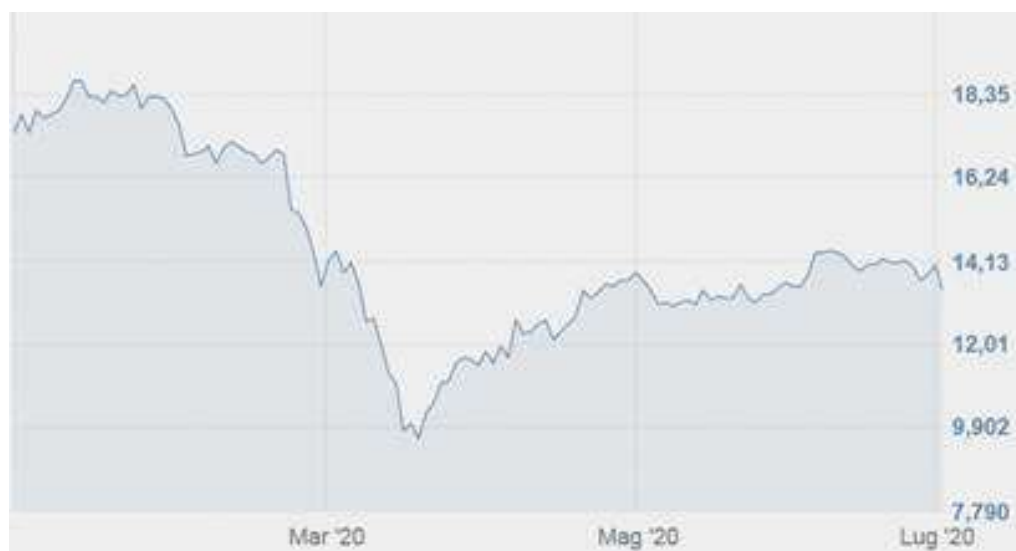
We remind readers that the Shareholder Agreement signed between Corporación America Italia S.p.A. and SO.G.IM. S.p.A. was concluded on 15 April 2020 upon its natural termination date. That Shareholder Agreement had been initially signed on 16 April 2014, then amended and supplemented on 13 May 2015 and renewed on 10 April 2017. It concerned an aggregate of 12,669,561 ordinary TA shares, corresponding to 68.072% of the share capital and voting rights (of which 11,592,159 ordinary shares corresponding to 62.283% of the share capital and voting rights, owned by CAI, and 1,077,402 ordinary shares corresponding to 5.789% of the share capital and voting rights, owned by SO.G.IM. S.p.A.

## 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 2020, the stock is traded for Euro 14.0 per share, for a corresponding capitalization of approx. Euro 260.6 million.

The performance of the TYA stock during the first half of 2020 against the FTSE MIB is detailed below:



during the first half of 2020, the price of the Toscana Aeroporti stock has gone through a descending phase, starting from the second half of February, when the first Presidential Decree (DPCM) was issued to enact restriction and confinement measures in Italy due to the Covid-19 outbreak. On 18 March 2020, the TYA stock reached its lowest value since the date of incorporation of the company - namely, Euro 9.6 per share. After which, the price gradually recovered and reached Euro 14 per share at 30 June 2020.

### 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](http://www.toscana-aeroporti.com), "Investor Relations" section.

Toscana Aeroporti S.p.A., being an "EIPR" (Ente di Interesse Pubblico Rilevante, meaning a "significant public entity"), is required to prepare and submit a *Dichiarazione consolidata di carattere non finanziario*, i.e. a Consolidated Non-Financial Statement, 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".

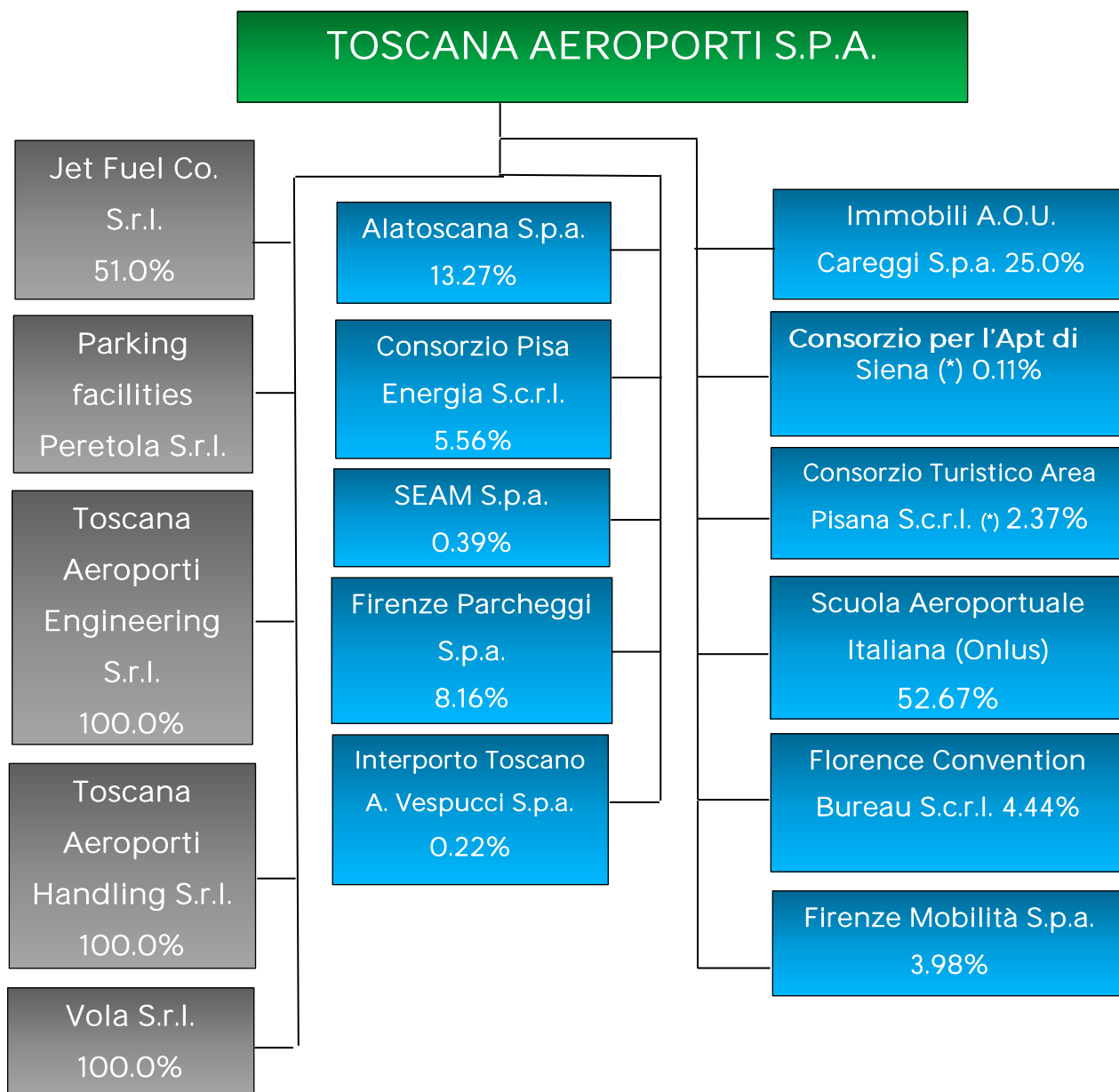
Registered office of the company: Firenze, Via del Termine n. 11

Tax Code: 00403110505.

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

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





 Holding- Toscana Aeroporti (hereinafter "TA").

**Subsidiaries-** 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. For consolidation purposes, we point out that Toscana Aeroporti owns 33.33% of property and dividend rights and 51% of voting rights in Jet Fuel. For further details, see section on controlled companies. In addition, Vola S.r.l. was non operating at 30 June 2020.

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

Line-by-line consolidation<sup>1</sup>

1 Data as of 30 June 2020

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Toscana Aeroporti S.p.A.	Florence	30,710	108,471	Holding
Toscana Aeroporti Engineering S.r.l. Florence		80	550	100.00
Parcheggi Peretola S.r.l.	Florence	50	3,154	100.00
Toscana Aeroporti Handling S.r.l.	Florence	750	(90)	100.00
Vola S.r.l.	Florence	200	(46)	100.00
Jet Fuel Co. S.r.l.	Pisa	150	345	51.00

### Full Consolidation<sup>1</sup>

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Immobili A.O.U. Careggi S.p.a.	Florence	200	1,186	25.00
Alatoscana S.p.a.	M. di Campo	2,910	2,822	13.27

<sup>1</sup> Data as of 31 December 2019

## 5. COMPOSITION OF CORPORATE GOVERNING BODIES

### Board of Directors

	<u>Title</u>
Marco CARRAI	President
Roberto NALDI <sup>1</sup>	CEO / Managing Director
Pierfrancesco PACINI	Vice-President
Stefano BOTTAI <sup>2</sup>	Vice President
Vittorio FANTI	Board Member
Cecilia CARRIQUIRY <sup>3</sup>	Board Member
Elisabetta FABRI	Board Member
Giovanni Battista BONADIO	Board Member
Anna GIRELLO	Board Member
Niccolò MANETTI	Board Member
Iacopo MAZZEI	Board Member
Saverio PANERAI	Board Member
Ana Cristina SCHIRINIAN	Board Member
Silvia BOCCI	Board Member
Giorgio DE LORENZI	Board Member

### Board of Auditors

	<u>Title</u>
Michele MOLINO <sup>4</sup>	President
Silvia BRESCIANI	Statutory Auditor
Roberto GIACINTI	Statutory Auditor
Antonio MARTINI	Statutory Auditor
Raffaella FANTINI <sup>5</sup>	Statutory Auditor

### Secretary of the Board of Directors

Nico ILLIBERI<sup>6</sup>

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<sup>1</sup> As at 29 May 2020

<sup>2</sup> As at 29 May 2020

<sup>3</sup> As at 29 May 2020

<sup>4</sup> As at 11 June 2020

<sup>5</sup> As at 11 June 2020

<sup>6</sup> Corporate Manager qualified as Director of the Legal Affairs and Compliance area.

### Supervisory Board

Edoardo MARRONI  
Michele GIORDANO  
Nico ILLIBERI

### Title

President  
Member  
Member

### Financial Reporting Manager pursuant to Law 262/05

Marco GIALLETTI<sup>1</sup>

### Independent Auditor

PricewaterhouseCoopers S.p.a.

## 6. HIGHLIGHTS

Consolidated operating profit at 30 June 2020	<p>Revenues totalled € 23,533 K, down by € 34,846 K (-59.7%) compared to € 58,379 K for the TA Group at 30 June 2019. Operating Revenues totalled € 19,486 K, down by € 34,597 K (-64.0%) compared to € 54,083 K for the TA Group at 30 June 2019. The EBITDA is € 5,396 K, down by € 21,021 K (-134.5%) compared to € 15,625 K for the TA Group at 30 June 2019. The EBIT is negative for € 11,693 K, down by € 20,548 K compared to the TA Group's EBIT of € 8,855 K for the first semester of 2019. Profit Before Tax (PBT) is negative for € 12,293 K compared to a PBT of € 8,089 K for the TA Group in the first semester of 2019. The <b>Group's net profit</b> for the period shows a loss of € 8,900 K against Group period profits of € 5,282 K in the first semester of 2019.</p> <p>Net Indebtedness<sup>2</sup> totalled € 55,576 K at 30 June 2020, against € 33,077 K at 31 December 2019 (+68%) and € 56,571 K at 30 June 2019 (-1.8%).</p>
Investments at 30 June 2020	<p>At 30 June 2020, the investments made totalled € 4,139 K, of which € 172 K for the purchase of operating assets (cars, systems and operating machinery); € 3,750 K of intangible assets, including € 759 K for surveys and projects regarding the development of the Florence airport Master Plan; € 752 K for BHS (baggage handling system) and carousel improvements; € 707 K for the first flush rainwater harvesting and treatment system; € 367 K for fixed GPU systems; € 253 K for the canopy for de-icing vehicles, and € 302 K for the expansion of the Pisa passenger terminal (Phase 1).</p>
Traffic	<p>Due to the rapid spreading of the Coronavirus globally starting from the end of February and to the increasingly stricter restrictions imposed by the Government, the Tuscan airport system carried slightly more than <b>1 million passengers</b> in the first six months of 2020, which led to a <b>72.8%</b> decrease in the Passenger component,</p>

<sup>1</sup> Corporate Manager qualified as Director of the Accounting, Finance and Control areas.

<sup>2</sup> Includes financial liabilities for rights of use for an aggregate amount of €4.5M.

	<p>a 64.2% decrease in the Aircraft Movements component, a 64.9% decrease in the Tonnage component, and a 0.3% increase in the Cargo &amp; Mail component compared to the first six months of 2019. In the January-June period, a total number of approximately 15,000 flights have been cancelled in the two airports about due to the pandemic.</p> <p>Toscana Aeroporti estimated a loss of about 3 million passengers (ca. 1.9 MM on Pisa and 1.1 MM on Florence).</p>
<b>Outlook</b>	<p>The year 2020 will be 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.</p> <p>Considering the continuous evolution of the situation and after the negative results obtained in the first semester due to the restrictions imposed on airport services and to the cancellations made since March 2020, we expect a strongly negative impact on the economic-financial results for the year 2020, in spite of the gradual recovery of operations.</p> <p>Toscana Aeroporti will keep building its resilience, as it has done over its first five years of life, by implementing all the possible actions to protect Group profits, such as by variabilizing costs as much as possible based on traffic trends and also by taking into account the mitigation measures imposed by governments, competent authorities, and the central banks of the Countries hit by the Covid-19 outbreak, as well as by adopting economic measures in support of families, employees and businesses, in the hope that the recovery process will continue over the next few months.</p>

## 7. THE MACROECONOMIC SCENARIO AND THE AIR TRANSPORT INDUSTRY

The effects of the pandemics caused by the spread of the SARS-CoV-2 virus (hereinafter also briefly referred to as “Covid-19” or “Coronavirus”), which is slowing down in Europe, but is hitting harder the United States and emerging countries, have strongly impacted the global economy, which had a contraction in the first quarter 2020 and an even harsher one in the second quarter of the year. However, the first signs of a recovery in production activities have been seen in the last few weeks, mostly linked to the end of the lock-down. In spite of this, the restrictive measures imposed on international travel have caused and are still causing particularly negative effects on tourism and air transport.

In Italy, the GDP decreased by 5.3 per cent over the first quarter of 2020 and this trend has been confirmed in the second quarter. This is due to the strongly negative trends achieved in April, when the lowest levels have been touched in all the main economic sectors.

ACI Europe recorded a 93% decrease in European passenger traffic in June compared to the same month of 2019, with a slight improvement compared to May 2020 (-98%). In addition, after the most recent developments of the global epidemiological situation, ACI Europe estimated that a full recovery of passenger traffic at 2019 levels will be reached only in 2024 (rather than in 2023, as estimated in the previous May 2020 forecast).

According to Assaeroporti's data, air traffic in Italian airports, which had reached 27 million passengers at mid-2019, decreased by 69.9% in the first 6 months of 2020 compared to the same period of 2019. Both aircraft (-60%) and cargo movements (-27.4%) decreased.

## 7.1 Operating initiatives of the TA Group in response to Covid-19

During the first semester, the TA Group adopted a number of additional measures to cope with the healthcare emergency, taking into account both the ministerial indications and the guidelines issued by ENAC since the end of April, when the gradual elimination of flight restrictions in the domestic territory made it possible to resume operations in our two airports.

More specifically, TA implemented a specific safety protocol ("Airport triage") to allow passengers departing from the airports to have a rapid serological test on a voluntary basis before they enter the airport. In addition to that, passengers - after being offered gloves, face masks and hand sanitizer gel at the entrance - may access the airport terminal through a personal sanitizing gate which sprays them with a hydrogen peroxide mist. The measures adopted by TA to combat Covid-19 and have increasingly Covid-safe airports where passengers may travel safely and serenely have also been certified after review by the Certification Body "SGS Italia".

The main measures adopted by TA in the two Tuscan airports are detailed below:

- Passengers are now allowed to walk towards the aircraft, whenever possible, in order to avoid crowding on apron buses for boarding. For this purpose, TA installed a new boarding gate at the Florence airport to increase the space available for the management of boarding operations;
- A new boarding desk has been installed, connected to a vast pre-boarding area where passenger seats were previously located waiting to be boarded, for better social distancing;
- The Airport Triage area is one of the many measures provided by competent bodies to reduce the risk of Covid-19 contagion, and includes a number of actions implemented to ensure maximum passenger health and safety. In particular, a pre-screening Airport Triage area has been created at the entrance of the terminal, where additional measures have been activated (i.e. temperature measurement for passengers at departure and arrival), in addition to the activities already prescribed by ENAC. The pre-screening Airport Triage area has been operating in the Florence airport since 5 June 2020 and in the Pisa airport since 23 June 2020;
- Only passengers with a valid boarding pass may access the terminal (except for reduced-mobility passengers and minors, who can be accompanied by a person, always subject to health checks).
- After all the pre-screening procedures (temperature check, passage under the sanitizing gate and questionnaire about symptoms), a control adhesive is given to the passenger by the staff and later checked by another staff member at the entrance of the terminal, as it is required for admission.
- All the people who access the terminal will pass under the sanitizing gate that sprays a hypoallergenic disinfectant mist on them to ensure maximum safety for passengers and operators in the airport. The gates are equipped with a thermal scanner, which measures passengers' body temperature during their passage.
- Passengers may ask that a serological test be done in the airport triage areas, so as to check for the presence of IgG/IgM antibodies. Another Covid-19 dedicated area has been

prepared in the Airport Triage area where suspect cases can be isolated, if necessary (in case of a positive result of the serological test), and a nasopharyngeal swab can be collected. The availability of serological testing has also been extended to the airport staff and to the employees of the Toscana Aeroporti Group, so that, with regular periodic testing, they can ensure top health safety in the airport.

- For passengers arriving from countries identified by the Ministerial Decrees as requiring voluntary confinement and quarantine, a transport service is available, with special equipped cars to take them to their destination addresses. This service has helped avoiding the use of public transport, thus limiting contacts with other people and reducing potential infections.
- An anonymous questionnaire about symptoms, consisting of 6 short questions, is proposed to all departing passengers, so that information is collected about their journey (airline, destination, residence location - whether in Italy or abroad) and their health status and history. In addition, the healthcare professionals (HCPs) who take care of this important screening will recommend that those at risk should have a serological test.
- A robot has been provided in both the Florence and Pisa passenger terminals to perform certain sanitization actions in full autonomy. This robot sprays a sanitizing fluid in the air and, when the airport is closed, may disinfect specific critical areas with its special UV light.

## 8. TUSCAN AIRPORT SYSTEM TRAFFIC TRENDS

Toscana Aeroporti totalled slightly more than 1 million passengers during the first half of this year, which confirms a 72.8% decrease.

Data regarding the first six months are affected by the consequences of the spreading of the global Covid-19 pandemic, which led to:

- closing the Florence airport from March 14 to May 3 (DM 112 of 12 March 2020); during that period, the airport was used only for State and emergency flights, also for healthcare purposes;
- the almost total cancellation of flights in the Pisa airport, where only 1 Alitalia flight to Rome Fiumicino and the cargo flights of the DHL courier have been operated in the 14 March-end of May period. A total of 16 all-cargo charter flights were operated to carry sanitary materials useful for the Covid-19 emergency, for a total of about 425 tons of goods.

Commercial operations have been gradually resumed in both airports since the end of May, with the first flights to the Elba Island operated by Silver Air for territorial continuity. In Florence, commercial flights restarted at the beginning of June with the main carriers of the airport, while the same recovery took place in Pisa starting from the second half of June.

As can be inferred from the table below, traffic has been characterised by two speeds for Toscana Aeroporti during the first half of 2020.



Toscana Aeroporti: January-June 2020 Monthly Traffic					
Airport	Month	2020	2019	DIFF. 2020/19	DIFF. % 2020/19
TA	Jan	480,816	460,725	20,091	4.4%
TA	Feb	434,023	430,132	3,891	0.9%
TOT January-February		914,839	890,857	23,982	2.7%
TA	Mar	90,813	532,312	-441,499	-82.9%
TOT January-March		1,005,652	1,423,169	-417,517	-29.3%
TA	Apr	592	737,981	-737,389	-99.9%
TA	May	1,441	785,782	-784,341	-99.8%
TA	Jun	21,549	841,983	-820,434	-97.4%
TOT April-June		23,582	2,365,746	-2,342,164	-99.0%
TOT January-June		1,029,234	3,788,915	-2,759,681	-72.8%

If Tuscan airports grew compared to 2019 in the January-February period, reaching a 2.7% increase compared to the same period of 2019, that positive result was completely absorbed by the suspension and cancellation of operations in the following months, which led to closing the first quarter with a 29.3% decrease.

The second quarter, under the full Covid-19 effect, had a negative change: -99%.

In the first semester of 2020, Tuscan airports totalled -72.8% compared to the same period of 2019, with 2,759,681 less passengers carried.

The Toscana Aeroporti traffic at 30 June 2020, distinguished in its various components, and the related comparison with the same period of 2019 is detailed below.

