Consolidated Interim Financial Report at September 30, 2020

AEROPORTO G. MARCONI DI BOLOGNA S.P.A.

Consolidated Interim Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

at September 30, 2020

This document is a courtesy translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

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Aeroporto Guglielmo Marconi di Bologna Spa
Via Triumvirato, 84 - 40132 Bologna
Bologna Economic and Administrative Register No.:268716
Bologna Company Registration Office, Tax and VAT No.: 03145140376
Share capital: Euro 90,314,162.00 fully paid-in

Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna Spa

According to the shareholder register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 3% were as follows at September 30, 2020:

SHAREHOLDER	% held
BOLOGNA CHAMBER OF COMMERCE	39.10%
ATLANTIA S.P.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%
MUNICIPALITY OF BOLOGNA	3.88%

The following have been considered in presenting the Parent Company's ownership structure:

- interests held by the party reporting the holding, or by the party at the head of the chain of control of the holding
- interests deriving from notices submitted by shareholders or notices relating to significant shareholdings pursuant to Article 152 of the CONSOB Issuers' Regulation.

Furthermore, on June 5, 2018 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce (collectively, the "Public Shareholders") entered into a shareholders' agreement (the "Shareholders' Agreement") governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A..
This Shareholders' Agreement, with duration until June 4, 2021, filed at the Bologna Companies Registration Office on June 8, 2018 and sent to Consob on June 9, 2018, includes provisions on voting and transfer restrictions.
Following the purchase by the Bologna Chamber of Commerce of 565,500 Company shares on January 31, 2020, the number of voting rights subject to voting agreements changed, without any change in the number of voting rights subject to transfer restriction agreements, as shown in the following tables:

PUBLIC SHAREHOLDERS	% Share Capital subject to Voting Agreement
BOLOGNA CHAMBER OF COMMERCE	39.10%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%
REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA CHAMBER OF COMMERCE	0.22%

REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

PUBLIC SHAREHOLDERS	**% Share Capital subject to Transfer Restriction Agreement**
BOLOGNA CHAMBER OF COMMERCE	37.53%
MUNICIPALITY OF BOLOGNA	3.85%
METROPOLITAN CITY OF BOLOGNA	2.30%
REGION OF EMILIA ROMAGNA	2.02%
MODENA CHAMBER OF COMMERCE	0.08%
FERRARA CHAMBER OF COMMERCE	0.06%
REGGIO EMILIA CHAMBER OF COMMERCE	0.04%
PARMA CHAMBER OF COMMERCE	0.03%

Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting of April 29, 2019 and in office until the approval date of the financial statements as at December 31, 2021 are:

Name	**Office**
Enrico Postacchini	Chairman
Nazareno Ventola	Chief Executive Officer (*)
Silvia Giannini	Director (B)
Giada Grandi	Director (A)
Eugenio Sidoli	Director (A)
Valerio Veronesi	Director
Marco Troncone	Director (B)
Giovanni Cavallaro	Director (**)
Laura Pascotto	Director (A) (B)

(*) confirmed Chief Executive Officer by the Board of Directors on May 6, 2019, maintaining the position of General Manager. He has also been appointed as Director responsible for the Internal Control and Risk Management System.
(**) On October 12, 2020, the Board of Directors co-opted, in replacement of Director Gennarino Tozzi who resigned on July 17, 2020, the Director Giovanni Cavallaro.
(A) Member of the Remuneration Committee (Chairman Eugenio Sidoli)
(B) Member of the Control & Risks Committee (Chairperson Silvia Giannini)

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 29, 2019 and in office until the approval date of the financial statements as at December 31, 2021 are:

Name	**Office**
Pietro Voci	Chairman
Samantha Gardin	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Violetta Frasnedi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

Auditing Firm

EY S.p.a. was appointed as the auditing firm by the Shareholders' Meeting of May 20, 2015 for the financial years 2015-2023.

Directors’ Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at September 30, 2020

INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the nine months ended September 30, 2020, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004. In consideration of the drop in traffic at Italian airports as a result of the COVID-19 emergency and the containment measures adopted by the State and the regions in order to contain the consequent economic impacts, the duration of the concessions for the management and development of airport activities in progress at the date of entry into force of Law No. 77 of July 17, 2020, which converted Article 102, paragraph 1-bis of Legislative Decree No. 34 of May 19 (“Relaunch Decree”). The pandemic has caused globally and continues to cause an unprecedented financial crisis in the airport and air transport sector, as extensively outlined above.

The Group's structure at September 30, 2020 and a brief description of the type and businesses of its subsidiaries and associates is presented below:

- Tag Bologna S.r.l. (hereinafter also “TAG”), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector; The Parent Company on October 2, 2018, taking the opportunity to better control the dedicated airside flight infrastructure, acquired 49% of TAG to gain full ownership;
- Fast Freight Marconi Spa (hereinafter also “FFM”), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna Spa with effect from April 1, 2017), following the contribution of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009;

Until July 2020 AdB held 24% of Ravenna Terminal Passeggeri S.r.l. (hereinafter also “RTP”), formed in 2009 together with various public and private shareholders operating in the cruise industry to carry out activities related to the concession for managing the Porto Corsini Maritime Station Service (Ravenna). In July 2020, AdB’s investment was reduced to zero following a share capital reduction for losses and the Parent Company's non-participation in the recapitalisation approved by the Shareholders’ Meeting on July 9. As such, AdB no longer holds shares in RTP.

The amounts in the tables in this Directors' Report are in thousands of Euro, whereas those in the comments are in millions of Euro, unless otherwise indicated. The data is from internal company sources unless otherwise indicated.

Business Description

Airport business may be divided into aviation and non-aviation activities. Aviation activities primarily consist of managing, maintaining and developing airports, which also includes security checks and surveillance, as well as aviation services for passengers, other users and airport operators and marketing activities to develop passenger and cargo traffic. Non-aviation activities primarily consist of developing airport real estate and commercial potential.

Based on the nature of operations, the Group manages the airport through the following Strategic Business Units (SBU's):

- *Aviation Strategic Business Unit*
- *Non-Aviation Strategic Business Unit.*

Aviation SBU

The Aviation SBU's main activities involve managing and developing airport infrastructure and in particular of:

- providing customers and operators with efficient access to all infrastructure, both land side (terminal, baggage sorting, car parking, traffic and cargo storage) and air side (aircraft runways and aprons);
- providing security services and services for passengers with reduced mobility (PRM's);
- informing the public and airport users;
- developing, revamping and expanding airport infrastructure, including installations and equipment, ensuring compliance with applicable legislation.

Consideration for such services takes the form of airport charges of the following types paid by airlines, airport operators and passengers:

- <u>passenger service fees</u>: these fees are due for the use of infrastructure, installations and common areas required for passenger boarding, disembarkation and hospitality and are based on the number of departing passengers, as well as whether they are bound for destinations within or outside the EU, with reductions for minors;
- <u>take-off and landing fees</u>: these fees are due for all aircraft that take off and land and are calculated on the basis of the aircraft's maximum authorised weight at take-off and the type of flight (commercial or general aviation);
- <u>aircraft parking fees</u>, calculated according to maximum weight at take-off;
- <u>freight fees for boarding and disembarking cargos</u> based on the weight of the cargo carried by aircraft;
- <u>refuelling fees</u>, assessed per cubic metre of fuel supplied to aircraft.

The Aviation SBU's other major revenue sources are:
- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;
- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;
- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- fees for the exclusive use of premises: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;
- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

Non-Aviation SBU

The Non-Aviation SBU’s main activities relate to parking management, retail sub-concessions, advertising, services for passengers and real estate management.

Parking

Bologna airport's directly operated paid parking areas offer approximately 5,300 available car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away. The latter has been temporarily closed, taking account of the reduction in demand due to the COVID-19 emergency. The airport's increasing popularity in recent years has also driven a number of private companies to enter the market, creating competing parking lots in the vicinity of the airport, with shuttle bus services to the terminal.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,400 m² and includes 41 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources.

Advertising

Advertising is managed using digital and large-format back-lit displays located in areas of the terminal's interior and exterior where the advertisements are highly visible. Campaigns involving the personalisation of particular areas or furnishings located in the airport are sometimes conducted.

Passenger services

Passenger services include a business lounge operated directly by the Parent Company. The *Marconi Business Lounge* (MBL) is an exclusive, comfortable environment used mostly by business passengers travelling with the major legacy carriers. In addition, the “You First” service provides arriving and departing passengers with access to exclusive services such as check-in and baggage collection assistance, porterage, gate assistance and priority boarding.
The other services available to passengers include car rentals. Nine rental companies are based at Bologna airport, offering a total of 16 specialised brands, with a total of 489 vehicle spaces available for their fleets.

Real Estate
Real estate activity is divided into two general areas: sub-concession revenues for aviation-related commercial activities, above all express couriers, and sub-concession revenues for handling services, which are subject to regulated tariffs.
The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas.

1 STRATEGIES AND RESULTS

1.1 AIR TRANSPORT GENERAL SECTOR AND PERFORMANCE: G. MARCONI AIRPORT OVERVIEW AND POSITIONING

2020 has and shall continue to be characterised by the global spread of COVID-19, which has been defined by Italy's emergency health legislation as an exceptional and unforeseeable event ("force majeure"), resulting in serious economic upheaval pursuant to Article 107 of the EU Treaty.

The direct impact on the global economy and specifically on the aviation sector continues to be significant. The pandemic, which - after a brief summer lull - has picked up significantly in Europe, the emerging economies, including India and Brazil, in addition to the United States, will continue to impact this year.

Following a second quarter dominated by the suspension of economic activities in many countries and an unprecedented drop in global GDP, over the summer months and in line with the general containment of infection numbers, the global economy began to recover - although partially - thanks to the exceptional stimulus measures introduced by governments and central banks across all the leading economies.

The general economic contraction over the first nine months of the year is reflected also in price movements, with consumer inflation remaining very low across all the leading economies, while oil prices have declined further and which, after a gradual increase until August, are being impacted by slowing demand (and an increase in stock levels).

The outlook remains heavily shaped by the uncertainty regarding the developing pandemic: the risks to growth from a second wave of the virus are beginning to materialise in many areas, with a number of countries having introduced a second lockdown. World trade may also be impacted by an escalation of tensions between the United States and China, in addition to any failure to reach an agreement between the United Kingdom and the European Union on future commercial ties. The negative repercussions on household and business confidence and consumption and investment decisions and effects on market performance will be significant.

In the Eurozone, according to the available indicators, economic activity in the third quarter significantly recovered, against an 11.8% decline in the second quarter, while however not returning to pre-pandemic levels.

According to the European Central Bank's September projections, GDP in a baseline scenario is expected to contract 8.0%. The level of uncertainty however remains high, particularly with regards to possible greater impacts stemming from the pandemic.

Italian GDP is also expected to improve 12% in the third quarter (on Q2 2020), driven by a quickly recovering industrial sector. This however will only partially offset the 5.5% and 13% contractions respectively in the first and second quarters of the year.

The Bank of Italy confirms July's forecasts of a GDP contraction of slightly under 10% in 2020, followed by a very gradual recovery, unless the pandemic impacts worsen. (*Source: Bank of Italy Economic Bulletin, October 2020).*

Against this backdrop, according to the IATA's data, global passenger traffic overall in the first nine months of 2020 dropped 64.7%. Traffic recovered partially in the third quarter of the year following the dramatic decline over the initial months subsequent to the pandemic outbreak: domestic traffic improved, while the international component remains very weak due to the mobility restrictions imposed by governments. The recovery however slowed in September due to the fresh outbreak, particularly on the European continent.
However, cargo traffic was decisively less negative at the global level, with a decline in volumes of 13.2% on the same period of 2019 *(Air Passenger and Air Freight Market Analysis (IATA), September 2020).*

European passenger traffic overall declined 67.5% in the period, with a significant drop between the end of March and mid-June, with a partial recovery during the summer months. The cargo traffic performance was also not as poor as the passenger traffic performance in Europe, with cargo volumes handled in the first nine months of 2020 down by 19.7% *(Air Passenger and Air Freight Market Analysis (IATA), September 2020).*

In line with that emerging in Europe, Italian traffic also - following its almost total reduction during the lockdown months - partially recovered over the summer, while however slowing once again from mid-September due to the rising once again of infection numbers. The first nine months of the year therefore conclude with a drop in passenger traffic of 69.6% *(Source: Assaeroporti, September 2020).* Bologna airport ended the third quarter of 2020 with a significant decline in traffic of 70.4% on the same period of 2019. This result is in line with the national trend, despite the airport's inability to operate flights between September 11 and 21 due to the undertaking of important runway works. At the end of September, Bologna airport was ranked eighth in Italy in terms of passenger numbers.

1.2 IMPACTS OF THE COVID-19 PANDEMIC ON BOLOGNA AIRPORT AND INITIATIVES BY THE ADB GROUP IN RESPONSE TO THE EMERGENCY

The AdB Group's performance in the first nine months of the year was inevitably and significantly shaped by the COVID-19 pandemic which, as shall be outlined below, resulted not only in the almost total reduction of passenger traffic in the second quarter of the year (-98.4%), with the consequent closure of nearly all commercial operations at the airport, but also in significant repercussions following its reopening, with traffic only very partially recovering during the summer.
Also during the lockdown, Bologna Airport has remained open and operative in accordance with Ministry for Infrastructure and Transport Decree No. 112 of March 12 and was therefore the only regional airport operative throughout the period, ensuring the essential amount of minimum passenger and cargo traffic services.
The Group's response to this unprecedented crisis primarily focused on measures to protect the safety of passengers, employees and the entire airport community.

These include body temperature measurement at the terminal and the offices, the installation of disinfecting gel dispensers, the posters and signs on hygiene measures to be followed and precautions to be taken, the separation of passenger movements to ensure distancing, the intensive sanitisation of the areas, also through a molecular fragmentation system, the installation of plexiglass, the adoption of the patented BEST system at the security controls to reduce the frontal interaction between the staff in charge of controls and passengers and the installation of ventilation systems at the terminal and on the airport grounds and offices with high-efficiency filters in the areas with the greatest density of people. In addition, the nose-pharyngeal swabs collection service carried out by the staff of the Bologna local health authority has been introduced. The use of remote working has been encouraged for the administrative area staff and a rotation of groups of workers involved in the most strategic areas has been introduced as part of a contingency plan. A screening campaign was also introduced in July to test coronavirus antibody levels, including free tests for all employees of the Bologna Airport Group.

Confirming the Group's commitment to adopt measures to reduce as much as possible the risk of infection among passengers and workers, Bologna Airport obtained from ACI World (ACI = Airport Council International), as the first airport in Italy and among the first globally, Airport Health Accreditation.

In order to contain costs and at the same time protect jobs, the Group introduced a plan to encourage employees to take accrued holidays and subsequently the Extraordinary Temporary Lay-off Scheme was introduced for all employees, in addition to measures to cut outsourced operating costs.
From a financial viewpoint, the Group entered this critical period with a solid and balanced equity and financial structure, which has allowed it to meet its commitments even in those months of greatest pressure on liquidity. Among the main measures put in place to deal with the crisis, the Group focused on revising the time schedules for the execution of investments and replacement/renewal actions which are not urgent and the Parent Company Shareholders' Meeting of April 30, 2020 agreed not to distribute dividends to shareholders and to allocate the 2019 profit entirely to reserves in order to maintain a solid capital base and to limit the economic impact of COVID-19. In addition, in July the parent company concluded with leading banks two loans for a total of Euro 58.9 million, in order to ensure adequate resources for the Group to meet its financial needs, related to the increase in working capital and support for the business plan.

1.3 STRATEGIC OBJECTIVES

The Group's strategic objectives which underlie the development of all operations are outlined below, although the Group inevitably during the period focused on managing the COVID-19 emergency.

"Connect"
The Group seeks to maintain a varied range of flight offerings suited to various types of users by adding to the number of airlines operating out of the airport, while continuing to maintain good margins also on the new traffic generated. In terms of traffic development, the Group targets the adding of routes, with the introduction of new Eastern and long-haul destinations, while boosting frequencies to existing destinations. The Group also focuses on improving airport accessibility, through the development of ground connections and the expansion of its catchment area.

"Develop"
The investments outlined in the Master Plan and Regulatory Agreement are fundamental to the development of the company's business. The strategy in question calls for an efficient use of the existing infrastructure's capacity and modular implementation of new investments to ensure that infrastructure capacity keeps pace with expected traffic development. The passenger terminal expansion project is a key part of the infrastructure development plan, permitting the development of - in particular - the security control areas and the boarding gates, in addition to extending dedicated commercial space.

The Group also plans to develop non-aviation business with the opening of new stores, new car spaces and the extension of the range of services available to passengers.

“Experience”
The Group is focused on ensuring the constant improvement of the services offered to airport users in its fields of operation, both directly and indirectly, while also constantly improving its standards of security, quality and respect for the environment. In order to support and improve all aspects of operations and generate Customer loyalty, the Group considers it key to develop a culture of innovation which revolves around the installation of technology that facilitates greater interaction with passengers and optimises the airport travelling experience.

“Care”
The Group is committed to all aspects of sustainability, ranging from those of an environmental nature to compliance with ethical and social principles, in view of the important role which Bologna airport plays as a vital hub for the region. The Group also strives to develop those who work at the Airport and build an organisation which responds to the evolving demands of the market and which supports the individual in their work.

The Group has furthermore identified two overarching guidelines to the strategic objectives identified above which are viewed as a touchpoint for company operations:

“Maximise financial performance”
The Group is focused on consistently improving the financial performance and on ensuring an adequate return for shareholders.

“Performing and sustainable corporation”
The Group aims to improve the efficiency and efficacy of its processes and internal structure, with a view to improving company performance and development, while paying increasing attention to sustainability in its environmental, social and governance components.

