



PRESS RELEASE

AEROPORTO GUGLIELMO MARCONI DI BOLOGNA: The Board of Directors approves consolidated and the draft of separate financial statements as at December 31, 2020.

Passenger traffic down sharply (-73.4%) compared to 2019 for the impacts of the Sars-Covid-19 pandemic, particularly for the effects of travel restriction measures at national and international levels and other measures related to the global health crisis.

Consequent reduction in the main economic indicators:

- **Consolidated revenues amount to Euro 67.5 million, down 46.1% compared to 2019**
- **Negative EBITDA of Euro 3.9 million vs. positive Euro 44.9 million in 2019.**
- **Consolidated EBIT stood at Euro -17.4 million, compared to Euro +31.1 million in 2019.**
- **Consolidated net result was a loss of Euro 13.6 million, compared to net income of Euro 20.9 million in fiscal 2019.**

Bologna, March 15, 2021 - The Board of Directors of Aeroporto Guglielmo Marconi di Bologna SpA, chaired by Enrico Postacchini has today approved the draft of separate and consolidated financial statements as at 31 December 2020, in addition to the consolidated non-financial statement mandatory under Article 4 of Legislative Decree no. 254/2016 and the other reports and proposals that will be submitted to the Shareholders' Meeting on April 26.

"2020 has been a year characterized almost entirely by the effects generated by the outbreak of Sars-Covid-19 global pandemic, whose consequences have strongly impacted the traffic volumes of Bologna Airport and consequently on the economic and financial results - commented **Nazareno Ventola, CEO and Managing Director of Aeroporto Guglielmo Marconi di Bologna** - In order to achieve a substantial recovery of pre-Covid traffic, estimated by experts not before 2024-2025, the Group's sustainability strategy will be focused on preserving the company's assets, in particular by maintaining employment levels and cash flow, thus ensuring the conditions for growth in the medium term".

"Filed a 2020 that has seen the entire sector operate in a context of great suffering, eyes are now turned to 2021, which promises to be a difficult year of transition in which resilience and adaptability will be a priority in order to be ready to seize all opportunities for a sustainable recovery," commented **Enrico Postacchini, Chairman of Aeroporto Guglielmo Marconi di Bologna**.



Traffic

After an excellent performance recorded in January (+9.9% vs 2019), in February the airport recorded passenger traffic in line with 2019 (+0.3%) due to a good performance in the first three weeks of the month (+5.3% vs 2019) and a sharp reversal of the trend starting on February 22 (-25.1% in the last 8 days of the month) as a result of the outbreak of the health emergency.

Between the end of February and the beginning of March 2020, stringent travel restrictions came into force in order to counter the spread of the pandemic, resulting in the cancellation of most domestic and international flights and the closure of many airports. Bologna airport, on the other hand, remained open and operational throughout the period of the health emergency, in implementation of Ministerial Decree no. 112 of March 12, 2020, and this despite minimal traffic volumes.

During the summer period, there was a gradual, albeit modest, recovery in traffic volumes, which strengthened between July and the first half of August, with particular reference to the domestic component. However, the recovery in traffic slowed down again in the second half of August, with aircraft load factors falling compared with the previous weeks.

The closure of the airport for scheduled works on the runway, from September 11 to 21, and the new increase in contagions with the arrival of autumn, with new restrictions on travel also within Italy, abruptly interrupted the recovery started during the summer period. The fourth quarter therefore saw a reduction in passenger traffic of around 83% compared to the same period in 2019.

Bologna Airport closed 2020 with 2,506,258 passengers, a decrease of 73.4% compared to 2019, thus recording the same traffic levels as in 1997. Movements amounted to 30,139, down 60.9% compared to 2019, with an average load factor down from 81.5% in 2019 to 60.5% in 2020.

Regarding the composition of passenger traffic, while in the first two months of 2020 very different performances were recorded between low-cost traffic, which increased sharply compared to 2019, and scheduled traffic, which instead remained substantially unchanged, the sharp contraction in volumes recorded between March and June and, subsequently, during the last four months of the year affected all traffic components.

Only during the summer period, with the reopening of the borders, was registered a more rapid recovery of the low cost segment compared to scheduled traffic.

Among the 2020 destinations, international traffic has suffered the most from the spread of the pandemic due to the climate of uncertainty also due to the constraints and obligations introduced on free movement for health reasons.