TOSCANA AEROPORTI TRAFFIC				
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Commercial Passengers</b>	<b>1,026,130</b>	<b>3,778,714</b>	<b>-2,752,584</b>	<b>-72.8%</b>
Domestic (Scheduled + Charter)	296,049	866,664	-570,615	-65.8%
International (Scheduled + Charter)	730,081	2,912,050	-2,181,969	-74.9%
<b>General Flight Passengers</b>	<b>3,104</b>	<b>10,201</b>	<b>-7,097</b>	<b>-69.6%</b>
<b>TOTAL PASSENGERS</b>	<b>1,029,234</b>	<b>3,788,915</b>	<b>-2,759,681</b>	<b>-72.8%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Commercial Flights</b>	<b>10,967</b>	<b>31,240</b>	<b>-20,273</b>	<b>-64.9%</b>
Domestic (Scheduled + Charter)	3,063	6,857	-3,794	-55.3%
International (Scheduled + Charter)	7,087	23,615	-16,528	-70.0%
Cargo	817	768	49	6.4%
<b>General Flights</b>	<b>2,132</b>	<b>5,356</b>	<b>-3,224</b>	<b>-60.2%</b>
<b>TOTAL FLIGHTS</b>	<b>13,099</b>	<b>36,596</b>	<b>-23,497</b>	<b>-64.2%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Commercial Tonnage</b>	<b>681,847</b>	<b>1,937,304</b>	<b>-1,255,457</b>	<b>-64.8%</b>
Domestic (Scheduled + Charter)	180,387	410,272	-229,885	-56.0%
International (Scheduled + Charter)	435,258	1,469,424	-1,034,166	-70.4%
Cargo	66,202	57,608	8,594	14.9%
<b>General Aviation Tonnage</b>	<b>24,162</b>	<b>76,128</b>	<b>-51,966</b>	<b>-68.3%</b>
<b>TOTAL TONNAGE</b>	<b>706,009</b>	<b>2,013,432</b>	<b>-1,307,423</b>	<b>-64.9%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
Air cargo (kg)	6,000,652	6,232,611	-231,959	-3.7%
Ground cargo (kg)	504,158	234,665	269,493	114.8%
Mail (kg)	12,074	28,501	-16,427	-57.6%
<b>TOTAL CARGO AND MAIL</b>	<b>6,516,884</b>	<b>6,495,777</b>	<b>21,107</b>	<b>0.3%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>TOTAL TRAFFIC UNITS</b>	<b>1,094,403</b>	<b>3,853,873</b>	<b>-2,759,470</b>	<b>-71.6%</b>

Toscana Aeroporti estimated that about 22,500 flights have been cancelled in the period, for a loss of almost 3 million passengers.

The Coronavirus emergency impacted the entire Italian airport system.



Trends in Italian airports are given below - they had an average decrease of 69.9% in the first six months of 2020.

January-June 2020			
No.	Airport	Passengers	%
	Milan (system)	7,433,526	-68.2
	Rome (system)	7,267,409	-69.0
	Venice (system)	1,838,205	-73.5
1	Bologna	1,435,257	-67.7
2	Catania	1,388,638	-70.2
3	Napoli	1,380,844	-72.1
4	Palermo	983,416	-69.2
5	Bari	781,283	-68.8
6	Turin	741,537	-63.2
7	Pisa	631,458	-74.2
8	Cagliari	620,322	-69.3
9	Verona	451,705	-71.7
10	Florence	397,776	-70.3
11	Lamezia Terme	362,783	-72.0
12	Brindisi	345,505	-71.3
13	Genoa	176,342	-73.7
14	Alghero	172,745	-69.0
15	Trieste	106,917	-71.1
	<b>TOTAL</b>	<b>27,012,721</b>	<b>-69.9</b>

<b>Italian Airport System</b>	<b>1,029,234</b>	<b>-72.8</b>
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## 8.1 Traffic trends in the Pisa "Galileo Galilei" airport

The table below compares January-June 2020 traffic trends against 2019, broken down into the various components:

PISA AIRPORT TRAFFIC				
	YTD at 30-06-20	YTD at 30-06-19	DIFF. 2020/19	DIFF. % 2020/19
<b>Commercial Passengers</b>	<b>629,855</b>	<b>2,445,491</b>	<b>-1,815,636</b>	<b>-74.2%</b>
Domestic (Scheduled + Charter)	237,828	682,249	-444,421	-65.1%
International (Scheduled + Charter)	392,027	1,763,242	-1,371,215	-77.8%
<b>General Flight Passengers</b>	<b>1,603</b>	<b>4,068</b>	<b>-2,465</b>	<b>-60.6%</b>
<b>TOTAL PASSENGERS</b>	<b>631,458</b>	<b>2,449,559</b>	<b>-1,818,101</b>	<b>-74.2%</b>
	YTD at 30-06-20	YTD at 30-06-19	DIFF. 2020/19	DIFF. % 2020/19
<b>Commercial Flights</b>	<b>6,031</b>	<b>17,587</b>	<b>-11,556</b>	<b>-65.7%</b>
Domestic (Scheduled + Charter)	2,241	4,981	-2,740	-55.0%
International (Scheduled + Charter)	2,973	11,838	-8,865	-74.9%
Cargo	817	768	49	6.4%
<b>General Flights</b>	<b>891</b>	<b>1,992</b>	<b>-1,101</b>	<b>-55.3%</b>
<b>TOTAL FLIGHTS</b>	<b>6,922</b>	<b>19,579</b>	<b>-12,657</b>	<b>-64.6%</b>
	YTD at 30-06-20	YTD at 30-06-19	DIFF. 2020/19	DIFF. % 2020/19
<b>Commercial Tonnage</b>	<b>402,980</b>	<b>1,174,411</b>	<b>-771,431</b>	<b>-65.7%</b>
Domestic (Scheduled + Charter)	133,858	300,604	-166,746	-55.5%
International (Scheduled + Charter)	202,920	816,199	-613,279	-75.1%
Cargo	66,202	57,608	8,594	14.9%
<b>General Aviation Tonnage</b>	<b>12,729</b>	<b>33,227</b>	<b>-20,498</b>	<b>-61.7%</b>
<b>TOTAL TONNAGE</b>	<b>415,709</b>	<b>1,207,638</b>	<b>-791,929</b>	<b>-65.58%</b>
	YTD at 30-06-20	YTD at 30-06-19	DIFF. 2020/19	DIFF. % 2020/19
Air cargo (kg)	5,994,872	6,198,597	-203,725	-3.3%
Ground cargo (kg)	96,163	150,254	-54,091	-36.0%
Mail (kg)	12,069	28,501	-16,432	-57.7%
<b>TOTAL CARGO AND MAIL</b>	<b>6,103,104</b>	<b>6,377,352</b>	<b>-274,248</b>	<b>-4.3%</b>
	YTD at 30-06-20	YTD at 30-06-19	DIFF. 2020/19	DIFF. % 2020/19
<b>TOTAL TRAFFIC UNITS</b>	<b>692,489</b>	<b>2,513,333</b>	<b>-1,820,843</b>	<b>-72.4%</b>

631,458 passengers passed through the Pisa airport during the January-June 2020 period, down by 74.2% compared to the same period of 2019, corresponding to -1.8 million passengers.

Traffic in the Pisa airport by month is detailed below:

Pisa airport: January-June 2020 Monthly Traffic					
Airport	Month	2020	2019	DIFF. 2020/19	DIFF. % 2020/19
PSA	Jan	295,676	288,569	7,107	2.5%
PSA	Feb	265,782	275,797	-10,015	-3.6%
TOT January-February		561,458	564,366	-2,908	-0.5%
PSA	Mar	58,023	329,614	-271,591	-82.4%
TOT January-March		619,481	893,980	-274,499	-30.7%
PSA	Apr	592	485,081	-484,489	-99.9%
PSA	May	1,382	515,094	-513,712	-99.7%
PSA	Jun	10,003	555,404	-545,401	-98.2%
TOT April-June		11,977	1,555,579	-1,543,602	-99.2%
TOT January-June		631,458	2,449,559	-1,818,101	-74.2%

As we said in the introduction, Silver Air flights connecting the continental Italian territory with the Elba Island restarted at the end of May from and to the Pisa airport. The main carriers restarted using this airport in the second half of June.

The carriers and destinations operated by the Galilei airport are detailed below:

- The national airline **Alitalia** operated the only commercial passenger flight from the Pisa airport to Rome Fiumicino during the lockdown period, and continued to do so throughout June.
- The Czech airline **SilverAir** ensures connections with the Elba Island, and restarted its operations on May 29.
- The Dutch low-cost airline **Transavia** resumed its activities on June 18, with 4 weekly flights to Amsterdam.
- The Irish airline **Ryanair** operated domestic flights to Bari (2 per week), Catania (3 per week) and Palermo (2 per week) starting from June 21.
- **Wizzair** restarted on June 23 with 3 weekly flights to Bucharest Otopeni and a new destination: Tirana (3 flights per week).
- **Albawings** resumed the connection with Tirana on June 23.

#### Scheduled passenger traffic by Country

A total of 18 markets have been regularly connected with the Pisa airport with scheduled flights in the first semester of 2020.

The international market accounts for 62.0% of the total scheduled passenger traffic of the Galilei airport, while domestic traffic accounts for 38.0%.

The table below shows the percentage incidence of each European country over the total number of scheduled traffic passengers recorded by the Galilei airport during the January-June 2020 period and the difference, both in absolute and percentage terms, compared to 2019:

Data are obviously affected by the restrictions due to the pandemic.

Passenger line traffic	2020	2019	Diff.	Diff. %	% over TOT
Italy	236,863	677,595	-440,732	-65.0%	38.0%
United Kingdom	81,789	487,445	-405,656	-83.2%	13.1%
Spain	80,723	248,325	-167,602	-67.5%	13.0%
France	31,876	129,590	-97,714	-75.4%	5.1%
Belgium	27,437	88,447	-61,010	-69.0%	4.4%
Albania	21,385	76,791	-55,406	-72.2%	3.4%
Germany	20,451	165,429	-144,978	-87.6%	3.3%
Russian Federation	19,857	64,401	-44,544	-69.2%	3.2%
The Netherlands	19,482	124,123	-104,641	-84.3%	3.1%
Morocco	14,310	36,559	-22,249	-60.9%	2.3%
Romania	13,036	20,357	-7,321	-36.0%	2.1%
Qatar	11,941	32,501	-20,560	-63.3%	1.9%
Portugal	9,389	27,151	-17,762	-65.4%	1.5%
Czech Republic	8,722	26,588	-17,866	-67.2%	1.4%
Ireland	6,815	28,712	-21,897	-76.3%	1.1%
Hungary	6,750	22,397	-15,647	-69.9%	1.1%
Malta	5,881	22,073	-16,192	-73.4%	0.9%
Poland	5,745	42,628	-36,883	-86.5%	0.9%
Austria	68	17,473	-17,405	-99.6%	0.0%
Finland	0	4,467	-4,467	-100.0%	0.0%
Denmark	0	21,013	-21,013	-100.0%	0.0%
Norway	0	14,751	-14,751	-100.0%	0.0%
Sweden	0	28,412	-28,412	-100.0%	0.0%
Greece	0	4,888	-4,888	-100.0%	0.0%
Turkey	0	8,513	-8,513	-100.0%	0.0%
<b>TOTAL</b>	<b>622,520</b>	<b>2,420,629</b>	<b>-1,798,109</b>	<b>-74.3%</b>	<b>100.0%</b>

### Cargo & Mail Traffic

Cargo traffic has only partially been affected by the virus. While Fedex cancelled its flights through this airport and resumed them regularly since 22 June 2020, DHL maintained its operations and minimized cancellation only in May. In addition to these, we should remember the all-cargo charter flights operated for the transport of sanitary materials useful for the emergency. On aggregate, cargo traffic decreased by 4.3% in the first semester of 2020.

## 8.2 Traffic trends in the Florence "Amerigo Vespucci" airport

FLORENCE AIRPORT TRAFFIC				
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Commercial Passengers</b>	<b>396,275</b>	<b>1,333,223</b>	<b>-936,948</b>	<b>-70.3%</b>
Domestic (Scheduled + Charter)	58,221	184,415	-126,194	-68.4%
International (Scheduled + Charter)	338,054	1,148,808	-810,754	-70.6%
<b>General Flight Passengers</b>	<b>1,501</b>	<b>6,133</b>	<b>-4,632</b>	<b>-75.5%</b>
<b>TOTAL PASSENGERS</b>	<b>397,776</b>	<b>1,339,356</b>	<b>-941,580</b>	<b>-70.3%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Commercial Flights</b>	<b>4,936</b>	<b>13,653</b>	<b>-8,717</b>	<b>-63.8%</b>
Domestic (Scheduled + Charter)	822	1,876	-1,054	-56.2%
International (Scheduled + Charter)	4,114	11,777	-7,663	-65.1%
<b>General Flights</b>	<b>1,241</b>	<b>3,364</b>	<b>-2,123</b>	<b>-63.1%</b>
<b>TOTAL FLIGHTS</b>	<b>6,177</b>	<b>17,017</b>	<b>-10,840</b>	<b>-63.7%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Commercial Tonnage</b>	<b>278,867</b>	<b>762,893</b>	<b>-484,026</b>	<b>-63.4%</b>
Domestic (Scheduled + Charter)	46,529	109,668	-63,139	-57.6%
International (Scheduled + Charter)	232,338	653,225	-420,887	-64.4%
<b>General Aviation Tonnage</b>	<b>11,433</b>	<b>42,901</b>	<b>-31,468</b>	<b>-73.4%</b>
<b>TOTAL TONNAGE</b>	<b>290,300</b>	<b>805,794</b>	<b>-515,494</b>	<b>-63.97%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>Air cargo (kg)</b>	<b>5,780</b>	<b>34,014</b>	<b>-28,234</b>	<b>-83.0%</b>
<b>Ground cargo (kg)</b>	<b>407,995</b>	<b>84,411</b>	<b>323,584</b>	<b>383.3%</b>
<b>TOTAL CARGO AND MAIL</b>	<b>413,780</b>	<b>118,425</b>	<b>295,355</b>	<b>249.4%</b>
	Progr. al 30.06.20	Progr. al 30.06.19	VAR. 2020/19	VAR.% 2020/19
<b>TOTAL TRAFFIC UNITS</b>	<b>401,914</b>	<b>1,340,540</b>	<b>-938,626</b>	<b>-70.0%</b>

The table above compares January-June 2020 traffic trends with those for the same period of 2019, broken down into the various components. The reduction is of about 940K passengers.

The table below shows traffic in the Florence airport by months.

Florence airport: January-June 2020 Monthly Traffic					
Airport	Month	2020	2019	DIFF. 2020/19	DIFF. % 2020/19
FLR	Jan	185,140	172,156	12,984	7.5%
FLR	Feb	168,241	154,335	13,906	9.0%
<b>TOT January-February</b>		<b>353,381</b>	<b>326,491</b>	<b>26,890</b>	<b>8.2%</b>
FLR	Mar	32,790	202,698	-169,908	-83.8%
<b>TOT January-March</b>		<b>386,171</b>	<b>529,189</b>	<b>-143,018</b>	<b>-27.0%</b>
FLR	Apr	0	252,900	-252,900	-100.0%
FLR	May	59	270,688	-270,629	-100.0%
FLR	Jun	11,546	286,579	-275,033	-96.0%
<b>TOT April-June</b>		<b>11,605</b>	<b>810,167</b>	<b>-798,562</b>	<b>-98.6%</b>
<b>TOT January-June</b>		<b>397,776</b>	<b>1,339,356</b>	<b>-941,580</b>	<b>-70.3%</b>

As already highlighted above, the Florence airport restarted its operations at the end of May. The destinations served from the Vespucci airport are listed below:

- The Czech airline **SilverAir** ensures connections with the Elba Island, and restarted its operations on May 26.
- The Dutch carrier **KLM** resumed its operations on June 1, with a daily flight to Amsterdam.
- **Air France** restarted its operations on June 4, with 1 flight to Paris Charles de Gaulle, and then increased its frequency up to a daily flight.

- **Air Dolomiti** started operating the following new domestic destinations: Catania and Palermo (4 weekly flights since June 5), Bari and Cagliari (3 weekly flights since June 19). This Italian airline also restarted flying to Munich 3 times per week since June 15.
- The new carrier **LuxAir** operated a new connection with Luxembourg (2 weekly flights).
- **SwissAir** resumed its 2 flights per week to Zurich since June 18.
- **Albawings** restarted operating its 2 flights per week to Tirana since June 22.

#### Scheduled passenger traffic by Country

A total of 14 markets have been regularly connected with the Florence airport with scheduled flights in the first semester of 2020. It is important to note that a new market was opened, that of Luxembourg, with the reopening of the new twice-weekly flight operated by Luxair since June 15.

The international market accounts for 85.4% of the total scheduled passenger traffic of the Vespucci airport, while domestic traffic accounts for 14.6%.

The table below shows the percentage incidence of each European country over the total number of scheduled traffic passengers recorded by the Vespucci airport during the January-June 2020 period and the difference, both in absolute and percentage terms, compared to 2019.

Data are obviously affected by the restrictions due to the pandemic.

Passenger line traffic	2020	2019	Diff.	Diff. %	% over TOT
France	89,184	281,159	-191,975	-68.3%	22.5%
Germany	65,952	250,893	-184,941	-73.7%	16.7%
Italy	57,995	184,196	-126,201	-68.5%	14.6%
Spain	53,989	156,425	-102,436	-65.5%	13.6%
United Kingdom	34,318	97,127	-62,809	-64.7%	8.7%
The Netherlands	32,835	125,666	-92,831	-73.9%	8.3%
Switzerland	24,930	88,666	-63,736	-71.9%	6.3%
Portugal	10,336	37,156	-26,820	-72.2%	2.6%
Albania	9,227	20,304	-11,077	-54.6%	2.3%
Austria	5,786	17,620	-11,834	-67.2%	1.5%
Romania	5,535	22,070	-16,535	-74.9%	1.4%
Czech Republic	4,853		4,853	100.0%	1.2%
Belgium	665	31,768	-31,103	-97.9%	0.2%
Luxembourg	352		352	100.00%	0.1%
Denmark	0	1,2206	-1,2206	-100.0%	0.0%
Moldavian Republic	0	3,522	-3,522	-100.00%	0.0%
Israel	0	2,867	-2,867	-100.0%	0.0%
Greece	0	965	-965	-100.00%	0.0%
<b>TOTAL</b>	<b>395,957</b>	<b>1,332,610</b>	<b>-936,653</b>	<b>-70.3%</b>	<b>100.0%</b>

## 9. SIGNIFICANT EVENTS OF THE FIRST 6 MONTHS OF 2020

On 13 February 2020, the Council of State rejected the appeal filed by Toscana Aeroporti against the final decision of the Regional Administrative Court for Tuscany no. 723 of 2019 concerning the Florence Airport Masterplan proceedings.

On 20 February 2020, the Board of Directors of Toscana Aeroporti S.p.A. passed the resolution to go ahead with the procedure for the implementation of the Florence Airport Masterplan. For further information, see section 20 "Intangible assets" of the Explanatory Notes on this Interim Financial Report.

On 28 February 2020, an agreement was signed between *46° Brigata Aerea dell'Aeronautica Militare* [46th Air Brigade of the Italian Air Force] (hereinafter briefly "AM")

and Toscana Aeroporti, under Legislative Decree no. 66/2010 of the Military Code, to define the general terms regulating relationships between TA and AM in the Pisa airport area. The scope of the agreement is the regulation of assistance and support activities, to be carried out in mutual cooperation and provided to each other against payment, as well as the use of TA and AM personnel and means for the provision of airport services, as specified in the letters of agreement that define all the responsibilities for the provision of each individual service, with all the related terms and operating conditions.

On 12 March 2020, the Ministry of Infrastructures and Transports, in order to manage the Covid-19 crisis and protect workers' health, issued Decree no. 112 (extended with Decree n. 153 of 12 April 2020) to order the restriction of airport services to a specific list of airports, including the Pisa airport (where operations were strongly reduced). As a consequence, starting from 14 March 2020 and until 3 May 2020, the Florence airport limited its operations to cargo, mail, State flights and emergency services, including sanitary emergency.

On 9 April 2020, the so-called *Decreto Liquidità* ("Liquidity Decree") was published in the Official Journal to regulate credit facilities for businesses guaranteed by the State. With a simplified procedure, Toscana Aeroporti applied for the facility for the amounts applicable for its size and features.

On 20 April 2020, Corporación America Italia S.p.A. and SO.G.IM. S.p.A. notified the termination, on 15 April 2020, due to natural expiry, of the Shareholder Agreement they had signed on 16 April 2014 concerning the ordinary shares of Toscana Aeroporti S.p.A.

On 23 April 2020, ENAC (*Ente Nazionale per l'Aviazione Civile*), the National Civil Aviation Authority, in an effort to favour the recovery of air transport, which was strongly impacted by the crisis due to the Covid-19 epidemiological emergency, in agreement with the Ministry of Infrastructures and Transports, ordered the suspension of the payment of airport concession fees due in July. For 2020, the payment will be proportional to the actual traffic recorded during the year and will be made in a single instalment before 31 January 2021. This provision is one of the various initiatives promoted by ENAC in support of the economy of the national civile aviation industry and of its businesses and workers.

On 15 May 2020, the Shareholders' Meeting approved the proposal put forward by the Board of Directors last March 31st not to distribute dividends for the year and to allocate 2019 profits, a total of € 13,554,635, to the legal reserve for € 677,732 and to the extraordinary reserve for € 12,876,903. This proposal, adopted by the Board of Directors on a precautionary basis to protect the financial stability of the Company and of the Toscana Aeroporti Group in the light of the Covid-19 pandemics, which marked a change from the practice adopted since the birth of Toscana Aeroporti (a constant payout of 95% since 2015), has been accepted by Shareholders with a responsible attitude.

On 25 May 2020, TA's Board of Directors informed that the CEO, Ms. Gina Giani, resigned, for strictly personal reasons, from all her offices within the company and its affiliates effective from Friday May 29th, 2020.