1.4 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.
The following graphs present:

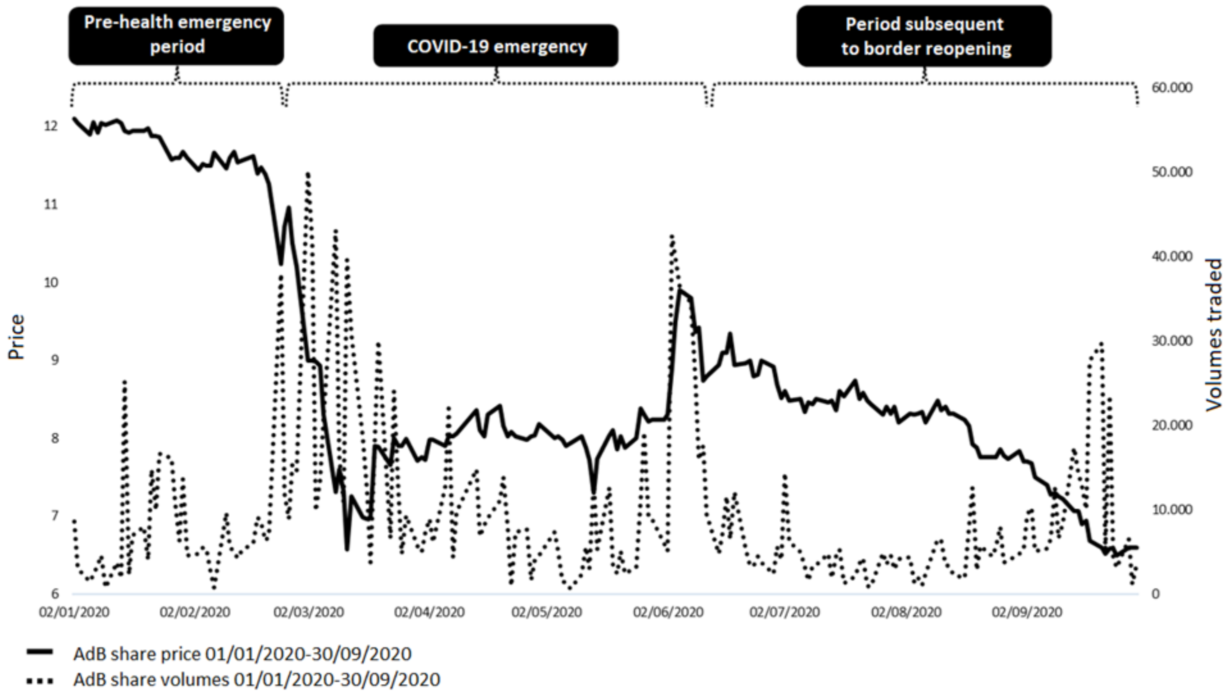
- the share performance between January 1, 2020 and September 30, 2020;
- tracking of the company's share performance against the FTSE Italia all-share index.

On September 30, 2020, the official share price was Euro 8.70 per share, resulting in an AdB Group market capitalisation of Euro 314.3 million at that date.

AdB share performance (01/01/2020-30/09/2020)

AdB share and FTSE Italia All-Share performance (01/01/2020-30/09/2020)

AdB share performance – prices and volumes (01/01/2020-30/09/2020)



The AdB share price and volumes in the first nine months of 2020 were impacted by the particular situation facing the entire globe stemming from the COVID-19 health emergency. In particular, three phases emerged: a first, from the beginning of the year until February 23, 2020, the day of the first Prime Ministerial Decree containing restrictive and containment measures, and a second, from February 24 until the re-opening of the country's borders on June 15, 2020, marking the beginning of a third period, which is currently ongoing.

In the first phase the price was stable, between Euro 11.50 and Euro 12.0, with fewer than 7,000 shares traded daily. Following the outbreak of the health crisis tied to the spread of Covid-19, the shares declined rapidly, reaching a low of Euro 6.57 on March 12, 2020, with volumes fluctuating between 40 and 50 thousand shares traded daily in several sessions.

Thereafter, volatility gradually abated with daily volumes returning to pre-shock values and a stabilisation of the price at around Euro 8.00 per share.

At the beginning of June, a significant increase in the number of traded shares contributed to a material increase in the share to over Euro 10.00.

From mid-June however the share price began to decline, reaching a low since February 2016 of Euro 6.50 on September 25, 2020.

2. KEY OPERATING RESULTS ANALYSIS

2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

Following the excellent performance recorded in January (+9.9% on 2019), in February the airport reported passenger traffic in line with 2019 (+0.3%) due to a sound performance in the first three weeks of the month (+5.3% on 2019), followed by a sharp reversal of course starting on February 22 (-25.1% in the final eight days of the month) due to the effect of the Covid-19 outbreak.

Between the end of February and the beginning of March, initially in certain zones ("red zones") and subsequently across the entire country, stringent limitations on mobility were introduced in order to fight the spread of the pandemic, leading to the cancellation of a majority of domestic and international flights, in addition to the closure of the airports not included on the list presented in Ministerial Decree No. 112 of March 12, 2020.

Included on this list, Bologna airport remained open and operative for the entire period of the health emergency, although with minimal volumes. Both during the "lockdown" between March and April and at the beginning of "Phase 2" - in the month of May in fact - airport traffic was almost reduced to zero with only one flight operated to and from Rome Fiumicino.

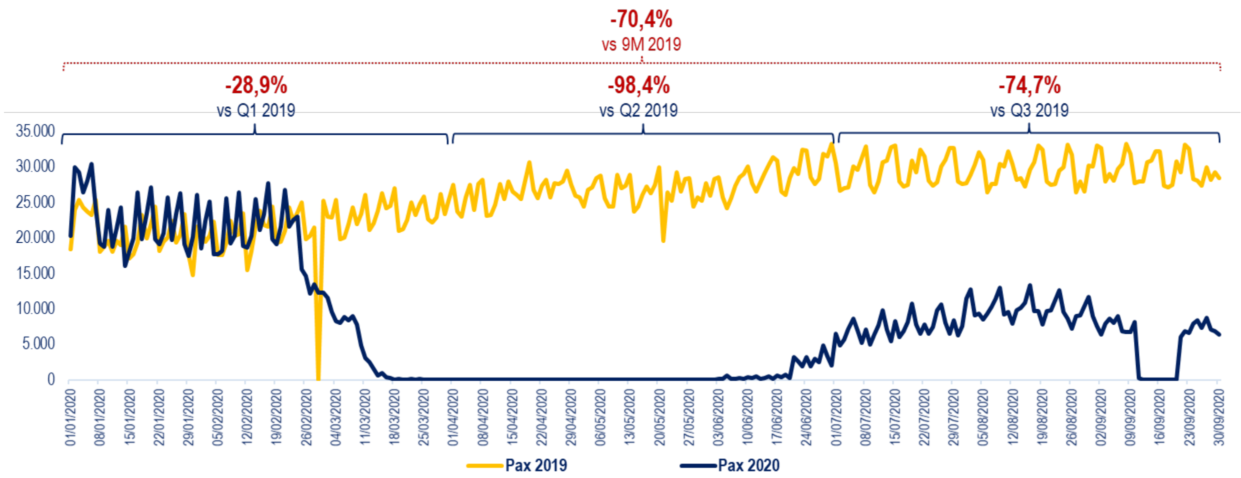
With the re-opening firstly of domestic flights at the beginning of June and from the latter part of the month of the country's borders (mainly the EU and Schengen countries), a gradual (although modest) recovery of traffic volumes emerged, strengthening between July and mid-August, particularly for the domestic component.

In line with that occurring across Europe and at the other domestic airports, the traffic recovery however slowed from mid-August, with load factors for aircraft from and to Bologna airport decreasing on those for the preceding weeks.

The closure of the airport for scheduled runway works between September 11 and 21, together with the nationwide measures limiting flights from/to many countries (even within the European Union) further impacted traffic numbers, which from September again saw declines in excess of 80% compared to the same month of 2019.

The first nine months of 2020 therefore closed with a drop in passenger traffic of 70.4% on the same period of 2019 and a reduction in movements of 59.6%.

Passenger traffic performance January-September 2020



Figures include transits. General Aviation excluded.

	January-September 2020	January-September 2019	Change %
Passengers	2,126,538	7,175,435	(70.4%)
Movements	23,750	58,844	(59.6%)
Tonnage	1,581,828	3,864,679	(59.1%)
Cargo	28,867,538	36,336,775	(20.6%)

Data includes General Aviation and transits

Passenger traffic breakdown	January-September 2020	% of total	January-September 2019	% of total	% Change
Legacy	745,165	*35.0%*	2,918,751	*40.7%*	*(74.5%)*
Low cost	1,363,007	*64.1%*	4,133,751	*57.6%*	*(67.0%)*
Charter	12,418	*0.6%*	103,847	*1.4%*	*(88.0%)*
Transits	2,722	*0.1%*	12,307	*0.2%*	*(77.9%)*
Total Commercial Aviation	**2,123,312**	*99.8%*	**7,168,656**	*99.9%*	*(70.4%)*
General Aviation	3,226	*0.2%*	6,779	*0.1%*	*(52.4%)*
Total	**2,126,538**	***100.0%***	**7,175,435**	***100.0%***	***(70.4%)***

While in the first two months of 2020 highly divergent performances were seen between low cost traffic (significantly up on 2019) and legacy traffic (substantially unchanged), the significant contraction in volumes between March and June impacted all traffic components.

Since the border reopened, the low-cost segment has generally recovered quicker than legacy traffic.

In addition, the routes restarting since June overall indicate a good performance for domestic destinations, both in overall terms - as evident in the main routes served - and in terms of load factors.

International flights were hit harder due to the climate of uncertainty in terms of restrictions and obligations introduced upon free movement for health protection reasons.

Passenger traffic breakdown	January-September 2020	% of total	January-September 2019	% of total	Change %
Domestic	600,460	*28.2%*	1,497,138	*20.9%*	*-59.9%*
International	1,522,852	*71.6%*	5,671,518	*79.0%*	*-73.1%*
Total Commercial Aviation	**2,123,312**	*99.8%*	**7,168,656**	*99.9%*	*-70.4%*
General Aviation	3,226	*0.2%*	6,779	*0.1%*	*-52.4%*
Total	**2,126,538**	***100.0%***	**7,175,435**	***100.0%***	***-70.4%***

Despite the significant drop in passengers for all major Bologna airport destinations due to the COVID-19 health emergency, the solidity of the traffic mix is highlighted: the main routes act both as hubs for the traditional carriers and as point to point destinations for the low-cost carriers.

Despite the restrictions which continue to impact international travel, in the first nine months of 2020 six of the ten top destinations are overseas cities, with Madrid leading with over 70 thousand passengers.

Main passenger traffic routes	January-September 2020	January-September 2019	Change %
Catania	99,212	305,237	(67.5%)
Palermo	90,467	202,517	(55.3%)
Rome FCO	90,041	219,367	(59.0%)
Madrid	73,890	226,359	(67.4%)
Barcelona	70,674	296,094	(76.1%)
Paris CDG	66,437	227,961	(70.9%)
London LHR	63,340	237,392	(73.3%)
Frankfurt	57,416	244,194	(76.5%)
Tirana	53,215	119,416	(55.4%)
London STN	53,137	203,373	(73.9%)

Passenger traffic including transits

Cargo Traffic

(in KG)	January-September 2020	January-September 2019	Change %
Air cargo of which	22,646,680	28,346,057	(20.1%)
Cargo	22,646,384	28,323,925	(20.0%)
Mail	296	22,132	(98.7%)
Road cargo	6,220,858	7,990,718	(22.1%)
Total	**28,867,538**	**36,336,775**	**(20.6%)**

Cargo traffic in the first nine months of 2020 amounted to 28,867,538 KG, down 20.6% on the first nine months of 2019. This reduction mainly follows a contraction in air cargo due to the Covid-19 health emergency on “usual” business, only partially offset by the use of charter flights to meet health equipment demand. Surface cargo volumes also significantly decreased on the same period of 2019, due largely to the substantial closure (during the lockdown), in addition to stagnating production activities (in the subsequent months).

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Passenger Revenues	12,450	45,908	(33,458)	-72.9%
Carrier Revenues	8,965	19,547	(10,582)	-54.1%
Airport Operator Revenues	1,289	2,757	(1,468)	-53.2%
Traffic Incentives	(5,982)	(19,568)	13,586	-69.4%
Revenues from Construction Services	16,640	9,881	6,759	68.4%
Other revenues	944	1,127	(183)	-16.2%
Aeronautical and FSC Revenue Reduction	(104)	0	(104)	n.a.
Total AVIATION SBU Revenues	**34,202**	**59,652**	**(25,450)**	**-42.7%**

The Aviation Strategic Business Unit's revenues consist of fees paid by users (passengers and airlines) and airport operators for the use of the infrastructure and services provided on an exclusive basis by the Group for landing, take-off, lighting, aircraft parking and passenger and cargo operations, in addition to centralised infrastructure and exclusive-use premises.
Given the public utility aspect of airport services, airport charges are regulated by both national and EU legislation. The new regulations and implementation measures – including the models approved by the Transport Regulation Authority – require that changes to the system or amount of airport fees be made with the consent, on the one hand, of the airport manager, and of the airport's users on the other.
The decline in revenues in the first nine months of 2020 compared with the same period of 2019 is primarily due to the reduction in traffic volumes recorded from the end of February due to the effect of the COVID-19 health emergency, in addition to a decrease in the average tariff. Revenues from construction services however grew. It should be noted that until the health emergency began, revenues had exceeded 2019, driven by a positive traffic performance in the first two months of the year.

Group revenues from the *Aviation Strategic Business Unit* were down 42.7% overall on 2019. The individual accounts broke down as follows:

- Passenger Revenues (-72.9%): the decline in passenger revenues slightly exceeded the decrease in passenger traffic (-70.4%) due to the tariff update applied from January 1, 2020, which resulted in a decrease in tariffs for this category of revenues;
- Carrier Revenues (-54.1%): Carrier revenues fell slightly less than total tonnage, due to the increased take-off and landing tariffs;
- Airport Operator Revenues (-53.2%): revenues declined due to the drop in traffic volumes, the revision of fees due for premises and operating equipment granted by the manager to support operators during this emergency phase, and the contraction in fuel services supplied by a subsidiary;
- Incentives: the decline in incentives on 2019 (-69.4%) is related to the decrease in incentivised traffic;
- Revenues from construction services: growth (+68.4%) related to greater investment than the same period of the previous year, in particular for the extraordinary runway maintenance between September 11 and 21, which also brought forward a portion of the works scheduled for 2022.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Retail and Advertising	4,006	11,677	(7,671)	-65.7%
Parking	4,006	12,899	(8,893)	-68.9%
Real Estate	1,661	1,831	(170)	-9.3%
Passenger services	1,629	4,731	(3,102)	-65.6%
Revenues from Construction Services	6,877	1,434	5,443	379.6%
Other revenues	1,405	2,246	(841)	-37.4%
Total NON-AVIATION SBU Revenues	**19,584**	**34,818**	**(15,234)**	**-43.8%**

Total non-aviation business revenues in the period declined 43.8%, with all the main revenue items decreasing, except for revenues from construction services.

The individual areas of this business unit performed as follows.

Retail and Advertising

The decrease in revenues on 2019 (-65.7%) was due to the COVID-19 emergency, which caused a dramatic decline in traffic volumes as result of the progressive cancellation of flights at the airport and the shutdown of almost all commercial establishments (stores and restaurants), initially per the Decree of March 11, 2020 and then subsequently extended by many sub-concession holders. The new contractual structure for retail clients introduced in May removes fixed charges, with the payment only of the turnover-linked variable component. Following the resumption of airport operations by carriers, a plan for the gradual reopening of sales outlets was launched at the end of June and is still being implemented.

Parking

In the January-September 2020 period, parking and rail access revenues declined 68.9% over the same period of the previous year, due to the substantial disappearance of traffic volumes from the final days of March. From June, thanks to the restart of air connections, revenues recovered, also through a number of initiatives to promote the use of safe car parks, with the digitalization of payments and the option of "contactless" access thanks to the introduction of license plate reading and use of the Telepass.

Real Estate

Real estate revenues slightly contracted on 9M 2019 due to the impact of certain discounts applied on fixed charges. Overall, there was a minimal impact of the ongoing emergency on this business.

Passenger services

Passenger services were down 65.6% over 2019, due to both premium (*lounge and accessory services*) and self-hire services, whose performance is outlined below.

Premium services

During the period, this business saw a significant drop in revenues due to the gradual cancellation of flights, resulting in the closure to the public of the Business Lounge between March 17 and June 30, 2020. Also following the recovery of flights and the reopening of the lounge on July 1, revenues declined significantly as a result of the drop in traffic, with a particular impact on the legacy carriers, and the 10 days of closure in September for extraordinary runway maintenance.

Self-hire sub-concessions

Car rental revenues showed a decline in both the variable component and fixed fees, the latter granted by the manager to sub-concession holders to support them during this emergency phase. Car rental activities were never entirely suspended since service must be ensured for passengers travelling through Bologna airport.

Revenues from Construction Services

This item's growth (+379.6%) relates to increased investment in the business unit over the same period of the previous year.

Other revenues: the contraction in other revenues (-37.4%) was mainly due to reduced maintenance activities carried out on airport operator vehicles and the reduced sales of energy efficiency certificates.

3 ANALYSIS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS:

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Revenues from aeronautical services	16,792	48,890	(32,098)	-65.7%
Revenues from non-aeronautical services	12,908	33,502	(20,594)	-61.5%
Revenues from construction services	23,517	11,315	12,202	107.8%
Other operating revenues and income	569	763	(194)	-25.4%
REVENUES	**53,786**	**94,470**	**(40,684)**	**-43.1%**
Consumables and goods	(998)	(1,590)	592	-37.2%
Service costs	(11,266)	(14,992)	3,726	-24.9%
Construction service costs	(22,397)	(10,776)	(11,621)	107.8%
Leases, rentals and other costs	(2,750)	(6,499)	3,749	-57.7%
Other operating expenses	(2,237)	(2,426)	189	-7.8%
Personnel costs	(15,275)	(21,958)	6,683	-30.4%
COSTS	**(54,923)**	**(58,241)**	**3,318**	**-5.7%**
GROSS OPERATING PROFIT (EBITDA)	**(1,137)**	**36,229**	**(37,366)**	**n.a.**
Amortisation of concession rights	(4,962)	(4,643)	(319)	6.9%
Amortisation of other intangible assets	(979)	(904)	(75)	8.3%
Depreciation of tangible assets	(1,894)	(2,060)	166	-8.1%
AMORTISATION, DEPRECIATION AND WRITE-DOWNS	**(7,835)**	**(7,607)**	**(228)**	**3.0%**
Provisions for doubtful accounts	(260)	(516)	256	-49.6%
Provision for renewal of airport infrastructure	(1,323)	(1,795)	472	-26.3%
Provisions for other risks and charges	(29)	(306)	277	-90.5%
PROVISIONS FOR RISKS AND CHARGES	**(1,612)**	**(2,617)**	**1,005**	**-38.4%**
TOTAL COSTS	**(64,370)**	**(68,465)**	**4,095**	**-6.0%**
OPERATING RESULT	**(10,584)**	**26,005**	**(36,589)**	**n.a.**
Financial income	123	88	35	39.8%
Financial expenses	(674)	(1,007)	333	-33.1%
RESULT BEFORE TAXES	**(11,135)**	**25,086**	**(36,221)**	**n.a.**
TAXES FOR THE PERIOD	**3,056**	**(7,184)**	**10,240**	**n.a.**
PROFIT (LOSS) FOR THE PERIOD	**(8,079)**	**17,902**	**(25,981)**	**n.a.**
Profit for the period - Minority interests	**0**	**0**	**0**	**n.a.**
Profit (loss) for the period – Group	**(8,079)**	**17,902**	**(25,981)**	**n.a.**

9M 2020 reports a consolidated loss of **Euro 8.1 million,** compared to a profit of **Euro 17.9 million** in 2019. The negative result was due to the decline in traffic caused by the Covid-19 emergency, with an impact on all main components of the business from the end of February, as illustrated below.