Despite the sharp drop in passengers in all the main destinations connected with Bologna airport, the solidity of the Airport's traffic mix remains to be underlined, with 107 destinations reachable (vs 120 in 2019) and five foreign cities among the ten main destinations.

Among the carriers, Ryanair is confirmed as the first company on the airport with 53.8% of total traffic, due to a reduction in passengers lower than the average of the other carriers. In second place is confirmed Wizz Air, with a share that grows from 5.4% in 2019 to 6.2% in 2020, ahead of Alitalia, third with a share that is slightly down on last year. This is followed by the airlines Air France, British Airways, KLM and Lufthansa.

Cargo traffic in 2020 amounted to 43,377,968 kg, down 11.2% compared to 2019, largely attributable to the closure of activities during the so-called lockdown, as well as the stagnation



of production activities in the following months. Cargo, however, confirmed itself as the traffic component that best reacted to the pandemic crisis, even compared to the overall figure recorded at the national level and recording a limited drop of 23.7%.

Operating performance

Consolidated revenues in 2020 amounted to Euro 67.5 million, down 46.1% from Euro 125.1 million recorded in 2019.

More specifically, revenues from aeronautical services fell by 65.9% mainly due to the contraction in traffic and, residually, due to the tariff update with a decrease in the average amount. Revenues from non-aeronautical services fell by 65.2%, due to the reduction in traffic, the closure of retail outlets and a reduction in fixed fees granted by the Group to sub-concessionaires. Revenues from construction services, on the other hand, rose by 79.1% due to increased investment in both the aviation and non-aviation sectors. Finally, other operating revenues and income are down 3.9% on 2019 mainly due to lower revenues from airport area leasing.

Operating expenses in 2020 amounted to 71.4 million euros, down 11% compared to the previous year, mainly due to a 41% reduction in the cost of consumables and goods, generated by the lower purchase of aircraft fuel and despite the higher purchase of consumables related to the Covid-19 emergency, a 26.4% reduction in the cost of services, such as PRM service, MBL service, utilities and maintenance, an increase in the cost of construction services (up 79.1%) due to greater investment in airport infrastructure, a 60.3% reduction in the item "rentals, leases and other costs" linked to traffic reduction, and a 9.8% decrease in other operating costs, due to lower taxation.

Personnel costs also fell (down 31.1%), due, on the one hand, to the reduction in the workforce (down 48 average full time equivalent staff in 2020 compared with 2019) due to the non-renewal of term contracts in the operating areas and, on the other hand, additional actions to contain payroll costs in light of the drastic reduction in traffic.

Excluding construction services, consolidated revenues in 2020 amounted to €37.8 million, down 65.2% compared to 2019, and consolidated costs amounted to €43.4 million, down 32.8% compared to 2019.

Profitability

2020 shows a negative Gross Operating Margin (**EBITDA**) of Euro 3.9 million compared to a positive margin of Euro 44.9 million in 2019, due to a contraction in revenues, closely related to traffic trends, against a greater rigidity of costs, also taking into account the high fixed cost structure that characterizes airport operators.

Excluding construction services revenues and costs and revenue from Terminal Value credit on Renewal Fund, there was a negative Adjusted EBITDA of Euro 5.6 million, compared to Euro 44.1 million in 2019.

The 9.8% reduction in total costs against a 46.1% reduction in revenues results in a drop in Operating Income (**EBIT**) from positive Euro 31.1 million in 2019 to negative Euro 17.4 million in 2020.



The **net result** for the year, which is entirely attributable to the Group, therefore amounted to a **loss of 13.6 million euros**. By contrast, the net income for fiscal year 2019 had amounted to 20.9 million euros, resulting in a total differential of 34.4 million euros.

Balance Sheet and Investments

The total amount of **investments** realized as of December 31, 2020 was Euro 29 million compared to Euro 17.4 million in 2019, plus Euro 4.3 million in cyclical renovation and maintenance work on airport infrastructure and facilities.

The **Group's net debt** as of December 31, 2020 was Euro 30.4 million, compared to a positive net financial position of Euro 10.5 million as of December 31, 2019 (-40.9 million).

