

**PRESS RELEASE**

AEROPORTO GUGLIELMO MARCONI DI BOLOGNA S.p.A.: The Board of Directors approves the 2020 First Half Report.

Results strongly impacted by the effects of the Covid-19 emergency in the months of March to June.

- **Traffic down 67.7% compared to the first half of 2019**
- **Consolidated revenues of Euro 33.5 million (Euro 58.9 million in H1 2019)**
- **Negative consolidated EBITDA of Euro 683 thousand compared to Euro +20.5 million in the same period of 2019**
- **Consolidated net profit is negative by Euro 4.7 million, compared with Euro +9.4 million in the first half of 2019**

Bologna, 7 September 2020 – The Board of Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A., chaired by Enrico Postacchini, has approved today the Group results for H1 2020.

"Like all airport operators, we're experiencing the dire consequences of a completely unexpected event such as the outbreak of a health pandemic emergency, which in our case brought an inevitable contraction of air traffic and consequent decline for all components of the business. However, we cannot ignore that the entire airport sector, both at National and European level, is not receiving the necessary attention from the Institutions in terms of concrete support in this very difficult phase for our industry. As an example, at European level the Commission has authorized until 31 August 2020 financial aid of over Euro 31 billion to airlines and just over one billion to airports. These figures speak for themselves," said **Nazareno Ventola**, Chief Executive Officer and Managing Director of Aeroporto Guglielmo Marconi di Bologna.

"As Aeroporto di Bologna - continued Ventola - we have responded promptly and decisively to the challenges dictated by adverse contingencies, strengthening the Group's financial position and adapting without delay to the health regulations dictated by the Authorities. All this in order to confirm our commitment to the territory, making us available to pursue in a sustainable way our plans in terms of infrastructure development and maintaining as much as possible the Company's employment levels".

The Group's responses to the pandemic-induced crisis have focused primarily on measures aimed at protecting the safety of passengers, employees and the entire airport community.

The actions concerned the measurement of body temperature to all passengers - first with laser thermometers, then with the latest generation of thermo-scanners - the installation of sanitizing gel dispensers throughout the airport and the display of signals on hygiene measures to be observed and precautions to be taken to prevent the spread of the virus. In order to ensure physical distance, moreover, the flows of arriving and departing passengers inside the terminal



have been divided, as well as the closure of some areas according to the reduced operational needs.

In this field in August, the Airport has been one in the first in the world to obtain from the Airport Council International (ACI) World the Airport Health Accreditation, a program that assesses the compliance of the airports with international recommendations on health security in contrast to Covid-19.

The Group has started extraordinary cleaning and sanitation interventions in passenger areas, offices and staff areas. It has encouraged the use of smart working for workers in administrative areas and activated a turnaround of workers engaged in the most strategic operational areas in a contingency plan logic, in addition to blocking training courses, employee travel and visits of partners, suppliers and external consultants.

With the aim of containing labour costs and at the same time safeguarding employment levels as much as possible, a plan was launched to dispose of the backlog of vacations and subsequently the extraordinary redundancy fund was activated for all employees.

Measures to reduce external costs were activated, thanks to the renegotiation of existing contracts with suppliers, revised the timing of investments and replacement/renewal interventions that are not urgent, and the search for new sources of financing was activated and finalized in July.

Moreover, with the aim of supporting the equity solidity and containing the economic-financial impacts, the Parent Company's Shareholders' Meeting of 30 April 2020, in addition to the approval of the 2019 Financial Statements, resolved to allocate the profit for the 2019 financial year entirely to reserves.

Traffic

The first half of 2020 ended with a 67.7% drop in passenger traffic compared to the same period in 2019 and a 59.4% reduction in movements.

The numbers are the result of the excellent performance recorded in January (+9.9% vs. 2019) and in the first three weeks of February (+5.3% vs. 2019), which was followed by a sharp reversal of the trend from 22 February 2020 due to the outbreak of the health emergency by Covid-19, with, in particular, almost any passenger in April and May.