Operating **revenues** overall declined 43.1% on 2019. Specifically:
- **revenues from aeronautical services** were down 65.7% due primarily to the traffic decline and in part to the tariff update;
- **revenues from non-aeronautical services** dropped 61.5% due to the reduction in traffic, the almost total closure of commercial operations since the beginning of the pandemic until the end of June with the only gradual and as yet incomplete reopening from July and the reduction of fixed charges agreed by the manager with the sub-concession holders to support them during this emergency phase, as highlighted by the performance of all category components and detailed in the relative section;

- **revenues from construction services** increased 107.8% following the rolling out of investments in both the aviation and non-aviation sectors;
- other **operating revenues and income**: the decrease of 25.4% on 2019 is mainly due to lower sales of energy efficiency certificates.

The **costs** for the period declined by 5.7% overall on the same period in 2019 following the decrease in traffic and the introduction of efficiency enhancement measures to reduce the impact of the decline in volumes on profitability.

These break down as follows:

- ✓ **consumables and goods** reduced (-37.2%) due to the lesser amounts of aircraft fuel purchased by a subsidiary;
- ✓ **service costs** were lower (-24.9%) than in the same period of 2019, in particular owing to the reduction of various services correlated to traffic (e.g., PRM, MBL, etc.), the containment of utilities costs due to the lesser use of some areas of the terminal, the renegotiation of several service contracts and lower maintenance and professional and consultancy service costs;
- ✓ higher **construction service costs** (+107.8%) due to greater investment;
- ✓ the decrease of 57.7% in the **lease, rentals and other costs** account is mainly due to the decline in traffic volumes, on whose basis the concession and security fees are calculated.
- ✓ **other operating expenses** decreased on 2019 (-7.8%) due to reduced tax charges.

Reference should be made to the personnel costs section of this report for further details.

Overall, the first nine months of 2020 reported an **EBITDA loss of Euro 1.1 million**, compared to a profit of Euro 36.2 million in the same period of 2019, due to the contraction in revenues, entirely linked to the traffic performance, and more rigid costs, considering the high fixed cost structure characteristic of airport managers.

Looking to **overheads**, amortisation and depreciation increased 3%, in line with new Group investments and the amortisation and depreciation schedule. This latter was reviewed on the basis of straight-line amortisation on concession rights according to the new conclusion date of the airport concession, which was extended by two years according to Law No. 77 of July 17, 2020, which converted with amendments Article 202, paragraph 1-*bis* of Legislative Decree No. 34 of May 19, 2020. The provisions decreased by 38%, mainly due to the lesser accrual to the provisions for renewal of airport infrastructure as a result of the review of the intervention timetable and the deferral of certain actions.

The 6% decrease in overall costs against the 43.1% reduction in revenues resulted in the **Operating Result** declining from a profit of Euro 26 million in the first nine months of 2019 to a loss of **Euro 10.6 million** in 9M 2020.

Financial expenses improved on the comparative period (from a net expense of Euro 1 million to a net expense of Euro 0.6 million), thanks mainly to interest expense to be discounted of the provisions due to interest rate movements (Euro -0.4 thousand). On the other hand, bank interest expense increased (+Euro 42 thousand) on the basis of the higher debt. The parent company in fact finalised two loans with the issue respectively of Euro 25 million by Unicredit and Euro 33.9 million by Intesa Sanpaolo. Both transactions comprise loans secured by SACE guarantees under the “Italy Guarantee” programme.
As a result of that outlined above, the **Result before taxes** for 9M 2020 was a loss of **Euro 11.1 million**, compared to a profit of Euro 25.1 million in 2019 (a contraction of Euro 36.6 million).

With regards to the estimate of **taxes for the period,** the Group reported an IRES tax loss which may be carried forward to subsequent years, given the reasonable certainty of future recovery, with the consequent recognition of deferred tax income which improved the result for the period by a total of Euro 2.9 million (compared to Euro 7.2 million of taxes in the first nine months of 2019).

The **result** for the period, entirely concerning the Group, was therefore a **loss of Euro 8.1 million**, compared to a net profit of Euro 17.9 million in the comparative period (a total contraction of Euro 26 million).

The **EBITDA** adjusted for the construction services margin is presented below:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Revenues from aeronautical services	16,792	48,890	(32,098)	-65.7%
Revenues from non-aeronautical services	12,908	33,502	(20,594)	-61.5%
Other operating revenues and income	569	763	(194)	-25.4%
ADJUSTED REVENUES	**30,269**	**83,155**	**(52,886)**	**-63.6%**
Consumables and goods	(998)	(1,590)	592	-37.2%
Service costs	(11,266)	(14,992)	3,726	-24.9%
Leases, rentals and other costs	(2,750)	(6,499)	3,749	-57.7%
Other operating expenses	(2,237)	(2,426)	189	-7.8%
Personnel costs	(15,275)	(21,958)	6,683	-30.4%
ADJUSTED COSTS	**(32,526)**	**(47,465)**	**14,939**	**-31.5%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**(2,257)**	**35,690**	**(37,947)**	**n.a.**
Revenues from construction services	23,517	11,315	12,202	107.8%
Construction service costs	(22,397)	(10,776)	(11,621)	107.8%
Construction Services Margin	**1,120**	**539**	**581**	**107.8%**
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**(1,137)**	**36,229**	**(37,366)**	**n.a.**

The table below shows the quarterly **passenger traffic** performance and **EBITDA** adjusted for the construction services margin to emphasise the extent of the dramatic decline in traffic and profitability caused by the outbreak of the pandemic and the consequent significant contraction in the demand for and offer of flights by airlines.

	Q1 2020	Cge. % vs 2019	Q2 2020	Cge. % vs 2019	Q3 2020	Cge. % vs 2019
Passenger Traffic	1,395,671	-28.9%	39,630	-98.4%	691,237	-74.7%
INCOME STATEMENT (in thousands of Euro)						
ADJUSTED REVENUES	**18,054**	**-22.8%**	**3,029**	**-89.3%**	**9,186**	**-70.7%**
Revenues from aeronautical services	9,906	-26.1%	1,532	-90.9%	5,355	-71.3%
Revenues from non-aeronautical services	8,029	-18.0%	1,391	-87.7%	3,487	-71.9%
Other operating revenues and income	119	-37.5%	106	-66.2%	344	32.8%
ADJUSTED COSTS	**-13,987**	**-8.2%**	**-8,371**	**-49.0%**	**-10,168**	**-35.7%**
Personnel costs	-6,538	-8.5%	-4,045	-48.2%	-4,692	-33.0%
Other operating expenses	-7,449	-7.9%	-4,326	-49.8%	-5,476	-37.8%
ADJUSTED EBITDA	**4,067**	**-50.1%**	**-5,342**	**n.a.**	**-982**	**n.a.**
ADJUSTED EBITDA MARGIN	**22.5%**	**-35.4%**	**-176.4%**	**n.a.**	**-10.7%**	**n.a.**

3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below:

Euro thousands	As at 30.09.2020	As at 30.09.2019	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	(2,106)	35,764	(37,870)
Cash flow generated / (absorbed) by net operating activities	(4,923)	21,606	(26,529)
Cash flow generated / (absorbed) by investing activities	(22,315)	6,890	(29,205)
Cash flow generated / (absorbed) by financing activities	58,393	(19,644)	78,037
Change in closing cash flow	31,156	8,852	22,304
Cash and cash equivalents at beginning of period	29,253	15,762	13,491
Change in closing cash flow	31,156	8,852	22,304
Cash and cash equivalents at end of period	60,409	24,614	35,795

Cash flow generated by operating activities before working capital changes of Euro 2.1 million compared to a generation of Euro 35.8 million in the comparative period. The reduction of Euro 37.9 million is essentially due to the net loss for the period.

Working capital absorbed resources for an additional Euro 2.8 million. This movement, although lesser than in the same period of 2019 (Euro -14.2 million), resulted in **net cash flow absorbed by operating activities of Euro 5 million**, compared to a generation of Euro 21.6 million in the first nine months of 2019.

The absorption of cash by working capital was mainly due to:

- payment of income taxes (Euro 2.3 million), albeit reducing on the first nine months of 2019 due to the crisis caused by COVID-19 and the consequent government support measures;
- other liabilities, which decreased Euro 5 million, mainly due to the decrease in employee payables due to the lower costs in the period, of the municipal surtax, due to the drop in traffic, and of the payable to ENAC for the concession fee, which is also proportional to traffic. This was partially offset by the decrease in trade receivables due to reduced operations and the increase in trade payables, particularly due to the increased investment in the period;
- to the higher outflows due to the use of provisions, in particular the provision for renewal of airport infrastructure (Euro 3.9 million in 2020, compared to Euro 1.4 million in 2019).

Investing activities absorbed **Euro 22.3 million**, consisting almost exclusively of infrastructure investments, compared to positive cash flows of Euro 6.9 million generated in the first nine months of 2019 by the maturity of temporary investments of liquidity of Euro 17.4 million and lesser investments undertaken in the comparative period.

Finally, **cash flow generated by financing activities of Euro 58.4 million** related to the drawdown of two medium-/long-term loans of Euro 58.9 million supported by a SACE guarantee. The following is also considered:

- the absence of the distribution of dividends following the Shareholders' Meeting motion of April 30, 2020, with a payment of Euro 16.2 million at September 30, 2019;
- the delay of the instalment on the loan maturing in June 2020, thanks to the moratorium proposed by the Lending Institution to extend the duration of the loan from June to December 2024.

Consequently, the **change in closing cash flow** in the period indicates the **generation of Euro 31.2 million**, against generation of cash of Euro 8.9 million in the first nine months of 2019.
Net of the loans drawn down in July, the overall decrease in cash would have been Euro 27.7 million.

The Group net financial position at September 30, 2020, compared to December 31, 2019 and September 30, 2019, is presented below:

	in thousands of Euro	**As at 30.09.2020**	**As at 31.12.2019**	**As at 30.09.2019**	**Change 30.09.2020 31.12.2019**	**Change 30.09.2020 30.09.2019**
A	Cash	26	26	27	0	(1)
B	Other cash equivalents	60,383	29,227	24,587	31,156	35,796
C	Securities held for trading	0	0	0	0	0
D	**Liquidity (A)+(B)+(C)**	**60,409**	**29,253**	**24,614**	**31,156**	**35,795**
E	**Current financial receivables**	**274**	**501**	**0**	**(227)**	**274**
F	Current bank debt	(122)	(28)	(126)	(94)	4
G	Current portion of non-current debt	(3,062)	(3,059)	(3,058)	(3)	(4)
H	Other current financial debt	(1,466)	(3,086)	(3,089)	1,620	1,623
E	**Current financial debt (F)+(G)+(H)**	**(4,650)**	**(6,173)**	**(6,273)**	**1,523**	**1,623**
J	**Net current financial position (I)-(E)-(D)**	**56,033**	**23,581**	**18,341**	**32,452**	**37,692**
K	Non-current bank debt	(70,163)	(11,643)	(13,045)	(58,520)	(57,118)
L	Bonds issued	0	0	0	0	0
M	Other non-current debt	(1,112)	(1,437)	(1,506)	325	394
N	**Non-current financial debt (K)+(L)+(M)**	**(71,275)**	**(13,080)**	**(14,551)**	**(58,195)**	**(56,724)**
O	**Net financial (Debt) position (J)+(N)**	**(15,242)**	**10,501**	**3,790**	**(25,743)**	**(19,032)**

The Group **Net Financial Debt** at September 30, 2020 was **Euro 15.2 million**, compared to a cash position of Euro 10.5 million at December 31, 2019 (-Euro 25.7 million).
The change in the year mainly comprises:

- reduction in cash and cash equivalents, due to the settlement of the investments undertaken in the period, together with a reduction in the amounts collected as a result of the sharp drop in revenues beginning in March and the financial difficulties of clients, in view of the crisis affecting the entire sector;
- increase in the debt due to the drawdown of the SACE-backed loans of Euro 58.9 million.

For the reasons outlined above, the net financial position increased by Euro 19 million compared to September 30, 2019.

3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to “sources” and “uses”, is presented below:

USES *in thousands of Euro*	As at 30.09.2020	As at 31.12.2019	As at 30.09.2019	Cge. 30.09.2020 31.12.2019	Cge. 30.09.2020 30.09.2019
-Trade receivables	9,474	15,464	18,573	(5,990)	(9,099)
-Tax receivables	829	189	204	640	625
-Other receivables	3,956	5,014	6,416	(1,058)	(2,460)
-Inventories	675	622	534	53	141
Sub-total	**14,934**	**21,289**	**25,727**	**(6,355)**	**(10,793)**
-Trade payables	(20,722)	(18,537)	(13,834)	(2,185)	(6,888)
-Tax payables	(782)	(3,598)	(5,875)	2,816	5,093
-Other payables	(24,426)	(27,514)	(26,514)	3,088	2,088
Sub-total	**(45,930)**	**(49,649)**	**(46,223)**	**3,719**	**293**
Net operating working capital	**(30,996)**	**(28,360)**	**(20,496)**	**(2,636)**	**(10,500)**
Fixed assets	214,228	198,143	194,173	16,085	20,055
-Deferred tax assets	8,950	6,190	6,120	2,760	2,830
-Other non-current assets	12,630	13,624	13,701	(994)	(1,071)
Total fixed assets	**235,808**	**217,957**	**213.994**	**17.851**	**21,814**
- Provision for risks, charges & severance	(16,875)	(19,229)	(19,437)	2,354	2,562
- Deferred tax liabilities	(2,605)	(2,558)	(2,501)	(47)	(104)
-Other non-current liabilities	0	(136)	(193)	136	193
Sub-total	**(19,480)**	**(21,923)**	**(22,131)**	**2,443**	**2,651**
Fixed Operating Capital	**216,328**	**196,034**	**191,863**	**20,294**	**24,465**
Total Uses	**185,332**	**167,674**	**171,367**	**17,658**	**13,965**

SOURCES *in thousands of Euro*	As at 30.09.2020	As at 31.12.2019	As at 30.09.2019	Cge. 30.09.2020 31.12.2019	Cge.. 30.09.2020 30.09.2019
Net financial position/(Debt)	**(15,242)**	**10,501**	**3,790**	**(25,743)**	**(19,032)**
-Share capital	(90,314)	(90,314)	(90,314)	0	0
-Reserves	(87,855)	(67,009)	(66,941)	(20,846)	(20,914)
-Profit (loss) for the period	8,079	(20,852)	(17,902)	28,931	25,981
Group Shareholders' Equity	**(170,090)**	**(178,175)**	**(175,157)**	**8,086**	**5,067**
Minority interests	0	0	0	0	0
Total Shareholders' Equity	**(170,090)**	**(178,175)**	**(175,157)**	**8,086**	**5,067**
Total Sources	**(185,332)**	**(167,674)**	**(171,367)**	**(17.658)**	**(13,965)**

The Group's equity structure as at September 30, 2020 reported negative **net operating working capital** of Euro **31 million**, compared to Euro 28.4 million at the end of 2019 due to a reduction in payables, partly offset by the reduction in receivables and other current assets, as described above. The decrease in payables is mainly due to the reduction in tax payables due to the tax loss in the period, operating payables and the payable for surtaxes as a result of the significant drop in aviation revenue.

Fixed operating capital amounted to **Euro 216 million**, increasing by Euro 20 million over December 31, 2019 and by Euro 24.5 million over September 30, 2019, mainly due in both cases to the advancement of the Group’s investment plans, in addition to the increase in deferred tax assets in the period due to the tax benefit stemming from the tax losses reported in the period.

Net capital employed totalled **Euro 185 million**, increasing Euro 17.7 million over December 31, 2019.

In terms of sources, the **net financial debt** at September 30, 2020 totalled Euro 15.2 million, while **Consolidated and Group Shareholders' Equity** was **Euro 170.1 million** (Euro 178.2 million at December 31, 2019). The decrease is owed solely to losses in the period in which the Parent Company Shareholders' Meeting of April 30, 2020, in addition to approving the 2019 Financial Statements, accepted the prudent approach proposed by the Board of Directors to support the capital base and limit the economic impact of COVID-19, resolving to fully allocate the 2019 net profit to reserves.

3.4 INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended September 30, 2020 to be immaterial due to their interim nature and in particular, due to the extraordinary events that occurred in the first nine months of 2020.

3.5 INVESTMENTS

Despite the rescheduling of actions not considered indispensable and urgent and the temporary suspension of works due to the measures adopted by the Government to limit the spread of the pandemic (lockdown), the total amount of **investments** executed in 9M 2020 was **Euro 22.9 million** (Euro 10.5 million in 9M 2019). In particular, Euro 6.5 million concerned investments for the execution of the Masterplan, Euro 4 million the acquisition of an area adjacent to the airport grounds for the future infrastructural development of the terminal and Euro 12.4 million for investments in airport operations.

The state of progress of the main investments in the Masterplan is illustrated below:

- **Terminal extension**: Pending approval of the executive project by ENAC.
- **New Multi-storey car park**: the executive project for the construction of a car park near the terminal has been approved by ENAC. The monitoring committee has also obtained the authorization to proceed and has verified the alignment of the project with the requirements defined in the urban plan.
- **Above ground express parking**: construction works continue.
- **Lot III aircraft parking extension**: the tender phase for the assignment of the apron construction works is in progress.
- **Cargo Building**: work is in progress on a building dedicated to a specialist operator in the cargo sector.

With regards however to other airport operation investments, the structural and functional upgrading works on a section of the runway in September, with the consequent closure of the airport between the 11th and 21st of the month is indicated.
In particular, the following activities took place:

- structural and functional upgrading works on the flexible paving of Runway 12/30;
- structural and functional upgrading of the taxiways C,D,E;
- redevelopment of a stormwater drainage section;
- removal and subsequent repositioning of visual signalling equipment.

