CONSOLIDATED INTERIM FINANCIAL REPORT **AS OF JUNE 30, 2020**

INTERIM MANAGEMENT REPORT ON OPERATIONS

Interim Management Report on Operations

Interim profile

The results for the first half of 2020 are significantly impacted by the effects of the COVID-19 pandemic, which has had, and is still having, dramatic negative consequences on passenger traffic and, more generally, on the financial performance of all companies in the air transport sector and airports. The extent of the current crisis is now unprecedented in the history of our business sector.

The effects of the pandemic have been particularly intense since March when, due to the sudden spread of the virus in various regions of the world, national governments have taken increasingly restrictive measures to prevent people from travelling, both domestically and internationally. The resulting sharp drop in traffic forced airlines to implement a drastic cut in capacity.

In April and May, due to the total lockdown regime imposed by the Italian government and the grounding of fleets by almost all airlines worldwide, traffic on the airport system took on proportions close to zero (over -97% vs. 2019). Only in June were faint signs of a recovery seen, which, however, did not change the severe -69% compared to the first half of 2019. This result in any case reflects a first two-month period in which business performance was substantially in line with expectations at the beginning of the year.

The Group's response to this unexpected and very serious crisis situation was immediate and focused mainly on the adoption of all the health security measures indicated by the competent authorities to ensure adequate protection for passengers and airport workers. At the same time and with the same determination, the necessary initiatives have been planned and activated to strengthen the Group financially and, in particular, to prevent the deterioration of liquidity, in order to guarantee a higher resistance over time to the sudden drop in revenues and collections.

Already in the first half of the year, the effect of the cut in operating expenses (down 16.8 million euros) and investment (down 44 million euros) was significant, thanks to a careful re-programming of non-essential and discretionary measures and the closure or partial reorganization of underutilized airport infrastructure.

The ADR Group already benefited from a solid liquidity position at the beginning of the current year (500.9 million euros); however, the need for further strengthening, in order to counter the dramatic decline in business and meet debt repayment commitments, particularly concentrated in the first quarter of 2021, led ADR to envisage new sources of funding, some already activated and partially used at the end of last May.

At the same time, the sharp deterioration in EBITDA will put pressure on the financial ratios (Leverage, Interest Cover Ratio) and the related covenants in current bank loan agreements. For this reason ADR promptly requested and obtained consent from the lending banks of the Revolving line to sterilize the effects of exceeding the limits imposed by contract on the test dates of 12.31.2020 and 06.30.2021. A similar request is being approved by the European Investment Bank and Cassa Depositi e Prestiti.

All the management and financial initiatives implemented were appreciated by the rating agencies, which, having already given a positive rating to the Company's financial structure, have maintained their ratings of the ADR Group, despite the effects of the crisis.