Despite the presence of minimal traffic volumes, Bologna airport remained open and operational for the entire period of the health emergency, as it was included in the list of airports indicated by inter-ministerial decree no. 112 of March 12, 2020 (Ministry of Infrastructure and Ministry of Health). With the reopening of travel within national borders and then with foreign countries, there has been a gradual, albeit modest, resumption of air traffic.

Contrary to the first two months of 2020, in which the strong increase in low-cost traffic coincided with a substantial unchanged situation in scheduled traffic, the contraction in volumes in the following months affected both components equally.

In terms of load factor, the connections reactivated since June showed an overall good filling factor for domestic destinations, while international flights were more affected by the climate of uncertainty regarding the free movement between countries for the protection of health.

With regard to cargo traffic, in the first half of 2020 cargo traffic amounted to approximately 20 million kg, down 19.7% compared to the same period of 2019, mainly due to the effects of the health emergency from Covid-19 on business and the relative contraction of air cargo. Only



partial compensation is provided by the use of charter flights operated to meet the demand for medical equipment.

Also, the movement of goods via surface transportation is sharply decreasing compared to the same period in 2019, due to the substantial closure of many production activities in the country in the first half of the second quarter.

Operating performance

Consolidated revenues in the half-year amounted to Euro 33.5 million, down 43.1% compared to Euro 58.9 million in the previous year, because of the contraction in traffic due to the measures put in place to deal with the health emergency linked to the spread of Covid-19.

In detail, revenues from aeronautical services amounted to 11.4 million euros, down 62.2% due to the contraction in traffic and in a residual way for tariff updating. Revenues from non-aviation services amounted to 9.4 million euros, down 55.3% due to traffic contraction and the closure of almost all the commercial activities in the terminal. On the other hand, revenues from construction services increased by 75.1%, reaching 12.4 million euros due to higher investments made in the non-aviation sector, while other operating income and revenues show a decrease of 55.4% mainly due to lower sales of energy efficiency certificates.

Operating costs in the period decreased overall by 11% compared to the first six months of 2019, as a result of the contraction in traffic and the activation of efficiency measures implemented to reduce the impact of the drop in volumes on profitability.

Profitability

The first half of 2020 showed a negative Gross Operating Margin (EBITDA) for Euro 683 thousand, compared to positive Euro 20.5 million in the same period of 2019, due to a contraction in revenues, strictly related to traffic performance, and a greater cost rigidity, also taking into account the high fixed cost structure that characterize airport operators.

In regards to the structural costs, amortization and depreciation rose by 5.3% in line with the progress of the amortization and depreciation plan and the Group's new investments, while provisions fell by 63.4%, primarily due to lower allocations to the airport infrastructure renewal fund as a result of the revision of the planning of interventions with a time lag in some of them.

The 11.2% contraction in overall costs, compared with a 43.1% reduction in revenues, resulted in a drop in EBIT, which fell from a positive Euro 13.7 million in the first six months of 2019 to a negative Euro 6.6 million as of June 30, 2020.

As a result, the Result before taxes for the first half of 2020 shows a loss of Euro 6.8 million compared to a profit of Euro 13.2 million in the first half of 2019, with an overall decrease of Euro 20 million.

Net profit for the period, entirely attributable to the Group, amounted to a loss of Euro 4.7 million compared to a net profit of Euro 9.4 million in the first half of 2019, for a total contraction of Euro 14.2 million.

Balance Sheet and Investments

The Group's Net Financial Position at 30 June 2020 was negative for Euro 5.8 million, compared to a positive net financial position of Euro 10.5 million at 31 December 2019 (-16.3 million).