On 25 May 2020, TA's Board of Directors informed that Mr. Roberto Naldi was appointed as the new CEO of the company and took up the related powers.

## 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 at the beginning of 2020 and by the increasing restrictions imposed by Governments. Consequently, during the first six months of 2020 the number of passengers carried by the Tuscan airport system was approximately 1.03 million, a figure that represents a -72.8% decrease for the Passenger component, -64.2% for the Flights component, -64.9% for the Tonnage component, and +0.3% for the Cargo & Mail component, compared to the aggregate data on passengers, flights and tonnage of the Pisa and Florence airports in the first semester of 2019.

The consolidated economic data of first half of 2020 are summarised below and compared with those of the same period of 2019.



## GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in €K	IH	1 H 2019	Diff. Abs.	% Diff.
<b>REVENUES</b>				
<b>Operating income</b>				
Aviation revenues	15,065	44,813	-29,747	-66.4%
Non-Aviation revenues	6,624	15,497	-8,873	-57.3%
Network development expenses	-2,203	-6,226	4,023	-64.6%
<b>Total operating revenues</b>	<b>19,486</b>	<b>54,083</b>	<b>-34,597</b>	<b>-64.0%</b>
Other revenues	351	775	-423	-54.6%
Revenues from construction services	3,695	3,521	174	4.9%
<b>TOTAL REVENUES (A)</b>	<b>23,533</b>	<b>58,379</b>	<b>-34,846</b>	<b>-59.7%</b>
<b>COSTS</b>				
<b>Operating Costs</b>				
Consumables	669	568	102	17.9%
Cost of personnel	13,667	21,542	-7,875	-36.6%
Costs for services	9,810	15,943	-6,133	-38.5%
Sundry operating expenses	712	1,119	-407	-36.4%
Airport leases	1,054	985	69	7.0%
<b>Total operating costs</b>	<b>25,913</b>	<b>40,158</b>	<b>-14,245</b>	<b>-35.5%</b>
Costs for construction services	3,016	2,596	420	16.2%
<b>TOTAL COSTS (B)</b>	<b>28,929</b>	<b>42,754</b>	<b>-13,825</b>	<b>-32.3%</b>
<b>GROSS OPERATING MARGIN (A-B)</b>	<b>-5,396</b>	<b>15,625</b>	<b>-21,021</b>	<b>-134.5%</b>
% incid. over total revenue	-22.9%	26.8%		
% incid. over operating revenue	-27.7%	28.9%		
Amortization and impairment	5,363	5,413	-50	-0.9%
Provision for risks and repairs	726	1,278	-552	-43.2%
value write-ups (write-downs) net of trade receivables and other receivables	207	78	129	164.7%
<b>OPERATING EARNINGS</b>	<b>-11,693</b>	<b>8,855</b>	<b>-20,548</b>	<b>-232.0%</b>
% incid. over total revenue	-49.7%	15.2%		
% incid. over operating revenue	-60.0%	16.4%		
<b>ASSET MANAGEMENT</b>				
Financial income	4	4	1	23.1%
Financial expenses	-649	-802	153	-19.1%
Profit (loss) from equity investments	44	32	12	38.3%
<b>TOTAL ASSET MANAGEMENT</b>	<b>-601</b>	<b>-767</b>	<b>166</b>	<b>-21.6%</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>-12,293</b>	<b>8,089</b>	<b>-20,382</b>	<b>-252.0%</b>
Taxes for the period	3,263	-2,739	6,002	-219.1%
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>-9,030</b>	<b>5,350</b>	<b>-14,380</b>	<b>-268.8%</b>
Minority Interest's loss (profit) for the period	130	-68	199	-291.7%
<b>GROUP'S PROFIT/(LOSS) FOR THE PERIOD</b>	<b>-8,900</b>	<b>5,282</b>	<b>-14,181</b>	<b>-268.5%</b>
Profit (loss) per share (€)	-0.478	0.284	-0.7619	-268.5%



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, the Condensed Consolidated Interim Financial Report presented, in addition to the financial measures prescribed by IFRS, some ratios 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. Specifically:

- 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 59.7%, passed from € 58.4 M at mid-2019 to € 23.5 M at mid-2020. This change is the result of the € 34.6 M reduction in operating revenues and € 423 K in other revenues partially mitigated by the € 174 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 operating revenues totalled € 19.5 M at mid-2020, down by 64.0% compared to the same period of 2019.

### Aviation revenues

Aviation revenues totalled € 15.1 M at mid-2020, down by 66.4% compared to the same period of 2019, when they totalled € 44.8 M.

In particular, revenues from duties, tariffs and airport fees decreased by 67.2% as a consequence of the traffic decrease managed during the semester (-72.8% in terms of passengers).

Handling revenues decreased by -64.5%, as a consequence of the decreased aircraft movements recorded in the two airports (-64.2%).

### Non-Aviation revenues

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

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

At 30 June 2020, revenues deriving from subcontracted activities accounted for 60.1% of Non-Aviation revenues, while those deriving from directly managed activities accounted for the remaining 39.9%.

Year-to-date Non-Aviation Revenues at 30 June 2020 totalled € 6.6 M, down by 57.3% compared to the first half of 2019, when they totalled € 15.5 M.

This decrease of € 8,873 K is mainly due to the lower passenger traffic recorded in the period examined (-72.8%).

In particular, the most significant decreases observed in the semester considered have been revenues from Retail (€ -1,693 K, -61.2%), Parking Lots (€ -2,223 K, -67.8%), Food (€ -1,269 K, -71.7%), Car Rental (€ -1,578 K, -57.8%), and VIP Lounge (€ -1,056 K, -73.2%).

#### Network development expenses

Network development expenses totalled € 2.2 M at 30 June 2020, sensibly lower than the amount of € 6.2 M reported at 30 June 2019 due to the strong traffic reduction imposed during the first half of 2020 with respect to the same period of the previous year.

This item also includes charges deriving from traffic incentive contracts.

### **OTHER REVENUE AND INCOME**

Year-to-date details concerning the item "Other revenues and proceeds" at 30 June 2020 totalled € 351 K, a lower amount compared to the first half of 2019, when they totalled € 775 M. These mainly include indemnifications (€ 41 K), utility charges (€ 195 K), services and advice (€ 67 K).

### **REVENUES FROM CONSTRUCTION SERVICES**

Revenues from construction services totalled € 3.7 M at mid-2020 against € 3.5 M at mid-2019.

The higher revenues of € 174 K reported at the end of the period mainly reflect the greater investments made during the period examined.

### **COSTS**

TA readily took action to minimize its operating costs starting from March by reviewing all the contract terms with its suppliers and suspending, wherever possible, any ongoing business in order to face the pandemics that had just started. The effects of these actions allowed only a partial recovery of costs since March 2020, due to the rapid developments associated with the spreading of the pandemic.

The actions implemented have mostly focused on the flexibilization and variabilization of the cost of labour.

At mid-2020, the total amount of costs is € 28.9 M, down by 32.3% compared to mid-2019, when they totalled € 42.8 M. This has been the result of decreased operating costs for € 14.2 M during the first half of 2020 (-35.5%) partially mitigated by the 16.2% increase in costs from construction services (which passed from € 2,596 K in the first half of 2019 to € 3,016 K in the first half of 2020).

### **OPERATING COSTS**

Operating costs totalled € 25.9 M in the first semester of 2020, down by 35.5% compared to € 40.158 M reported for the same period of 2019.

“Consumables” totalled € 669 K at mid-2020, up by € 102 K compared to the first half of 2019, mainly due to the use of new personal protective equipment (PPE) and sanitization materials required for the health emergency (€ +192 K), partially mitigated by the lower use of operating consumables for air traffic management (e.g. fuels for ramp vehicles).

The Group spent € 13.7 M for its staff in the first semester of 2020, down by € 7.9 M compared to the Cost of personnel of the first half of 2019 (-36.6%).

The reduction of the Group’s personnel as a consequence of the reduced air traffic operated after the Covid-19 outbreak and the exit of some corporate executives, as well as the use of temporary unemployment benefits starting from the end of March, helped mitigate variable costs and achieve a lower aggregate cost of labour for the first semester of 2020 compared to the same period of 2019.

“Costs for services” totalled € 9.8 M at mid-2020, down by 38.5% compared to the same period of 2019, when they totalled € 15.9 M (€ -6,133 K). The decrease in the costs of the period examined is mainly due to decreases in costs for operating services (€ -3 M, mainly porters, cleaning, surveillance), communication (€ -683 K), maintenance services (€ -1.141 K), utilities (€ -499 K) and personnel services (€ -323 K, including canteen and training), mainly associated with the lower traffic managed in the period.

During the first half of 2020, the item “Sundry operating expenses” totalled € 712 K, down by € 407 K (-36.4%) compared to the same period of 2019.

Airport fees<sup>1</sup> totalled € 1,054 K at mid-2020, up by 7% compared to the same period of 2019. The increase is due to the use of € 2 M from the Provision for Risks, during the first six months of 2019, for the ongoing Fire Brigade Airport Service dispute. After deducting said effect, the fee decreased by 64.7%, in line with the lower passenger traffic reported for the first half of 2020 (-72.8%).

## COSTS FOR CONSTRUCTION SERVICES

“Costs for construction services” totalled € 3 M in 2020, up by € 420 M compared to the same period of 2019, 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) totalled **€ 5.4 M** in the first semester of 2020, down by approximately **€ 21 M (-134.5%)** compared to the first semester of 2019, when it totalled € 15.6 M.

“Amortization and provisions” totalled € 6.3 M in the first semester of 2020, down by € 473 K compared to the same period of 2019. This is mainly due to the lower amounts set aside in the Provision for repair, € 300 K, and in the Provision for risks, € 252 K, partially mitigated by the higher amount set aside in the Provision for bad debt, € 129 K.

The **EBIT** (operating profit) of the first semester of 2020 is **€ 11.7 M**, down by **€ 20.5 M** compared to the first half of 2019, when it was € 8.855 M.

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<sup>1</sup> On 23 April 2020, ENAC, in order to favour the recovery of air transport after the severe crisis due to the Covid-19 epidemiological emergency, in agreement with the Ministry of Infrastructures and Transports, ordered the suspension of the payment of airport concession fees due in July. For 2020, the payment will be proportional to the actual traffic recorded during the year and will be made in a single instalment before 31 January 2021.

Financial operations passed from a negative amount of -€767K in the first half of 2019 to a negative amount of -€601K in the first semester of 2020. The €153K difference is mainly the consequence of lower bank interests (€ -76 K) and lower interests generated by the discounting of the provision for repair (€ -86 K).

The **Profit Before Tax (PBT)** shows a loss of **€ 12.3 M** at mid-2020, down by € 20.4 M compared to the same period of 2019, when it showed a profit of € 8.1 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, based on the data disclosed above, the first half of 2020 was closed with a **net loss of € 8.9 million for the Group**, which corresponds to a € 14.2 M decrease compared to 1H 2019, when the Group reported a positive result of € 5.282 K.

## 10.2 A summary of the impact of the COVID-19 outbreak on the Income Statement

This section compares Income Statement and Gross Operating Margin (GOM) details for the first two quarters of 2020 with the same period of 2019.

Traffic data	Q1 2019	Q1 2020	Diff.	% Diff.	Q2 2019	Q2 2020	Diff.	% Diff.
Passengers	1,423,169	1,005,652	-417,517	-29%	2,365,755	23,582	-2,342,173	-99%
Movements	14,150	11,307	-2,843	-20%	22,446	1,792	-20,654	-92%
Amounts in €K	2019	2020	Diff.	% Diff.	2019	2020	Diff.	% Diff.
<b>REVENUES</b>								
Aviation revenues	17,347	13,651	-3,696	-21%	27,465	1,414	-26,051	-95%
Non-Aviation revenues	6,722	5,308	-1,414	-21%	8,775	1,316	-7,459	-85%
Network development expenses	-2,434	-2,145	289	-12%	-3,792	-57	3,735	-98%
<i>Operating income</i>	<i>21,635</i>	<i>16,814</i>	<i>-4,821</i>	<i>-22%</i>	<i>32,448</i>	<i>2,673</i>	<i>-29,776</i>	<i>-92%</i>
Revenues from construction services	1,578	2,374	796		1,943	1,321	-622	
Other revenues	396	298	-98		379	53	-325	
<b>TOTAL REVENUES (A)</b>	<b>23,609</b>	<b>19,486</b>	<b>-4,123</b>	<b>-17%</b>	<b>34,770</b>	<b>4,047</b>	<b>-30,723</b>	<b>-88%</b>
<b>COSTI</b>								
Consumables	240	260	20	8%	328	410	82	25%
Cost of personnel	10,332	9,663	-669	-6%	11,211	4,004	-7,206	-64%
Costs for services	7,366	6,802	-564	-8%	8,578	3,008	-5,570	-65%
Sundry operating expenses	571	379	-192	-34%	548	333	-215	-39%
Airport leases	1,132	1,041	-91	-8%	-147	13	159	-109%
Costs for construction services	1,027	1,964	937	91%	1,570	1,052	-517	-33%
<b>TOTAL COSTS (B)</b>	<b>20,667</b>	<b>20,109</b>	<b>-559</b>	<b>-3%</b>	<b>22,087</b>	<b>8,820</b>	<b>-13,267</b>	<b>-60%</b>
<b>GROSS OPERATING MARGIN (A-B)</b>	<b>2,942</b>	<b>-622</b>	<b>-3,565</b>	<b>-121%</b>	<b>12,683</b>	<b>-4,773</b>	<b>-17,456</b>	<b>-138%</b>

The result of the comparison is:

1. an almost total collapse of air traffic in the second quarter (-99% passengers) compares with a first quarter (-29% passengers) that still benefited of the first two months of traffic in line with the previous year;
2. a consequent almost total zeroing of operating revenues (-92%) in the second quarter, as a consequence of traffic trends;
3. an important mitigation of costs implemented by the Group in the second quarter, starting from April (temporary unemployment benefits, revision of contracts for the supply of goods and services, etc.), which led to a 60% reduction in the second quarter with respect to the same period of 2019;
4. the increase in costs of consumables in the second quarter (+25%), which was the direct consequence of the purchase of sanitary materials for the protection of the health of the users and workers of the two Tuscan airports.

### 10.3 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 2020 and the same value at 31 December 2019.

ASSETS	30.06.2020	31.12.2019	DIFFERENCE
<b>NON-CURRENT ASSETS</b>			
Intangible assets	175,294	174,880	414
Property, Plant and Equipment	28,923	30,310	-1,387
Rights of use	4,438	4,619	-181
Equity investments in other entities	2,945	2,945	0
Investments in associated companies	613	570	44
Other financial assets	3,218	3,220	-2
Trade receivables due beyond the year	206	308	-102
Deferred tax assets	5,090	1,716	3,373
<b>TOTAL NON-CURRENT ASSETS</b>	<b>220,728</b>	<b>218,569</b>	<b>2,159</b>
<b>CURRENT ASSETS</b>			
Trade receivables	8,954	17,525	-8,571
Tax assets for current taxes	522	280	242
Other tax assets	3,630	1,497	2,133
Trade receivables, due within the year	4,979	10,014	-5,035
Cash and cash equivalents	15,908	19,863	-3,954
<b>TOTAL CURRENT ASSETS</b>	<b>33,995</b>	<b>49,179</b>	<b>-15,185</b>
<b>TOTAL ASSETS</b>	<b>254,723</b>	<b>267,749</b>	<b>-13,026</b>

The difference in total assets, which decreased by € 13 M compared to total assets at 31 December 2019, mainly reflects the decrease in current assets (€ -15.2 M), partly offset by the increase in non-current assets (€ +2.2 M).

More specifically, trade receivables decreased by € 8.6 M as a consequence of both the collection of receivables at 31 December 2019 and the significant reduction of the turnover in the second quarter due to the closing down of airports and reduced traffic trends since March 2020. For the same effect, receivables from others, due within the year also decreased by € 5 M as a consequence of the decreased Municipal additional tax on boarding fees receivable from carriers.

SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2020	31.12.2019	DIFFERENCE
TOTAL SHAREHOLDERS' EQUITY	110,484	119,518	-9,034
NON-CURRENT LIABILITIES			
Provisions for liabilities and charges	1,946	2,458	-512
Provisions for repair and replacement	19,190	17,834	1,356
Provisions for employee benefits	5,627	5,767	-140
Financial liabilities due beyond one year	21,113	23,352	-2,238
Financial liabilities for rights of use beyond one year	4,089	4,239	-150
Other payables due beyond the year	358	338	20
TOTAL NON-CURRENT LIABILITIES	52,324	53,988	-1,664
CURRENT LIABILITIES			
Financial liabilities due within one year	45,873	24,940	20,933
Financial liabilities for rights of use within one year	409	409.54	0
Tax liabilities for current taxes	204	2,174	-1,970
Other tax liabilities	11,059	11,987	-928
Trade payables	21,631	31,643	-10,012
Payables to social security institutions	2,499	2,611	-113
Other payables due within the year	6,589	12,568	-5,979
Provisions for repair and replacement (current portion)	3,651	7,911	-4,260
TOTAL CURRENT LIABILITIES	91,915	94,243	-2,328
TOTAL LIABILITIES	144,239	148,231	-3,992
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	254,723	267,749	-13,026

The Shareholders' Equity decreased by about € 9 M, mainly due to the loss for the period.

Non-current liabilities mainly include the decrease in the items of financial liabilities - € 2.2 M - for the reclassification of the shares of loans expiring over the next 12 months in the Provision for risks and charges for € 512 K, as a consequence of the related uses. However, the Provision for repair increased by € 1.4 M during the period, as a consequence of the additions to the provision and of the planning of works on the airport infrastructure.

Current liabilities include decreases in trade payables (€ -10 M), other payables due within the year (€ -6 M) for the expiries of the period examined, and the Provisions for repair and replacement (€ -4.3 M) for the works performed, partially mitigated by the increase in bank overdrafts, for about € 21 M.



## 10.4 Analysis of financial flows

The Consolidated Statement of Cash Flows 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.

<b>STATEMENT OF CASH FLOWS (amounts in €K)</b>		
<b>Euro K</b>	<b>INTERIM 2020</b>	<b>INTERIM 2019</b>
<b>OPERATING ACTIVITY</b>		
<b>Net result for the period</b>	<b>(9,030)</b>	<b>5,350</b>
<i>Adjusted for:</i>		
- Amortization/depreciation of intangible/tangible assets, and rights of use	5,363	5,413
- Difference in provision for liabilities and charges	(512)	(1,939)
- Net difference in provisions for employee benefits	(189)	(353)
- Net difference in provisions for repair	(3,223)	158
- Financial expenses for rights of use	70	70
- Other net financial expenses (income)	575	726
- Net changes in (prepaid)/deferred taxes	(3,372)	646
- Year's current taxes	109	2,094
- (Increase)/decrease in trade receivables	8,673	(9,865)
- (Increase)/decrease in other current assets	2,908	(1,758)
- Increase/(decrease) in payables to suppliers	(10,012)	(1,841)
- Increase/(decrease) in other current payables	(7,000)	480
<b>Cash flow generated by operating activities</b>	<b>(15,642)</b>	<b>(819)</b>
- Paid financial expenses	(191)	(233)
- Paid income taxes	(2,320)	(2,570)
<b>Cash flow generated by operating activities</b>	<b>(18,152)</b>	<b>(3,622)</b>
<b>INVESTMENT ACTIVITIES</b>		
- Investments in tangible assets	(389)	(2,950)
- Disinvestments in tangible assets	2	0
- Investments in intangible assets	(3,750)	(3,831)
- Disinvestments in equity and other financial assets	(44)	124
<b>Cash flow generated (used) from investment activities</b>	<b>(4,181)</b>	<b>(6,657)</b>
<b>FINANCIAL ASSETS</b>		
- Dividends paid	0	(13,188)
- Short-/long-term loans taken out	21,000	18,500
- (Repayment of) short-/long-term loans	(2,330)	(2,333)
- (Repayment of) financial liabilities for rights of use	(291)	(316)
<b>Cash flow generated (used) by financing activities</b>	<b>18,379</b>	<b>2,663</b>
<b>Net increase/(decrease) in available cash Cash equivalents</b>	<b>(3,954)</b>	<b>(7,617)</b>
Cash and cash equivalents at beginning of period	19,863	14,270
<b>Cash and cash equivalents at end of period</b>	<b>15,908</b>	<b>6,653</b>

At 30 June 2020, primary liquidity is positive for approx. € 15.9 M, down by approx. € 4 M compared to primary liquidity at 31 December 2019, when it was approx. € 19.9 M.

The items of the Consolidated Statement of Cash Flows at 30 June 2020 specifically include:

- The greater outflow due to the consequences of the Covid-19 outbreak;
- The repayment of principal of approx. € 2.3 M for the medium/long-term loans obtained by the Group;
- Investments for approx. € 4.1 M in airport infrastructures;
- The obtainment of short-term loans ("hot money") by TA for € 21 M for the expected need to face an outflow period due to the effects of the ongoing pandemic on the working capital.

We remind readers that, in order to protect the equity and financial soundness of the Company, the Board of Directors of the Holding passed a resolution on 31 March 2020 to review the allocation of the year's result for 2019 and not distribute dividends, thus changing the decision made during the meeting of 12 March 2020, when dividends for about € 9.4 M had been allocated to distribution.

Also, please read the section "Liquidity risk" of the Explanatory Notes.

## 10.5 Consolidated Net Financial Position

To complete the disclosure, we are providing the Consolidated Net Financial Position at 30 June 2020 and at 31 December 2019, in compliance with the provisions set forth in CONSOB's Notice prot. no. 6064293 of 28 July 2006.