1. Synthetic data and general information

1.1. Summarized economic and financial situation

Main economic and financial information of the Group

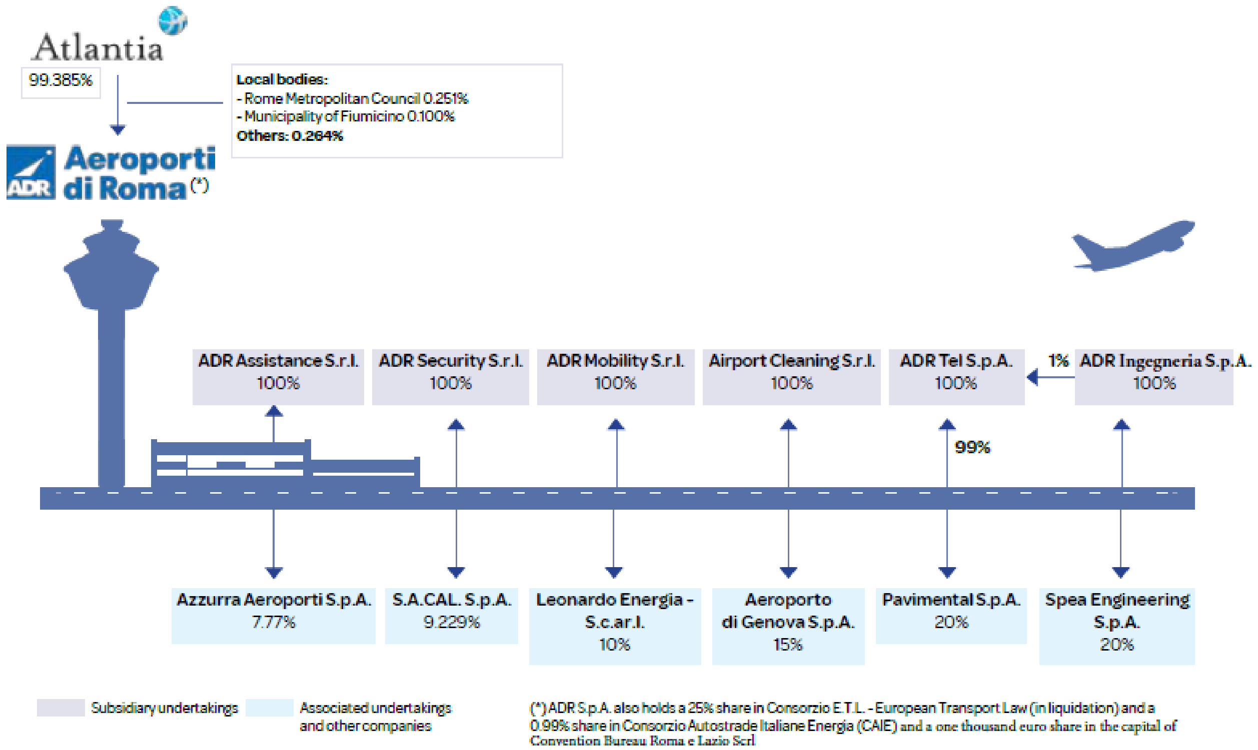
CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)		
	1ST HALF 2020	1ST HALF 2019
Revenues from airport management	161,434	444,902
Gross operating margin (EBITDA)	41,704	267,901
EBITDA %	25.8%	60.2%
Operating income (EBIT)	(34,820)	184,487
EBIT %	(21.6%)	41.5%
Net income (loss)	(46,666)	108,470
Group share of income (loss)	(46,666)	108,470
Investments	69,906	113,954
	06.30.2020	12.31.2019
Net invested capital	2,391,314	2,310,392
Shareholders' equity (including minority interests)	1,102,196	1,184,467
Group Shareholders' equity	1,102,196	1,184,467
Net debt	1,289,118	1,125,925
Net debt/Shareholders' equity	1.2	1.0
	1ST HALF 2020	1ST HALF 2019
Net debt/EBITDA (*)	3.5	2.2
(*) ratios compared to the last 12 months		
RATING	06.30.2020	12.31.2019
Standard & Poor's	BB+	BBB
Moody's	Baa3	Baa2
Fitch Rating	BBB-	BBB+

Operating highlights of the Group

TRAFFIC VOLUMES		
	1ST HALF 2020	1ST HALF 2019
Movements (no./000)	70	176
Total passengers (no./000)	7,267	23,438
Total cargo (tons)	45,202	96,875
GROUP HUMAN RESOURCES		
Average headcount (no. of individuals)	3,039	3,153

1.2. Corporate structure

(as of June 30, 2020)



(*) ADR S.p.A. also holds a 25% share in Consorzio E.T.L. - European Transport Law (in liquidation) and a 0.99% share in Consorzio Autostrade Italiane Energia (CAIE) and a one thousand euro share in the capital of Convention Bureau Roma e Lazio Scrl