In general, 2020 was characterized by extraordinary cash absorption due to the crisis resulting from the global spread of Sars-Covid-19 and the consequent drastic decline in traffic and related revenues. In addition, cash absorption as a result of the payment of investments made during the period increased by more than 11 million compared to 2019.

Moreover, in order to meet the greater cash requirements, the Group increased its debt in connection with the raising of SACE-guaranteed loans by Euro 58.9 million by the Parent Company.

Consolidated and Group shareholders' equity stood at Euro 164.5 million compared to Euro 178.2 million at December 31, 2019. The decrease is only due to the loss for the period as the Parent Company's Shareholders' Meeting held on April 30, 2020 accepted the prudential approach proposed by the Board of Directors in order to support capital soundness and contain the economic and financial impacts arising from the health emergency and therefore resolved to allocate the profit for the 2019 financial year entirely to reserves.

Significant events occurring after period-end and business outlook

No events have occurred since the end of the year such as to impact the financial position and results of operations shown in the financial statements and, therefore, to require adjustments and/or additional notes to the financial statements with reference to the amounts shown at December 31 2020.

The Sars-Covid-19 pandemic continues to have a negative impact on traffic at Bologna airport, as is the case at all Italian and European and mainly Global airports.

Total passengers in January 2021 amounted to just under 80 thousands (77,679), down 89.0% compared to the same month in 2020, a period still unaffected by the Sars-Covid-19 emergency. The sharp drop in traffic continued in February 2021, with just over 60 thousand passengers (60,618), down 89.7% compared with February 2020, the last month of "normal" traffic before the Sars-Covid-19 emergency. In detail, February passengers on domestic flights stopped at 22,307 (down 81.7%), while those on international flights totaled 38,311 (down 91.8%). There were 859 aircraft movements (down 83.4%), whilst air freight amounted to 2,755 tons, down 1.5% on February 2020.

Passenger traffic, therefore, continues to suffer, with international flights particularly penalized by traffic restrictions and other measures to mitigate the spread of the virus (ban on entry to certain countries, swabs, quarantine, etc.), but the slowdown is also significant for domestic flights, given the continuing ban on travel between regions except for reasons of work, health and necessity.



During the first two months of the year the total number of passengers amounted to 138,297 (down 89.3%), with 2,003 movements (down 81.4%) and 5,735 tons of cargo transported (up 1.1%). The cargo sector, therefore, is confirmed as the one that is currently reacting best to the pandemic crisis.

The current month of March will also be strongly influenced by the evolution of the contagions and the continuing restrictive measures and limitations on freedom of movement.

Uncertainty regarding the continuation of the current health emergency and future developments therefore make it difficult to predict traffic trends and the Group's financial position in the coming months.

Based on analyses of the evolution of the pandemic and its impact on air transport, some industry studies suggest that traffic will not recover gradually and linearly in the coming years, but rather that volumes will fluctuate, as they may be affected by the uneven spread of infection in individual countries and the equally uneven positive impact of vaccination campaigns. As things stand at present, there is general agreement on a hypothesis of complete recovery of pre-Covid19 traffic not before 2024-25.

Investments dedicated to the capacity of airport infrastructures will be supported by the tariff regulation mechanism in place in the Italian airport sector and on the basis of new implementation priorities and intermediate project phases which, with an approach based on sustainability, will be reassessed in close comparison with the Civil Aviation Authority. The Airport Development Plan, the so-called Master Plan to 2030, will be gradually implemented with financial resources that are in part already available and with financial resources that will be further raised in the coming years, with talks already underway with possible lenders.

The negative impact on air traffic trends caused by the Covid-19 pandemic could also lead the Parent Company, where Enac agrees on these hypotheses, to develop the investment plan according to new priorities and executive phases, above all the postponement of the expansion of the terminal, in order to consistently meet the new traffic requirements and allow for adequate remuneration of the investments and their full financial sustainability. The proposals assessed in this regard by the administrative body of the Parent Company, Aeroporto di Bologna, will be the subject to a preliminary discussions with the Civil Aviation Authority and, once approved by it, will be promptly communicated to the market.

For the current 2021, the same sector studies estimate a passenger traffic trend that will be strongly conditioned by the effectiveness and pervasiveness of the vaccination plans. ACI Europe estimates a possible recovery for 2021 ranging from 36% to 44% of annual pre-Covid19 traffic volumes, with a slight recovery estimated to start only from the second half of the year.