Some activities continued even after the closure of the airport without compromising its operation.

Provisions for renewal

The total **cyclical renewal and maintenance works on the airport infrastructure** and plant at September 30, 2020 was **Euro 3.8 million,** mainly concerning air side works and particularly those on the above-stated runway.

Services Conference on the urban planning compliance of the 2016-2030 Airport Development Plan

The Services Conference on the urban planning compliance of the 2016-2030 Airport Development Plan, promoted by ENAC in respect of the update to the Masterplan for Bologna's Guglielmo Marconi Airport, was concluded on January 24, 2020 with a favourable opinion, subject to prescriptions from central and local government authorities.

The infrastructure development work included in the Masterplan for the Bologna airport will be planned and executed, in support of the airport's development and service levels, using technical solutions and according to timescales that accommodate traffic growth trends and full sustainability, in accordance with the prescriptions of the VAT Decree and the implementing acts and agreements at the local level.

Approval by the Services Conference is an essential administrative step in the process of developing Bologna airport and is the result of active collaboration between the Ministry of Transport and Infrastructure, ENAC, the Ministry of the Interior, the Ministry for the Environment, Territory and Protection of the Sea, the Region of Emilia-Romagna, the Metropolitan City of Bologna, the Municipality of Bologna and the Municipality of Calderara di Reno.

The results of the Services Conference and current urban planning restrictions, as well as legal communications regarding the possible future expropriation of certain private properties were notified to all other interested parties by AdB (the entity implementing the Masterplan), following the delegation of functions conferred by ENAC (promoting and authorising entity and with expropriatory powers).

3.6 PERSONNEL

Workforce breakdown

	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Full Time Equivalent average workforce	**449**	**496**	**-47**	**-9%**
Executives	9	9	0	0%
Managers	35	32	3	9%
White-collar	319	357	(38)	-11%
Blue-collar	86	98	(12)	-12%

	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Average workforce	**499**	**546**	**-47**	**-9%**
Executives	9	9	0	0%
Managers	35	32	3	9%
White-collar	365	404	(39)	-10%
Blue-collar	90	101	(11)	-11%

Source: Company workings

The reduction in the workforce of 47 full-time equivalent staff compared to 2019 is due to the non-renewal of fixed-term contracts due to the reduction of traffic.

Costs

In addition to the drop in staff numbers mentioned above, the Group has reduced its costs by 30.4% compared to the same period in 2019 by taking actions to limit labour costs, given that they represent one of the Group's primary expenses. The maximum possible employment levels have however been maintained.

In particular, action was taken to block overtime and to encourage employees to take accrued holidays. In addition, on March 21, 2020, the Group launched an Extraordinary Redundancy Fund for all employees of AdB, followed by those of the subsidiary FFM, maintaining only the operational services deemed essential, resulting in a significant reduction in the activities of other employees.

From June, following a slight resumption of operations at the airport by carriers, the use of the Extraordinary Temporary Lay-off Scheme was partially reduced for the operating segments in relation to more complex and onerous operating processes in terms of dedicated resources.

	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change	% Change
Personnel costs	15,275	21,958	-6,683	-30.4%

TRADE UNION RELATIONS
An agreement for the AdB employee Extraordinary Redundancy Fund was signed by trade unions on March 19, 2020, with the Emilia Romagna Region issuing a favourable opinion. The Redundancy Fund may be in place for up to 12 months, and provides for a rotational system based on interchangeable job roles, in line with a set of criteria that guarantee fairness. On March 31, 2020, an agreement for the Extraordinary Temporary Lay-off Scheme for employees of the subsidiary FFM was signed with the trade unions.

AdB chose to advance to its employees the proceeds from the Extraordinary Temporary Lay-off Scheme, which had been reimbursed by the INPS, in addition to presenting an application to the Air Transport Solidarity Fund for salary supplementation. This latter began to issue Supplementary Extraordinary Temporary Lay-off Scheme benefits from the month of August.

TRAINING OF PERSONNEL
Spending on employee training was lower in the first nine months of 2020 compared to the same period last year due to the suspension, from mid-March, of internal and external training courses following ministerial provisions related to the COVID-19 pandemic.
All non-compulsory training activities were cancelled at the end of February in order to contain costs. Training in the period therefore featured specific mandatory training which involved particularly the Security area and the Workplace Security Area (81/08) with web conference training between March and September 2020 and a slight uptake in classroom training in September in small numbers and in compliance with the conduct rules according to the anti-COVID protocols.

3.7 KEY INFORMATION ON THE SUBSIDIARIES' PERFORMANCES

Fast Freight Marconi Spa
The Parent Company acquired a 100% interest in FFM in 2009. The main activity of the subsidiary is cargo and mail handling at Bologna airport. In particular, FFM is the handling agent for cargo export and import operations of carriers moved through the airport via air and for surface cargo and manages the Temporary Customs Warehouse for Non-EU Cargo arriving at the airport. The company thereafter in subsequent years developed accessory services such as booking, operating as a regulated agent and has its own domicile procedure for customs operations.
At September 30, 2020, the company had 17 employees and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.
The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.
In the first nine months of 2020, despite a 37% drop in traffic volumes with a reduction of approx. 5.5 million KG processed, FFM reported a net profit of Euro 277 thousand, contracting 43% on the same period of 2019. Revenues were Euro 1.8 million and decreased 32%. The savings on operating costs (-25%), which amounted to Euro 1.4 million, resulted in an EBITDA of Euro 380 thousand (-48% on 2019).

Tag Bologna Srl

TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector; The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018.

At September 30, 2020, the company, which assigned certain staff activities to the parent under a management & staffing contract covering the legal and personnel area, operated with 11 employees.

In the first nine months of 2020, TAG presented a reduction in movements (-34.7%) which was slightly higher than the national average (-27.4%), due to the closure of the runway in September and a greater reduction in tonnage and fuel (respectively -51.4% and -55.1%) due to the closure of countries with which only larger aircraft connections are operated.

The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

As a result of the drop in volumes, TAG reported a net loss of Euro 50 thousand (profit of Euro 385 thousand in the comparative period). Revenues amounted to Euro 1.3 million, declining 51%. The reduction in operating costs to Euro 1.1 million was 39%, resulting in an EBITDA of Euro 176 thousand compared to Euro 789 thousand in the first nine months of 2019 (-78%).

Reference should be made to note 29 of the financial statements - related party transactions - for information on transactions in the period between the subsidiaries and the parent company.

4 MAIN NON-FINANCIAL RESULTS

4.1 QUALITY

Based on the provisions of ENAC's Communication of March 11, 2020 (ENAC-PROT-11/03/2020-0029259-P), in the second quarter of 2020 customer satisfaction surveys and surveys of the airport operator's standard services quality indicators were suspended. This was necessary in view of a situation by which normal air traffic operations were severely limited both in terms of movements and passengers and in view of the updating of the detection process to protect all those involved.

In September, the recording of the service quality standards of the airport manager and of the ASQ programme restarted, monitoring the passenger movements and operating processes which were adjusted or amended on the basis of the social distancing requirements for managing the COVID-19 emergency.

5 REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND TARIFF DYNAMIC

2020 represents the first year of the new 2020-2023 regulatory period. The parent company initiated in 2019 preliminary activities with ENAC for the drafting of the Regulatory Agreement for the 2020-2023 four-year period and with the Transport Regulation Authority (TRA), for the calculation of the airport “tariffs” for the same four-year period.
On January 16, 2020, the Transport Regulation Authority passed and published the resolution definitively approving the tariff model of reference with regard to the proposed airport fees submitted by AdB.

On October 23, 2020, an annual hearing was held with Users regarding the updating of airport fees for 2021. The new tariffs, which have been published on the Company's website, will apply from January 1, 2021.
On October 30, 2020 ENAC informed the TRA of certain “procedural anomalies” relating to the process of executing and reporting certain interventions in 2019. Following this notice, AdB recalculated the 2021 tariff dynamic to exclude the expenses referred to in the report, while also launching the related inquiries and reserving the right to submit counterarguments. The new 2021 tariffs, which are essentially unchanged from those submitted during the consultation, have been sent to the TRA and Users and made available on the Company’s website.

5.2 EMERGENCY HEALTH REGULATIONS (COVID-19 PANDEMIC) AND THEIR IMPACT ON AIRPORT MANAGEMENT

Within the scope of the urgent health, work and economic support measures related to the COVID-19 emergency already in force and remaining in force, the key provisions for the airport and air transport sector, in addition to the first COVID decree (Cure Italy Decree No. 18 of March 17, 2020) were as follows:

1) Liquidity Decree (Legislative Decree No. 23 of April 8, 2020) which governs access to State-backed loans;
2) Relaunch Decree (Legislative Decree No. 34 of May 19, 2020):
    - cancellation of the 2019 IRAP balance and the initial 2020 advance for businesses with revenues not exceeding Euro 250 million in 2019;
    - deferment to September 16, 2020 of the deadline for tax and contribution payments suspended by the preceding decrees (Italy Healthcare and Liquidity Legislative Decrees);
    - increase in the annual limit of receivables that can be used for offsetting in the F24 model;
    - tax credit for the sanitising of workplaces and the purchase of PPE;
    - extension by two years of the existing airport concessions;
    - new partial allocation of the boarding fee municipal surtax from July 1, 2021, with allocation to the Solidarity Fund for the air transport and airport system sector of Euro 1.5 per passenger previously allocated to the INPS (with the INPS portion decreasing from Euro 5 to Euro 3.5 per departing passenger);
    - setting up of a provision for the compensation of damages incurred by airlines;
    - setting up of a publicly owned newco for the future Alitalia;
    - obligation for carriers and enterprises operating in the sector and employing personnel in Italy to apply to their employee's remuneration of not less than the minimums established by the sector National Collective Bargaining Agreement;

in addition to a number of salary support and employment support measures, including the following, which are still in force:

- COVID parental leave until 31/08, later replaced by leave for those with children in quarantine;
- blocking of collective or economic related redundancies extended until 31/1/2021;
- extraordinary leave (Legs. Decree 111/2020) until 31/12/2020.

3) August Decree No. 104 of August 14, 2020, with measures supplementing and modifying the previous decrees relating to airlines.
4) Following the issue of the state of health emergency, the Government through the Presidential Decree instrument introduced a series of rules relating to measures to contain the Pandemic. The Government therefore signed with the Social Partners (Confindustria, Trade Unions, etc.) a "Common policy governing the measures to combat and contain the spread of Covid-19 in the workplace", signed on March 14, 2020, in implementation of the measure (Article 1, paragraph 1, number 9) set out in Presidential Decree of March 11, 2020, subsequently updated on April 24. As a result of this policy, AdB and the subsidiaries FFM and TAG drew up their own Policy which puts into practice the guidelines of the national policy. In order to ascertain the policy's implementation, AdB and the Group companies have set up a special Regulatory Committee with weekly meetings in which the RLS (Employees' Health and Safety representative)/RSU (Workers' Representative Body) also participate.
   Over the last three months, AdB and the subsidiaries have further updated the Risk Assessment Document and the anti-COVID Protocol in view of the developing pandemic and the additional rules issued. Furthermore, internal audits were carried out to verify the correct application of anti-COVID measures and specific training was also provided on the correct behaviour to be followed to prevent contagion.
   Finally, the coordination meetings with the Prevention & Protection Managers (RSPP) of the handling companies at the airport were resumed and a "Site Safety Committee" was set up at the request of the regional Trade Unions, at which AdB and the handling companies participate.

5) In a circular dated April 23, 2020, subsequently clarified in a note dated June 22, ENAC, in agreement with the Ministry of Transport and Infrastructure, deferred payment of the fees relating to airport concessions maturing in July to January 31, 2021, commensurate with actual traffic in 2020 and thus avoiding payments on account based on 2019 traffic. This supportive condition is subject to the granting of a parallel deferment of payment of aviation sub-concession charges to the same deadline of January 31, 2021, in view of the transfer of the benefit to the entire airport sector chain.

5.3 FIRE PREVENTION FUND

Reference should be made to the half-year report and the disputes paragraph for further details.

5.4 BOARDING FEE MUNICIPAL SURTAX TO BE ALLOCATED TO INPS

Please refer to paragraph 5.2 above, as some changes have been made with regard to the municipal surtax to be allocated to INPS, by way of the Relaunch Decree.

5.5 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION

By order of the Ministry of Economic Development of May 2, 2017, published in edition No. 104 of Italy's Official Gazette dated May 6, 2017, Alitalia - Società Aerea Italiana S.p.A was admitted to the extraordinary administration procedure, with immediate effect and three Extraordinary Commissioners were appointed. The Court of Civitavecchia declared Alitalia - Società Aerea Italiana S.p.A. in extraordinary administration ("Alitalia SAI in EA") insolvent by judgment of May 11, 2017. The decree of the Ministry of Economic Development of May 12, 2017 was then published in edition no. 124 of the Official Gazette of May 30, 2017, also admitting Alitalia Cityliner S.p.A. to the extraordinary administration procedure and appointing the same panel of commissioners as for Alitalia.
The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured. At the statement of liabilities hearing fixed for February 6, 2018, only the receivables of employees were examined. For the examination of the various receivables, after various postponements, the hearing was fixed for February 20, 2019, but this date was again postponed for a date to be determined.

At present, the total amount of the liabilities of Alitalia SAI admitted to the extraordinary administration procedure have yet to be formally established.
Finally, the tenth statement of liabilities, including the claim lodged by the Parent Company, was filed on December 17, 2019. At this juncture, full priority was granted to the airport fees accrued in the final months of operation prior to the declaration of insolvency, amounting to Euro 0.66 million.
However, it should be noted that, on the basis of the emergency health regulations mentioned above, a potential avenue to re-nationalise the airline has been explored. In fact, while failed attempts were being made to privatise the airline, the Italian government made recourse to Article 107(2)b – through the provisions of Article 79(2) of the "Italian Healthcare" Decree (Leg. Decree No. 18 of March 17, 2020) – in order to bring the new Alitalia airline under public control for Euro 500 million, without going against the EU ban on state aid, given the exceptional event that has occurred. However, said potential recapitalisation is subject to authorisation by the European Commission. As such, the establishment of an Alitalia newco is on the horizon, either as a 100% state-controlled entity, or under the public control of the Ministry for the Economy and Finance, with ample powers awarded to the Extraordinary Commissioner to distribute the assets owned by the two companies in extraordinary administration. This situation may further complicate the outcome of AdB's filing of claims in the bankruptcy proceedings.
Through Decree of October 9, 2020, the company Italia Trasporto Aereo SpA was incorporated, with an opening share capital of Euro 20 million, fully paid-in by the Ministry of the Economy and Finance. Subsequent implementing decrees for the transfer of the assets of Alitalia SAI in a.s. to the newly-incorporated company have not yet been issued.

5.6 BREXIT

On May 24, 2019, Law No. 41 of May 20, 2019 converting Legislative Decree No. 22 of May 25, 2019, was published in the Official Gazette of 24/05/2019, regarding urgent measures to ensure security, financial stability and market integrity, and to protect the health and freedom of movement of citizens of Italy and the United Kingdom in the event of the withdrawal of the latter from the European Union" (the "Brexit Decree"). Article 17-ter, in introducing provisions on airport tariffs, requires that EU airport charges will continue to apply to passengers travelling from Italian airports to the United Kingdom, on the condition of reciprocity, from the date of Brexit up to the date of entry into force of a global agreement governing the provision of transport services with the United Kingdom, or, failing that, until 30/03/2020.
Thereafter, on January 29, 2020, the European Parliament ratified the text of the agreement on the withdrawal of the United Kingdom from the European Union, which officially took place on February 1, 2020. This agreement governs Britain's withdrawal, establishing a further transitional period from February 1 to December 31, 2020 in which everything remains unchanged, including the collection of airport fees. The EU regulations and procedures on the free circulation of persons, services, capital and goods will remain in effect in the United Kingdom and only with effect from January 1, 2021, barring a new agreement to the contrary, will the United Kingdom no longer be a part of the European Union customs and tax (VAT and excise) territory.

6 DISPUTES

This section outlines the main - fundamental in financial terms - disputes and/or those which in the period saw significant legal and/or non-legal developments, without therefore providing an exhaustive outline of all positions for which specific amounts have been allocated to the disputes risk provision.

Fire Prevention Fund

In relation to the contribution to the Fund set up by the 2007 Finance Act in order to reduce the cost to the State for the organisation and provision of the **fire prevention service** at Italian airports, the Parent Company promoted, in 2012, a specific judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defence, as well as for financing salary increases of the Fire Prevention Service.
Currently the Rome Court, following a series of postponements and suspensions deriving from the systematic reassignment of the case to different judges, has not outlined its conclusions and the next hearing is currently fixed for October 28, 2020. However with the existence, over the years, of a consolidated jurisprudence (ex pluris Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 and, latterly, by the Lazio Regional Tax Commission No. 7164/2019, which affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, the Company is awaiting a definitive pronunciation of non-competence by the civil judge.
In relation to the above-mentioned civil case, promoted by the Company before the Rome Court, the Tax Administrations notified however on January 16, 2015 an injunctive decree relating to the presumed contribution to the Fire Prevention Fund for the years 2007, 2008, 2009 and 2010. This decree, containing clear material and formal errors, was immediately opposed, requesting the cancellation of the decree or, in replacement, to declare upon its jurisdiction and to order the reinstatement of the case before the Rome Court. On December 20, 2017, the Bologna Court issued a jurisdiction ordinance, declaring the Tax Commission as the competent judge, which cancelled Injunction Decree No. 20278/14. Unexpectedly and incomprehensibly, on May 24, 2018, the State District Lawyer notified an appeal against the ordinance of the Bologna Court of December 20, 2017.
The Company therefore appealed (RG No. 2020/18), fully outlining its defence and invoking, preliminarily, the clear lack of jurisdiction of the Bologna Court. The appeal was definitively rejected as inadmissible by the Bologna Court of Appeal in judgment no. 1718/19. This judgment became *res judicata* on October 28, 2019, definitively ending the dispute initiated by the administrations, which, additionally, were ordered to reimburse AdB in full for all legal costs incurred.
The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court will present its case before the tax judge, once proceedings may take place, of the cases currently before the Rome Court (RG No. 22375/12); the statement of conclusions phase of this trial took place in October 2020. In parallel, a process of promoting dialogue and discussion with the administrations continues in view of a possible settlement and promotion of rewriting the statute that changed the Fund's initial purpose. There are no significant developments to report; ENAC has invited airport management companies to continue to adopt as prudential an approach as possible, above all with regard to the sums contributed to the Fire Service Fund subject to tariff coverage.
Accordingly, at present there are no new judicial – in absence of judgments directly applicable to AdB – or extrajudicial issues, such as to result in a change in the treatment in the financial statements of the contribution to the Fire Protection Fund.