NET CONSOLIDATED FINANCIAL INDEBTEDNESS				
<i>Euro K</i>	30.06.2020	31.12.2019	Abs. Diff.	30.06.2019
A. Cash on hand and at banks	15,908	19,863	(3,954)	6,653
B. Other cash and cash equivalents	-	-	-	-
C. Securities held for trading	-	-	-	-
<b>D. Liquid assets (A) + (B) + (C)</b>	<b>15,908</b>	<b>19,863</b>	<b>(3,954)</b>	<b>6,653</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
F. Current bank payables	41,015	20,010	21,005	28,005
G. Current portion of non-current indebtedness	4,858	4,930	72	8,598
H. Other current financial payables due to leasing companies	409	409.54	0	398
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>46,282</b>	<b>25,349</b>	<b>20,933</b>	<b>37,001</b>
<b>J. Net current financial indebtedness (I) - (E) - (D)</b>	<b>30,374</b>	<b>5,486</b>	<b>24,887</b>	<b>30,348</b>
K. Non-current bank payables	21,113	23,352	(2,238)	22,011
L. Bonds issued	-	-	-	-
M. Other non-current payables due to leasing companies	4,089	4,238.68	150	4,212
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>25,203</b>	<b>27,590</b>	<b>(2,388)</b>	<b>26,223</b>
<b>O. Net Financial Position (J) + (N)(NFP)</b>	<b>55,576</b>	<b>33,077</b>	<b>22,499</b>	<b>56,571</b>



At 30 June 2020, current bank payables (use of short-term credit lines) are € 41 M, the current portion of the TA Group's medium-long term indebtedness is € 4.9 M, and the other current payables for leases is € 308 K.

In addition, there are also non-current bank payables for € 21 M, mainly reflecting the non-current portion of the two existing loans which included an initial line of credit, for a maximum aggregate amount of € 60 M, to be used for the investments scheduled in the Group's Business Plan, and other non-current payables for leases for € 4.2 M.

The Group's liquidity is € 15.9 M at 30 June 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 by the Florence airport with the Intesa-San Paolo-MPS bank pool.

The **consolidated net financial indebtedness** at the closing date of 30 June 2020 is **€ 55.6 M**, up by € 22.5 M compared to 31 December 2019. The consolidated net financial indebtedness was € 56.6 M at 30 June 2019.

At 30 June 2020, the **Debt/Equity ratio** is **0.50** (against 0.28 at 31 Dec. 2019), against 0.51 at 30 June 2019.

## 11. THE GROUP'S INVESTMENTS

The Group's investments amount to approx. **€ 4.1 million** at the end of the first six months of 2020, € 3.75 M of which related to intangible fixed assets and € 389 K to tangible fixed assets.

After an accurate analysis of its financial requirements, updated after the expected reduction in the traffic demand for the year 2020 and the aforesaid actions, Toscana Aeroporti identified some additional measures aimed to support the Company and the Group in complying with its obligations, consisting in a global review of the timing of the less-urgent infrastructure work.

Amounts shown in € K		Airport	Sub-tot	Sub-tot	Sub-tot	TOTAL
Group Toscana Aeroporti's investments at 30 June 2020						4,139
A) Amortization of Intangible assets						3,750
- Software					30	
- Other Intangible assets					3	
- Concession rights					210	
DHL bonded warehouse expansion program	PSA		72			
Wastewater treatment system improvement	FLR		62			
Restrooms of non-Schengen arrivals area	FLR		59			
Other minor items	PSA/FLR		18			
- Assets under construction					3,485	
Development of 2014-2029 Master Plan	FLR		759			
BHS and baggage carousel improvement	PSA/FLR		752			
First flush rainwater harvesting and treatment system	PSA		707			
Installation of fixed GPU 400 Hz systems	PSA		367			
Passenger terminal expansion (Phase 1)	PSA		302			
De-icing canopy re-protection	FLR		253			
New canopy for ramp vehicles	FLR		198			
Other minor items	PSA/FLR		148			
- Current software:					21	
B) Tangible assets						389
- Land and Buildings					17	
- motor vehicles					70	
- Plant and machinery					102	
- Assets under construction					20	
- Other assets					180	
electronic machines (HW)	PSA/FLR		119			
Furniture and fittings	PSA/FLR		52			
Others	PSA/FLR		9			

Investments in **intangible assets** mainly consisted in € 759 K invested for surveys and projects for the development of the Florence airport Master Plan<sup>1</sup>; € 752 K for the BHS and baggage carousel improvement; € 707 K for the first flush rainwater harvesting and treatment system; € 367 K for fixed GPU (Ground Power Unit) systems; € 302 K for the expansion of the Pisa passenger terminal (Phase 1), and € 253 K for the canopy for de-icing vehicles.

As to the development of the Florence airport Master Plan, see section 20 "Intangible assets" of the Explanatory Notes.

Investments in **tangible assets** mainly consisted in the purchase of operating assets (cars, operating systems and machinery) for € 172 K, and in the purchase of HW and furniture and fittings for € 119 and € 52 K, respectively.

## 12. HUMAN RESOURCES

### THE GROUP'S STAFF

Starting from March 2020, the companies of the TA Group implemented ordinary and special measures aimed, as much as possible, to the flexibilization and

<sup>1</sup> That amount also includes costs for in-house and outsourced design, consulting engineering and outsourced technical work, also connected with the VIA procedure, regarding the new runway, the new terminal and other airport infrastructure development projects in the Florence airport.

variabilization of the cost of labour, e.g. by blocking overtime and supplementary work in non-operating areas and by reducing the work required for supervision/emergency. These measures also included the decrease, agreed with supervision bodies, of the level of supervision, and therefore of the assigned staff; the use of accrued 2019 holidays and the anticipation of 2020 holidays, as well as the temporary block of recruitment in operating/non-operating and staffing areas.

Moreover, temporary unemployment benefits (“CIGS”) were activated for 12 months starting from the end of March 2020 in TA and TAH, and since the beginning of April in Jet Fuel as well. For TAE, the Wage Integration Fund (*Fondo di Integrazione Salariale*) for 18 weeks starting from the end of March. Finally, another 18-week temporary layoff fund called *Cassa Integrazione in Deroga* has been requested for personnel with less than 90 days of seniority starting from May 1st.

Temporary unemployment benefits called *CIGS* will be effective after the completion of all the holidays/working time reduction by each employee and will not affect EFTs, but the development and final count of personnel costs.

During the first half of 2020, the average number of employees working for the TA Group has been € 719.6 FTEs, down by 49.6 (-6.4%) FTEs in absolute terms compared to the same period of 2019. This difference is due to the lower traffic managed in the two airports after the Covid-19 outbreak.

The mean number of employees of TA is 330.3 FTEs, down by 2.2 FTEs (-0.7%), in absolute terms, compared to the same period of 2019, while TAH has an average number of 370.2 FTEs, down by 48.0 FTEs (-11.5%).

The number of employees working for the subsidiary Jet Fuel has remained unchanged (11 FTEs).

The subsidiary TAE hired two more units, thus reaching a total of 7.49 FTEs.

Since March 2020, the company Vola s.r.l., a food catering business, has become a member of the Group with 1 employee, who is being remunerated under the 18-week temporary layoff fund since May 4th.

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

FTE Table	INTERIM 2020	INTERIM 2019	Diff.	% Diff.
Toscana Aeroporti	330.3	332.5	-2.2	-0.7%
Toscana Aeroporti Handling	370.2	418.1	-48.0	-11.5%
Jet Fuel	11.00	12.5	-1.5	-12.0%
TAE	7.49	6.0	1.5	24.8%
VOLA	0.62	0.0	0.6	

Group	719.6	769.2	-49.6	-6.4%
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NOTE: Part-time FTEs are determined proportionally to full-time units (1 FTE).

The Group spent € 13.7 M for its staff in the first semester of 2020, down by € 7.9 M compared to the Cost of personnel of the first half of 2019 (-36.6%).

The reduction of the Group's personnel as a consequence of the reduced air traffic operated after the Covid-19 outbreak and the exit of some corporate executives, as well as the use of temporary unemployment benefits starting from the end of March, helped mitigate variable costs and achieve a lower aggregate cost of labour for the first semester of 2020 compared to the same period of 2019.

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

Revenues, costs, receivables and payables at 30 June 2020 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 2020.

At 30 June 2020, 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 2019), 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 2020, TA has a service agreement in place with this Associate for staff management activities, for a period value of approx. € 18 K, and reported a variable price based on revenues of € 42.5 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. 2019), 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 2020 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 2020 are:

#### - Delta Aerotaxi S.r.l.

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

- the sub-concession of offices and other types of spaces in the Pisa airport for a value of € 55 K in revenues at 30 June 2020;
- Aviation revenues for € 28 K for the invoicing of airport duties and taxes, and Pisa airport General Aviation handling fees, plus approx. € 1 K regarding the provision of extra-handling services upon request.

In addition, the interim report at 30 June 2020 shows a further € 5 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 2020, 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:

- € 83 K Aviation revenues for the invoicing of airport duties and taxes, handling and centralised infrastructure expenses concerning general aviation in the Florence airport, € 1 K for the same services in the Pisa airport, and approx. € 1 K for the provision of extra-handling services upon request and for the supply of de-icing liquid to the Florence airport;
- the sub-licensing of offices and other types of spaces in the Pisa airport for a value of € 3 K in revenues for TA at 30 June 2020;
- Non-aviation revenues for € 9 K at 30 June 2020 regarding the sub-concession 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 (€ 18 K of revenues for TA at 30 June 2019).

Lastly, the Group accrued a further € 1 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-2020).

In addition, an agreement is in place for the sub-concession of premises located in an air-side area of the Pisa airport used by ICCAB for retail activities, for a value of € 12 K in revenues at 30 June 2020.

Finally, during the first half of 2020, 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 Italy 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 interest 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 2020, 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 2020 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:

- 4,885 shares by statutory auditor Roberto Giacinti;
- 2,403 shares by board member Saverio Panerai.

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

### **14.1 Parcheggi Peretola s.r.l.**

Parcheggi Peretola S.r.l. became a member of the TA Group in 2015 after the incorporation of AdF, which owned 100% of its shares. The prevalent activity of this company is the management of a 640-slot payment car parking lot 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 consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

Book values in the first 6 months of 2020 show revenue accounts (value of production) of € 422 K, down by € 580 K compared to the first 6 months of 2019, mainly due to the decrease in the number of passengers transiting the Florence airport in the first semester of 2020, and consequently of customers using the parking lot managed by the company.

Total costs are € 212 K (€ 412 K at 30 June 2019). The most important component of this item is the cost of the parking lot management and maintenance service provided by SCAF S.r.l. We also remind readers of the 7% drawback of parking lot revenues from the



Municipality of Florence under an agreement that also allowed the entity to readjust the Holding's parking rates.

The Gross Operating Margin (GOM) of the first semester 2020 is € 210 K, down by € 380 K.

#### 14.2 Toscana Aeroporti Engineering S.r.l.

Toscana Aeroporti Engineering (hereinafter "TAE"), incorporated on 15 January 2015, has started operations in the month of August of that year as an engineering subsidiary 100% owned by Toscana Aeroporti with the mission of providing TA with the engineering services required for the implementation of the program for the development of the two airports - Florence and Pisa.

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 2020);
2. in-house staff (8 units at 30 June 2020);
3. specialized service contractors.

Consistently with the past business year, TAE has been planning infrastructure improvements in both airports, specifically:

- First flush rainwater harvesting and treatment system (Florence)
- BHS and baggage carousel improvement (Florence and Pisa)
- Passenger terminal expansion - Phase 1 (Pisa)
- Installation of fixed GPU 400 Hz systems (Pisa)
- Reprotection of de-icing vehicle canopy (Florence)
- Installation of fixed GPU 400 Hz systems (Florence)
- DHL bonded warehouse expansion (Pisa)
- Improvement of wastewater treatment system (Florence)

At 30 June 2020, the company has 8 direct employees and, in continuity with 2019, 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 the Condensed Consolidated Interim Financial Report, the financial information of this subsidiary has been adjusted to take into account the impact deriving from the adoption of international accounting standards.

Revenues of the first 6 months of 2020 total € 1,424 K (€ 2,304 K at 30 June 2019), reflecting the year's portion of the projects commissioned by TA, as better described above.

Total costs in the first half of 2020 amount to € 1,241 K (€ 2,110 L at 30 June 2019) and mainly include the cost of internal personnel for € 177 K, outsourced survey and design services for € 720 K, and cost of TA's seconded personnel for € 219 K.

The GOM for the period is € 209 K (€ 194 K at 30 June 2019).

#### 14.3 Jet Fuel Co. S.r.l.

Jet Fuel Co. s.r.l. is the entity that manages the centralized fuel storage facility of the Pisa airport. The stake held by TA is 51.0% of voting rights, while property and dividend rights are exercised in identical portions by the other shareholders, Refuelling S.r.l. and Air BP

Italy S.p.A. So, for consolidation purposes, said equity investment has been considered as a 33% share and portion of profits pertaining to 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 starting from the end of February and by the increasing restrictions imposed by Governments. The subsidiary has been particularly impacted by the -64.2% decrease in the movement component and -64.9% decrease in the tonnage component.

A total of 14,582 cubic metres of jet fuel passed through the storage facility during the first 6 months of 2020, with a -69.2% decrease in volume compared to the 47,280 cubic metres of the first semester of 2019. The company provided into-plane services for 9,373 cubic metres of fuel, with a 71.1% decrease compared to the 32,378 cubic metres of the first semester of 2019.

As a consequence of the reduced managed volumes, the subsidiary obtained an extension of the deadlines for its 12-month loans.

At 30 June 2020, Jet Fuel has a sub-concession agreement in place with TA for the management of the centralized fuel storage facility for a **global value of € 91 K in the first semester of 2020 and a utility service agreement of € 10 K.**

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the sole purpose of the Condensed Consolidated Interim Financial Report, the financial information of this subsidiary has been adjusted to take into account the impact deriving from the adoption of international accounting standards.

The main revenues of Jet Fuel (Aviation) in the first 6 months of 2020 consist of **€ 207 K (€ 670 K at 30 June 2019) from the fuel storage service and € 120 K for the into-plane service (€ 468 K at 30 June 2019).**

Total costs at mid-2020 are **€ 589 K (€ 930 K at 30 June 2019).** The main costs are: cost of personnel (€ 255 K), airport sub-concession fee (€ 91 K), tank truck maintenance and fuel (€ 19 K), professional services (€ 54 K), and industrial insurance (€ 36 K).

Consequently, the GOM of the first semester of 2020 is negative for **€ 164 K (€ 233 K at 30 June 2019).**

#### 14.4 Toscana Aeroporti Handling S.r.l.

Toscana Aeroporti Handling S.r.l. is a 100% subsidiary of Toscana Aeroporti S.p.A. incorporated 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 further activities related to its core business. Handling activities consist in airport ground aircraft, passenger and cargo handling services.

The subsidiary TAH was also affected by the unexpected decrease in traffic due to the rapid spreading of the Coronavirus pandemic globally starting from the end of February and by the increasing restrictions imposed by Governments in the first semester. More specifically, it has been particularly impacted by the -64.2% decrease in the movement component and -64.9% decrease in the tonnage component.



We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the sole purpose of the Condensed Consolidated Interim Financial Report, the financial information of this subsidiary has been adjusted to take into account the impact deriving from the adoption of international accounting standards.

The main revenues of the first semester of 2020 consist of approx. € 4.7 M of handling services and approx. € 370 K of other revenues and proceeds, substantially consisting in the debiting of the required operating services to TA.

The main costs of the first half of 2020 are the cost of personnel, with € 5.2 M (€ 10.4 M at 30 June 2019) and outsourced services (€ 1.8 M) (€ 3.2 M at 30 June 2019),.

As a consequence, the GOM shows a loss of € 2,000 K (€ 531 K at 30 June 2019), 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.

On 9 December 2019, TA (Sole Shareholder) incorporated a new company called "Vola S.r.l." to directly or indirectly manage every food-related activity.

This new company, that is not yet operating, will manage restaurant and bar activities in the landside spaces of the Florence airport.

The most significant events that took place during the first half of 2020 are described below:

- payment of the share capital by TA for € 200 K (February);
- disbursement by TA of the first tranche of the loan for € 450 K (February);
- payment of the first suppliers for € 342 K (February);
- payment of withholding taxes for € 69 K (March).

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the sole purpose of the Condensed Consolidated Interim Financial Report, the financial information of this subsidiary has been adjusted to take into account the impact deriving from the adoption of international accounting standards.

### 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

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 rates, the reduction in the available income for families in real terms, and the consequent collapse of consumption, as well as events such as the Covid-19 pandemic, may cause a slowdown in the demand for air transport. Should this weak economy persist, we cannot exclude a negative impact on the economic situation of the Group.

Although the epidemic started its much-hoped for regression phase in Italy at the end of the first semester, uncertainty still prevails at the moment (especially if we look at the international scenario) concerning the duration and geographical expansion of the Covid-

19 outbreak, so further impacts are expected on traffic trends and on the economic results of the Company and the Group.

For further information and insight, see the section “Liquidity risk” in this Report and the section “Impact of the Covid-19 outbreak” in the Explanatory Notes.

## **- 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 1 July 2018.

Due to the limited operating spaces available both in the Pisa airport (ENAC Resolution of 4 March 2019) and in the Florence airport (ENAC Resolution of 30 November 2018), 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. 18/99<sup>1</sup>. In both airports, the number of handlers for Commercial Aviation has been limited to 2, one being Toscana Aeroporti Handling.

Since March 2019, 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 2020, revenues generated by the handling business accounted for 21.2% over total revenues (25.1% 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 TA's economic situation, equity and financial standing.

## **- 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 interim financial statement, consultations with airport users had been positively concluded according to the procedure established by the tariff models for the 2019-2022 period for both the Pisa and Florence airports. The Transport Regulation Authority issued Resolutions no. 50/2019 and no. 94/2019 for the final compliance with tariff models for the Pisa and Florence airport, respectively, for the 2019-2022 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 impact the applicable tariffs and the general economic, equity and financial situation of the Group.

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<sup>1</sup> Baggage Assistance and runway operations.

Furthermore, on 16 July 2020, 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 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, after approximately one year of negotiations with trade unions, three agreements were signed with all the unions representing all levels of employees - executives, clerical staff and workers - of the two airports, to regulate important rationalization and simplification projects regarding labour costs, second level wage arrangements, and the stabilization of the labour contracts and working hours of some operating employees who passed to permanent employment. Furthermore, in order to increase the wellbeing of its employees, TA implemented a corporate welfare services platform.

As a consequence of the Covid-19 outbreak and the operating restrictions imposed on the two airports, starting from March 2020, the companies of the TA Group implemented ordinary and special measures aimed, as much as possible, to the flexibilization and variabilization of the cost of labour, e.g. by blocking overtime and supplementary work in non-operating areas and by reducing the work required for supervision/emergency. These measures also included the decrease, agreed with supervision bodies, of the level of supervision, and therefore of the assigned staff; the use of accrued 2019 holidays and the anticipation of 2020 holidays, as well as the temporary block of recruitment in operating/non-operating and staffing areas.

Moreover, temporary unemployment benefits ("CIGS") have been activated for 12 months starting from the end of March in TA and TAH, and since the beginning of April in Jet Fuel as well. For TAE, the Wage Integration Fund (*Fondo di Integrazione Salariale*) for 9 weeks starting from the end of March. Finally, another 9-week temporary layoff fund called *Cassa Integrazione in Deroga* has been requested for personnel with less than 90 days of seniority starting from May 1st, 2020.

The Holding has regular meetings with Trade Unions for a continuous constructive discussion and cooperation.

#### **- RISKS ASSOCIATED WITH DECREASING AIRPORT TRAFFIC IN THE TWO AIRPORTS AND WITH THE CONCENTRATION OF CERTAIN CARRIERS**

Like the other operators of the sector, a possible reduction or interruption of flights by one or more carriers due to an economic/financial crisis in their business organizations which might adversely impact the bottom line of the TA Group.

Due to the Coronavirus emergency and the related national security airport regulations, which include the closing of the Florence airport starting from 14 March 2020 and until 3 May 2020 and the almost total cancellation of operations in the Pisa airport, the Group saw a dramatic decrease in passenger traffic compared to the first semester of 2020 after the cancellation of scheduled operations by air carriers in the two airports.

During the first half of 2020, TA recorded approx. 1 million passengers against approx. 3.8 million in the first half of 2019. The total incidence of the first three carriers is 63%. More specifically, the incidence of the first carrier is 43.9%, while the incidences of the second and third carriers are 12.6% and 6.5%, respectively.

Based on past experience, although there can be no certainty in this regard, the Group believes that the risk of a reduction or interruption of the service by one or more carriers is generally offset by the probable redistribution of passenger traffic among the other airlines operating in the airport and by its overall capacity to attract new carriers.

In addition to that, the Group signed multi-year agreements with said carriers, with which they agree to promote marketing and advertising campaigns, and achieve pre-established **objectives in terms of passengers and flights, in exchange for the Group's commitment to contribute to the related expenses and grant economic incentives for the achievement of the aforesaid objectives.**

However, we may not exclude the likelihood that, notwithstanding the implementation of the aforesaid remedial measures, a certain amount of time might elapse between the interruption of flights and their replacement by other carriers and that this interruption might, in any case, negatively impact the operations and earnings of the Group.

In order to minimize the risk of traffic concentration on some carriers, the Group, albeit in the context of the air traffic sector, which is characterised by integration and merger processes between carriers, is pursuing an airline diversification strategy in the two airports. In addition, the Group 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 specifically 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. Furthermore, the Group started a process of development of human resources in view of a Succession Plan. 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.