1.3. Corporate bodies

BOARD OF DIRECTORS

In office until the Meeting to approve the 2021 Annual Financial Report

Antonio Catricalà	Chairman
Marco Troncone	Managing Director
Carla Angela	Director
Tommaso Barracco	Director
Christian Benetton	Director
Michelangelo Damasco	Director *(until July 21, 2020)*
Elisabetta De Bernardi di Valserra	Director
Anna Beatrice Ferrino	Director
Francesco Panfilo	Director
Nicola Rossi	Director
Gennarino Tozzi	Director *(until June 22, 2020)*
Guglielmo Bove	Secretary

BOARD OF STATUTORY AUDITORS

In office until the Meeting to approve the 2021 Annual Financial Report

Cosimo Giuseppe Tolone	Chairman
Alessandro Bonura	Statutory Auditor
Pasquale De Falco	Statutory Auditor
Maurizio De Filippo	Statutory Auditor
Pier Vittorio Vietti	Statutory Auditor
Francesco Follina	Alternate Auditor
Carlo Regoliosi	Alternate Auditor

GENERAL MANAGER

Gian Luca Littarru

INDEPENDENT AUDITORS

2013-2021 accounting periods

EY S.p.A.

2. Our results

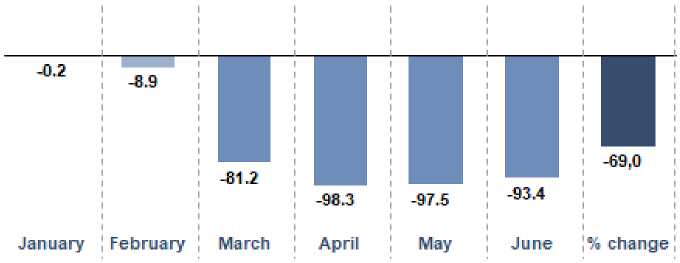
2.1. Connectivity: traffic evolution

The worldwide spread of the Coronavirus-related health emergency has generated significant repercussions on the air transport market, leading the entire sector into a major global crisis.

The government measures on the closure of national borders and restrictions on interregional mobility have led to a reduction to a minimum of all flight operations by airlines, generating a drastic drop in traffic volumes and consequently in airport activities at all major national and international airports, which inevitably include the airports of Rome-Fiumicino and Rome-Ciampino.

Since the beginning of the year, passengers passing through the Roman airport system have decreased by 69% compared to the same period in 2019, with a parallel decrease in air movements of 60%.

GRAPH 1. Passenger traffic Roman Airport System (1H 2020 / 1H 2019 change)



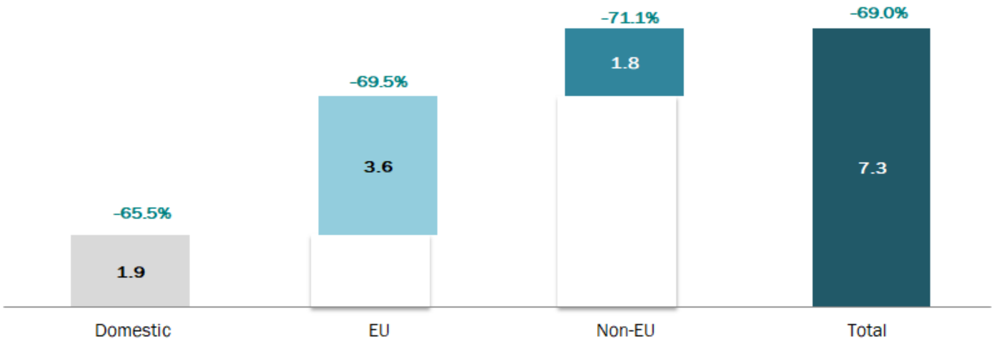
	January	February	March	April	May	June	% change
Domestic	-2.8%	-14.1%	-80.9%	-96.7%	-93.5%	-83.6%	-65.5%
EU	+0.8%	-5.4%	-82.4%	-98.9%	-98.5%	-95.3%	-69.5%
Non-EU	+0.3%	-11.3%	-78.8%	-98.7%	-99.0%	-98.3%	-71.1%