Alitalia – Revocatory Action

At the beginning of May 2020, the Company received notification of the revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in limited partnership. As such, Alitalia is essentially rescinding its application to file for bankruptcy by submitting a request to the court to render it ineffective. As a consequence, Alitalia would obtain a refund of any payments made during the "suspect period," i.e. the six months before bankruptcy was declared (November 1, 2016 - May 1, 2017), starting on the date the company entered into extraordinary administration.

The first hearing is scheduled for February 22, 2021. The Company both strongly condemns and challenges the legal basis and timing of such an action, and will launch an appropriate legal defence to effectively oppose the lawsuit.

Out-of-court dispute- TE2C design company reserves

The Parent Company received a request for higher compensation from Tecno Engineering 2C, an engineering company tasked with designing the Group's "terminal expansion" project, which amounts to approximately Euro 2.2 million. The Company does not consider the contractual counterparty's request to be legitimate, and is carrying out preliminary investigations, in addition to those that have already been completed, in order to present an adequate counter appeal and rejection – for multiple reasons – of the request as received.

On September 16, the Company was served with an injunction that was not provisionally enforceable for the payment of a portion of the consideration accrued in relation to the assignment. The Company has already obtained counsel to appear in the trial in a timely manner and firmly reject the legal basis of the adverse party's claims.

Appeal of the new TRA Regulation Models

On October 15, 2020, the Parent Company served the appeal lodged with the Piedmont Regional Administrative Court seeking to quash resolution no. 163 of July 16, 2020 approving the new Tariff Regulation Models applicable to Italian airports on the Transport Regulation Authority, Ministry for Infrastructure and Transport and Ministry for the Economy and Finance. In the opinion of the Company and other airport management companies, the new models are vitiated by illegitimacy and manifest injustice in various respects, and have also been approved without any consideration whatsoever of, nor any corrective measure for, the effects and very severe repercussions that the global COVID-19 pandemic is having and will continue to have on the air transport industry. The appeal was then formally filed and the related proceedings registered with the Regional Administrative Court of Piedmont under General Register No. 783/2020.

7 MAIN RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

The Covid-19 health emergency is having significant impacts on the airport sector: ACI Europe reports a loss of over 223 million passengers in September alone for European airports and forecasts a total drop in traffic of 69% for the current year, a downgrade of its July estimate. According to the former's estimates, 2019 traffic levels will not be fully recovered before 2024-25, with significant diseconomy of scales for airport managers who shall see their earnings significantly impacted.

The pandemic's long-term impact on the air transport sector remains difficult to quantify, and radical changes to current business models cannot be excluded. Furthermore, it is highly probably that passenger traffic will be impacted beyond 2020, considering the maintenance of restrictive traffic measures on domestic and international flights, and geographical areas within and outside of the EU, as well as the financial impact on multiple business sectors, the "psychological" effect the emergency has had on people's propensity to travel by plane, and finally, the potential future maintenance or further tightening of health protection measures ("social distancing"), which may also significantly reduce the capacity of airport infrastructures.
A medium-to-long-term reduction in traffic could risk undermining the sustainability of business models, and result in significant changes being made to the airport's infrastructure development plan. The AdB Group's financial performance is strongly influenced by air traffic, which is, in turn, influenced by the economic environment, ongoing health emergencies, the economic and financial situation of individual airlines, airline alliances, and competition with alternative means of transport.
These risks can have a particularly significant impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues, given the pervasive and uncertain nature of the developing pandemic.

In view of the significant commitments to infrastructure development, **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing. While the Group's commitment to develop existing airport infrastructures currently remains unchanged, its operations plan is currently undergoing strategic re-assessment following the drastic reduction in traffic. Due to the current extraordinary financial crisis, the need to finance the Net Working Capital cycle must also be taken into consideration with regard to the operations plan, which has nevertheless been pared down and remodelled. With the aim of approving the 2019 Financial Statements, the Parent Company Shareholders' Meeting of April 30, 2020 decided to allocate the 2019 profit entirely to reserves in order to maintain a solid capital base and to limit the economic impact of COVID-19. The parent company in addition obtained credit lines and significant bank loans for the full coverage of the Group's financial requirements. With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July shall apply from the 2022 financial statements.

The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities.

The Group's **credit risk** is concentrated, in that 36% of its accounts receivable at September 30, 2020 are claimed from its top ten clients, compared to 46% at December 31, 2019. The current crisis and in particular the almost total reduction of carrier turnover in April and May has in fact changed the composition of the top ten customers, with the entry into the ranking of many non-aviation customers, and their percentage of total revenue, as can be seen from the above percentages.

The risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

The commercial policies pursued by the Group to limit its exposure involve:

- requesting immediate payment for transactions with end consumers or occasional counterparties (i.e., parking areas);
- requesting advance payment from occasional airlines or airlines without an appropriate credit profile or collateral;
- requesting performance bonds from sub-concession holder clients.

The current economic crisis has increased the Group's credit risk due to the general lack of liquidity throughout the chain. In order to handle these difficulties, the Group has granted payment deferments to customers and has appropriately taken into account the greater risk for the provision for bad debts at September 30, 2020, and shall continue to monitor such as events unfold in the coming months and in line with the expected recovery timeframe.

In accordance with the disclosure requirements set out in Article 2428(2), No. 6-bis of the Italian Civil Code, the Group holds financial instruments that qualify as significant in quantitative terms. However, considering the criteria that inform its choice of investments, such as:

- minimising the risk of the return of invested capital;
- the differentiation of the credit institutions;
- the duration, normally less than two years;
- the return offered;

the Group believes the **financial risks** – understood as the risks of changes in the value of the financial instruments – to be limited.

The Group is not subject to **foreign exchange risk** since it does not undertake transactions in foreign currencies.

Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 52.7% of the airport's total traffic volumes in 9M 2020. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire in 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Company's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the aforementioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In view of the current air transport industry crisis, any redistribution of passenger traffic among other airlines is more complex and uncertain. However, the parent company maintains active relationships with all sector operators.

Risk related to the effect of incentives on revenue margins

The Parent Company is exposed to the risk of a decrease in the margins of its Aviation Business Unit due to an increase in traffic volumes by airlines that receive incentives.

In accordance with its incentive policy aimed at developing traffic and routes at the Airport, the Company pays some airlines – including both legacy and low-cost carriers – incentives tied to passenger traffic volumes and new routes. This policy limits incentives to levels compatible with positive revenue margins for the Group on each airline's operations. However, should passenger traffic and the routes operated by airlines receiving incentives increase over time, the Aviation Business Unit's positive margins could decline proportionally, with a negative impact, possibly to a material degree, on the Group's financial performance and financial position. Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing a traffic mix that permits it to maintain positive margins. In the face of the pandemic and given the unprecedented market conditions, the Parent Company suspended its 2020 Policy on May 28, 2020 for the remainder of summer 2020, subject to incentives for exceptional cases (mainly the continuation of volatile market conditions), thus approving and publishing, on October 13, 2020, an extraordinary new traffic development Policy, to be applied for one year from the start of the 2020-21 IATA winter season, with the goals of a recovery, as soon as possible, taking into account the exceptional nature of the pandemic, and adopting a temporary, experimental approach – until a stable market is restored at the airport.

Risk relating to a reduction in the margin of non-aviation revenues

During lockdown, a national decree ordered the closure of the airport’s commercial establishments (with very few exceptions, and a complete lack of customers, in any case). Given the above, and in the belief that air traffic recovery would be very limited during the summer months, the Parent Company accepted requests submitted by sub-concession holders to revise certain contracts. AdB revised its contractual structure consisting of GARs (minimum guaranteed annuity rates) and ROYs (royalties) used to supplement “best performance” remuneration, which was previously guaranteed by high traffic levels. Instead, new conditions have been implemented based on variable fees, which are in turn exclusively based on royalties on sub-concessionary revenue. These new contractual conditions will only remain in place until the end of the current year; at the preparation date of this document, a number of concession holders had not yet reopened their sales points.

Risks related to implementation of the Action Plan

The Parent Company invests in the Airport on the basis of an Action Plan approved by the Italian Civil Aviation Authority (ENAC). AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events, such as the current pandemic, or delays in the process of obtaining authorisation for and/or executing the works, with positive adverse effects on the amount of the tariffs that may be applied and possible risks of withdrawal from or termination of the Agreement. The Action Plan was drafted on the basis of the investments envisaged in the Master Plan according to a modular approach, the main driver of which is air traffic performance.

The COVID-19 health emergency may result in the redefinition by the parent company of the main investments to support the infrastructural capacity, including the extension of the terminal and the restructuring of the infrastructural development referred to in the 2030 Masterplan, in order to better meet new traffic demands and to allow for an adequate remuneration of the investment and financial sustainability. Decisions to be adopted by the Board of Directors of the parent company AdB will be communicated to the market immediately, in addition to prompt due disclosure to the National Body for Civil Aviation.

Risks related to the failure to guarantee user services by certain airport operators

The handling companies operating at the airport, in response to growing and intense competitive pressure and in order to ensure the economic sustainability of their operations, in recent years placed particular attention on containing personnel costs, as featuring a significant labour-intensive component, in addition to their efficiency, even to detriment of their quality. The difficult market conditions in which these parties operate were thereafter further worsened by the crisis emerging with the Covid-19 outbreak which hits the entire air sector, making already fragile operating-financial conditions even more difficult. This situation may therefore compromise the quality and the continuity of services offered to passengers by handlers at Bologna airport. The parent company is working to draw up a contingency plan to ensure the continuity of services, also where difficulties arise among the airport operators currently providing the services.

Risks concerning the regulatory framework

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group's core business involves acting as concession holder operating under special exclusive rights to the Bologna airport grounds. Primarily for this reason, it operates in an industry that is highly regulated at the domestic, supranational and international levels. Any change to the regulatory framework (and in particular any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results.

With regards to the **Brexit effect,** the potential economic and social repercussions may not be easily foreseen, particularly with regards to air transport. To date however, no communications regarding changes to the operating schedules of airlines at Bologna airport with regards to Brexit have been received.

The introduction of the IRESA from January 1, 2020 on airports in the Emilia-Romagna Region - although not directly regarding the AdB Group as the tax is upon the airlines - potentially damages the competitivity of the Group given the non-uniform imposition of this tax in neighbouring regions. However, in view of the drastic reduction in traffic in the period, the revenue from this new tax was contained.

Risk related to the high level of intangible assets in proportion to the Group's total assets and shareholders' equity

In terms of the risk of the non-recoverability of the carrying amount of the Concession Rights recognised to intangible assets consolidated at June 30, 2020 for Euro 185 million, the COVID-19 crisis was considered an indicator of impairment and therefore, as per IAS 36, the Group carried out an impairment test on the most recent cash flow projections approved by the Board of Directors of the parent company and based on assumptions considered reasonable and demonstrable, in order to present the best estimate of the future economic conditions that the current situation of uncertainty - in particular on the duration of the crisis - permits.

The impairment test did not identify any impairment of the carrying amounts of the concession rights as at January 30, 2020 and no impairment losses were therefore recognised on these assets.

Seasonality of revenues

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the third quarter rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period experiencing maximum usage levels. In addition, there is a strong business passenger component, due to the characteristics of the local business community and the presence of internationally renowned trade fair events, which offsets the seasonal peaks of tourist activity. Accordingly, financial performance figures for interim periods may not be representative of the Group's financial performance and financial position situation at the annual level. In addition to the above, the impact is considered in the period of the drastic drop in traffic and results following the COVID-19 outbreak.

8 ALTERNATIVE PERFORMANCE INDICATORS

In this Directors' Report, various performance indicators are presented in order to permit a better assessment of operating performance and financial position.

On December 3, 2015, Consob published Communication No. 92543/15, rendering applicable the Guidelines issued on October 5, 2015 by the European Security and Markets Authority (ESMA) regarding the presentation of such indicators in regulated information circulated or financial statements published on or after July 3, 2016. These Guidelines, updating the previous CESR Recommendation (CESR/05-178b), seek to promote the utility and transparency of alternative performance indicators included in regulated information or financial statements within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

The criteria utilised for these indicators, in line with the above communications, are provided below:

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. It is calculated by subtracting from EBITDA the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager;
- **Net Financial Position**: the composition of net financial position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendation ESMA/2011/81.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

Euro thousands	As at 30/09/2020	As at 30/09/2019	Change	Change %
Sureties	8,093	6,700	1,393	21%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	2,880	3,395	-515	-15%
Total guarantees provided	**21,846**	**20,968**	**878**	**4%**

At September 30, 2020, the guarantees granted by the Group total approx. Euro 22 million and principally concern: - sureties, mainly:

- to ENAC (the Italian Civil Aviation Authority) pursuant to the Full Management Agreement (Euro 5.6 million);
- to the Bologna Customs Agency for various custom deposits of the subsidiary Fast Freight Marconi Spa totalling Euro 2.4 million.

- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Parent Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.9 million.

Inter-company and other related party transactions

Reference should be made to the specific paragraph of the Notes to the consolidated financial statements at September 30, 2020 for information concerning transactions undertaken during the period with subsidiaries, associates and related parties.

10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.
However, some significant events occurred after the end of the period or are set to occur in the coming months.

Traffic performance

The COVID-19 pandemic continues to shape traffic at Bologna Airport, as is occurring at all Italian and European airports. In fact, in line with domestic and international trends, in October passengers at Bologna Airport declined by 75.1% on the same month of 2019, for a total of 201,238 passengers, of whom 114,615 on domestic flights (-28.7%) and 86,623 on international flights (-86.6%).

In October, the effects of the pandemic had the greatest impact on international flights, which historically account for around 75% of all Marconi passengers, while domestic flights held up slightly better under the difficulties facing the industry. This figure was also borne out in the rankings of the destinations most in demand, in which Italian destinations occupied all the top five spots: Catania (which with the advent of Wizzair to the route already operated by Ryanair even reported an increase in passengers of 13.6%), Palermo, Brindisi, Lamezia and Bari.
There were 2,442 monthly movements, down 60.8% on October 2019, whereas air cargo transported decreased by 14.4% on the same month in 2019, for a total of 2,898 tonnes. The cargo sector thus held up better than the passenger segment, due in part to the addition of numerous special flights for the importation of personal protective equipment, medicinal products and other goods not available at the time in Italy and required for fight the coronavirus.
In the first ten months of 2020, Bologna Airport carried 2,324,550 total passengers (-70.9%), with 24,057 movements (-61.0%) and 25,544 tonnes of cargo transported (-19.4%).

At the beginning of November, 18 airlines with connections to 42 national and international destinations were operating at the airport. However, the intensification of the COVID-19 pandemic at European level and the entry into force on November 6, 2020 of the new Prime Ministerial Decree (November 3, 2020) introducing restrictions on the movement of individuals between certain Italian regions is driving down demand for flights and thus may reduce supply by airlines compared to the network currently present at the airport.

Operating and Financial Performance and Business Outlook

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

Studies on the pandemic and its impact on the air transport sector suggest an uneven recovery over the coming year, with volumes likely to see-saw as coronavirus spreads through countries at different rates. In view of the resurgence of the pandemic, the information currently available and industry studies, a possible further deterioration of traffic volumes may be expected in the near future, resulting in a currently estimated decline of around 70% compared to 2019. Considering the constantly evolving situation, the impact of the renewed flare-up of the pandemic on traffic volumes cannot be quantified at this time.

The non-aviation sector continues to be adversely affected by the emergency situation, both in terms of the redefinition of contractual agreements – with the substantial elimination of minimum guaranteed components – the weak recovery of traffic volumes on which variable contract components are based and the failure to open several stores at the airport. Overall, the pandemic has had a very negative impact on non-aviation business, given that it is estimated in proportion to the fluctuation in traffic volumes compared to the previous year.

The Group will continue its cost containment measures insofar as possible, taking account of the need to keep the airport fully operative despite the reduced traffic volumes. The Group will also continue its ongoing assessments for the review and potential reformulation of investment initiatives. It will also continue to seek access to additional bank loans, with a view to adequately funding the Group's financial needs.

In view of all that detailed in the section on events in the period and as outlined above, the Group confirms its expectation that the pandemic's impact on the 2020 financial year will be severe, with a return to 2019 volumes and results difficult to see in the near future.

Within this context, the Aeroporto G. Marconi di Bologna S.p.A. Group is paying the utmost attention to the safety of its passengers and employees. The Group also intends to maintain current employment levels, where possible, and to pursue its infrastructure development plans, with the aim of overcoming this emergency and re-igniting a phase of recovery and development for Bologna Airport that was abruptly interrupted by the pandemic.