#### **- 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.

#### **- FINANCIAL RISK**

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 have negatively impacted 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.

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, currently deemed to be adequate in connection with 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 2019, and has a limit of liability and an excess. Furthermore, the Holding hired a company for its long-term debt collection activities.

Finally, we cannot exclude that the epidemic caused by the Coronavirus may cause an increase in the credit risk in connection with the general industry trends; therefore, the **Management will carefully monitor the situation of the Group's main clients, particularly air carriers**, in order to mitigate any negative impact on its equity and results. However, no specific criticalities have been detected to date.

## 2) Liquidity risk

At 30 June 2020, the Group has a negative Net Financial Position for € 55.6 M (€ 33.1 M at 31 December 2019). This is the result of a negative current NFP of about € 46.3 M (€ 25.3 K at 31 December 2019) and of a negative non-current NFP of € 25.3 M (€ 27.6 M at 31 December 2019) mainly regarding two loans (expiring in 2022 and in 2027) granted to the Holding by the banks "Intesa San Paolo" and "MPS Capital Services" for the infrastructural development of the two airports. Two more medium-term loans for a nominal amount of **€ 500 K have been disbursed by the banking group "Banco Popolare di Milano" to the subsidiary Jet Fuel** to support the purchase of four new airplane fuel supply trucks required for into-plane activities at the Pisa airport.

Six-month EURIBOR interest rates apply to the loans obtained by the Holding, as well as certain financial covenants that are measured at 30 June and at 31 December. For the loan granted by MPS Capital Services, the Holding, at 30 June 2020, obtained the waiver of the measurement of the financial parameters specified in the contract at 30 June 2020. The Group also uses short-term bank loans to meet its short-term requirements.

Considering the specific effects of the Coronavirus pandemic and the consequent restrictions imposed on airport services since March 2020, having seen the results of the first semester and in spite of the gradual recovery of operations in the two airports, the **impact on the Group's 2020 financial-economic results is significant**. In particular, it is reasonable to assume that the indebtedness of the Company and Group with banks will increase over the next few months, while their liquidity will shrink compared to 31 December 2019.

So, keeping in mind the seasonal nature of our business, the Management, already in the first 6 months of 2020, tried to find the financial resources required to cover its greater current requirements caused by the health emergency by increasing its use of short-term loans compared to the same period of 2019 - **with € 21 M of loans obtained in the first six months of 2020 against € 18 M at 30 June 2019**). In view of said uses, the amount of the non-revolving credit lines of the Group available at 30 June 2020 is about € 17.5 M.

We remind readers that, in this context, in order to protect the equity and financial soundness of the Company, the Board of Directors of the Holding passed a resolution on 31 March 2020 to review the allocation of the year's result for 2019 and not distribute dividends, thus changing the decision made during the meeting of 12 March 2020, when **dividends for about € 9.4 M had been allocated to distribution**.

Finally, we point out that the so-called **Decreto Liquidità ("Liquidity Decree")** was published in the Official Journal on 9 April 2020 to regulate credit facilities for businesses guaranteed by the State with a simplified procedure and Toscana Aeroporti applied for the facility for the amounts applicable for its size and features.



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 continuation of discussions with banks, also based on the aforesaid Liquidity Decree.

Based on the assumptions developed, the Management estimated that, while considering the significant reduction of the traffic demand for the entire business year 2020 and an expected 2021 not yet at levels comparable to the “before Covid-19” period, the implementation of the cost mitigation measures described above, together with the progressive recovery of traffic, the use of cash obtained through short-term loans and the further credit facilities made available by the Government (Liquidity Decree) may allow Toscana Aeroporti to fulfil its obligations in the short term.

Finally, we point out that the reduction in air traffic and in revenues could cause such a reduction in profits as to make it difficult to meet our financial parameters for the existing loans for the business year 2020. Even in this case, though, the Group, as for the measurement of covenants at 30 June on the contract with MPS Capital Services, promptly initiated the appropriate discussions with the banks involved.

### 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 2018 is € 55.6 M and the debt-to-equity ratio (NFP/Shareholders’ Equity) at 30 June 2020 is 0.50 (vs 0.28 at 31 December 2019), which confirms the financial soundness of the Group.

Based on the NFP at 30 June 2020, 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 € +/-670 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. € +658 K. Instead, 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. € -615 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.

## 16. SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE PERIOD AT 30 June 2020

The main news concerning carriers’ operations in the Pisa and Florence airports, particularly concerning the resumption of operations after the Covid-19 restrictions, are provided below.

The first important signs of recovery are being seen in air traffic, after the removal of the measures that had been adopted to tackle the emergency, which had virtually zeroed movements in the two airports starting from March.

In July, over 20 airlines had already restarted flying in the two Tuscan airports, thus reactivating over 60 routes, ca. 40 international and 20 national flights.

#### Main news on the operations of the Pisa airport

- The Irish airline **Ryanair** increased its operations starting from July 1st, with a total of 42 (9 national, 33 international) destinations.
- **British Airways** resumed flying in July, thus ensuring the daily connection with London Heathrow again. This carrier will increase its weekly flights in August (11 in total).
- The other British carrier, **Easyjet**, resumed all its international destinations (Bristol, Berlin, Paris Orly, Manchester and London Gatwick), with increasing flights during the month.
- The new carrier **Air Albania** operated the flight to Tirana 5 times a week.
- **Air Arabia** resumed the direct flight to Casablanca, with 2 weekly flights, since July 16th.
- **Jet2.com** re-operated its flights to the East Midlands, Manchester and Newcastle since July 18th.
- **SAS** resumed its weekly flight to Copenhagen since July.
- **Vueling** resumed its 2 weekly flights to Barcelona since July 13th.
- **Volotea** operated a new flight to Olbia, twice a week, since July.
- Always in July, **Alitalia** suspended its flight to Rome Fiumicino.

#### Main news on the operations of the Florence airport

- **Air Dolomiti** resumed its operations to Frankfurt on July 1st, with 5 weekly flight, 7 from August. There will be 9 flights to Munich per week.
- **Air France** increased its operations on Paris Charles de Gaulle, which passed from 1 flight per day to 16 flights per week in July, while daily flights will be 3 in August.
- The national airline **Alitalia** restarted operating 1 daily flight in the Florence airport.
- **Austrian Airlines** resumed its operations with 4 weekly flights to Vienna.
- **Blue Air** resumed its operations to Bucharest with 3 flights per week.
- **British Airways** re-operated 3 weekly flights to London City since July 10th. This flight will have a daily frequency since August.
- **Brussels Airlines** resumed its connection with Brussels, with 3 weekly flights, since July 1st.
- In July, **KLM** increased its weekly operations to Amsterdam, passing from 7 in June to 16 in July, while 3 daily flights will be operated in August.
- **SwissAir** will increase its flight to Zurich from 2 per week in June to 4 per week in July.
- **Vueling** resumed its operations on July 2nd, with national flight to Catania and Palermo, and international flights to Barcelona. With one based aircraft, this carrier also resumed international operations to Amsterdam, London Gatwick, Madrid, and Paris Orly.

#### Significant events occurred after 30 June 2020

- On 16 July 2020, the Transport Regulation Authority (ART) issued Resolution no. 136/2020 to approve the new regulated airport fee models.
- In consideration of the decrease in air traffic in Italy due to the epidemiological emergency and of the contagion mitigation measures adopted by the State and Regions to minimize the economic consequences of the healthcare crisis, the term of the concessions granted for the management and development of airport activities existing at the effective date of Law no. 77 of 17 July 2020, which converted Art. 202, par. 1-Bis, of Law Decree no. 34 of 19 May 2020 with amendment, was extended for two more years.

## 17. OUTLOOK

During the first seven months of 2020, the Tuscan Airport System recorded a total traffic of over 1.2 million passengers (-74% compared to the same period of 2019).

This was caused by the combined effects of the higher demand reported in January and February 2020, +2.7% compared to the same period of 2019, and by the restrictions dramatically imposed after the Covid-19 outbreak since March 2020, which caused a - 92.1% decrease in passenger traffic in the March-July 2020 period.

The year 2020 will be 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.

Considering the continuous evolution of the situation and after the negative results obtained in the first semester due to the restrictions imposed on airport services and to the cancellations made since March 2020, we expect a strongly negative impact on the economic-financial results for the year 2020, in spite of the gradual recovery of operations.

Toscana Aeroporti will keep building its resilience, as it has done over its first five years of life, by implementing all the possible actions to protect Group profits, such as by variabilizing costs as much as possible based on traffic trends and also by taking into account the mitigation measures imposed by governments, competent authorities, and the central banks of the Countries hit by the Covid-19 outbreak, as well as by adopting economic measures in support of families, employees and businesses, in the hope that the recovery process will continue over the next few months.

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As regards 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 2020, 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.

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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.

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For the Board of Directors  
Marco Carrai (President)



CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT – FOR  
THE PERIOD CLOSED ON 30 JUNE 2020

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in €K	Notes	1 H 2020	of which Related Parties	1 H 2019	of which Related Parties
<b>REVENUES</b>					
Operating income	1-2	19,486	260	54,083	819
Other revenues	3	351	61	775	57
Revenues from construction services	4	3,695	0	3,521	0
<b>TOTAL REVENUES (A)</b>		<b>23,533</b>	<b>321</b>	<b>58,379</b>	<b>876</b>
<b>COSTS</b>					
Operating Costs					
Consumables	5	669	0	568	0
Cost of personnel	6	13,667	0	21,542	0
Costs for services	7	9,810	0	15,943	53
Sundry operating expenses	8	712	0	1,119	0
Airport leases	9	1,054	0	985	0
Total operating costs		<b>25,913</b>	<b>0</b>	<b>40,158</b>	<b>53</b>
Costs for construction services	10	3,016	0	2,596	0
<b>TOTAL COSTS (B)</b>		<b>28,929</b>	<b>0</b>	<b>42,754</b>	<b>53</b>
<b>GROSS OPERATING MARGIN (A-B)</b>		<b>-5,396</b>	<b>321</b>	<b>15,625</b>	<b>823</b>
Amortization and impairment	11	5,363	0	5,413	0
Provision for risks and repairs	12	726	0	1,278	0
Value write-ups (write-downs) net of trade receivables and other receivables	13	207	0	78	0
<b>OPERATING EARNINGS</b>		<b>-11,693</b>	<b>321</b>	<b>8,855</b>	<b>823</b>
<b>ASSET MANAGEMENT</b>					
Financial income	14	4	0	4	0
Financial expenses	15	-649	0	-802	0
Profit (loss) from equity investments	16	44	0	32	0
<b>TOTAL ASSET MANAGEMENT</b>		<b>-601</b>	<b>0</b>	<b>-767</b>	<b>0</b>
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>-12,293</b>	<b>321</b>	<b>8,089</b>	<b>823</b>
Taxes for the period	17	3,263	0	-2,739	-50
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>-9,030</b>	<b>321</b>	<b>5,350</b>	<b>773</b>
<b>Minority Interest's loss (profit) for the period</b>	18	130	0	-68	0
<b>GROUP'S PROFIT/(LOSS) FOR THE PERIOD</b>		<b>-8,900</b>	<b>321</b>	<b>5,282</b>	<b>773</b>
<b>Earnings per share (€)</b>		<b>-0.4782</b>		<b>0.2838</b>	
<b>Diluted earnings per share (€)</b>	19	<b>-0.4782</b>		<b>0.2838</b>	

GRUPPO TOSCANA AEROPORTI - COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

Amounts in €K	Notes	1 H 2020	1 H 2019
<b>PROFIT (LOSS) FOR THE PERIOD (A)</b>		<b>-9,030</b>	<b>5,350</b>
<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	41	-4	-372
<i>Total other profit (loss) before tax (B)</i>		<b>-4</b>	<b>-372</b>
<b>COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)</b>		<b>-9,034</b>	<b>4,977</b>
<b>Minority Interest's comprehensive profit (loss) for the period</b>	38	132	-62
<b>GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>		<b>-8,902</b>	<b>4,916</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)**

ASSETS	Notes	30.06.2020	31.12.2019
<b>NON-CURRENT ASSETS</b>			
Intangible assets	20	175,294	174,880
Property, Plant and Equipment	21	28,923	30,310
Rights of use	22	4,438	4,619
Equity investments in other entities	23	2,945	2,945
Investments in associated companies	24	613	570
Other financial assets	25	3,218	3,220
Trade receivables due beyond the year	26	206	308
<i>of which from Related Parties</i>		109	167
Deferred tax assets	27	5,090	1,717
<b>TOTAL NON-CURRENT ASSETS</b>		<b>220,728</b>	<b>218,569</b>
<b>CURRENT ASSETS</b>			
Trade receivables	28	8,954	17,525
<i>of which from Related Parties</i>		469	552
Tax assets for current taxes	29	522	280
Other tax assets	30	3,630	1,497
Trade receivables, due within the year	31	4,979	10,014
Cash and cash equivalents	32	15,908	19,863
<b>TOTAL CURRENT ASSETS</b>		<b>33,995</b>	<b>49,179</b>
<b>TOTAL ASSETS</b>		<b>254,723</b>	<b>267,749</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share Capital	33	30,710	30,710
Capital reserves	34	87,678	74,124
IAS adjustments reserve	35	-3,229	-3,229
Profit/(Loss) carried forward	36	3,994	3,403
<b>Group's profit (loss) for the period</b>	37	<b>-8,900</b>	<b>14,149</b>
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>		<b>110,254</b>	<b>119,156</b>
MINORITY INTEREST	38	230	361
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>110,484</b>	<b>119,518</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for liabilities and charges	39	1,946	2,458
Provisions for repair and replacement	40	19,190	17,834
Provisions for employee benefits	41	5,627	5,767
Financial liabilities due beyond one year	42	21,113	23,352
Financial liabilities for rights of use beyond one year	43	4,089	4,239
Other payables due beyond the year	44	358	338
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>52,324</b>	<b>53,988</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities due within one year	42	45,873	24,940
Financial liabilities for rights of use within one year	43	409	409.54
Tax liabilities for current taxes	45	204	2,174
Other tax liabilities	46	11,059	11,987
Trade payables	47	21,631	31,643
<i>of which to Related Parties</i>		0	36
Payables to social security institutions	48	2,499	2,611
Other payables due within the year	49	6,589	12,568
Provisions for repair and replacement (current portion)	40	3,651	7,911
<b>TOTAL CURRENT LIABILITIES</b>		<b>91,915</b>	<b>94,243</b>
<b>TOTAL LIABILITIES</b>		<b>144,239</b>	<b>148,231</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>254,723</b>	<b>267,749</b>

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

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STATUTORY 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 2018	30,710	18,941	4,003	25,876	24,585	(3,229)	17,351	118,236	292	118,528
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	5,282	5,282	68	5,350
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	(366)	(366)	(6)	(372)
<b>TOTAL COMPREHENSIVE PROFIT (LOSS)</b>	-	-	-	-	-	-	<b>4,916</b>	<b>4,916</b>	<b>62</b>	<b>4,977</b>
PROFIT ALLOCATION	-	-	687	31	-	-	718	-	-	-
DIVIDENDS	-	-	-	-	-	-	(13,028)	(13,028)	(160)	(13,188)
<b>TOTAL ITEMS DIRECTLY SHOWN IN S.E.</b>	-	-	<b>687</b>	<b>31</b>	-	-	<b>(13,746)</b>	<b>(13,027)</b>	<b>(160)</b>	<b>(13,187)</b>
S.E. AT 30 June 2019	30,710	18,941	4,690	25,906	24,585	(3,229)	8,520	110,124	194	110,318
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)
<b>TOTAL COMPREHENSIVE PROFIT (LOSS)</b>	-	-	-	-	-	-	<b>(8,902)</b>	<b>(8,902)</b>	<b>(132)</b>	<b>(9,034)</b>
PROFIT ALLOCATION	-	-	678	12,877	-	-	(13,555)	0	0	0
<b>TOTAL ITEMS DIRECTLY SHOWN IN S.E.</b>	-	-	<b>678</b>	<b>12,877</b>	-	-	<b>(13,555)</b>	-	-	-
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

# STATEMENT OF CASH FLOWS (amounts in €K)

<i>Euro K</i>	INTERIM 2020	INTERIM 2019
<b>OPERATING ACTIVITY</b>		
<b>Net result for the period</b>	<b>(9,030)</b>	<b>5,350</b>
<i>Adjusted for:</i>		
- Amortization/depreciation of intangible/tangible assets, and rights of use	5,363	5,413
- Amortization of intangible assets	3,339	3,478
- Depreciation of tangible assets	1,771	1,667
- Amortization of rights of use	253	268
- Difference in provision for liabilities and charges	(512)	(1,939)
- Net difference in provisions for employee benefits	(189)	(353)
- Net difference in provisions for repair	(3,223)	158
- Financial expenses for rights of use	70	70
- Other net financial expenses (income)	575	726
- Financial expenses for banks	216	259
- Financial expenses for employee benefits	44	65
- Financial expenses for provision for repair	320	405
- Financial management for foreign currency exchange	0	0
- Financial income (interest receivable)	(1)	(4)
- Other minor financial charges(income)	(3)	0
- Other provisions and impairment losses	0	0
- Net changes in (prepaid)/deferred taxes	(3,372)	646
- Year's current taxes	109	2,094
- (Increase)/decrease in trade receivables	8,673	(9,865)
- (Increase)/decrease in other current assets	2,908	(1,758)
- Increase/(decrease) in payables to suppliers	(10,012)	(1,841)
- Increase/(decrease) in other current payables	(7,000)	480
<b>Cash flow generated by operating activities</b>	<b>(15,642)</b>	<b>(819)</b>
- Paid financial expenses	(191)	(233)
- Paid income taxes	(2,320)	(2,570)
<b>Cash flow generated by operating activities</b>	<b>(18,152)</b>	<b>(3,622)</b>
<b>INVESTMENT ACTIVITIES</b>		
- Investments in tangible assets	(389)	(2,950)
- Disinvestments in tangible assets	2	0
- Investments in intangible assets	(3,750)	(3,831)
- Disinvestments in equity and other financial assets	(44)	124
<b>Cash flow generated (used) from investment activities</b>	<b>(4,181)</b>	<b>(6,657)</b>
<b>FINANCIAL ASSETS</b>		
- Dividends paid	0	(13,188)
- Short-/long-term loans taken out	21,000	18,500
- (Repayment of) short-/long-term loans	(2,330)	(2,333)
- (Repayment of) financial liabilities for rights of use	(291)	(316)
<b>Cash flow generated (used) by financing activities</b>	<b>18,379</b>	<b>2,663</b>
<b>Net increase/(decrease) in available cash Cash equivalents</b>	<b>(3,954)</b>	<b>(7,617)</b>
Cash and cash equivalents at beginning of period	19,863	14,270
<b>Cash and cash equivalents at end of period</b>	<b>15,908</b>	<b>6,653</b>

## **EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 JUNE 2020**

### **BACKGROUND**

The Toscana Aeroporti Group (hereinafter also briefly referred to as the “Group” or the “TA Group”) includes the Holding, Toscana Aeroporti S.p.A. (hereinafter also briefly the “Holding” 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., and Vola 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 2020, the structure of the TA Group is the one described in the annex to the Report on Operations, which is recalled in this document. No change was made to the corporate structure of the Group compared to 31 December 2019.

### **STRUCTURE AND CONTENT OF STATEMENTS AND REPORTS**

The Condensed Consolidated Interim Financial Report of the TA Group at 30 June 2020 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 2019, 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”.

The information provided in this Interim Financial Report must be read together with the Consolidated Financial Statement at 31 December 2019, 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 2019**.

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

At the end of January 2020, the World Health Organization declared the SARS-CoV-2 virus outbreak a **Public Health Emergency of International Concern** (hereinafter also "Covid-19" or "Coronavirus"). In Italy, stricter measures have been adopted at the beginning of March 2020 to minimize the spreading of the virus and protect public health, first in some limited areas of the north of the Country, and then progressively in all the rest of the peninsula.

In this scenario, specifically speaking of the transport industry, on 12 March 2020, the Ministry of Infrastructures and Transport issued Decree no. 112 (extended with Decree n. 153 of 12 April 2020) to order the restriction of airport services to a specific list of airports, including the Pisa airport (where operations were strongly reduced). As a consequence, starting from 14 March 2020 and until 3 May 2020, the Florence airport limited its operations to cargo, mail, State flights and emergency services, including sanitary emergency.

Due to cancellations and then also to the restrictions imposed by the Government, an overall contraction in air traffic took place in the two airports during the first half of 2020, with about 2.8 million passengers compared to the same period of the previous year (at 30 June 2020). In the first six months of 2020, the Tuscan airport system carried approx. **1.03 million passengers**, with an overall change of **-72.4%** for the Passenger component, -64.2% for the Flights component, -64.9% for the Tonnage component, and +0.3% for the Cargo & Mail component, compared to the aggregate data on passengers, flights and tonnage of the Pisa and Florence airports in the first semester of 2019. This reduction in the demand for air traffic impacted the economic results of the first semester, which were strongly negative and showed a loss of approx. 8.9 M at 30 June 2020.

After the end of the lockdown period, the Country has entered a progressive period of recovery with airport operations being generally resumed. In addition to a slight but encouraging increase in Aviation activities, most retail stores and other business activities have reopened in the two airports. Similarly, road and rail transport services have been resumed, thus making the two airports easy to reach again. Finally, almost all the parking lots reopened, with particularly interesting promotional offers, and car rental companies are also restarting their business.

In spite of all this, traffic volumes in July were still at markedly lower levels compared to the same month of the previous year, which makes it likely to expect negative results for the entire business year 2020, hoping that the most critical phase of the pandemic can be considered over, at least at national level.