This negative change is mainly due to the reduction in cash and cash equivalents both for a typically seasonal effect due to the payment of the concession fee for the second half of 2019 and for the payment of the investments mainly in infrastructure made during the period, together with the reduction in receipts resulting from the sharp drop in turnover recorded in the half-year and the financial difficulties of customers given the crisis that has affected the entire sector. Furthermore, there has been an increase in debt due to the raising of a short-term loan of Euro 5 million

Compared to the previous half year, however, there are no substantial differences between the two values of the net financial position (-5.8 million at 30 June 2020 and -5.1 million at 30 June 2019), thanks to the allocation of 2019 profits to reserves and, consequently, the non-distribution of dividends, which made it possible not to worsen the liquidity of the six-month period in question. Also, with a substantially unchanged liquidity, indebtedness at 30 June 2020 increased, despite the payment of overdue loan instalments, due to the above-mentioned short-term loan draw-down.

Consolidated and Group shareholders' equity amounted to Euro 173.4 million compared to 178.2 million at 31 December 2019.

Significant events after the period-end

With the gradual return of flights from most of the EU area and Schengen-area countries, traffic volumes at the Airport are recovering, albeit slowly and uncertainly.

In July, there were 228,070 passengers, with a decrease of 75.2% compared to the same month of 2019 but growing compared to June 2020 when only 35,000 passengers were registered.

In August the monthly passengers were 312,156, with a decrease of 65.9% compared to the same month of 2019, but up compared to July 2020, when 228,000 passengers had registered. The air movements were 3,302, registering a decrease of 50.2% on August 2019, but an increase of 46.9% compared to July of this year.

In detail, passengers on international flights were 182,592 (-75.2% vs August 2019), while those on domestic flights were 129,564 (-27.5%). As in previous months, therefore, the pandemic hit the international flights harder, which historically represent about 75% of Marconi's passengers, while domestic flights "held" better.

A figure that is also confirmed by the most popular destinations in August, which saw Catania, Olbia, Palermo, Cagliari and Rome in the first five seats, with a significant growth of passengers on Sardinia. In particular, thanks to the start of Volotea's flights, passengers to and from the Costa Smeralda Airport increased by 48% on the same month of 2019, while Cagliari (with Ryanair) also registered a +6%.

Cargo transported by air recorded a decrease of 9.4% on the same month of the previous year, for a total of 1,946 tons.

In the first eight months of 2020 Marconi recorded 1,974,082 passengers (-68.5%), with 19,815 movements (-59.4%) and 20,678 tons of cargo transported (-18.4%).

On the financial side, the Parent Company also activated a financial consolidation plan during the second quarter of the year with the aim of meeting the increased need for working capital due to the Covid-19 emergency. This plan reached its completion during the month of July, through the finalization of two financing operations, respectively worth Euro 25 million with Unicredit and Euro 33.9 million with Intesa Sanpaolo, already fully disbursed in July.



Both transactions consist of loans backed by guarantees issued by SACE under the Garanzia Italia programme, with a duration of 72 months, quarterly installments at constant principal with pre-amortization of 2 years (Unicredit) and 3 years (Banca Intesa).

In order to contain the economic effects deriving from the epidemiological emergency of Covid-19 and the contagion containment measures adopted by the State and the regions, the duration of the concessions for the management and development of airport activities has been extended by two years, generating an impact on the amortization plan of the concession rights, which will have to be revised by restating the constant amortization rates according to the new expiry date.

Foreseeable evolution of the management

Uncertainty regarding the duration of the current health emergency and its future evolution make it difficult to predict traffic trends and the Group's economic-financial situation in the coming months.

At the end of August, 24 airlines with connections to 74 domestic and international destinations were operating at the airport. The prospects for a recovery in traffic volumes for the second half of the year are uncertain and closely related to the evolution of the Covid-19 health emergency. From the first analysis of the evolution of the pandemic and its impact on air transport, some sector studies hypothesize, in the coming years, a non-gradual and linear recovery in traffic, but rather a more fluctuating trend in volumes, which may be affected by an uneven situation in the spread of infection in individual countries. According to the volumes recorded in the first eight months of the year, currently available information and industry studies, it can be expected that traffic volumes at the end of 2020 will be significantly lower than in 2019.

The Group will maintain cost containment measures as far as possible and subject to revaluation and possible reduction of non-essential and non-urgent investment/replacement programs and will continue to work to obtain access to additional bank financing, in order to adequately funding the Group's financial needs.