The Chairman of the Board of Directors
(Enrico Postacchini)

Bologna, November 13, 2020

Consolidated Financial Statements for the period ended September 30, 2020

Statement of Consolidated Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Cash Flow Statement
Statement of Changes in Consolidated Shareholders' Equity

Statement of Consolidated Financial Position

in thousands of Euro	Note	As at 30.09.2020	As at 31.12.2019
Concession rights		194,738	176,184
Other intangible assets		1,707	2,276
Intangible assets	**1**	**196,445**	**178,460**
Property, plant and equipment		13,051	14,951
Investment property		4,732	4,732
Tangible assets	**2**	**17,783**	**19,683**
Investments	**3**	44	44
Other non-current financial assets	**4**	12,279	12,586
Deferred tax assets	**5**	8,950	6,190
Other non-current assets	**6**	307	994
Other non-current assets		**21,580**	**19,814**
NON-CURRENT ASSETS		**235,808**	**217,957**
Inventories	**7**	675	622
Trade receivables	**8**	9,474	15,464
Other current assets	**9**	4,785	5,203
Current financial assets	**10**	274	501
Cash and cash equivalents	**11**	60,409	29,253
CURRENT ASSETS		**75,617**	**51,043**
TOTAL ASSETS		**311,425**	**269,000**

in thousands of Euro	Note	As at 30.09.2020	As at 31.12.2019
Share capital		90,314	90,314
Reserves		87,855	67,009
Profit/(loss) for the period		(8,079)	20,852
GROUP SHAREHOLDERS' EQUITY	**12**	**170,090**	**178,175**
MINORITY INTERESTS	**12**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY		**170,090**	**178,175**
Severance and other personnel provisions	**13**	4,176	4,257
Deferred tax liabilities	**14**	2,605	2,558
Provision for renewal of airport infrastructure	**15**	10,056	9,524
Provisions for risks and charges	**16**	1,405	1,390
Non-current financial liabilities	**17**	71,275	13,080
Other non-current liabilities		0	136
NON-CURRENT LIABILITIES		**89,517**	**30,945**
Trade payables	**18**	20,722	18,537
Other liabilities	**19**	25,208	31,112
Provision for renewal of airport infrastructure	**20**	1,215	4,040
Provisions for risks and charges	**21**	23	18
Current financial liabilities	**22**	4,650	6,173
CURRENT LIABILITIES		**51,818**	**59,880**
TOTAL LIABILITIES		**141,335**	**90,825**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**311,425**	**269,000**

Consolidated Income Statement

In thousands of Euro	Note	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019
Revenues from aeronautical services		16,792	48,890
Revenues from non-aeronautical services		12,908	33,502
Revenues from construction services		23,517	11,315
Other operating revenues and income		569	763
Revenues	**23**	**53,786**	**94,470**
Consumables and goods		(998)	(1,590)
Service costs		(11,266)	(14,992)
Construction service costs		(22,397)	(10,776)
Leases, rentals and other costs		(2,750)	(6,499)
Other operating expenses		(2,237)	(2,426)
Personnel costs		(15,275)	(21,958)
Costs	**24**	**(54,923)**	**(58,241)**
Amortisation of concession rights		(4,962)	(4,643)
Amortisation of other intangible assets		(979)	(904)
Depreciation of tangible assets		(1,894)	(2,060)
Depreciation, amortisation and impairment	**25**	**(7,835)**	**(7,607)**
Provisions for doubtful accounts		(260)	(516)
Provision for renewal of airport infrastructure		(1,323)	(1,795)
Provisions for other risks and charges		(29)	(306)
Provisions for risks and charges	**26**	**(1,612)**	**(2,617)**
Total Costs		**(64,370)**	**(68,465)**
Operating result		**(10,584)**	**26,005**
Financial income	**27**	123	88
Financial expenses	**27**	(674)	(1,007)
Result before taxes		**(11,135)**	**25,086**
Taxes for the period	**28**	3,056	(7,184)
Profit (loss) for the period		**(8,079)**	**17,902**
Minority interest profit		0	0
Group profit (loss) for the period		**(8,079)**	**17,902**
Undiluted earnings/(loss) per share (in Euro)		**(0.22)**	**0.49**
Diluted earnings/(loss) per share (in Euro)		**(0.22)**	**0.49**

Consolidated Statement of Comprehensive Income

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019
Profit (loss) for the period (A)	**(8,079)**	**17,902**
Other profits (losses) that will be reclassified in the net result for the period	0	0
Total other profits (losses) that will be reclassified in the net result for the period (B1)	**0**	**0**
Other profits (losses) that will not be reclassified in the net result for the period		
Actuarial losses on severance and other personnel provisions	(9)	(309)
Tax impact on actuarial profits on severance and other personnel provisions	2	74
Total other losses that will not be reclassified in the net result for the period (B2)	**(7)**	**(235)**
Total other losses, net of taxes (B1 + B2) = B	**(7)**	**(235)**
Total comprehensive profits (loss) net of taxes (A + B)	**(8,086)**	**17,667**
of which Minority Interests	0	0
of which Group	**(8,086)**	**17,667**

Consolidated Cash Flow Statement

in thousands of Euro	**As at 30.09.2020**	**As at 30.09.2019**
Core income-generating operations		
Result for the period before taxes	(11,135)	25,086
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(1,120)	(539)
+ Depreciation and amortisation	7,835	7,607
+ Provisions	1,612	2,617
+ Interest expense on discounting provisions and severance	240	648
+/- Interest income and financial charges	312	271
+/- Losses/gains and other non-monetary costs/revenues	120	0
+/- Severance provisions and other personnel expenses	31	74
Cash flow generated/(absorbed) by operating activities before changes in working capital	**(2,106)**	**35,764**
Change in inventories	(53)	60
(Increase)/decrease in trade receivables	5,640	(4,816)
(Increase)/decrease in other receivables and current/non-current assets (non financial)	1,116	(1,913)
Increase/(decrease) in trade payables	2,185	(5,177)
Increase/(decrease) in other liabilities, various and financial	(5,002)	2,817
Interest paid	(511)	(246)
Interest collected	79	105
Taxes paid	(2,252)	(3,393)
Severance and other personnel provisions paid	(152)	(218)
Use of provisions	(3,868)	(1,377)
Cash flow generated / (absorbed) by net operating activities	**(4,923)**	**21,606**
Purchase tangible assets	(751)	(1,301)
Payment from sale of tangible assets	3	0
Purchases of intangible assets/concession rights	(22,137)	(9,209)
Proceeds on sale of intangible assets/concession rights	0	0
Purchase/capital increase of equity investments	0	0
Proceeds on sale of equity investments	0	0
Change in investment in current and non-current financial assets	570	17,400
Cash flow generated / (absorbed) by investment activities	**(22,315)**	**6,890**
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	(16,220)
Loans received	63,900	3,000
Loans repaid	(5,386)	(6,041)
Payments of leasing capital share	(120)	(383)
Cash flow generated / (absorbed) by financing activities	**58,393**	**(19,644)**
Final cash change	**31,156**	**8,852**
Cash and cash equivalents at beginning of period	**29,253**	**15,762**
Final cash change	**31,156**	**8,852**
Cash and cash equivalents at end of period	**60,409**	**24,614**

Statement of changes in Consolidated Shareholders’ Equity

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other Reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profits (losses) Carried Forward*	*Profit (loss) for the period*	*Group shareholders' equity*	*Minority interests*	*Shareholders’ Equity*
Shareholders’ Equity at 31.12.2019	**90,314**	**25,683**	**7,170**	**37,029**	**(3,272)**	**(988)**	**1,387**	**20,852**	**178,175**	**0**	**178,175**
Allocation of the 2019 financial year result	0	0	1,009	19,626	0	0	217	(20,852)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(7)	0	(8,079)	(8,086)	0	(8,086)
Shareholders’ Equity at 30.09.2020	**90,314**	**25,683**	**8,179**	**56,655**	**(3,272)**	**(995)**	**1,604**	**(8,079)**	**170,090**	**0**	**170,090**

in thousands of Euro	**Share capital**	**Share Premium Reserve**	**Legal reserve**	**Other reserves**	**FTA Reserve**	**Actuarial profits/ (losses) reserve**	**Profits (losses) Carried Forward**	**Profit (loss) for the period**	**Group shareholders' equity**	**Minority interests**	**Shareholders’ Equity**
Shareholders’ Equity at 31.12.2018	**90,314**	**25,683**	**6,310**	**36,437**	**(3,272)**	**(821)**	**1,132**	**17,927**	**173,710**	**0**	**173,710**
Allocation of the 2018 financial year result	0	0	860	592	0	0	16,475	(17,927)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	(16,220)	0	(16,200)	0	(16,220)
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(235)	0	17,902	17,667	0	17,667
Shareholders’ Equity as at 30.09.2019	**90,314**	**25,683**	**7,170**	**37,029**	**(3,272)**	**(1,056)**	**1,387**	**17,902**	**175,157**	**0**	**175,157**

Notes to the consolidated financial statements

Information on Group activities

The Group operates in the airport management business. In particular:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter “AdB” or the “Parent Company”) is full manager of Bologna airport under Full Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register.
- Fast Freight Marconi S.p.A. (hereinafter FFM) operates in the cargo and mail handling business at Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..
- TAG Bologna S.r.l. (hereinafter TAG) operates in the general aviation business as a handler and manager of the related infrastructure at the Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..

Accounting Standards adopted for the Preparation of the Consolidated Interim Financial Statements as at September 30, 2020

Basis of preparation

The condensed consolidated interim financial statements of the Group (hereafter “the condensed consolidated interim financial statements of the Group” or “consolidated financial statements”) were prepared for the nine months ended September 30, 2020 and include the comparative figures for the year ended December 31, 2019, limited to the Consolidated Statement of Financial Position and the comparative figures for the January 1-September 30, 2019, limited to the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared under the historic cost convention, except for financial assets held-for-sale, and Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle. Despite enduring a difficult economic and financial time due to the effects of the Covid-19 pandemic, and taking into account all available information, the Group believes that no significant uncertainties exist (as defined by paragraph 25 of IAS Principle 1) on the going concern, as it believes that the current crisis is exceptional in nature and temporary in duration – despite being particularly significant in scope and impact. For further information on risk factors, assumptions and uncertainties, please refer to the relevant paragraph in the Directors’ Report.

The consolidated financial statements are presented in thousands of Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

The publication of the condensed consolidated interim financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the first nine months of 2020 was approved by the Board of Directors on November 13, 2020.

Content and form of the consolidated financial statements

The Condensed Consolidated Interim Financial Statements at September 30 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2019 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board ("IASB").

The accounting standards and policies utilised are those adopted for the preparation of the annual financial statements at December 31, 2019, to which the reader is referred, with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2020, applied for the first time by the Group at the obligatory effective date, without any impact on the reporting period. The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

This interim report has not been audited.

The Group opted to apply the Separate and Consolidated Statement of Comprehensive Income, as permitted by IAS 1, considering such more representative of operations. In particular, the Statement of Consolidated Financial Position has been prepared by separating assets and liabilities into current and non-current categories.
An asset is considered current where:

- it is expected to be realized, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be realized within twelve months of the closing date of the year; or
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from the reporting date.

All other assets are classified as non-current.

A liability is considered current where:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified respectively under non-current assets and liabilities.
The Consolidated Income Statement has been prepared by classifying income and expenses by their nature, whereas the Consolidated Cash Flow Statement has been prepared using the indirect method, according to which cash flows are classified into operating, investing and financing categories.

Consolidation Scope

The consolidated financial statements at September 30, 2020 were prepared based on the financial statements of the Parent Company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS. The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.
The following table summarises the information on the subsidiaries at September 30, 2020 and December 31, 2019 in terms of the Group's direct and indirect holding.

in thousands of Euro	Currency	Share capital	As at 30.09.2020	As at 31.12.2019
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	Euro	316	100.00%	100.00%

With regard to Ravenna Terminal Passeggeri Srl, in which AdB held a 24% stake, the associated company's Shareholders' Meeting, held on July 9, in addition to approving the company's 2019 financial statements, resolved to cover the company's losses by reducing its share capital to zero and then restoring it by subscribing for and paying in new share capital. AdB did not participate in the share capital transactions and optioned its unsubscribed stake, resulting in the elimination of its investment in the company. This transaction had no impact on the consolidated financial statements of the AdB Group at September 30, 2020 as the value of the investment was fully written down in previous financial years.

Operating Segment information

The Aeroporto Guglielmo Marconi di Bologna Group, in application of IFRS 8, identified its operating segments as the business areas which generate revenues and costs, whose results are periodically reviewed by the highest decision-making level in order to evaluate the outcome of the decisions concerning the allocation of resources and for which separate financial statements are available.
The Group operating segments as per IFRS 8 - Operating Segment are as follows:

- Aviation;
- Non-Aviation;
- Other.

The disclosure concerning operating segments for the Continuing Operations is outlined to reflect the future organisational structure of the Group, with separate disclosure for Discontinued Operations.

In relation to the operating segments, the Group evaluates their performance based on passenger revenues, separating those concerning the aviation sector from those concerning the non-aviation sector.

The account "Other" residually includes those businesses not directly attributable to the identified segments.

In Group operations, financial income and charges and taxes are not allocated to the individual operating segments.

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities.

The segment assets presented are measured utilising the same accounting policies adopted for the presentation of the Group consolidated financial statements.

In thousands of Euro	For the nine months ended 30.09.2020 Aviation	For the nine months ended 30.09.2020 Non-Aviation	For the nine months ended 30.09.2020 Other	For the nine months ended 30.09.2020
Revenues	34,202	19,584	0	53,786
Costs	(39,680)	(15,243)	0	(54,923)
Gross operating profit/(loss)	**(5,478)**	**4,341**	**0**	**(1,137)**
Depreciation, amortisation & impairment	(5,188)	(2,647)	0	(7,835)
Provisions	(1,320)	(292)	0	(1,612)
Operating result	**(11,986)**	**1,402**	**0**	**(10,584)**
Financial income	0	0	123	123
Financial expenses	0	0	(674)	(674)
Result before taxes	**(11,986)**	**1,402**	**(551)**	**(11,135)**
Taxes for the period	0	0	3,056	3,056
Profit (loss) for the period	**(11,986)**	**1,402**	**2,505**	**(8,079)**
Minority interest profit	**0**	**0**	**0**	**0**
Group profit (loss)	**0**	**0**	**0**	**(8,079)**

In thousands of Euro	For the nine months ended 30.09.2019 Aviation	For the nine months ended 30.09.2019 Non-Aviation	For the nine months ended 30.09.2019 Other	For the nine months ended 30.09.2019
Revenues	59,652	34,818	0	94,470
Costs	(43,442)	(14,799)	0	(58,241)
Gross operating profit (EBITDA)	**16,210**	**20,019**	**0**	**36,229**
Depreciation, amortisation & impairment	(5,241)	(2,366)	0	(7,607)
Provisions	(2,309)	(308)	0	(2,617)
Operating result	**8,660**	**17,345**	**0**	**26,005**
Financial income	0	0	88	88
Financial expenses	0	0	(1,007)	(1,007)
Result before taxes	**8,660**	**17,345**	**(919)**	**25,086**
Taxes for the period	0	0	(7,184)	(7,184)
Profit (loss) for the period	**8,660**	**17,345**	**(8,103)**	**17,902**
Minority interest profit	**0**	**0**	**0**	**0**
Group profit (loss)	**0**	**0**	**0**	**17,902**

The table below presents the segment information for assets:

in thousands of Euro	As at 30.09.2020 Aviation	As at 30.09.2020 Non-Aviation	As at 30.09.2020 Other	As at 30.09.2020 Total
Non-current assets	**175,160**	**39,146**	**21,502**	**235,808**
Intangible assets	**171,160**	**25,285**	**0**	**196,445**
Concession rights	170,322	24,416	0	194,738
Other intangible assets	838	869	0	1,707
Tangible assets	**3,938**	**13,845**	**0**	**17,783**
Property, plant and equipment	3,938	9,113	0	13,051
Investment property	0	4,732	0	4,732
Other non-current assets	**62**	**16**	**21,502**	**21,580**
Investments	0	0	44	44
Other non-current financial assets	0	0	12,279	12,279
Deferred tax assets	0	0	8,950	8,950
Other non-current assets	62	16	229	307
Current assets	**9,611**	**3,820**	**62,186**	**75,617**
Inventories	365	310	0	675
Trade receivables	6,311	3,163	0	9,474
Other current assets	2,935	347	1,503	4,785
Current financial assets	0	0	274	274
Cash and cash equivalents	0	0	60,409	60,409
Total assets	**184,771**	**42,966**	**83,688**	**311,425**

in thousands of Euro	As at 30.09.2019 Aviation	As at 30.09.2019 Non-Aviation	As at 30.09.2019 Other	As at 30.09.2019 Total
Non-current assets	**164,170**	**30,041**	**19,783**	**213,994**
Intangible assets	**159,792**	**15,251**	**0**	**175,043**
Concession rights	158,734	14,230	0	172,964
Other intangible assets	1,058	1,021	0	2,079
Tangible assets	**4,359**	**14,771**	**0**	**19,130**
Property, plant and equipment	4,359	10,039	0	14,398
Investment property	0	4,732	0	4,732
Other non-current assets	**19**	**19**	**19,783**	**19,821**
Investments	0	0	43	43
Other non-current financial assets	0	0	12,215	12,215
Deferred tax assets	0	0	6,120	6,120
Other non-current assets	19	19	1,405	1,443
Current assets	**18,154**	**7,050**	**25,137**	**50,341**
Inventories	334	200	0	534
Trade receivables	12,441	6,132	0	18,573
Other current assets	5,379	718	523	6,620
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	24,614	24,614
Total assets	**182,324**	**37,091**	**44,920**	**264,335**

Segment disclosure regarding the identified operating segments is undertaken as outlined below.

Aviation: refers to the airport's core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fuelling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and spaces assigned to airport operators.

Non-Aviation: operations not directly connected to the aviation business. This include sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.
The breakdown of revenues and costs between the Aviation and Non-Aviation SBU's follows ENAC's guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.

The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria.

The main differences were as follows:

- accounts not considered relevant for regulatory accounting purposes which are allocated through a specific review of the individual cost/revenue items;
- revenues and costs for construction services allocated according to an analytical breakdown of investments in the year between the two SBU's according to regulatory criteria;
- incentives for the development of air traffic, allocated entirely to the Aviation SBU in accordance with the financial statement breakdown.

ASSETS

1. Intangible assets

The following table breaks down intangible assets at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Concession rights	194,738	176,184	18,554
Software, licences and similar rights	1,155	1,752	(597)
Other intangible assets	56	60	(4)
Other intangible assets in progress	496	464	32
TOTAL INTANGIBLE ASSETS	**196,445**	**178,460**	**17,985**

In the first nine months of 2020, Concession rights increased by Euro 22.8 million (equal to the fair value of construction services provided in the period), principally due to:

- construction work on a new cargo building and related annexes for a specialised operator;
- the acquisition of an area adjacent to the airport grounds for the future infrastructural development of the terminal;
- structural and functional upgrading works on the runway, consisting of upgrading and repairs of the paving, the white-water disposal network and repairs of the VLA systems;
- extension and modification of the departing baggage handling system (BHS) to comply with "STANDARD 3" security level as required by current regulations.

Amortisation of concession rights in the period amounted to Euro 5 million and was applied according to the residual duration of the concession, considering the two-year extension granted by the Relaunch Decree.

Software, licenses and similar rights, recorded an increase of Euro 378 thousand, primarily linked to the development of some software platforms and the modernization of the GSTAR Operating System through the activation of the module serving the de-icing plant.

Other intangible assets in progress include software development not concluded at September 30, 2020.