However, it is not possible to exclude that the pandemic and the associated international developments may slow down the progressive recovery of operations expected for the next few months.

Considering the expected air traffic reduction, the Group promptly prepared a number of countermeasures aimed to adjust costs to the reduced traffic demand, also taking into account the measures adopted by the Italian Government Law Decree no. 18 of 17 March 2020 (“Cura Italia”).

Based on the structure of the Group's Income Statement, whose items also include the cost of personnel, the first measures adopted aimed at mitigating said costs and the related 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 will be used until March 2021.

As regards the minimization of costs for services, the Management first analysed the existing labour contracts and identified any non-strategic cost and then discussed additional measures with suppliers.

In order to protect the equity and financial soundness of the Company, the Board of Directors of the Holding passed a resolution on 31 March 2020 to review the allocation of the year's result for 2019 and not distribute dividends, thus changing the decision made during the meeting of 12 March 2020, when dividends for about € 9.4 M had been allocated to distribution.

After an accurate analysis of its financial requirements, updated after the expected reduction in the traffic demand, and the aforesaid actions, TA identified some additional measures aimed to support the Group in complying with its obligations, consisting in a global review of the timing of the less-urgent infrastructure work. In this regard, we remind readers that, even based on the Group's investment objectives, discussions had also been initiated with primary credit institutions for the definition of the most appropriate financial structure to be created in support of the infrastructural development of the Pisa and Florence airports.

Therefore, TA estimated that, considering the significant reduction in the air traffic demand for the entire business year 2020 and taking into account that 2021 may not reach levels comparable with those of the pre-Covid-19 era, a gradual recovery of traffic starting from the second semester 2020, the implementation of the aforesaid cost mitigation measures, the use of cash borrowed through short-term loans and obtained with other credit facilities available, as well as, wherever necessary, any additional credit facility also **made available by the Government through the “Decreto Liquidità”** - all these measures may allow the Group to fulfil its short-term obligations and continue operating on a going-concern basis in a foreseeable future.

We also highlight that Toscana Aeroporti, as applicable based on its size and features, applied for the credit facilities granted by the State through the simplified procedure introduced by Law Decree no. 23/2020, converted with amendments by Law no. 40/2020 (“Decreto Liquidità”), also to meet any new cash requirements which may arise in the event of a slowing down of the expected progressive recovery in air traffic.

Everything by ensuring the maintenance of infrastructural development plans and appropriate service levels for any ongoing operations, in order to allow Toscana Aeroporti, once the emergency situation is over, to resume its developments in the medium term.

## INFORMATION ON THE SEASONAL NATURE OF THE AIRPORT SECTOR



Due to the cyclic nature of the sector where the Group operates, higher operating revenues and profits are generally expected in the second and third quarter rather than in the first and fourth quarters. The highest sales usually concentrate in the June-September holiday peak period, when the maximum user level is recorded by the airport infrastructures managed.

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 and by the increasing restrictions imposed by Governments.

## RECENTLY-ISSUED PRINCIPLES

### New accounting standards, amendments and interpretations effective for annual reporting periods beginning on or after 1 January 2020

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 2020.

- In October 2018, the IASB published some amendments to IFRS 3, which amend the definition of “business” within the framework of operations such as the acquisition of businesses or groups. The application of amendments has been effective from 1 January 2020 and did not significantly affect the condensed interim consolidated financial report at 30 June 2020.
- In October 2018, the IASB published some amendments to IAS 1 and IAS 8, which provide clarifications concerning the definition of “material information”. The application of amendments has been effective from 1 January 2020 and did not significantly affect the condensed interim consolidated financial report at 30 June 2020.
- In September 2019, the IASB published some amendments IFRS 9, IAS 39 and IFRS 7 to provide clarifications concerning the reform of interbank interest rates. The application of amendments has been effective from 1 January 2020 and did not significantly affect the condensed interim consolidated financial report at 30 June 2020.

### 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 applicable for the Group.

- In May 2017, the IASB issued the new principle IFRS 17 “Insurance contracts”. The new standard will replace IFRS 4 and will be effective starting from the financial periods beginning on or after January 1st, 2023.
- In May 2020, the IASB published an amendment to standard IFRS 16 “Leases”. The amendment allows for the neutralization of the changes in the payment of leases based on agreements between the parties in consideration of the negative effects of Covid-19. The amendment will take effect from 1 January 2020.
- In January 2020, the IASB published an amendment to IAS 1 “Presentation of financial statements”, which provides clarifications on the classification of current and non-current liabilities. The amendment will take effect from 1 January 2022.
- In May 2020, the IASB published some amendments referred to IFRS 3, IAS 16, and IAS 37. In addition, some amendments to IFRS 1, IFRS 9, IAS 41 have been published, as well as some examples, attached to IFRS 16. These amendments will apply from 1 January 2022.

The Group will adopt said new standards, amendments and interpretations based on the effectiveness date specified and will assess their potential impact when these 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, currently deemed to be adequate in connection with 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 2019, 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".

We cannot exclude that the epidemic caused by the Coronavirus may cause an increase in the credit risk in connection with the general industry trends; therefore, the **Management will carefully monitor the situation of the Group's main clients, in order to mitigate any negative impact on its equity and results.** However, no specific criticalities have been detected to date.

### 2. Liquidity risk

At 30 June 2020, the Group has a negative Net Financial Position for € 55.6 M (€ 33.1 M at 31 December 2019). This is the result of a negative current NFP of about € 46.3 M (€ 25.3 K at 31 December 2019) and of a negative non-current NFP of € 25.3 M (€ 27.6 M at 31 December 2019) mainly regarding two loans (expiring in 2022 and in 2027) granted to the Holding by the banks "Intesa San Paolo" and "MPS Capital Services" for the infrastructural development of the two airports. Two more medium-term loans for a nominal amount of € 500 K have been disbursed by the banking group "Banco Popolare di Milano" to the subsidiary Jet Fuel to support the purchase of four new airplane fuel supply trucks required for into-plane activities at the Pisa airport.

Six-month EURIBOR interest rates apply to the loans obtained by the Holding, as well as certain financial covenants that are measured at 30 June and at 31 December. The Holding, at 30 June 2020, obtained the waiver of the measurement of the financial parameters specified in the contract at 30 June 2020. The Group also uses short-term bank loans to meet its short-term requirements.

Considering the specific effects of the Coronavirus pandemic and the consequent restrictions imposed on airport services since March 2020, having seen the results of the first semester and in spite of the gradual recovery of operations in the two airports, the **impact on the Group's 2020 financial-economic results** is significant. In particular, it is reasonable to assume that the indebtedness of the Company and Group with banks will increase over the next few months, while their liquidity will shrink compared to 31 December 2019.

So, keeping in mind the seasonal nature of our business, the Management, already in the first 6 months of 2020, tried to find the financial resources required to cover its greater current requirements caused by the health emergency by increasing its use of short-term loans compared to the same period of 2019 - **with € 21 M of loans obtained in the first six months of 2020 against € 18 M at 30 June 2019**). In view of said uses, the amount of the non-revolving credit lines of the Group available at 30 June 2020 is about € 17.5 M.

We remind readers that, in this context, in order to protect the equity and financial soundness of the Company, the Board of Directors of the Holding passed a resolution on 31 March 2020 to review the allocation of the year's result for 2019 and not distribute dividends, thus changing the decision made during the meeting of 12 March 2020, when dividends for about € 9.4 M had been allocated to distribution.

Finally, we point out that the so-called **Decreto Liquidità ("Liquidity Decree")** was published in the Official Journal on 9 April 2020 to regulate credit facilities for businesses guaranteed by the State with a simplified procedure and Toscana Aeroporti applied for the facility for the amounts applicable for its size and features.

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 continuation of discussions with banks, also based on the aforesaid Liquidity Decree.

Based on the assumptions developed, the Management estimated that, while considering the significant reduction in the traffic demand for the entire business year 2020 and an **expected 2021 not yet at levels comparable to the "before Covid-19" period**, the implementation of the cost mitigation measures described above, together with the progressive recovery of traffic, the use of cash obtained through short-term loans and the further credit facilities made available by the Government (Liquidity Decree) may allow Toscana Aeroporti to fulfil its obligations in the short term.

Finally, we point out that the reduction in air traffic and in revenues could cause such a reduction in profits as to make it difficult to meet our financial parameters for the existing loans for the business year 2020. Even in this case, though, the Group, as for the measurement of covenants at 30 June on the contract with MPS Capital Services, promptly initiated the appropriate discussions with the banks involved.

### 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 2018 is € 55.6 M and the debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2020 is 0.50 (vs 0.28 at 31 December 2019), which confirms the financial soundness of the Group.

Based on the NFP at 30 June 2020, 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 € +/-670 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. € +658 K. Instead, 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. € -615 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.

#### Information on the main customers of the Holding "TA"

During the first half of 2020, TA recorded approximately 1 million passengers in a system with 26 operating carriers. The total incidence of the first three carriers is 63%. More specifically, the incidence of the first carrier (Ryanair) is 43.9%, while the incidences of the second (Vueling) and third (easyJet) carriers are 12.6% and 6.5%, respectively.

#### 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, cost of personnel, 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	
<u>TA Group - Income Statement</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>
Operating income and other revenues	14,596	44,274	4,482	9,567	759	1,018	19,838	54,858
of which Pisa	7,721	24,669	1,996	3,266	392	766	10,108	28,702
of which Florence	6,876	19,605	2,486	6,301	367	251	9,729	26,156
Revenues from construct. serv.	3,207	2,108	163	309	325	1,103	3,695	3,521
of which Pisa	1,433	212	47	300	0	0	1,479	513
of which Florence	1,774	1,896	117	10	325	1,103	2,216	3,008
<b>Total Segment Income</b>	<b>17,803</b>	<b>46,382</b>	<b>4,646</b>	<b>9,877</b>	<b>1,084</b>	<b>2,121</b>	<b>23,533</b>	<b>58,379</b>
Operating Costs (*)	18,127	31,035	2,113	2,282	5,673	6,839	25,913	40,157
of which Pisa	11,157	18,664	1,192	1,143	2,976	3,152	15,325	22,959
of which Florence	6,969	12,370	921	1,139	2,697	3,687	10,588	17,197
Cost of construct. serv.	2,618	1,555	133	228	265	813	3,016	2,596
of which Pisa	1,169	156	38	221	0	0	1,207	378
of which Florence	1,448	1,398	95	7	265	813	1,809	2,218
Amortization and provisions	3,809	4,178	785	851	1,702	1,742	6,297	6,770
of which Pisa	2,055	2,155	509	553	236	969	2,800	3,677
of which Florence	1,753	2,024	276	298	1,467	773	3,496	3,094
<b>Operating Earnings</b>	<b>-6,750</b>	<b>9,614</b>	<b>1,614</b>	<b>6,516</b>	<b>-6,557</b>	<b>-7,273</b>	<b>-11,693</b>	<b>8,856</b>
of which Pisa	-5,229	3,906	304	1,649	-2,820	-3,351	-1,145	2,204
of which Florence	-1,521	5,709	1,311	4,867	-3,737	-3,923	-3,947	6,651
Asset management	0	0	0	0	-601	-767	-601	-767
<b>Profit before tax</b>	<b>-6,750</b>	<b>9,614</b>	<b>1,614</b>	<b>6,516</b>	<b>-7,158</b>	<b>-8,040</b>	<b>-12,293</b>	<b>8,089</b>
Year's current taxes	0	0	0	0	3,263	-2,738	3,263	-2,738
<b>Net year's result</b>	<b>-6,750</b>	<b>9,614</b>	<b>1,614</b>	<b>6,516</b>	<b>-3,894</b>	<b>-10,777</b>	<b>-9,030</b>	<b>5,350</b>
Loss (profit) of minority interest	0	0	0	0	130	-68	130	-68
<b>Net Group result</b>	<b>-6,750</b>	<b>9,614</b>	<b>1,614</b>	<b>6,516</b>	<b>-3,764</b>	<b>-10,845</b>	<b>-8,900</b>	<b>5,282</b>
<u>TA Group - Statement of financial position</u>	<u>30/06/2020</u>	<u>31/12/2019</u>	<u>30/06/2020</u>	<u>31/12/2019</u>	<u>30/06/2020</u>	<u>31/12/2019</u>	<u>30/06/2020</u>	<u>31/12/2019</u>
Current assets	11,430	26,801	3,631	6,230	18,934	16,149	33,995	49,179
Non-current assets	142,455	144,429	49,403	48,590	28,870	25,550	220,728	218,569
<u>TA Group - Additional information</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>
Investments	3,515	4,069	247	1,324	377	1,389	4,139	6,781

(\*) including Airport leases for € 1,054 K in the first semester of 2020 (€ 984 K in the first half 2019). Please, note that the airport fees of the first half of 2019 are affected by the release of the Fire Brigade Risk Provision for € 2 M.

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## NOTES TO THE MAIN ITEMS OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR 2020

### INCOME STATEMENT

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#### A SUMMARY OF THE IMPACT OF THE COVID-19 OUTBREAK ON THE INCOME STATEMENT

First of all, we point out that the differences between the two semesters examined, both in absolute and percentage values, as shown below, are mainly due to the contraction in air traffic and revenues, and to the cost mitigation measures adopted after the national and global healthcare emergency caused by the Covid-19 pandemic, which strongly impacted the airport industry, as extensively discussed in the Report on Operations.

The negative impact on the Income Statement has been observed to a greater extent in the second quarter,

and specifically consisted in:

1. the collapse in air traffic in the second quarter 2020 (-99% passengers compared to the second quarter of 2019, for approx. 2.3 million pax), which compares against a first quarter 2020 (-29% passengers compared to the first quarter of 2019, with approx. 418 thousand pax), which benefited of the first two months of regular traffic, in line with the previous year;
2. the consequent **almost total zeroing of operating revenues**, with **€ 2.7 M** in the second quarter of 2020, compared to the second quarter of 2019, when they **totalled € 32.4 M (-92%)**, as a consequence of traffic trends;
3. the important cost mitigation measures implemented by the Group in the second quarter, starting from April (temporary unemployment benefits, revision of **contracts for the supply of goods and services, etc.**), which led to a **€ 13.4 M reduction (-60%)** in the second quarter compared to the same period of 2019;
4. the increase in costs of consumables in the second quarter 2020 (+25%) compared to the second quarter of 2019, the direct consequence of the purchase of sanitary materials for the protection of the health of the users and workers of the two Tuscan airports. Overall additional costs incurred for additional materials and services purchased for the handling of the emergency have totalled approx. **€ 270 K**.



## VALUE OF PRODUCTION (REVENUE ITEMS)

On the whole, consolidated revenues at 30 June 2020 totalled € 23.5 M (€ 58.4 M at 30 June 2019), with a negative difference of € 34.8 M, and include:

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	% Diff.
<b>REVENUES</b>				
<b>Operating Income</b>				
Aviation revenues	15,065	44,813	-29,747	-66.4%
Non-Aviation revenues	6,624	15,497	-8,873	-57.3%
Network development expenses	-2,203	-6,226	4,023	-64.6%
<b>Total operating revenues</b>	<b>19,486</b>	<b>54,083</b>	<b>-34,597</b>	<b>-64.0%</b>
Other revenues	351	775	-423	-54.6%
Revenues from construction services	3,695	3,521	174	4.9%
<b>TOTAL REVENUES (A)</b>	<b>23,533</b>	<b>58,379</b>	<b>-34,846</b>	<b>-59.7%</b>

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 2020 and the changes, both in absolute and percentage terms, compared to 30 June 2019:

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	% Diff.
<b>AVIATION REVENUES</b>				
Passenger boarding fees	4,039	13,838	-9,800	-70.8%
Landing/departure fees	2,795	7,555	-4,760	-63.0%
Stopover fees	653	613	41	6.6%
PRM assistance fees	594	1,881	-1,287	-68.4%
Cargo fees	149	247	-98	-39.7%
Passenger security fees	1,092	3,721	-2,629	-70.7%
Baggage security fees	378	1,741	-1,363	-78.3%
Handling	4,989	14,059	-9,070	-64.5%
Centralised infrastructures	377	1,158	-781	-67.5%
<b>TOTAL AVIATION REVENUES</b>	<b>15,065</b>	<b>44,813</b>	<b>-29,747</b>	<b>-66.4%</b>
% incid. over gross op. revenues Network Development Expenses	69.5%	74.3%		

### 2. Non-Aviation revenues

The table below provides details on revenues from non-aviation activities carried out during the first 6 months of 2020 and those of the first 6 months of 2019:



Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	% Diff.
<b>NON-AVIATION REVENUES</b>				
Parking facilities	1,054	3,278	-2,223	-67.8%
Food	501	1,770	-1,269	-71.7%
Retail	1,075	2,768	-1,693	-61.2%
Advertising	948	1,046	-98	-9.3%
Real Estate	718	877	-159	-18.2%
Car rentals	1,152	2,729	-1,578	-57.8%
Other sub-concessions	534	1,169	-635	-54.3%
VIP Lounges	386	1,442	-1,056	-73.2%
Air tickets	84	236	-151	-64.2%
Cargo agency	172	183	-11	-5.8%
<b>TOTAL NON-AVIATION REVENUES</b>	<b>6,624</b>	<b>15,497</b>	<b>-8,873</b>	<b>-57.3%</b>
% incid. over gross op. revenues Network Development Expenses	30.5%	25.7%		

### 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 € 2.2 M at 30 June 2020, down by € 4 M compared to 30 June 2019, when they totalled € 6.2 M.

### 3. Other revenues and proceeds

The table below provides details on “Other revenues and proceeds” recognised during the first six months of 2020 and on those of the first six months of 2019.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	% Diff.
<b>OTHER REVENUES</b>				
Indemnifications	41	165	-124	-75.4%
Services and consulting	67	109	-42	-38.4%
Utilities and others	195	469	-274	-58.4%
Minors	48	31	17	54.5%
<b>TOTAL OTHER REVENUES</b>	<b>351</b>	<b>775</b>	<b>-423</b>	<b>-54.6%</b>
% incid. over Revenues	1.5%	1.3%		

### 4. Revenues from construction services

At 30 June 2020, Revenues from construction services total € 3.7 M (€ 3.5 M at 30 June 2019), with a negative difference of € 174 K.

The higher revenues determined at the end of the period stem from the different investment trends compared to the first half of 2019.

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	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	% Diff.
Revenues not included in the scope of IFRS 15	4,830	10,086	-5,256	-52.1%
<b>“Over time” revenues</b>	18,703	48,293	-29,590	-61.3%
<b>“Point in time” revenues</b>	0	0	0	N.S.
<b>TOTAL REVENUES</b>	<b>23,533</b>	<b>58,379</b>	<b>-34,846</b>	<b>-59.7%</b>

### COSTS

Aggregate consolidated Costs total € 28.9 M at 30 June 2020 (against € 42.8 M at 30 June 2019), with a negative difference of € 13.8 M, as detailed below:

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	% Diff.
<b>COSTS</b>				
<b>Operating Costs</b>				
Consumables	669	568	102	17.9%
Cost of personnel	13,667	21,542	-7,875	-36.6%
Costs for services	9,810	15,943	-6,133	-38.5%
Sundry operating expenses	712	1,119	-407	-36.4%
Airport leases	1,054	985	69	7.0%
<b>Total operating costs</b>	<b>25,913</b>	<b>40,158</b>	<b>-14,245</b>	<b>-35.5%</b>
Costs for construction services	3,016	2,596	420	16.2%
<b>TOTAL COSTS (B)</b>	<b>28,929</b>	<b>42,754</b>	<b>-13,825</b>	<b>-32.3%</b>

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 € 669 K at 30 June 2020 (against € 568 K at 30 June 2019). More specifically, they consist in sanitary materials (€ 200 K), fuel (€ 179 K), clothing (€ 185 K), and materials for operating services (€ 85 K).

## 6. Cost of personnel

The total cost of personnel is € 13.7 M at 30 June 2020, down by € 7.9 M compared to 30 June 2019. This cost item is broken down below:

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs.	2020/2019 %
			Diff.	Diff.
<b>COST OF PERSONNEL</b>				
Remuneration	13,489	21,480	-7,992	-37.2%
of which:				
Wages	7,684	12,406	-4,722	-38.1%
Salaries	1,781	3,156	-1,375	-43.6%
Social security contributions	2,905	4,633	-1,728	-37.3%
ETB	1,118	1,285	-166	-13.0%
Other labour costs	179	62	117	188.1%
of which:				
Contributions to CRAL	4	5	0	-6.5%
Benefits to personnel	150	51	100	196.2%
Administered and sundry	24	7	17	265.2%
<b>TOTAL COST OF PERSONNEL</b>	<b>13,667</b>	<b>21,542</b>	<b>-7,875</b>	<b>-36.6%</b>
% incid. over Operating Costs	52.7%	53.6%		

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

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

FTE Table	INTERIM 2020	INTERIM 2019	Diff.	Diff. %
Toscana Aeroporti	330.3	332.5	-2.2	-0.7%
Toscana Aeroporti Handling	370.2	418.1	-48.0	-11.5%
Jet Fuel	11.00	12.5	-1.5	-12.0%
TAE	7.49	6.0	1.5	24.8%
VOLA	0.62	0.0	0.6	N.S.
<b>Group</b>	<b>719.6</b>	<b>769.2</b>	<b>-49.6</b>	<b>-6.4%</b>

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 6-month period 2020 and 2019 consist of.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Sales services	101	126	-24	-19.4%
Institutional expenses	650	868	-219	-25.2%
Other services	1,668	2,613	-945	-36.2%
Staff services	566	889	-323	-36.3%
Maintenance services	1,891	3,032	-1,141	-37.6%
Utilities	1,383	1,881	-499	-26.5%
Operating services	3,551	6,533	-2,982	-45.6%
<b>TOTAL COSTS FOR SERVICES</b>	<b>9,810</b>	<b>15,943</b>	<b>-6,133</b>	<b>-38.5%</b>
% incid. over Operating Costs	37.9%	39.7%		

"Sales services", for € 101 K at 30 June 2020 (€ 126 K at 30 June 2019), include the following costs:

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Sales services	101	126	-24	-19.4%
of which:				
Advertising commissions	19	12	7	56.8%
Management of advertising systems	15	41	-26	-63.8%
Retail promotions	8	13	-5	-39.9%
Dry cleaning service	60	60	0	0.0%

“*Institutional expenses*”, for € 650 K (€ 868 K at 30 June 2019), mainly include the cost of control and auditing boards;

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Institutional expenses	650	868	-219	-25.2%
<u>of which:</u>				
Directors' fees	457	594	-137	-23.1%
Auditors' fees	125	124	0	0.2%
Directors' business travels	66	116	-51	-43.6%
Legal, notarial, meeting expenses	3	8	-5	-67.7%
Participation in conferences	0	26	-26	-100.0%

“*Other services*”, for € 2.61 M (€ 2.23 M at 30 June 2019), mainly include professional services, industrial insurance and communication costs.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Other services	1,668	2,613	-945	-36.2%
<u>of which:</u>		0		
Professional services	1,144	1,266	-123	-9.7%
Industrial insurance	233	325	-92	-28.3%
Communication	291	974	-683	-70.1%
Other minors	0	48	-48	-100.0%

The main change in these costs is due to the lower Communication costs (€ -683 €K) incurred by the Holding for sponsorships.