Also for Aeroporto di Bologna, the outlook for 2021 is highly uncertain and conditioned by the actual distribution and effectiveness of the vaccines, the mobility restriction measures that will be adopted during the year and the overall economic and psychological impacts determined by the pandemic (e.g. propensity to travel, spending possibilities, etc.).

2021 will also be impacted by the resilience and recovery of the various stakeholders (carriers, sub-concessionaires, handlers, etc.).

The non-aviation segment will continue to be negatively affected by the crisis due to the weak recovery in traffic volumes on which the variable component of contracts is based, in the meantime redefined with substantial elimination of the guaranteed minimum component, and due to the failure to open some retail outlets at the airport.



The Group will continue to implement cost-cutting measures as far as possible, taking into account the need to maintain full airport operations despite lower traffic volumes.

In terms of social sustainability, and the related impact on payroll costs, the Parent Company, even after March 20, the date on which the Special Income Support Fund (CIGS) employed from March 21, 2020, will end, will be able to count on special unemployment benefits from March 22 to June 13, 2021. As of today, there are no further forecasts regarding which social shock absorbers may be applied after June 13, but all possible options will be evaluated in close collaboration with Assaeroporti and the trade unions in order to find the best solutions provided for by the regulations, which are, moreover, constantly evolving.

In 2021 AdB will be committed to investments with renewed priority also aimed at allowing better management of the limits of the infrastructural capacity of some subsystems, benefiting in the phases of their implementation from the lower volumes of traffic handled, with a proactive view aimed at improving the quality of the service.

Despite the high degree of uncertainty, on the basis of available liquidity and budget assumptions, cash flows are estimated to be such as not to result in further recourse to external financing during the year. However, taking into account the overall commitments for the coming years and considering that state aid is currently still to be fully understood in terms of its concrete nature, extent and timing, preliminary investigations are already underway in order to obtain financial resources.

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

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

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Bologna Guglielmo Marconi Airport, classified as a "strategic airport" in the centre-north area of the National Airports Plan prepared by the Ministry of Infrastructure and Transport, in 2020 - a year affected by the global pandemic - 2.5 million passengers were recorded, ranking as the eighth Italian airport in terms of number of passengers (Source: Assaeroporti). Located in the heart of the Emilian food valley and the automotive and packaging industrial districts, the airport has a catchment area of about 11 million inhabitants and around 47,000 companies, with a strong propensity to exports and internationalisation and with commercial expansion policies to Eastern Europe and Asia.

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

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For further informations: www.bologna-airport.it

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Statement of Consolidated Financial Position – Assets

<i>In thousands of Euros</i>	at 31.12.2020	at 31.12.2019
Concession rights	198,470	176,184
Other intangible assets	1,569	2,276
<i>Intangible assets</i>	200,039	178,460
Land, real estate, plant and equipment	12,686	14,951
Investment property	4,732	4,732
<i>Tangible assets</i>	17,418	19,683
Shareholdings	44	44
Other non-current assets	12,946	12,586
Deferred tax assets	10,732	6,190
Other non-current assets	272	994
<i>Other non-current assets</i>	23,994	19,814
<i>NON-CURRENT ASSETS</i>	241,451	217,957
Inventories	676	622
Trade receivables	6,279	15,464
Other current assets	3,793	5,203
Current financial assets	275	501
Cash and cash equivalents	43,658	29,253
<i>CURRENT ASSETS</i>	54,681	51,043
<i>TOTAL ASSETS</i>	296,132	269,000



Statement of Consolidated Financial Position – Liabilities

<i>In thousands of Euros</i>	at 31.12.2020	at 31.12.2019
Share capital	90,314	90,314
Reserves	87,814	67,009
Year-end results	(13,590)	20,852
GROUP SHAREHOLDERS' EQUITY	164,538	178,175
MINORITY INTERESTS	0	0
TOTAL SHAREHOLDERS' EQUITY	164,538	178,175
TFR [Severance] and other personnel provisions	4,251	4,257
Deferred tax liabilities	2,618	2,558
Airport infrastructure provision	10,316	9,524
Provisions for risks and expenses	1,399	1,390
Current financial liabilities	69,785	13,080
Other non-current liabilities	41	136
NON-CURRENT LIABILITIES	88,410	30,945
Trade payables	13,612	18,537
Other liabilities	23,434	31,112
Airport infrastructure provision	1,578	4,040
Provisions for risks and expenses	23	18
Current financial liabilities	4,537	6,173
CURRENT LIABILITIES	43,184	59,880
TOTAL LIABILITIES	131,594	90,825
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	296,132	269,000