Test on the recoverability of assets and group of assets

The Concession Rights are tested for impairment at least once a year, when the financial statements are approved, as well as periodically when there are internal and external indicators of the reduction in value of such assets. In the light of the COVID-19 health and economic crisis, the Group updated the impairment test with reference to the values of the concession rights as at June 30, 2020: the test did not identify any impairment and, accordingly, no impairment losses were therefore recognised on these assets. For further details, see the Consolidated Half-Year Report at June 30, 2020

2. Tangible assets

The following table breaks down tangible assets at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,583	3,876	(293)
Machinery, equipment & plant	2,883	3,109	(226)
Furniture, EDP and transport	1,902	2,147	(245)
Building plant and machinery in progress and advances	403	1,087	(684)
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	**16,266**	**17,714**	**(1,448)**
Land in leasing	1,338	1,732	(394)
Leased buildings and minor construction and improvements	0	2	(2)
Leased machinery, equipment & plant	11	11	0
Leased furniture, office machinery, transport equipment	168	224	(56)
TOTAL LEASED TANGIBLE ASSETS	**1,517**	**1,969**	**(452)**
TOTAL TANGIBLE ASSETS	**17,783**	**19,683**	**(1,900)**

In 9M 2020, this category increased overall by Euro 0.73 million, mainly relating to the purchase of furniture and EDP, as well as to the purchase of ten thermo-scanners to measure the temperature of passengers at terminal entrances, security checkpoints and arrivals.

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.
This land is not subject to amortisation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the financial statements, there were no impairment indicators on these assets.

3. Investments

The tables below break down investments at September 30, 2020 (compared to December 31, 2019); the values and composition of investments remain unchanged.

in thousands of Euro	As at 31.12.2019	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.09.2020
Other investments	44	0	0	0	44
TOTAL INVESTMENTS	**44**	**0**	**0**	**0**	**44**

The composition of the account is as follows:

in thousands of Euro	Holding	As at 30.09.2020	As at 31.12.2019	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	41	41	0
TOTAL OTHER INVESTMENTS		**44**	**44**	**0**

4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the period ended September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 31.12.2019	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 30.09.2020
Receivables from Terminal Value	364	18	0	0	382
Equity Financial Instruments	10,873	0	0	0	10,873
Escrow bank accounts/Saving bonds	70	0	(70)	0	0
Other financial assets	1,279	14	(269)	0	1,024
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**12,586**	**32**	**(339)**	**0**	**12,279**

At September 30, 2020 the account "Other non-current financial assets" comprised:

- Euro 0.4 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Group relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal. For further details on this item, see the 2019 Financial Statements;

- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed on January 21, 2016 for a total value of Euro 10.9 million, is recorded at September 30, 2020 corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. Specifically, considering the difficulty in measuring the fair value of this Equity Financial Instrument, the Group availed of the exemption permitted for equity financial instruments where the fair value may not be reliably measured. Consequently, the subsequent valuations of this SFP are at cost and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement and may not be written back;

- Euro 1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category “Held to collect – HTC”, as this complies with the Group’s need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

The decreases during the period were mainly due to the reclassification to current financial assets (note 10) of another capitalisation product with a duration of 5 years, a value of Euro 0.3 million and maturity in May 2021.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the period ended September 30, 2020, compared with December 31, 2019:

in thousands of Euro	As at 31.12.2019	Provisions	Utilizations	As at 30.09.2020
DEFERRED TAX ASSETS	**6,190**	**3,509**	**(749)**	**8,950**

The principal temporary differences on which deferred tax assets are recognised concern:

- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the provision for doubtful accounts;
- maintenance costs as per Article 107 of the CFA, deductible in future years;
- tax losses carried forward;
- adjustments related to the application of international accounting standards;
- other expense items concerning subsequent periods.

The increase recorded in 2020 was mainly due (Euro 2.9 million) to deferred tax assets on the Parent Company’s IRES tax loss, which is reasonably certain to be recovered in the future in view of the Group’s forecast financial performance.

6. Other non-current assets

The following table breaks down other non-current assets at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Non-current prepaid expenses and accrued income	78	184	(106)
Guarantee deposits	88	88	0
Non-current tax receivables	141	722	(581)
OTHER NON-CURRENT ASSETS	**307**	**994**	**(687)**

The main change in this asset category concerns the “non-current tax receivables” account, or the receivable recorded at December 31, 2019, following the IRES reimbursement request for the non-deduction of IRAP on personnel costs (Legislative Decree 201/2011 and Tax Agency Decision No. 2012/140973 of 2012) for the portion concerning the years 2009-2011 for Euro 0.6 million. This amount, inclusive of the share of the subsidiaries Tag Bologna and Fast Freight within the Group fiscal consolidation, was collected in full in May.

7. Inventories

The following table breaks down inventories at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Inventories of raw materials, supplies and consumables	654	519	135
Inventories of finished products	21	103	(82)
INVENTORIES	**675**	**622**	**53**

8. Trade receivables

The table below illustrates the trade receivables and the relative doubtful debt provision:

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Trade receivables	11,660	17,300	(5,640)
Provisions for doubtful accounts	(2,186)	(1,836)	(350)
TRADE RECEIVABLES	**9,474**	**15,464**	**(5,990)**

At September 30, 2020, trade receivables for Euro 9.5 million were recorded net of the provision for doubtful accounts of Euro 2.2 million. Gross trade receivables contracted significantly (-Euro 5.6 million) from Euro 17.3 million at December 31, 2019 to Euro 11.7 million due to the drop in revenues as a result of the severe traffic decline caused by the COVID-19 pandemic.
The increase in the provision for doubtful accounts is due both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute, whose probability of recovery reduced in the period and the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio. In terms of risks on receivables, in July, as part of the measures taken by the Group to aid its customers in overcoming the financial difficulties caused by the COVID-19 emergency, payment deferrals were granted for amounts invoiced, resulting in the rescheduling of most of overdue receivables.

in thousands of Euro	As at 31.12.2019	Provisions	Utilizations	Releases	As at 30.09.2020
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,836)**	**(371)**	**16**	**5**	**(2,186)**

The provisions in the period total Euro 371 thousand, of which Euro 104 thousand recorded as a direct reduction of the relative revenues as concerning amounts matured in 2020 which are no longer considered collectible.

9. Other current assets

The following table breaks down other current assets at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
VAT Receivable	827	182	645
Direct income tax receivables	2	0	2
Other tax receivables	0	7	(7)
Employee receivables	58	83	(25)
Other receivables	3,898	4,931	(1,033)
OTHER CURRENT ASSETS	**4,785**	**5,203**	**(418)**

Other receivables are composed of:

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Prepayments and accrued income	794	327	467
Advances to suppliers	154	61	93
Pension and social security institutions	150	19	131
Municipal surtax receivables	3,400	4,799	(1,399)
Other current receivables provision for doubtful accounts	(966)	(763)	(203)
IRESA receivables	163	0	163
Other current receivables	203	488	(285)
TOTAL OTHER RECEIVABLES	**3,898**	**4,931**	**(1,033)**

"Prepayments and accrued income" include cost items recognised in advance during the nine months of the reporting period. The increase compared to December 31 was due not only to the seasonal effect during the period, but also the prepayments recognised on the fees for the SACE guarantee for the two loans contracted in July.

The decline in the amount receivable for passenger boarding fees surtaxes was due to the drop in traffic as a result of the health emergency. Relating to this account, the Group charged the carriers the boarding fee municipal surtax, as per Article 2, paragraph 11 of Law 350/2003 and subsequent integrations and modifications, and once collected, paid the amount to the State and to INPS respectively in the measure of Euro 1.50 and Euro 5.00 per passenger boarded.
The account "other current receivables provision for doubtful accounts" includes the provision for municipal surtax doubtful accounts obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the municipal surtax to the carriers which in the meantime were subject to administration procedures or which contested the charge. This account:

- is exclusively an asset account,
- does not involve any provisions to the Income Statement,
- was classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

in thousands of Euro	As at 31.12.2019	Provisions/Increases	Utilizations	Releases	As at 30.09.2020
Municipal surtax receivable provision					
TOTAL OTHER RECEIVABLES PROVISIONS FOR DOUBTFUL ACCOUNTS	**(763)**	**(244)**	**41**	**0**	**(966)**

Finally, the IRESA receivable is due to the invoicing to the carriers, on behalf of the Emilia-Romagna Region as from January 1, 2020, of the new regional Iresa - Regional Tax on Aircraft Sound Emissions - whose collection is fully paid to the Region itself according to the methods and timeline governed by a specific agreement.

10. Current Financial Assets

The following table presents the movement in current financial assets at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 31.12.2019	Acquisitions	Other increases/ reclassifications	Decreases / Disposals	As at 30.09.2020
Escrow bank accounts	500	0	(500)	0	0
Capitalisation policies	0	0	272	0	272
Other financial receivables	1	0	1	0	2
TOTAL OTHER CURRENT FINANCIAL ASSETS	**501**	**0**	**(227)**	**0**	**274**

At September 30, 2020, this account included a capitalisation product of Euro 0.3 million, already in place at December 31, 2019, of 5-year duration and May 2021 maturity, reclassified to this item due to the proximity of the contractual due date. As per IFRS 9, this asset is also classified in the category "Held to collect - HTC". In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

The change in the item escrow bank accounts refers to a deposit certificate of Euro 500 thousand, subscribed in 2019 and with maturity in October 2020 and therefore reclassified to Note 11. Cash and cash equivalents, to which the reader is referred.

11. Cash and cash equivalents

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Bank and postal deposits	60,383	29,227	31,156
Cash in hand and similar	26	26	0
CASH AND CASH EQUIVALENTS	**60,409**	**29,253**	**31,156**

Cash and cash equivalents increased during the reporting period due to the drawdown in July of two loans backed by SACE guarantees as part of the Italy Guarantee programme, for a total of Euro 58.9 million. The item also includes Euro 500 thousand relating to the certificate of deposit maturing in October 2020, reclassified from item 10. Current financial assets. This category of financial investments meets the Group's temporary needs to invest liquidity in order to obtain the contractual cash flows. Pursuant to IFRS 9, it is classified as being in the "Held to collect – HTC" category. The contractual maturity defined, the yield defined and calculated on the notional amount permits the passing of the SPPI tests and therefore the valuation at amortised cost.

LIABILITIES

12. Shareholders’ Equity

The following table breaks down the Shareholders’ Equity at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Share capital	90,314	90,314	0
Reserves	87,855	67,009	20,846
Profit/(loss) for the period	(8,079)	20,852	(28,931)
GROUP SHAREHOLDERS’ EQUITY	**170,090**	**178,175**	**(8,086)**

i. Share capital

The share capital of the Parent Company at September 30, 2020 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

The following table outlines the calculation of the basic and diluted earnings per share:

in Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019
Group profit (loss)	(8,084,996)	17,666,993
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**(0.22)**	**0.49**
Diluted earnings/(losses) per share	**(0.22)**	**0.49**

(*) Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group at September 30, 2020 and September 30, 2019 are the same due to the absence of potential dilutive instruments.

ii. Reserves

The following table breaks down the Reserves at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	7,170	1,009
Extraordinary Reserve	56,655	37,029	19,626
FTA Reserve	(3,272)	(3,272)	0
Profits carried forward	1,604	1,387	217
OCI Reserve	(995)	(988)	(7)
TOTAL RESERVES	**87,855**	**67,009**	**20,846**

The share premium reserve comprises:

- Euro 14.35 million following the paid-in share capital increase approved by the Shareholders’ Meeting of February 20, 2006;
- Euro 11.33 million following the public offering of shares in July 2015.

Pursuant to Article 2431 of the Civil Code this reserve is available but may not be distributed until the legal reserve has reached the limit established as per article 2430 of the Civil Code.

The Parent Company Shareholders' Meeting of April 30, 2020, in addition to approving the 2019 Financial Statements, accepted the prudent approach proposed by the Board of Directors to support the capital base and limit the economic impact of COVID-19, resolving to fully allocate the 2019 net profit to reserves.
The legal reserve, extraordinary reserve and retained earnings/accumulated losses reserve therefore increased due to the allocation of the profit in the previous year.

The OCI reserve records the changes deriving from the discounting of the severance provision in accordance with IAS 19 revised (note 13), net of the relative tax effect as per the following table:

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
IAS 19 actuarial profits/losses	(1,309)	(1,300)	(9)
Deferred taxes on actuarial gains/losses as per IAS 19	314	312	2
OCI RESERVE	**(995)**	**(988)**	**(7)**
of which minority interest	**0**	**0**	**0**
of which Group	**(995)**	**(988)**	**(7)**

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Severance	3,991	4,088	(97)
Other personnel provisions	185	169	16
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,176**	**4,257**	**(81)**

The table below shows the movements in the provisions from December 31, 2019 to September 30, 2020.

in thousands of Euro	As at 31.12.2019	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.09.2020
Post-employment benefits	4,088	15	32	(152)	9	3,991
Other personnel provisions	169	16	0	0	0	185
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,257**	**31**	**32**	**(152)**	**9**	**4,176**

The other personnel provisions at September 30, 2020 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager of the Parent Company.

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 31.12.2019	Provisions	Utilizations	As at 30.09.2020
DEFERRED TAX LIABILITIES	**2,558**	**47**	**0**	**2,605**

15. Provision for renewal of airport infrastructure (non-current)

The provision for renewal of airport infrastructure includes the provision allocated to cover the conservation maintenance expenses and renewal of the assets held under concession which the Group must return at the end of the concession period in perfect functioning state.
The following table presents the movements in the provision in the period:

in thousands of Euro	As at 31.12.2019	Provisions	Uses	Reclassifications	As at 30.09.2020
PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE (NON-CURRENT)	**9,524**	**1,551**	**0**	**(1,019)**	**10,056**

The increases in the period totalled Euro 1.6 million, of which Euro 1.3 million classified under provisions in the income statement and the residual of Euro 227 thousand recorded under financial expenses from discounting. The decrease in the provision with respect to the comparative period was due to the periodic revision of the ten-year work plan, which entailed the postponement of some projects.
The utilisations of the provision total Euro 3.8 million and are stated in the current provision for renewal of airport infrastructure (note 20).
At September 30, 2020, the provision for renewal of airport infrastructure (non-current portion and current portion) totals Euro 11.3 million.

16. Provisions for risks and charges (non-current)

The following table shows the movements for the period ended September 30, 2020 of the provision for risks and charges:

in thousands of Euro	As at 31.12.2019	Provisions	Util./Other decreases	As at 30.09.2020
Risk provision for disputes	978	5	0	983
Provisions for other risks and charges	412	18	(8)	422
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,390**	**(23)**	**(8)**	**1,405**

Neither the risk provision for disputes nor other provisions for risks and charges underwent significant changes during the reporting period. For further information, see the 2019 Financial Statements.

Contingent liabilities

With regards to the notification of invitation from the Municipality of Bologna, received on February 10, 2020, of a differing cadastral classification of a number of buildings - against that agreed with the administration since 2007 - with a consequent impact on the IMU tax for recent years and following which a provision for risks of Euro 215 thousand was recognised to the 2019 financial statements, the Directors, taking into account the factual and legal arguments shared with their tax advisors, have decided to qualify the contingent liability as possible for a further estimated amount of Euro 288 thousand and therefore to include appropriate information in the Notes.

On July 26, 2016, on the completion of a general review commenced on May 18, 2016 for the year 2013 of the Parent Company, the Bologna Tax Agency prepared a tax assessment highlighting a presumed derecognition of the IRES deductibility of the loss of Euro 5 million deriving from the enforcement of the surety guarantee issued in 2007 by AdB to the financial institutions of SEAF, Società di Gestione dell'Aeroporto di Forlì, company declared bankrupt in 2013.

The Directors, taking account of the factual and legal arguments of the Parent Company, as formalised in the petitions forwarded to the Tax Agency concerning the financial and therefore tax reasoning behind the choices made, categories the liability as possible and therefore only includes appropriate disclosure in the Notes.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes. At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action (see the Directors' Report), the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, in view of the fact that in this case the conditions for action by the creditor do not exist, although while at the same time continuing to closely monitor the airline's situation.

17. Non-current financial liabilities

The following table breaks down non-current financial liabilities at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Bank loans – non-current	70,163	11,643	58,520
Non-current financial payables for leasing	1,112	1,437	(325)
NON-CURRENT FINANCIAL LIABILIITES	**71,275**	**13,080**	**58,195**

Bank loans - non-current comprise medium/long-term loans contracted by the Group and outstanding at that date.

Total bank loans at September 30, 2020 amount to Euro 73.2 million, of which Euro 70.2 million non-current and Euro 3.1 million current (note 22).

The increase during the period was due to the finalisation of two loan transactions undertaken by the Parent Company to support the infrastructure development plan and meet the increased need for working capital due to the COVID-19 emergency. Both transactions comprise loans secured by SACE guarantees under the "Italy Guarantee" programme. The loans have a 72-month duration, with equal instalments to be paid on a quarterly basis, and a grace period of 2 years (Unicredit) and 3 years (Banca Intesa) and amount to Euro 25 million from Unicredit and Euro 33.9 million from Intesa Sanpaolo.

The contractual conditions of the loans in place at September 30, 2020 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	Yes
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor variable 3 Months + spread 0.9%	Quarterly	2026	No
Unicredit Spa Sace guarantee	Loan	Fixed rate of 0.77%	Quarterly	2026	Yes
Intesa San Paolo Spa - SACE-backed	Loan	Euribor variable 3 Months + spread 1.29%	Quarterly	2026	No

The annual nominal cost of the two new bank loans, shown in the table above, is in addition to the cost of the SACE guarantee, which amounts to 0.5% in the first year, 1% in the second and third years and 2% from the fourth to sixth years of the guaranteed portion of the debt, equal to 90% of the loan.

The loans are not covered by secured guarantees.

With reference to the cross-default clauses on the loan contracts of the Company, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at September 30, 2020 the Group has not received any communication for application of cross default clauses by any of its lenders since at the contractual level there are no obligations for verification at that date and, in any event, the Group has complied with its existing contractual obligations.
With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July shall apply from the 2022 financial statements.

"Non-current financial liabilities for leasing" of Euro 1.1 million concern contractually due fees and with maturity beyond 12 months, for third party asset rights-of-use recognised to fixed assets under IFRS 16 (note 2).
The Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.

We illustrate below the table required by IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:

in thousands of Euro	31/12/2019	Cash flows	New contracts	Interest/Other Reclassifications	30/09/2020
Loans - current portion	3,059	(5,386)	5,000	389	3,062
Lease liabilities - current portion	521	(120)	16	235	652
Loans - non-current portion	11,643	0	58,900	(380)	70,163
Lease liabilities - non-current portion	1,437	0	21	(346)	1,112
Total	**16,660**	**(5,506)**	**63,937**	**(102)**	**74,989**

18. Trade payables

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Trade payables			
TRADE PAYABLES	**20,722**	**18,537**	**2,185**

At September 30, 2020, trade payables amounted to Euro 20.7 million, increasing on December 31, 2019, mainly due to investments made in September.