“*Staff services*” for € 566 K (€ 889 K at 30 June 2019) are specified below. They mainly refer to costs for the employees' canteen.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Staff services	566	889	-323	-36.3%
<u>of which:</u>				
Canteen	346	603	-257	-42.6%
Insurance	95	103	-8	-8.1%
Preventive medicine and med. examinations	13	19	-6	-31.7%
Training	21	44	-24	-53.8%
Staff recruitment	5	14	-9	-61.1%
Payroll services	46	63	-17	-27.3%
Other personnel services	8	0	8	N/A
Journeys	33	44	-10	-23.2%

“*Maintenance services*”, for € 1.9 M (€ 3 M at 30 June 2019), include airport infrastructure, systems and installation, equipment and truck maintenance.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Maintenance services	1,891	3,032	-1,141	-37.6%
of which:				
Equipm./Truck Maint.	328	597	-268	-45.0%
BHS system maint.	264	453	-188	-41.6%
Maint. of infrastructures	631	1,149	-518	-45.1%
IT maintenance	668	834	-166	-19.9%

*"Utility services"*, for € 1.4 M (€ 1.9 M at 30 June 2019), mainly include electricity, gas, and water costs.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Utilities	1,383	1,881	-499	-26.5%
of which:				
Electricity	629	837	-208	-24.9%
Water	93	226	-133	-58.7%
Telephones	80	106	-26	-24.7%
Mobile phones	109	92	17	18.3%
Gas	421	496	-75	-15.2%
Minors	50	123	-73.3	-59.4%

*"Operating services"*, for € 3.6 M (€ 6 M at 30 June 2019), mainly include outsourced costs for porters, surveillance, cleaning, rentals, parking lots, first aid care and other services typically associated with airport operations.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>COSTS FOR SERVICES</b>				
Operating services	3,551	6,533	-2,982	-45.6%
of which:				
Porterage	651	1,900	-1,249	-65.7%
Aircraft and vehicle cleaning	119	327	-208	-63.6%
Agency/Wareh. service	90	90	0	0.0%
Cleaning	405	667	-262	-39.2%
PRM Support	261	297	-36	-12.1%
Surveillance service	837	1,677	-840	-50.1%
Services Centre	105	124	-19	-15.2%
Connection arco az	28	39	-11	-27.7%
Rental of mach. and equip.	157	112	45	39.6%
Management of parking lots	162	358	-196	-54.7%
Gardening	47	83	-36	-42.9%
VIP Lounge	179	338	-159	-47.1%
First Aid Service	164	192	-28	-14.7%
Shuttle bus	164	304	-140	-46.0%
Other operating services	6	25	-19	-76.3%
Emergency management services	152	0	152	
Trolley collection	24	0	24	

## 8. Sundry operating expenses

*"Sundry management expenses"*, for € 712 M (€ 1.1 M at 30 June 2019), mainly include taxes and levies, membership fees, sundry administrative costs, and other minor entries.

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>SUNDRY OPERATING EXPENSES</b>				
Publications	3	10	-7	-70.4%
Ins. entities and sundry institutions	154	265	-111	-41.7%
Taxes and levies	369	393	-24	-6.1%
Entertainment	41	37	4	11.9%
Sundry administrative costs	119	265	-146	-55.2%
Other minors	26	150	-124	-83.0%
<b>SUNDRY OPERATING EXPENSES</b>	<b>712</b>	<b>1,119</b>	<b>-407</b>	<b>-36.4%</b>
% incid. over Operating Costs	2.7%	2.8%		

## 9. Airport leases

*"Airport leases"*, for € 1,054 K (€ 985 M at 30 June 2019), include 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 Provision for risks set aside for the Fire Brigade airport service dispute was released in the first six months of 2019 for € 2 M. After deducting said effect, the fee decreased by 64.7%, in line with the lower passenger traffic reported for the first half of 2020 (-72.8%).

Amounts in €K	1 H 2020	1 H 2019	2020/2019 Abs. Diff.	2020/2019 % Diff.
<b>AIRPORT LEASES</b>				
Concession and security fees	578	2,379	-1,802	-75.7%
Fire Brigade fee	476	606	-130	-21.4%
Release of Fire Brigade Risk Provision	0 -	2,000	2,000	-100.0%
<b>TOTAL AIRPORT FEES/LEASES</b>	<b>1,054</b>	<b>985</b>	<b>69</b>	<b>7.0%</b>
% incid. over Operating Costs	4.1%	2.5%		

## 10. Costs for construction services

Costs for construction services, totalling € 3 M (€ 2.6 M at 30 June 2019), arise from the investment made in the airport infrastructures under concession during the first half of 2020. See section 11 of the Report on Operations for further details.

## 11. Amortization and impairment

This item totalled € 5.4 M at mid-2020 (against € 5.4 M at 30 June 2019). It includes the following amortization and impairments:

- intangible assets for € 3.3 M (€ 3.5 M at 30 June 2019);
- property, plant and equipment for € 1.5 M (€ 1.7 M at 30 June 2019);
- rights of use for € 253 K (€ 268 at 30 June 2019).

## 12. Provision for liabilities and charges

This item shows € 726 K (against € 1,278 K at 30 June 2019) and essentially includes the amounts set aside in the provision for repairs (€ 714 K), which consists of the year's portion required for future maintenance expenses relating to repairs/replacements of assets used under the two ENAC concessions to keep them in good operating conditions.



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

This item amounts to € 207 K (€ 78 K at 30 June 2019) and consists of the provision set aside for bad debt.

Amounts in €K	1 H 2020	1 H 2019
Bad debt reserve	207	78
Credit loss	-	-
Release of Provision for bad debt	-	-
Total	207	78

### 14. Financial income

This item of € 4 K (€ 4 K at 30 June 2019) mainly refers to interest receivable accrued on bank current accounts and interest on arrears.

### 15. Financial expenses

This item amounts to € 649 K (€ 802 K at 30 June 2019) and mainly includes interests and commissions due on bank current accounts and loans (€ 216 K) and financial charges regarding the discounting of the Provision for repair and replacements (€ 320 K).

### 16. Profit (loss) from investment

This item shows € 44 K (€ 32 K at 30 June 2019), reflecting the recognition in the Shareholders' Equity of equity investment 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 approach led to an estimated tax burden of € 3.3 M, corresponding to a tax rate of 26.5% (against 33.9% in the first semester of 2019).

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

This item shows the profit of the subsidiary Jet Fuel owned by minority shareholders. Based on mid-2019 property and dividend rights, the loss for the period of the subsidiary Jet Fuel - approx. € -195 K - is a minority interest to a 66.67% extent, which corresponds to approx. € 130 K (€ 68 K in the first semester of 2019).

### 19. Profit (loss) per share

Basic earnings per share at 30 June 2020 are € -0.478 (€ 0.284 at 30 June 2019), as calculated by dividing the Group's loss for the period (€ -8,900 K) by the weighted average of the ordinary shares outstanding during the period (18,661,996 shares). No diluting factor exists. No diluting factor exists.

# NOTES TO THE MAIN ITEMS OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR 2020 STATEMENT OF FINANCIAL POSITION

## NON-CURRENT ASSETS

Changes in non-current assets at 30 June 2020 are shown below.

	Data in €K	30.06.2020	31.12.2019	DIFFERENCE
NON-CURRENT ASSETS		220,728	218,569	2,159

More specifically, this aggregate consists of the following categories:

## 20. Intangible assets

	Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Concession rights (royalties)		151,518	154,220	-2,702
Patents and intellectual property rights		600	896	-296
Construction in progress and advance payme		22,898	19,467	3,430
Other fixed assets		279	297	-18
Intangible assets		175,294	174,880	414

In addition to previous disclosures, an **aggregate amount of approximately € 3.8 M** has been invested in intangible assets during the first 6 months of 2020, specifically:

(amounts in €K)	Amount
Concession rights	210
Construction in Progress	3,506
Software	30
Other fixed assets	3
<b>Total</b>	<b>3,750</b>

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 2020.

Details on intangible assets are provided in Annex A.

## Concession rights (royalties)

The value of this item at 30 June 2020 is € 151.5 M (€ 154.2 M at 31 December 2019), down by € 1.7 M due to the effect of the year's amortization, partly offset by the investments made during the semester.

## Industrial patent rights

This item totalled € 600 K at 30 June 2019 (€ 896 K at 31 December 2019), down by € 296 K due to the higher value of the year's amortization compared to investments.

### Work in progress and advance payments

At 30 June 2020 this item totalled € 22.9 M (€ 19.5 M at 31 December 2019), up by € 3.4 M for new ongoing investments of € 3.5 M, a difference partially offset by the item "Concession rights" for € 76 K after the conclusion of the related projects.

The value of this item at 30 June 2020 is € 23 M (€ 19.5 M at 31 December 2019), up by € 3.5 M due to the year's amortization, partially offset by the investments made during the semester.

Please note that the value of the above-mentioned work in progress includes about € 15.3 M of investments made for the development of the Florence airport Master Plan, of which € 759 M during the first half of 2020.

We remind readers that the 2014-2029 Florence Airport Master Plan (hereinafter the "Master Plan"), which includes the development of the new 2,400 metre runway and the new terminal, has been approved from a technical perspective by ENAC on 3 November 2014. The Master Plan is required to undergo an Environmental Impact Assessment procedure ("Valutazione di Impatto Ambientale", "VIA") pursuant to Art. 40 of Leg. Decree no. 152/2006 and must comply with town planning schemes ("Conformità Urbanistica") pursuant to Art. 81 of DPR no. 616/1977. The VIA procedure was started by ENAC on 24 March 2015 at the MATTM. Technical support to the preliminary environmental impact assessment ("VIA") has been provided throughout 2016 and, on 2 December 2016, the Technical Commission issued a "positive opinion with conditions". On 28 December 2017, the MATTM, in cooperation with MiBACT, signed VIA Decree no. 377 for the new 2014-2029 Florence Airport Master Plan, thus defining the project as environmentally compatible. The signature was the positive result of the work done by the "VIA Technical Committee", which, on 5 December 2017, had issued its supplemental opinion for the New 2014-2019 Florence Airport Master Plan (so-called "positive opinion with conditions"). Therefore, the works of the Conference of Services started on 7 September 2018 and, during the last meeting held on 6 February 2019, the compliance of the Plan with town-planning regulations was acknowledged with a "Favourable opinion with prescriptions". On 16 April 2019, the MIT (Ministry of the Infrastructure and Transport) signed a Director's Decree with the positive conclusion of the Conference of Services regarding the Master Plan. Please note that, on 16 February 2017, a framework agreement was signed with ENAC for the financing of the works contemplated in the Master Plan, through which the Airport Operator confirmed its commitment to make the significant investments described in the aforesaid Florence Airport Master Plan and ENAC, together with the MIT, committed to contribute their own financing portion, as required for the implementation of the plan, for a total amount of € 150 million to TA, of which € 134 M for the Florence airport and € 16 M for the Pisa airport.

During 2018, some committees and the Municipalities of the Florence Plain ("Comuni della Piana") had filed appeals with the Tuscan Administrative Court ("TAR") against the VIA Decree no. 377 of 28 December 2017 and the appeals were discussed during the hearing of 3 April 2019.

On 27 May 2019, the TAR admitted the appeals and cancelled VIA Decree no. 377, thus requiring the defendants to restart the VIA procedure in order to address and resolve certain issues raised by the TAR. Therefore, the decision interrupted the procedures for the development of the work, in spite of the favourable conclusion of the Conference of Services. Based on the TAR's decision, on 15 July 2019 the MIT adopted the suspension

measure regarding Director's Decree of 16 April 2019, which had ratified the conclusion of the Conference of Services regarding the Florence airport.

In the light of the facts described above, on 26 July 2019 TA lodged an appeal with the Council of State based on the considerations, also developed with the support of its lawyers, that the VIA has been conducted on the basis of design documentation offering a sufficient amount of detail, contained all the surveys required by the applicable legislation, and the prescriptions imposed by the authorities exclusively concerned the execution phase.

With the decision given on 13 February 2020, the Council of State rejected the appeal filed by TA and, inter alia, by the Ministry of the Environment and Protection of the Territory and the Sea, by the Ministry of Cultural Assets, by ENAC, by the Municipality of Florence, by the Government of the Region of Tuscany, by the Metropolitan City of Florence, and by Toscana Aeroporti concerning the decision of the **Regional Administrative Court ("TAR") for Tuscany** no. 723 of 2019.

In this regard, we specify that the aforesaid decision does not question the technical validity of the project, as there is no regulatory or environmental impediment to the implementation of the project.

While respecting the decision, we remain convinced that the Florence airport needs a new runway and a new terminal to respond to the evident criticalities of the airport infrastructure, so TA has already started to make arrangements for the actions to be undertaken with the competent bodies, primarily ENAC, to proceed with the project in the awareness that the work done until now has been compliant with the opinions and requirements of the competent Ministries and of the competent VIA Commission, based on the positive opinions obtained from the National VIA Commission, the Ministry of the Environment, the Ministry of Cultural Assets, and the Ministry of infrastructure and Transport.

**In such a context, on 20 February 2020**, TA's Board of Directors acknowledged and reviewed the content of the decision of the Council of State and made the resolution to approve the renewal of the VIA procedure and go ahead with the further procedures required to advance the Florence airport development project according to the terms specified in the decisions of the Council of State on the matter, and also taking into account the letter received from ENAC requesting the continuation of our analysis, survey and design work, which confirms the interest of ENAC for the construction of the new runway.

Finally, we remind readers that to date TA has already completed most of the design regarding the major works required for the implementation of the Master Plan approved by ENAC, with an aggregate investment of **approx. € 15.3 M in intangible assets**. The Company also continued its project activities throughout 2019 and reached an almost final executive stage in the incorporation of the prescriptions specified in the VIA and town-planning compliance assessments. Based on the details contained in the plans and designs implemented to date, as well as within the framework of the territorial development defined in the decisions of the competent local authorities (Region, Province, Municipalities involved), based on the technical analyses conducted, TA believes that all the specialist analyses and design work developed and recognized in the accounts as work under construction will be fully usable in spite of the negative outcome of the appeal filed against the aforesaid decision, which did not question their technical validity, in the light of the forthcoming initiation of a new approval process.

In addition, the Company initiated negotiations with banks with the objective to define the most appropriate financial structure to be implemented for the implementation of the next investments.

In consideration of the decisions of the TAR and Council of State received in 2019 and in February 2020, respectively, the aforesaid value had been tested for impairment, after the approval of the Board of Directors of the holding, TA, on 12 March 2020. The test had been conducted on the CGU considered to be the most representative, i.e. the Florence airport. The analyses conducted starting from the assumption of a deferral of the completion of the new airport, compatibly with the time required for the re-initiation of the approval process, showed no impairment, so the value was not reduced in the accounts at 31 December 2019, also considering that the aforesaid decisions did not question the technical validity of the project and did not find any regulatory or environmental impediment to the implementation of the project. This will allow TA to re-use the specialist analyses and design work developed until the present time within the framework of the new approval process.

At 30 June 2020, as a consequence of the Covid-19 pandemic and of its impact on the national and international macroeconomic scenario in the first half of 2020, which also affected traffic trends, after assessing the **Group's assets under IAS 36 criteria**, an impairment test was performed at 30 June 2020, as approved by the Board of Directors on 4 August 2020, on both the CGUs regarding the Florence and Pisa airports.

These CGUs include, in addition to Concession rights (including, for the Florence airport, work in progress for the Master Plan developments), all the other assets that make up the net invested capital of the respective airports identified by the Directors and dedicated to the development of the same airports, both as regards air traffic and the infrastructure and passenger services.

More specifically, the expected cash flows of the two airports, estimated for the residual duration of the respective concessions (until 2043 for Florence and until 2046 for Pisa), which include - for the Florence airport - the possible postponement of the completion of the new airport, which will depend on the time required to restart and complete the approval process, which have been approved by the Board of Directors of the holding TA, **have been discounted by determining the recoverable value ("value in use")** of the respective CGUs and then compared with the related book value. The objectives and assumptions of economic-financial forecasts 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 growth factors consistent with those expected for the industry, especially considering the significant reduction in the demand for the years 2020 and 2021.

For the discounted cash flow purposes, the Group adopted a WACC (weighted average cost of capital) that reflects the current market rates, interest rates, and which considers the specific risks of the asset and the geographical area in which the CGUs operate.

The main assumptions are detailed below:

- Growth rate of operating revenues (CAGR 2022-2043) for the Florence airport: 4.1%
- Growth rate of operating revenues (CAGR 2022-2046) for the Pisa airport: 2.4%
- WACC: 7.39%

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. 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 performed another simulation by assuming a significant reduction in the budgeted revenues and profits to verify the robustness of the impairment test and the resulting scenario would still be a recoverable value not lower than the book value of the CGUs, without any impairment.

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 the any possible impairment.

## 21. Property, Plant and Equipment

Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Land, Buildings	17,178	16,789	389
Other assets	3,478	3,831	-353
Ind. and comm. equipment	940	999	-60
Plant and machinery:	7,026	7,895	-869
Construction in progress and advance payme	301	796	-495
Property, Plant and Equipment	28,923	30,310	-1,387

On the whole, investments of approximately € 389 K have been made in the first 6 months of 2020 on:

(amounts in €K)	Amount
Owned land and buildings	17
Plant and machinery	102
Ind. and comm. equipment	9
motor vehicles	70
furniture and fittings, hardware	171
Work in progress	20
<b>Total</b>	<b>389</b>

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 2020.

Details on tangible assets are provided in Annex B.

## 22. Rights of use

At 30 June 2020, the Company has rights of use for € 4.4 M, including:

1. rights of use on parking lots for € 4,36 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 € 254 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	30.06.2020
Values at January 1 st	4,619
Acquisitions	71
Dismissals	0
Depreciation	-253
Year-end rights of use	4,438



## 23. Equity investments in other entities

At 30 June 2020, 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 2020.

## 24. Investments in Associated Companies

At 30 June 2020, the value of TA's equity interests in associates and related entities is € 613 K (€ 570 K at 31 December 2019), as shown in the table below.

- Alatoscana for € 374 K (€ 374 K at 31 December 2019);
- Immobili AOU Careggi for € 239 K (€ 196 K at 31 December 2019).

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	30.06.2020	31.12.2019	DIFFERENCE
Guarantee deposits	201	202	-2
Trade receivables due beyond the year	3,017	3,017	0
Other financial assets	3,218	3,220	-2

### 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.

### Trade receivables, 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. Trade receivables 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 € 5,090 K (€ 1,716 K at 31 December 2019).

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	30.06.2020	31.12.2019	DIFFERENCE
CURRENT ASSETS		33,995	49,179	-15,185

The composition of current assets at 30 June 2020 and a comparison against 31 December 2019 are given below.

## 28. Trade receivables

At 30 June 2020, receivables from customers, net of the Provision for bad debt, total € 8,954 K (€ 17,525 K at 31 December 2019), as detailed below.

	Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Toscana Aeroporti		12,738	18,035	-5,297
Toscana Aeroporti Handling		1,083	3,882	-2,800
Parcheggi Peretola		26	8	19
Jet Fuel		31	171	-140
Receivables from associated companies		142	288	-146
- Provision for bad debt		-5,065	-4,859	-206
Trade receivables		8,954	17,525	-8,571

The provision for bad debt has increased over the period after the contribution of € 207 K, decreased by € 1 K for uses. The details of this item are given below (in €K):

	Data in €K	31.12.2019	prov.	use	30.06.2020
Provision for bad debt		4,859	207	-1	5,065

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

	Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Alatoscana		19	57	-38
Immobili AOU Careggi		123	231	-108
Receivables from associated companies		142	288	-146

## 29. Tax assets for current taxes

This item totals € 522 K (€ 280 K at 31 December 2019), referred to current tax assets, of which € 440 K of TA (regarding IRES for € 242 K and IRAP for € 198 K) and € 82 K of TAH (regarding € 50 K of IRES and € 32 K of IRAP).