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The 2020 First Half-Year Financial Report is available in the Investor Relations section of the Company's website www.bologna-airport.it and at the authorized storage mechanism 1Info (www.1info.it).

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Attached: Statement of Consolidated Financial Position, Consolidated Income Statement, Consolidated Net Financial Position and Cash Flow Statement.

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The Executive Officer in charge of the preparation of the corporate accounting documents, Patrizia Muffato, declares in accordance with paragraph 2, Article 154-bis of the Consolidated Finance Act that the accounting information in the present press release corresponds to the underlying accounting documents, records and entries.

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Aeroporto Guglielmo Marconi di Bologna, classified as a "strategic airport" in the centre-north area of the National Airports Plan prepared by the Ministry of Infrastructure and Transport, in 2019 was the seventh biggest Italian airport by passenger numbers, with 9.4 million passengers (Source: Assaeroporti). Located in the heart of the Emilian food valley and the automotive and packaging industrial districts, the airport has a catchment area of about 11 million inhabitants and around 47,000 companies, with a strong propensity to exports and internationalisation and with commercial expansion policies to Eastern Europe and Asia.

The presence at the airport of some of the largest airlines in Europe along with some of the leading low-cost carriers and the close link with European continental hubs make Bologna Italy's forth airport for global connectivity (Source: ICCSAI - Fact Book 2019).

As for airport infrastructure, the airport has among its strategic objectives in the next few years an important development plan that mainly concerns the expansion of the terminal, particularly in the parts of security checks and gate area. The company's aim is to make Bologna Airport one of the most modern and functional in Italy, an important gateway to the city and region.

For further information: www.bologna-airport.it

Investor Relations:

Aeroporto G. Marconi di Bologna Spa
Patrizia Muffato
Chief Financial Officer and Investor Relations
investor.relations@bologna-airport.it
Tel: 051/6479960

Media:

Aeroporto G. Marconi di Bologna Spa
Anna Rita Benassi
External Communication and Press Office Manager
ufficiostampa@bologna-airport.it
Tel: 051/6479961

Barabino&Partners
Massimiliano Parboni
m.parboni@barabino.it
Tel: 335/8304078
Fabio Bartolo
f.bartolo@barabino.it
Tel.: 329/8850128



Statement of Consolidated Financial Position - Assets

<i>In thousands of Euros</i>	at 30.06.2020	at 31.12.2019
Concession rights	185,284	176,184
Other intangible assets	1,990	2,276
<i>Intangible assets</i>	187,274	178,460
Land, real estate, plant and equipment	13,481	14,951
Investment property	4,732	4,732
<i>Tangible assets</i>	18,213	19,683
Shareholdings	44	44
Other non-current assets	12,272	12,586
Deferred tax assets	7,931	6,190
Other non-current assets	307	994
<i>Other non-current assets</i>	20,554	19,814
<i>NON-CURRENT ASSETS</i>	226,041	217,957
Inventories	704	622
Trade receivables	7,377	15,464
Other current assets	3,871	5,203
Current financial assets	772	501
Cash and cash equivalents	16,091	29,253
<i>CURRENT ASSETS</i>	28,815	51,043
<i>TOTAL ASSETS</i>	254,856	269,000



Statement of Consolidated Financial Position – Liabilities

<i>In thousands of Euros</i>	at 30.06.2020	at 31.12.2019
Share capital	90,314	90,314
Reserves	87,855	67,009
Year-end results	(4,731)	20,852
GROUP SHAREHOLDERS' EQUITY	173,438	178,175
MINORITY INTERESTS	0	0
TOTAL SHAREHOLDERS' EQUITY	173,438	178,175
TFR [Severance] and other personnel provisions	4,173	4,257
Deferred tax liabilities	2,586	2,558
Airport infrastructure provision	9,746	9,524
Provisions for risks and expenses	1,400	1,390
Current financial liabilities	12,621	13,080
Other non-current liabilities	0	136
NON-CURRENT LIABILITIES	30,526	30,945
Trade payables	13,953	18,537
Other liabilities	22,813	31,112
Airport infrastructure provision	4,040	4,040
Provisions for risks and charges	22	18
Current financial liabilities	10,064	6,173
CURRENT LIABILITIES	50,892	59,880
TOTAL LIABILITIES	81,418	90,825
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	254,856	269,000