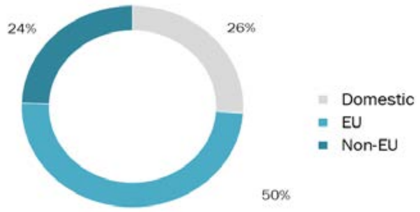
TABLE 1. Main traffic data of the Roman airport system

	1ST HALF 2020	1ST HALF 2019	Δ%
Movements (no.)	**70,487**	**176,013**	**(60.0%)**
Fiumicino	57,942	150,498	(61.5%)
Ciampino	12,545	25,515	(50.8%)
Passengers (no.)	**7,267,409**	**23,438,340**	**(69.0%)**
Fiumicino	6,265,622	20,547,554	(69.5%)
Ciampino	1,001,787	2,890,786	(65.3%)
Cargo (tons)	**45,202**	**96,859**	**(53.3%)**
Fiumicino	36,405	87,834	(58.6%)
Ciampino	8,797	9,025	(2.5%)

GRAPH 2. Passenger traffic composition in the first half of 2020 for the Roman airport system

(million passengers and 1H 2020 / 1H 2019 change)





The trend of individual airports was the following.

Fiumicino

In the first six months of the year, the main Italian airport ends with a traffic volume decreasing by -69.5% compared to the first half of 2019.

The reduction in volumes has worsened since March due to travel restrictions on air routes to and from Italy adopted by many countries, and then almost completely waned in April and May. In fact, in the two-month period April-May traffic to/from Rome Fiumicino fell by 97.6% in passengers and 90.4% in movements compared with the same two months in 2019.

A slight sign of recovery was seen in June, linked to the gradual easing of restrictive measures on national and European mobility by the government authorities. In the second half of the month there was an average daily number of around 15,000 passengers, an increase compared to the average of around 3,500 passengers per day recorded in May.

Ciampino

Ciampino airport also suffered a similar reduction in volumes, with the first six months of 2020 recording a drop in passengers of -65.3%.

In consideration of the total cancellation of operations by Ryanair and Wizz Air, and therefore of the substantial zeroing of traffic at Ciampino, the commercial scheduled, as well as the general aviation, activities were suspended from March 13, maintaining operations only for cargo operations, military flights and flights of state or equivalent aircraft.

Commercial scheduled operations were resumed in the second half of June, with the partial reopening of Wizz Air on 06/16, followed by Ryanair on 06/21.

2.2. Economic and financial situation

2.2.1. Consolidated economic performance

TABLE 1. Reclassified consolidated income statement

(THOUSANDS OF EUROS)	1st HALF 2020	1st HALF 2019	Change	% change
Revenues from airport management of which:	161,434	444,902	(283,468)	(63.7%)
aeronautical revenues	105,048	318,512	(213,464)	(67.0%)
non-aeronautical revenues	56,386	126,390	(70,004)	(55.4%)
Revenues from construction services	49,641	77,872	(28,231)	(36.3%)
Other operating income	5,682	6,345	(663)	(10.4%)
Total revenues	**216,757**	**529,119**	**(312,362)**	**(59.0%)**
External operating costs	(63,384)	(80,150)	16,766	(20.9%)
Costs for construction services	(46,041)	(72,960)	26,919	(36.9%)
Concession fees	(5,321)	(17,509)	12,188	(69.6%)
Payroll costs	(59,869)	(90,144)	30,275	(33.6%)
(Allocation to) Re-absorption of allowances for risks and charges	(438)	(455)	17	(3.7%)
Total net operating costs	**(175,053)**	**(261,218)**	**86,165**	**(33.0%)**
Gross operating margin (EBITDA)	**41,704**	**267,901**	**(226,197)**	**(84.4%)**
Amortization and depreciation, write-downs and reversals	(55,638)	(53,040)	(2,598)	4.9%
Provisions for renovation and other adjusting provisions	(20,886)	(30,374)	9,488	(31.2%)
Operating income (EBIT)	**(34,820)**	**184,487**	**(219,307)**	**(118.9%)**
Financial income (expense)	(28,278)	(23,935)	(4,343)	18.1%
Share of profit (loss) of associates accounted for using the equity method	(828)	(1,871)	1,043	(55.7%)
Income (loss) before taxes from continuing operations	**(63,926)**	**158,681**	**(222,607)**	**(140.3%)**
Taxes	17,260	(50,211)	67,471	(134.4%)
Net income (loss) from continuing operations	**(46,666)**	**108,470**	**(155,136)**	**(143.0%)**
Net income (loss) from discontinued operations	0	0	0	0.0%
Net income (loss) for the period	**(46,666)**	**108,470**	**(155,136)**	**(143.0%)**
Share of income (loss) for the period pertaining to third party shareholders	0	0	0	0.0%
Group share of income (loss) for the period	**(46,666)**	**108,470**	**(155,136)**	**(143.0%)**