Consolidated Income Statement

<i>In thousands of Euros</i>	at 31.12.2020	at 31.12.2019
Revenues from aeronautical services	21,548	63,274
Revenues from non-aeronautical services	15,426	44,295
Revenues from construction services	29,415	16,420
Other operating revenues and proceeds	1,101	1,146
Revenues	67,490	125,135
Consumables and goods	(1,359)	(2,305)
Costs for services	(15,387)	(20,920)
Costs for construction services	(28,015)	(15,639)
Leases, rentals and other costs	(3,422)	(8,614)
Other operating expenses	(2,942)	(3,260)
Personnel costs	(20,287)	(29,460)
Costs	(71,412)	(80,198)
Amortisation of concession rights	(6,688)	(6,243)
Amortisation of other intangible assets	(1,409)	(1,576)
Amortisation of tangible assets	(2,531)	(2,750)
Depreciation and impairment	(10,628)	(10,569)
Provision for doubtful accounts	(508)	1
Airport infrastructure provision	(2,306)	(2,893)
Provisions for other risks and charges	(30)	(409)
Provisions for risks and charges	(2,844)	(3,301)
Total Costs	(84,884)	(94,068)
Operating results	(17,394)	31,067
Financial income	198	150
Financial expenses	(1,218)	(1,125)
Result before taxes	(18,414)	30,092
Taxes for the period	4,824	(9,240)
Profit (losses) for the period	(13,590)	20,852
Minority profits (losses)	0	0
Group profits (losses)	(13,590)	20,852
Profits (losses) basic per share (Euro)	(0.38)	0.57
Profits (losses) diluted per share (Euro)	(0.38)	0.57



Consolidated Income Statement with adjusted Gross Operating Profit

<i>In thousands of Euros</i>	at 31.12.2020	at 31.12.2019
Revenues from aeronautical services	21,548	63,274
Revenues from non-aeronautical services	15,426	44,295
Other operating revenues and income	785	1,065
Adjusted Revenues	37,759	108,634
Consumables and goods	(1,359)	(2,305)
Services costs	(15,387)	(20,920)
Leases, rentals and other costs	(3,422)	(8,614)
Other operating expenses	(2,942)	(3,260)
Personnel costs	(20,287)	(29,460)
Adjusted costs	(43,397)	(64,559)
Adjusted gross operating profit (adjusted EBITDA)	(5,638)	44,075
Revenues from construction services	29,415	16,420
Costs for construction services	(28,015)	(15,639)
Margin for construction services	1,400	781
Revenues from Terminal Value on renewal provision	316	81
Gross Operating Profit (EBITDA)	(3,922)	44,937



Consolidated Net Financial Position

<i>In thousands of Euros</i>	at 31.12.2020	at 31.12.2019
Cash	33	26
Cash equivalents	43,625	29,227
Securities held for trading	0	0
Liquidity	43,658	29,253
Current financial receivables	275	501
Current bank debt	(33)	(28)
Current portion of non-current debt	(3,064)	(3,059)
Other current financial debt	(1,440)	(3,086)
Current financial debt	(4,537)	(6,173)
Net current financial position	39,396	23,581
Non-current bank debt	(68,759)	(11,643)
Bonds issued	0	0
Other non-current liabilities	(1,026)	(1,437)
Non-current financial debt	(69,785)	(13,080)
Net financial debt	(30,389)	10,501

Cash Flow Statement

<i>In thousands of Euros</i>	at 31.12.2020	at 31.12.2019
Cash flow generated / (absorbed) by operating activities before changes in working capital	(5,351)	45,153
Cash flow generated / (absorbed) from net operating activities	(13,968)	34,991
Cash flow generated / (absorbed) from investing activities	(28,372)	(254)
Cash flow generated / (absorbed) from financing activities	56,745	(21,246)
Final cash change	14,405	13,491
Liquid assets at beginning of period	29,253	15,762
Final cash change	14,405	13,491
Liquid assets at end of period	43,658	29,253