Consolidated Income Statement

<i>In thousands of Euros</i>	at 30.06.2020	at 30.06.2019
Revenues from aeronautical services	11,437	30,229
Revenues from non-aeronautical services	9,421	21,075
Revenues from construction services	12,418	7,091
<u>Other operating revenues and proceeds</u>	225	504
Revenues	33,501	58,899
Consumables and goods	(699)	(962)
Costs for services	(7,681)	(10,075)
Costs for construction services	(11,826)	(6,753)
Leases, rentals and other costs	(1,900)	(4,074)
Other operating expenses	(1,495)	(1,595)
Personnel costs	(10,583)	(14,950)
Costs	(34,184)	(38,409)
Amortisation of concession rights	(3,317)	(3,024)
Amortisation of other intangible assets	(650)	(576)
Amortisation of tangible assets	(1,320)	(1,423)
Depreciation and impairment	(5,287)	(5,023)
Provision for doubtful accounts	(257)	(350)
Airport infrastructure provision	(363)	(1,191)
Provisions for other risks and charges	(20)	(208)
Provisions for risks and charges	(640)	(1,749)
Total Costs	(40,111)	(45,181)
Operating results	(6,610)	13,718
Financial income	116	79
Financial expenses	(303)	(598)
Result before taxes	(6,797)	13,199
Taxes for the period	2,066	(3,778)
Profit (losses) for the period	(4,731)	9,421
Minority profits (losses)	0	0
Group profits (losses)	(4,731)	9,421
 Profits (losses) basic per share (Euro)	(0.13)	0.25
Profits (losses) diluted per share (Euro)	(0.13)	0.25



Consolidated Net Financial Position

	In thousands of Euros	at	at	at	Variation	Variation
		30.06.2020	31.12.2019	30.06.2019	30.06.2020	30.06.2019
A	Cash	25	26	25	(1)	0
B	Cash equivalents	16,066	29,227	16,505	(13,161)	(439)
C	Securities held for trading	0	0	0	0	0
D	Liquidity (A)+(B)+(C)	16,091	29,253	16,530	(13,162)	(439)
E	Current financial receivables	772	501	0	271	772
F	Current bank debt	(5,035)	(28)	(29)	(5,007)	(5,006)
G	Current portion of non-current debt	(3,062)	(3,059)	(3,056)	(3)	(6)
H	Other current financial debt	(1,967)	(3,086)	(3,792)	1,119	1,825
I	Current financial debt (F)+(G)+(H)	(10,064)	(6,173)	(6,877)	(3,891)	(3,187)
J	Net current financial debt (I)-(E)-(D)	6,799	23,581	9,653	(16,782)	(2,854)
K	Non-current bank debt	(11,400)	(11,643)	(13,168)	243	1,768
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	(1,221)	(1,437)	(1,617)	216	396
N	Non-current financial debt (K)+(L)+(M)	(12,621)	(13,080)	(14,785)	459	2,164
O	Net financial position (debt) (J)+(N)	(5,822)	10,501	(5,132)	(16,323)	(690)



Cash Flow Statement

In thousands of Euros	at 30.06.2020	at 30.06.2019	Variation
Cash flow generated / (absorbed) from operating activities before changes in working capital	(1,171)	20,203	(21,374)
Cash flow generated / (absorbed) from net operating activities	(5,761)	10,050	(15,811)
Cash flow generated / (absorbed) from investing activities	(12,062)	10,032	(22,094)
Cash flow generated / (absorbed) from financing activities	4,661	(19,314)	23,975
Final cash change	(13,162)	768	(13,930)
Liquid assets at beginning of period	29,253	15,762	13,491
Final cash change	(13,162)	768	(13,930)
Liquid assets at end of period	16,091	16,530	(439)