Revenues

- Revenues from airport management, equal to 161.4 million euros, dropped by 63.7% overall compared to the reference period, recording a negative trend in all of the components. Aeronautical activities directly connected to traffic trends recorded a 67.0% drop. Also the non-aeronautical segment, with revenues down by 55.4%, was affected by the drop in traffic and terminal closures; in detail, revenues from commercial sub-concessions fell by 66.4%, whilst those from real estate sub-concessions fell by 34.5%; revenues from car parks fell by 57.1% and those from advertising fell by 63.2%.
- Revenues from construction services equaled 49.6 million euros, down compared to the same period in 2019 (28.2 million euros), due to the almost total suspension of worksites throughout the airport system in the second half of the year.

- Other operating income amounted to 5.7 million euros, down 0.6 million euros compared to the first half of 2019, consequently to lower expense recoveries.

Net operating costs

- External operating costs were equal to 63.4 million euros, falling by 16.8 million euros overall compared to the comparative period (-20.9%). This performance was affected by the cost containment measures implemented from March onwards, which concerned the main items concerned. In detail, costs for electricity, maintenance and cleaning were down, also in relation to reduced airport operations, as well as expenses relating to commercial initiatives.
- Costs for construction services, equal to 46.0 million euros, fell, consistently with the trend of the corresponding revenues, by 26.9 million euros compared to the comparative period.
- The liability for concession fees, directly correlated to traffic trends, amounts to 5.3 million euros, a decrease of 12.2 million euros compared to the first half of 2019.
- Payroll costs of 59.9 million euros also dropped by 33.6% (-30.2 million euros) as a consequence of the various internal cost containment measures implemented by the Group, which also adopted the regulatory tools available the use of social security benefits (CIGS), as well as the negative change in the fair value of stock incentive plans.
- Provisions for risks and charges equaled 0.4 million euros (0.5 million euros in the reference period).

Gross operating margin

The gross operating margin (EBITDA), equal to 41.7 million euros, dropped by 226.2 million euros compared to the first half of 2019 (-84.4%).

Amortization and depreciation

Amortization of intangible assets and depreciation of tangible assets stood at 55.6 million euros and mainly represented amortization of the airport concession owned by the Parent Company Aeroporti di Roma S.p.A. (hereinafter “ADR”, the “Parent Company” or the “Company”). The 2.6 million euros increase compared to the same period of 2019 is attributable to the operational start-up of new systems and infrastructures.

Provisions for renovation and other adjusting provisions

This item, totaling 20.9 million euros, refers entirely to the allocation to the provisions for renovation of airport infrastructure (29.5 million euros in the comparative period), down by 8.6 million euros. This change is attributable for 4.5 million euros to the update of the interest rate taken as reference for the discounting of the financial flows expected in the future, which, in the six months in question, recorded a much lower reduction than the one recorded in the comparative half of the year, with a consequent lower impact on the allocation of the period.