19. Other Liabilities

The following table breaks down current liabilities at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Current tax payables	782	3,598	(2,816)
Employee payables and social security institutions	3,172	4,708	(1,536)
ENAC concession fee and other State payables	17,228	17,669	(441)
Other current liabilities, accrued liabilities and deferred income	4,026	5,137	(1,111)
TOTAL OTHER CURRENT LIABILITIES	**25,208**	**31,112**	**(5,904)**

The principal changes were as follows:

i. Current tax payables

The following table breaks down tax payables at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Direct income taxes	15	2,620	(2,605)
Other tax payables	767	978	(211)
TOTAL CURRENT TAX PAYABLES	**782**	**3,598**	**(2,816)**

Payables for direct taxes were essentially reduced to zero due to:

- ✓ the estimated tax loss for the period, with the resulting recognition of IRES deferred tax assets;
- ✓ the payment of the IRES balance for 2019 in June;
- ✓ Legislative Decree 34/2020 (the "Relaunch Decree"), which provided for an exemption from payment of the IRAP balance in 2019 (in addition to the 40% first instalment of the prepayment due for 2020).

The item other tax payables is primarily composed of the IRPEF payable on employees and consultants and local tax payables.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Employee salaries	826	1,030	(204)
Employee deferred compensation	1,508	2,365	(857)
Social security payables	838	1,313	(475)
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**3,172**	**4,708**	**(1,536)**

Employee payables and social security institutions were down considerably at September 30, 2020 due to lower personnel costs, as illustrated in further detail in the pertinent section (note 24).

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 15.2 million (Euro 14.2 million at December 31, 2019) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the Directors' Report;
- Euro 2 million (Euro 3.5 million at December 31, 2019) as the variable airport concession fee payable. Payment of the concession fee, normally due on July 31 (prior year balance and first prepayment for the current year) and January 31 (second prepayment), has been deferred until January 31, 2021 and the amount adjusted to be commensurate to actual traffic in 2020, following the measure adopted by ENAC to facilitate the recovery of the industry.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income at September 30, 2020 (compared with December 31, 2019).

in thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Municipal surtax payables and Iresa	2,597	4,036	(1,439)
Other current payables	883	1,018	(135)
Current accrued liabilities and deferred income	546	83	463
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	**4,026**	**5,137**	**(1,111)**

The main account concerns the municipal surtax and, from January 1, 2020 for Iresa, relating to the receivables from carriers not yet received at September 30 for Euro 2.6 million. The portion of the municipality surtax payable and for IRESA relating to receivables collected from carriers, to be paid to the creditor entities on the other hand is classified under current financial liabilities (Note 22). The significant decline in this account is due to the reduction in aviation revenues following the abrupt drop in traffic as a result of the health emergency.
"Other current liabilities" include deposits and advances received from customers in addition to deferred income and miscellaneous payables.

20. Provision for renewal of airport infrastructure (current)

The following table shows the movement of the provisions for renewal of airport infrastructure in the period to September 30, 2020.

in thousands of Euro	As at 31.12.2019	Provisions	Uses	Reclassifications	As at 30.09.2020
PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE (CURRENT)	**4,040**	**0**	**(3,845)**	**1,019**	**1,215**

The account concerns the provisions for renewal of airport infrastructure - current portion. Uses during the period mainly relate to the structural and functional upgrading works of a section of the runway, with the airports due to close for several days in September. This was in addition to the renovation of a portion of the terminal's roof.

The infrastructure renewal provisions are reported at Note 15 (non-current portion), to which reference should be made for full disclosure on the provision.

21. Provisions for risks & charges (current)

The following table breaks down Current financial liabilities at September 30, 2020.

in thousands of Euro	As at 31.12.2019	Provisions	Other increases	As at 30.09.2020
Provisions for employee back pay				
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**18**	**5**	**0**	**23**

The account refers to the estimate of the liability of the subsidiary FFM relating to back pay for employees in connection with the renewal of the collective contract for handlers.

22. Current financial liabilities

The following table breaks down current financial liabilities at September 30, 2020 and the comparison at December 31, 2019.

In thousands of Euro	As at 30.09.2020	As at 31.12.2019	Change
Bank loans - current	3,062	3,059	3
Municipal surtax payables and Iresa	814	2,565	(1,751)
Other current financial debt	122	28	94
Current financial liabilities for leasing	652	521	131
CURRENT FINANCIAL LIABILITIES	**4,650**	**6,173**	**(1,523)**

For a breakdown of the Loans - current portion, reference should be made to account 17 Non-current Financial Liabilities which presents the outstanding Group loans at September 30, 2020 and the changes in the year.
Boarding fee municipal surtax payables and for IRESA concern the portion received by airlines and to be paid on to the credit institutions at the relevant due dates.
Finally, finance lease liabilities concern the current portion of charges due for third party asset usage rights recognised to non-current assets in application of IFRS 16.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

The principal 9M 2020 income statement accounts are compared with 9M 2019 below; it bears recalling that the main differences between the two periods are due almost exclusively to the dramatic reduction in traffic and revenues as a consequence of the COVID-19 pandemic, in addition to the various cost containment measures implemented by the Group in response to the crisis.

REVENUES

23. Revenues

The tables below breakdown revenues for the periods ending September 30, 2020 and 2019.In relation to the performance, reference should be made to the greater detail provided in the Directors' Report. Consolidated revenues totalled Euro 53.8 million, a decline of over Euro 40 million on 9M 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Revenues from aeronautical services	16,792	48,890	(32,098)
Revenues from non-aeronautical services	12,908	33,502	(20,594)
Revenues from construction services	23,517	11,315	12,202
Other operating revenues and income	569	763	(194)
TOTAL REVENUES	**53,786**	**94,470**	**(40,684)**

The reclassification of Group revenues based on revenue streams defined by IFRS 15, i.e. those from contracts with customers, is shown in the following table:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Airport fees	13,982	43,467	(29,485)
Parking	4,006	12,899	(8,893)
Revenues from construction services	23,517	11,315	12,202
Other	4,971	9,578	(4,607)
TOTAL IFRS 15 REVENUE STREAMS	**46,476**	**77,259**	**(30,783)**

The table below shows revenues from non-aeronautical services in 9M 2020 and 2019.
This category of revenues presents the greatest decline, at 65.7%, since it is the component directly correlated with traffic (passenger traffic -70.4%).

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Centralised infrastructure/other airport services	244	503	(259)
Exclusive use revenues	414	979	(565)
Airport fee revenues	18,475	58,245	(39,770)
PRM revenues	1,411	4,629	(3,218)
Air traffic development incentives	(5,982)	(19,568)	13,586
Handling services	1,181	2,078	(897)
Other aeronautical revenues	1,049	2,024	(975)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**16,792**	**48,890**	**(32,098)**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Passenger boarding fees	7,701	29,199	(21,498)
Landing, take-off and parking fees	7,087	16,400	(9,313)
Passenger security fees	2,513	9,409	(6,896)
Baggage stowage control fees	826	2,671	(1,845)
Cargo loading and unloading fees	452	566	(114)
Reduction for provision	(104)	0	(104)
TOTAL AVIATION FEE REVENUES	**18,475**	**58,245**	**(39,770)**

i. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in 9M 2020 and 9M 2019. The sharp decline (-61.5%) was led by services directly associated with passenger traffic (parking -68.9%, Marconi Business Lounge -72.8%), but was also particularly significant for commercial premises and spaces sub-concessions (-58.9%) due to the closure of almost all commercial establishments, initially by order of the Prime Ministerial Decree of March 11, 2020, and given several ongoing closures, not yet entirely concluded. The new contractual structure for retail clients introduced in May removes fixed charges, with the payment only of the turnover-linked variable component.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Commercial premises and spaces sub-concession	6,135	14,925	(8,790)
Parking	4,006	12,899	(8,893)
Other commercial revenues	2,767	5,678	(2,911)
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**12,908**	**33,502**	**(20,594)**

Other commercial revenues are broken down as follows:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Marconi Business Lounge	593	2,180	(1,587)
Advertising	797	1,303	(506)
Misc. commercial revenues	1,377	2,195	(818)
TOTAL OTHER COMMERCIAL REVENUES	**2,767**	**5,678**	**(2,911)**

ii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by Aeroporto Guglielmo Marconi di Bologna S.p.A. on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.
These revenues amounted to Euro 23.5 million in 9M 2020, compared to Euro 11.3 million in 9M 2019, due to the greater investments in airport infrastructure under concession; see the Directors' Report for further information.

iii. Other Revenues and Income

The table below shows other revenues and income in 9M 2020 and 2019. This category of revenues declined primarily as a result of the lesser sales of energy efficiency certificates.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Indemnities, reimbursement and misc. income	522	698	(176)
Operating grants	47	65	(18)
TOTAL OTHER REVENUES AND INCOME	**569**	**763**	**(194)**

COSTS

24. Costs

i. Consumables and goods

The table below presents consumables and goods in 9M 2020 and 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Consumables and goods	555	369	186
Maintenance materials	89	178	(89)
Fuel and gasoline	354	1,043	(689)
TOTAL CONSUMABLES AND GOODS	**998**	**1,590**	**(592)**

This category indicates a saving, mainly due to the reduced consumption of:

- runway de-icing liquid thanks to the absence of major snow events in the period;
- stationery, printing, ground vehicle and aircraft fuel and replacement parts due to decreased airport operation, partially offset by greater costs for purchases of de-icing liquid for aircraft not present in 2019 as it was previously the subject of the contract with the handler providing the de-icing service at the airport;

On the other hand, the cost of consumables related to the COVID emergency (PPE, social distancing panels, dedicated signs, etc.) increased.

ii. Service costs

The following table shows the breakdown of service costs for the two periods compared:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Maintenance costs	3,093	3,513	(420)
Utilities	1,340	1,805	(465)
Cleaning and accessory services	1,183	1,562	(379)
Services	3,117	4,759	(1,642)
MBL Services	87	247	(160)
Advertising, promotion and development	279	543	(264)
Insurance	770	650	120
Professional and consultancy services	933	1,234	(301)
Statutory board fees and expenses	417	447	(30)
Other service costs	47	232	(185)
TOTAL SERVICE COSTS	**11,266**	**14,992**	**(3,726)**

This category of costs was also down (-24.9%), primarily due to the COVID-19 emergency, which reduced the cost of several services correlated to traffic (PRM, MBL) and terminal operations, with the resulting savings on utilities, cleaning and maintenance, and enabled the renegotiation of several service contracts to take account of the reduced operating needs.

In addition to the effect of COVID, snow clearance activities were reduced due to the absence of major snowfalls and the milder temperatures during the winter period;

A further breakdown in maintenance expenses is provided below:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Owned asset maintenance expenses	685	786	(101)
Airport infrastructure maintenance expenses	2,092	2,146	(54)
Third party asset maintenance expenses	316	581	(265)
TOTAL MAINTENANCE EXPENSES	**3,093**	**3,513**	**(420)**

The breakdown of services is illustrated below:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Snow clearance	167	344	(177)
Porterage, transport third-party services	165	452	(287)
PRM assistance service	405	1,317	(912)
De-icing and other public service charges	242	217	25
Security service	868	984	(116)
Other outsourcing	1,270	1,445	(175)
TOTAL SERVICES	**3,117**	**4,759**	**(1,642)**

iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for 9M 2020 and 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Concession fees	1,456	5,046	(3,590)
Hire charges	92	123	(31)
Rental charges	21	130	(109)
EDP processing charges	1,178	1,230	(52)
Other rental & hire costs	3	(30)	33
TOTAL LEASES, RENTALS AND OTHER COSTS	**2,750**	**6,499**	**(3,749)**

This cost category also decreased significantly (-57.7%), mainly due to the lower traffic volumes, on whose basis the concession and security fees are calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for 9M 2020 and 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Misc. and local taxes	847	993	(146)
Fire prevention service contribution	1,062	1,085	(23)
Capital losses	17	0	17
Other operating expenses	311	348	(37)
TOTAL OTHER OPERATING EXPENSES	**2,237**	**2,426**	**(189)**

vi. Personnel costs

The following table shows the breakdown of personnel costs for 9M 2020 and 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Wages and salaries	10,348	15,107	(4,759)
Social security charges	3,215	4,258	(1,043)
Severance provisions	957	1,084	(127)
Retirement pension and others	145	146	(1)
Other personnel costs	610	1,363	(753)
TOTAL PERSONNEL COSTS	**15,275**	**21,958**	**(6,683)**

The decline in personnel costs (-30.4%) was due, on the one hand, to the decrease in the workforce (-47 average resources in 9M 2020 compared to 9M 2019; -81 resources at September 30, 2020 compared to September 30, 2019) owing to the non-renewal of forward contracts for the operating areas and, on the other, to the other personnel cost containment actions in the light of the dramatic reduction in traffic caused by the COVID-19 emergency.

In particular, on March 21, 2020, the Parent Company launched an Extraordinary Redundancy Fund for all employees, followed by those employed by the subsidiary FFM in April, maintaining only the operational services deemed essential, resulting in a significant reduction in the activities of other employees.
In June, following the resumption of operations at the airport by carriers, the use of the Extraordinary Temporary Lay-off Scheme was partially reduced for the operating sectors. In addition, the employee performance bonus cost account was reduced to zero due to the negative performance during the current year.

Other personnel costs are broken as follows:

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Employee canteen	270	483	(213)
Personnel training and refresher courses	52	244	(192)
Employee expenses	39	194	(155)
Other personnel provisions	16	57	(41)
Misc. personnel costs	233	385	(152)
TOTAL OTHER PERSONNEL COSTS	**610**	**1,363**	**(753)**

The average headcount by category in the two periods under consideration is shown below:

Average workforce (No.)	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Executives	9	9	0
White-collar	400	436	(36)
Blue-collar	90	101	(11)
TOTAL PERSONNEL	**499**	**546**	**(47)**

The headcount at the end of the two periods under consideration was as follows:

Workforce (number)	As at 30.09.2020	As at 30.09.2019	Change
Executives	9	9	0
White-collar	379	444	(65)
Blue-collar	83	99	(16)
TOTAL PERSONNEL	**471**	**552**	**(81)**

25. Depreciation, amortisation and impairment

The following table shows the movement of depreciation, amortisation and impairment for the periods ended September 30, 2020 and 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Amortisation/write-downs Concession rights	4,962	4,643	319
Amortisation/write-down of other intangible assets	979	904	75
Depreciation/write-down of tangible assets	1,894	2,060	(166)
TOTAL DEPRECIATION AND AMORTISATION	**7,835**	**7,607**	**228**

The item comprised of Euro 7.8 million of amortisation and depreciation and includes Euro 383 thousand of amortisation of leased assets as per IFRS 16 (434 thousand at September 30, 2019).

26. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended September 30, 2020 and 2019.

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Provisions for doubtful accounts	260	516	(256)
Provision for renewal of airport infrastructure	1,323	1,795	(472)
Provisions for other risks and charges	29	306	(277)
TOTAL PROVISIONS	**1,612**	**2,617**	**(1,005)**

This category of costs was also down; the main such cost refers to the provision for the renewal of airport infrastructure, which represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The lower provision was due to the revision of the ten-year plan of restoration and replacement interventions, with the deferral of several airside projects.

27. Net financial income and expenses

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Income from securities	18	10	8
Other income	87	78	9
Discounting income on provisions	18	0	18
TOTAL FINANCIAL INCOME	**123**	**88**	**44**
Interest expenses and bank charges	(373)	(331)	(42)
Discounting charges on provisions	(252)	(648)	396
Interest charges for discounting of liabilities for leasing	(6)	(21)	15
Other financial expenses	(43)	**(7)**	(36)
TOTAL FINANCIAL EXPENSES	**(674)**	**(1,007)**	**(76)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(551)**	**(919)**	**(32)**

The financial management improved due to the increase in financial income and above all the decrease in interest expense on the discounting of provisions.

28. Taxes for the period

in thousands of Euro	For the nine months ended 30.09.2020	For the nine months ended 30.09.2019	Change
Current and deferred taxes	(3,056)	7,184	(10,240)
TOTAL TAXES FOR THE PERIOD	**(3,056)**	**7,184**	**(10,240)**
% taxes on pre-tax result	**n.a.**	**28.64%**	**n.a.**

Income taxes are a positive component of the income statement at Euro 3.1 million, compared to a cost of Euro 7.2 million in 9M 2019, mainly due to the IRES tax loss eligible to be carried forward to subsequent years, with the consequent recognition of deferred tax assets of Euro 2.9 million.

29. Related party transactions

For the definition of "Related Parties", reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.
Intercompany transactions are carried out within the scope of ordinary operations and at normal market conditions. Related party transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation.
None of these have particular economic or strategic significance for the Group, as the receivables, payables, revenues and costs regarding related parties do not account for a significant percentage of the total financial statement amounts.
The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the Group with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.
No transactions with related parties are reported in the period other than the inter-company transactions presented below.

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the twenty-year sub-concession of the General Aviation traffic assistance infrastructure and the provision of some personnel secondment, management and staffing services for Euro 67 thousand.

AdB payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. Costs in the first nine months to the subsidiary overall amount to Euro 133 thousand.
Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed in January 2018 for the years 2018-2020;
- the patronage letter issued by the Parent Company, in favour of Monte dei Paschi di Siena relating to the long-term loan granted by the bank to Tag. At September 30, 2020, the guaranteed portion of the loan, equal to the residual capital portion, amounts to Euro 2.9 million.

During the period, commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi S.p.A. concern the provision by AdB of the following services:

- sub-concession of offices, areas and operating rooms;
- management and staffing, including the following staff services: accounting, administration, finance, operating control, management reporting, personnel, legal, ICT, personnel secondment and directors' competences;
- packages and goods x-ray controls.

Revenues in the period from the subsidiary amount to Euro 263 thousand.

The non-commercial transactions with FFM include the tax consolidation contract renewed in January 2018 for the years 2018-2020.

Types and management of other risks

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 bis, reference should be made to the specific section of the Directors' Report, also with regards to the comment upon the other risks to which the Group is subject.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.

The Chairman of the Board of Directors

(Enrico Postacchini)

Bologna, November 13, 2020

Annex 1

Statement pursuant to Article 154-*bis,* paragraph 2 of the C.F.A.

Interim Financial Report at September 30, 2020

The officer in charge of preparing the corporate accounting documents, Patrizia Muffato, hereby declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act (CFA), that the accounting information contained in this Report corresponds to information contained in the accounting documents, registers and entries.

The officer in charge of preparing the
corporate accounting documents
(Patrizia Muffato)

Aeroporto di Bologna

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