### 30. Other tax assets

This item totalled € 3,630 K at 30 June 2020 (€ 1,497 K at 31 December 2019), mainly including € 1,652 K of VAT receivable for the Holding and of € 1,560 K, € 123 K and € 118 K for its subsidiaries TAH, Jet Fuel and TAE, respectively.

### 31. Receivables from others, due within the year

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

Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Receiv. fm carriers for Municipal addit. tax			
pass. boarding fees	2,586	7,953	-5,367
Advance payments made to suppliers	390	362	28
Prepaid expenses	874	418	456
Ticket office receivables	137	317	-180
Monopoly products receivables	74	104	-30
Other accounts receivable	918	860	58
Receivables from others, due within the year	4,979	10,014	-5,035

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 tax liabilities" 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 item "Prepaid expenses" mainly concerns supplies with advanced billing, subscription fees, insurance.

### 32. Cash and cash equivalents

This item shows € 15,908 K (€ 19,863 K at 31 Dec. 2019).

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 shows a decrease of € 9,034 K due to the recognition of a loss for the period (€ 8.9 K).

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

### 33. Share Capital

At 30 June 2020, the fully paid-up share capital of the Holding consists of 18,611,966 ordinary shares without nominal value (18,611,966 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. The € 678 K increase compared to 31 December 2019 reflects the allocation of 2019 profits as deliberated by the Shareholders' Meeting held on 15 May 2020 during the adoption of the 2019 Financial Statement.
- Statutory reserves for € 38,783 K, which increased by € 12,877 K compared to 31 December 2019 due to the complete allocation of 2019 profits, 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:

- 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;
- 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 € 3,994 K (€ 3,403 K at 31 December 2019). The difference derives from the allocation of the 2019 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 2020 is broken down below:

	PROFIT/ (LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
<b>SITUATION AT 30.06.2020</b>				
<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
<b>SITUATION AT 30.06.2019</b>				
<i>Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:</i>				
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	-366	-366	-6	-372

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

#### SITUATION AT 30.06.2020

Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:

Gross value	Tax (charge)/ benefit	Net Value
-5	1	-4

#### SITUATION AT 30.06.2019

Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:

Gross value	Tax (charge)/ benefit	Net Value
-490	118	-372

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

This item includes TA's loss for the period at 30 June 2020, which totals € 8,900 K (against € 14,149 K of profits at 31 December 2019).

### 38. Minority interest

Based on 2020 balance sheet items, the 66.67% minority interest corresponds to € 230 K (€ 361 K at 31 December 2019). The difference is mainly due to the result for the period of the subsidiary Jet Fuel.

## NON-CURRENT LIABILITIES

The composition of non-current liabilities at 30 June 2020 and a comparison against 31 December 2019 are given below.

### 39. Provisions for liabilities and charges

The Provision for liabilities and charges consists of € 1,946 K (€ 2,458 K at 31 December 2019). The details of the year are provided below.

Data in €K	31.12.2019	prov.	use	30.06.2020
Provisions for liabilities and charges	2,458	12	-524	1,946

At 30 June 2020, 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 Dec. 2020";
- 2) € 870 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 liabilities and charges at 30 June 2020".

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 2020 is € 22,841 K, up by € 714 K with respect to 31 December 2019 due to the effect of the provision set aside during the semester, offset by the uses of the period for approx. € 3.9 M. Details are given below:

Data in €K	31.12.2019	prov.	use	Fin. charg.	30.06.2020
Provisions for repair and replacement	25,745	714	-3,938	320	22,841

At 30 June 2020, this provision, depending on the estimated time of its use, is allocated to medium/long-term liabilities (€ 19,190 K) and to current liabilities (€ 3,651 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. € +658 K. Instead, 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. € -615 K.

#### 41. Provisions for employee 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 2020 are detailed below:

- annual technical discount rate: 0.77%
- Annual inflation rate: 1.00%
- annual ETB increase rate: 2.25%

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.

Consolidated liabilities, in line with IAS 19 criteria, is € 5,627 K (€ 5,767 K at 31 December 2019). This provision is booked net of the advance payments and settlements made during the period examined and shows an increase of € 140 K compared to 31 Dec. 2019, as specified below:

Data in €K	31.12.2019	IAS Fin.	use	Actuarial	30.06.2020
Provisions for employee benefits	5,767	44	-189	5	5,627

The difference shown in the Statement of Comprehensive Income (€ -4 K) corresponds to the actuarial loss of € 5 K, after a taxation of € 1 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>Gruppo Toscana Aeroporti</i>						
	Annual technical discount rate		Annual inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
Employee Termination Benefit	5,356	5,918	5,707	5,548	5,524	5,672

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

#### Future Cash Flows (€)

Year	TA Group
0 - 1	246,310
1 - 2	253,531
2 - 3	281,846
3 - 4	166,472
4 - 5	149,377
5 - 6	344,485
6 - 7	387,558
7 - 8	536,861
8 - 9	351,488
9 - 10	461,114

## 42. Financial liabilities

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

Data in €K	31/12/2019	Loans	Repayments	Other movements	30/06/2020
<b>Non-current liabilities</b>	<b>23,352</b>	-	-	- 2,238	<b>21,113</b>
<b>Current financial liabilities</b>					
Bank overdrafts (short-term loans)	20,010	21,000	-	5	41,015
Current portion of medium/long-term ind	4,930	-	- 2,330	2,258	4,858
<b>Total current financial liabilities</b>	<b>24,940</b>	<b>21,000</b>	<b>2,330</b>	<b>2,263</b>	<b>45,873</b>
<b>Total financial liabilities</b>	<b>48,292</b>	<b>21,000</b>	<b>-2,330</b>	<b>25</b>	<b>66,987</b>

The amount of € 45.9 M regarding current financial liabilities at 30 June 2020 refers to the current share of the medium-long term indebtedness relating to the loans described below in this Note for € 4,858 K and to the short-term loan (so-called "hot money") obtained during the period for € 41 M, increased during the year for an aggregate amount of € 21 M.

The decrease of € 2.3 M in non-current financial liabilities refers to the short-term reclassification of the capital shares expiring in the subsequent twelve months.

At 30 June 2020, there are € 7.2 M of non-current financial liabilities due beyond five years. The aggregate amount of non-current financial liabilities and the related current share of the medium-long term indebtedness mainly refers to two long-term loans granted by the banks "Banca Infrastrutture Innovazione e Sviluppo" ("BIIS", of the Intesa San Paolo Group) and "MPS Capital Services" to support the related infrastructure investments. These loans must be repaid before June 2022 (MPS Capital Service contract, used up for € 12 M) and before September 2027 (€ 40 M loan subscribed with BIIS and used up), respectively, and have been granted with a Euribor 6-month interest rate plus a spread.

The aforesaid financial debt is required to comply with certain financial indices defined in the related agreement, such as a certain net financial position/EBITDA and net financial position/Shareholders' Equity, according to the definitions agreed with the lending



counterparties and measured at 31 December on the book values of the Parent Company, for the € 40 M loan, and of the Group at 30 June and 31 December, for the € 12 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.

Failure to comply with the covenants and the other contractual obligations undertaken with the loan in question shall imply, if not remedied under the agreement provisions, the anticipated reimbursement of the residual loan amount and/or a require a restriction in the distribution of dividends.

At 30 June 2020, the Group obtained, for the loan granted by MPS Capital Services, the waiver on the measurement of the financial parameters specified in the contract at 30 June 2020.

Details of the loans existing at 30 June 2020 are shown below.

Amounts in €K	Capital share	Interest share	Total
Within the year	45,792	290	46,081
Included between 1 and 2 years	5,021	218	5,239
Included between 2 and 3 years	3,071	154	3,226
Included between 3 and 4 years	2,970	124	3,094
Included between 4 and 5 years	2,868	94	2,962
Included between 5 and 6 years	2,868	65	2,933
Beyond 6 years	4,302	43	4,345
<b>Total</b>	<b>66,892</b>	<b>989</b>	<b>67,881</b>

Details of the credit facilities existing at 30 June 2020 are shown below.

Data in €K	30.06.2020	31.12.2019	DIFF.
<b>Credit lines granted</b>	<b>58,550</b>	<b>68,550</b>	<b>-10,000</b>
<i>of which TA</i>	<i>58,250</i>	<i>68,250</i>	<i>-10,000</i>
<i>of which subsidiaries</i>	<i>300</i>	<i>300</i>	<i>0</i>
<b>Credit lines used</b>	<b>41,000</b>	<b>20,000</b>	<b>21,000</b>
<i>% used</i>	<i>70%</i>	<i>29%</i>	
<b>Residual facilities</b>	<b>17,550</b>	<b>48,550</b>	<b>-31,000</b>

Bank loans existing at 30 June 2020 are shown below, carried at their book value and at fair value.

Banking institution	Company	notional	fair value
Intesa San Paolo	TA	21,510	21,870
Monte dei Paschi di Siena	TA	3,776	3,836
Banco Popolare di Milano	Jet Fuel	606	605
Short-term loans ("hot money")	TA	41,000	41,000
<b>Total</b>		<b>66,892</b>	<b>67,311</b>

Residual credit facilities at 30 June 2020 totally refer to non-revolving credit lines.

The **Net Financial Position** at 30 June 2020, as shown in the Report on Operations in compliance with CONSOB Resolution prot. no. 6064293 of 28 July 2006, is specified in the following table:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS				
<i>Euro K</i>	30.06.2020	31.12.2019	Abs. Diff.	30.06.2019
A. Cash on hand and at banks	15,908	19,863	(3,954)	6,653
B. Other cash and cash equivalents	-	-	-	-
C. Securities held for trading	-	-	-	-
<b>D. Liquid assets (A) + (B) + (C)</b>	<b>15,908</b>	<b>19,863</b>	<b>(3,954)</b>	<b>6,653</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
F. Current bank payables	41,015	20,010	21,005	28,005
G. Current portion of non-current indebtedness	4,858	4,930	72	8,598
H. Other current financial payables due to leasing companies	409	409.54	0	398
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>46,282</b>	<b>25,349</b>	<b>20,933</b>	<b>37,001</b>
<b>J. Net current financial indebtedness (I) - (E) - (D)</b>	<b>30,374</b>	<b>5,486</b>	<b>24,887</b>	<b>30,348</b>
K. Non-current bank payables	21,113	23,352	(2,238)	22,011
L. Bonds issued	-	-	-	-
M. Other non-current payables due to leasing companies	4,089	4,238.68	150	4,212
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>25,203</b>	<b>27,590</b>	<b>(2,388)</b>	<b>26,223</b>
<b>O. Net Financial Position (J) + (N)(NFP)</b>	<b>55,576</b>	<b>33,077</b>	<b>22,499</b>	<b>56,571</b>

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 2020, financial liabilities for rights of use, determined by discounting the value of the lease rentals due, total € 4.5 M, of which € 4.1 M classified among non-current liabilities and € 0.4 M among current liabilities.

Data in €K	30.06.2020	31.12.2019
Financial liabilities due beyond one year	4,089	4,239
Financial liabilities for rights of use within one year	409	410
<b>Financial liabilities for rights of use</b>	<b>4,498</b>	<b>4,648</b>

The details of the year are provided below.

Data in €K	30.06.2020
Values at January 1st	4,648
Acquisitions	71
Dismissals	0
Payment of leasing instalments	-291
Financial expenses	70
<b>Financial liabilities for rights of use at year-end</b>	<b>4,498</b>

Leasing agreements contain no covenants.  
The accrual of the financial liability is shown below.

	€K
< 1 year	302
1 -2 years	574
2-3 years	507
3-4 years	453
4-5 years	433
5-6 years	444
Beyond 6 years	2,785
<b>Total</b>	<b>5,498</b>

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 of each country that can be observed in the market and the different duration of lease agreements.

The rates used are given below:

- 0.94% for car rental agreements
- 3.40% for long-term lease agreements
- 2.37% 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 € 358 K (€ 338 K as at 31 Dec. 2019) and refer to guarantee deposits received from customers as performance bonds for services provided.

#### **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. Tax liabilities for current taxes**

This item totals € 204 K (€ 2,174 at 31 December 2019) and includes the balance of the taxes of the Group's subsidiaries, calculated on the final results before taxes of 2019.

#### **46. Other tax liabilities**

The aggregate amount of € 11,059 K (€ 11,987 K at 31 December 2019) is broken down below:

Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Due to Rev. Ag. for Munic add. tax on pass. boarding fees	7,811	10,761	-2,949
IRPEF due for employees and self-employed prof.	2,624	656	1,969
Higher fees due for private flights	243	251	-8
Local taxes	122	131	-9
VAT due	257	189	69
Other tax liabilities	11,059	11,987	-928

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 € 21.6 M (€ 31.6 M at 31 December 2019), down by € 10 M.

#### 48. Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL), for a total amount of € 2,499 K (€ 2,611 K at 31 December 2019).

#### 49. Other payables due within the year

Other payables due within the year consist of € 6.6 M (€ 12.6 M at 31 December 2019), and include the following debit items:

Data in €K	30.06.2020	31.12.2019	DIFFERENCE
Employees/contractors fees	1,456	5,048	-3,592
Concession fees	666	2,619	-1,953
Deferred income	1,318	1,190	129
Fire-protection service	902	1,061	-159
Air/bus/train ticket office receipts	470	554	-85
Institutional bodies fees	285	705	-420
Adv. paym. (carriers)	441	489	-48
Other minor payables	1,050	901	149
Other payables due within the year	6,589	12,568	-5,979

Specifically:

- 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 liabilities and charges".
- Prepaid expenses refer mainly to Non-Aviation revenues invoiced in advance.

### ADDITIONAL INFORMATION

#### Commitments and Guarantees

At 30 June 2020, 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	30.06.2020	31.12.2019	DIFFERENCE
Third-party guarantees in favour of Group	16,486	16,341	145
Guarantees given to third-parties on behalf of Group	10,925	10,925	0

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 2020 (amounts in €K)	Assets valued at fair value	Assets valued at amortized cost	Total
Activity			
Trade receivables	-	9,160	9,160
Other financial assets	2,945		2,945
Other accounts receivable	-	7,123	7,123
Cash and cash equivalents	-	15,908	15,908
Total	2,945	32,191	35,137

30 June 2020 (amounts in €K)	Liabilities valued at fair value	Assets valued at amortized cost	Total
Liabilities			
Financial liabilities	-	66,987	66,987
Financial liabilities for rights of use	-	4,498	4,498
Trade payables and other liabilities	-	25,804	25,804
Total	-	97,288	97,288

## 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 liabilities and charges at 30 June 2020

### 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 1st 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 2019, 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 2019, 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 2019, i.e. the decision of the United Sections of the Court of Cassation no. 3162/19 of 1 February 2019 and the decision of the Provincial Tax Commission of Rome no. 4874/8/19 of 2 April 2019.

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. 7164/2019 of 20 December 2019.

In this global framework, the Provision for risks and liabilities booked in the balance sheet at 30 June 2020, 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 the risk of potential labour dispute liabilities (€ 870 K)**

The Holding TA booked a Provisions for risks of € 198 K at 30 June 2020, 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 2020, has a Provision for risks of € 673 K, of which € 68 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 2019, 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 2020, 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 2020 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 2020.

### **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 2020.

### **Authorization to publication**

This document has been approved by the Board of Directors on 4 August 2020 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 REPORT 2020**

**TABLE OF CHANGES IN INTANGIBLE ASSETS FOR THE FIRST HALF OF 2020**  
**(amounts in €K)**

	CONCESSION RIGHTS (ROYALTIES)	PATENT AND INTELLECTUAL PROPERTY RIGHTS	ASSETS UNDER CONSTRUCTION	OTHER FIXED ASSETS	TOTAL
Historical cost	205,026	15,168	19,467	1,391	241,053
Accumulated depreciation	- 50,806	- 14,273	-	- 1,094	- 66,172
<b>A - Value as at 31-12-19</b>	<b>154,220</b>	<b>896</b>	<b>19,467</b>	<b>297</b>	<b>174,880</b>
<i>CHANGES FOR THE PERIOD</i>					
Purchases	210	30	3,506	3	3,750
Reclassification	76	-	76	-	-
Other movements	- 55	4	-	1	- 51
Depreciation	- 2,988	- 329	-	- 21	- 3,339
Other provision movements	55	0	-	1	55
<b>B - Balance of changes</b>	<b>- 2,702</b>	<b>- 296</b>	<b>3,430</b>	<b>- 18</b>	<b>414</b>
Historical cost	205,256	15,202	22,898	1,395	244,751
Accumulated depreciation	- 53,739	- 14,602	-	- 1,116	- 69,457
<b>Value at 30-06-2020 (A+B)</b>	<b>151,518</b>	<b>600</b>	<b>22,898</b>	<b>279</b>	<b>175,294</b>

**TABLE OF CHANGES IN TANGIBLE ASSETS FOR THE FIRST HALF OF 2020**  
**(amounts in €K)**

	LAND, BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUCTION	OTHER ASSETS	TOTAL
Historical cost	24,624	39,695	1,692	796	18,835	<b>85,643</b>
Accumulated depreciation	- 7,835	- 31,801	- 693	- -	15,004	<b>- 55,333</b>
A - Value as at 31-12-19	16,789	7,895	999	796	3,831	<b>30,310</b>
<i>CHANGES FOR THE PERIOD</i>						
Purchases	17	150	-	20	202	<b>389</b>
Reclassification	512	-	- -	512	- -	<b>0</b>
Disinvestments	- -	348	-	-	-	<b>- 348</b>
Other movements	4.42	-	- -	4	-	<b>1</b>
Amortization and impairment	- 139	- 1,017	- 60	- -	555	<b>- 1,771</b>
Reversal of previous years' accum.	-	346	-	-	-	<b>346</b>
Other provision movements	- 4	-	-	-	-	<b>- 4</b>
B - Balance of changes	389 -	869 -	60 -	495 -	353	<b>- 1,387</b>
Historical cost	25,157	39,498	1,692	301	19,038	<b>85,686</b>
Accumulated depreciation	- 7,979	- 32,472	- 752	- -	15,559	<b>- 56,763</b>
<b>Value as at 30-06-2020 (A+B)</b>	<b>17,178</b>	<b>7,026</b>	<b>940</b>	<b>301</b>	<b>3,478</b>	<b>28,923</b>

## RELATIONSHIPS WITH RELATED PARTIES

	30 June 2020			30 June 2019		
balance sheet item	Values in € K	% incidence on balance sheet item	balance sheet item (€K)	Values in € K	% incidence on balance sheet item	balance sheet item (€K)
<b>Associated companies</b>						
<i>Immobili A.O.U. Careggi Spa</i>						
Investments in Associated Companies	239.1	38.97%	613	195.7	34.35%	570
Receivables from associated companies	122.9	86.64%	142	183.9	85.34%	215
Non-Aviation revenues	42.5	0.27%	15,497	61.0	0.39%	15,497
Other revenues and proceeds	18.0	2.32%	775	18.0	2.32%	775
<i>Alatoscana Spa</i>						
Investments in Associated Companies	374.4	61.03%	613	374.1	65.65%	570
Receivables from associated companies	19.0	13.36%	142	31.6	14.66%	215
Other revenues and proceeds	31.6	4.08%	775	31.6	4.08%	775
<b>Other related parties</b>						
<i>Delta Aerotaxi srl</i>						
Aviation revenues	28.8	0.19%	15,065	73.6	0.16%	44,813
Non-Aviation revenues	55.5	0.84%	6,624	189.7	1.22%	15,497
Other revenues and proceeds	5.2	0.67%	775	5.2	0.67%	775
Costs for services	-	0.00%	15,943	-	0.00%	15,943
Receivables from customers	234.0	2.66%	8,812	368.8	1.29%	28,684
Trade receivables due beyond the year	109.5	53.25%	206	160.5	52.10%	308
Payables to suppliers	-	0.00%	21,631	-	0.00%	26,766
<i>Corporate Air Services srl</i>						
Aviation revenues	84.0	0.56%	15,065	384.6	0.86%	44,813
Non-Aviation revenues	12.069	0.18%	6,624	38.3	0.25%	15,497
Other revenues and proceeds	1.4	0.18%	775	1.1	0.14%	775
Receivables from customers	11.7	0.13%	8,812	23.2	0.08%	28,684
<i>Delifly srl</i>						
Non-Aviation revenues	14.3	0.22%	6,624	18.0	0.12%	15,497
Other revenues and proceeds	3.7	0.47%	775	0.4	0.05%	775
Receivables from customers	31.9	0.36%	8,812	0.2	0.00%	28,684
<i>ICCAB srl</i>						
Non-Aviation revenues	22.8	0.34%	6,624	50.5	0.33%	15,497
Other revenues and proceeds	1.0	0.12%	775	1.0	0.13%	775
Other receivables from customers	48.7	0.55%	8,812	67.0	0.23%	28,684
<i>Corporación America Italy srl</i>						
Receivables from customers	0.9	0.01%	8,812	0.9	0.00%	28,684

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**CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
REPORT FOR 2020 PURSUANT TO ART. 81-TER OF CONSOB'S REGULATION  
NO. 11971 OF 14 MAY 1999, AND SUBSEQUENT AMENDMENTS AND  
SUPPLEMENTS**

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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 2020.

2. Furthermore, it is hereby certified that the Condensed Consolidated Interim Financial Report at 30 June 2020:

- 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, 04 August 2020

*For the Board of Directors*

Roberto Naldi (CEO / Managing Director)

*Financial Reporting Manager*

Marco Gialletti

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## LIMITED AUDITING ACTIVITY REPORT BY PWC

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### 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 2020, 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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#### PricewaterhouseCoopers SpA

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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 2020 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, 4 August 2020

PricewaterhouseCoopers SpA

*Signed by*

Luigi Necci  
(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.*