In the first half of 2019, the item Provisions for renovation and other adjusting provisions also included the allowance for doubtful accounts of 0.9 million euros (0 in the period under review).

Operating income

Operating income (EBIT) came to -34.8 million euros, decreasing by 219.3 million euros (-118.9%) compared to the first half of 2019.

Financial income (expense)

The item Net financial expense, for 28.3 million euros, is up by 4.3 million euros compared to the same period in 2019, when dividends distributed by the investee Azzurra Aeroporti S.p.A. had been recorded for 3.5 million euros (0 in the first half of 2020).

Share of profit (loss) of associates accounted for using the equity method

This item, equal to -0.8 million euros, includes the write-down of the equity investment in the associated undertaking Pavimental S.p.A. (-1.9 million euros in the first half of 2019 of which -1.1 million euros relating to the associated undertaking Pavimental S.p.A and -0.8 million euros to the associated undertaking Spea Engineering S.p.A.).

Group share of income (loss) for the period

Net of the positive tax burden estimated for current and deferred taxation at 17.3 million euros, in relation to the tax benefit deriving from the tax losses achieved, in the second half of 2020 the ADR Group recorded a loss of 46.7 million euros, compared to the net profit of 108.5 million euros of the comparative period.

TABLE 2. Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1st HALF 2020	1st HALF 2019
NET INCOME (LOSS) FOR THE PERIOD	**(46,666)**	**108,470**
Share of cash flow hedge derivative financial instruments	(25,980)	(55,119)
Tax effect	5,889	13,229
Share pertaining to the “other components of comprehensive income” of equity investments accounted for using the equity method	(51)	22
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(20,142)**	**(41,868)**
Income (loss) from actuarial valuation of employee benefits	0	(1,014)
Tax effect	0	244
Profits (losses) from fair value measurement of the equity investments	(16,231)	0
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(16,231)**	**(770)**
Reclassifications of the other components of the comprehensive income statement for the period	**771**	**766**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(35,602)**	**(41,872)**
COMPREHENSIVE NET INCOME (LOSS) FOR THE PERIOD	**(82,268)**	**66,598**
of which:		
Group income (loss)	(82,268)	66,598

2.2.2. Consolidated financial performance

TABLE 3. Reclassified consolidated statement of financial position

	(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	Change
	Intangible fixed assets	2,473,442	2,477,927	(4,485)
	Tangible fixed assets	53,215	53,955	(740)
	Non-current financial assets	47,236	64,347	(17,111)
	Deferred tax assets	53,966	50,627	3,339
	Other non-current assets	413	401	12
A	**FIXED ASSETS**	**2,628,272**	**2,647,257**	**(18,985)**
	Trade assets	258,511	309,613	(51,102)
	Other current assets	25,877	15,637	10,240
	Current tax assets	27,227	7,851	19,376
	Trade liabilities	(160,218)	(216,352)	56,134
	Other current liabilities	(145,550)	(184,708)	39,158
	Current tax liabilities	(63)	(32,020)	31,957
B	**WORKING CAPITAL**	**5,784**	**(99,979)**	**105,763**
	Provisions for employee benefits	(3,038)	(3,038)	0
	Provisions for renovation of airport infrastructure	(60,747)	(55,563)	(5,184)
	Other allowances for risks and charges	(2,896)	(3,392)	496
C	**CURRENT SHARE OF PROVISIONS**	**(66,681)**	**(61,993)**	**(4,688)**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	**(60,897)**	**(161,972)**	**101,075**
	Non-current liabilities	(176,061)	(174,893)	(1,168)
E	**NON-CURRENT LIABILITIES**	**(176,061)**	**(174,893)**	**(1,168)**
F = A + D + E	**NET INVESTED CAPITAL**	**2,391,314**	**2,310,392**	**80,922**
	Group Shareholders' equity	1,102,196	1,184,467	(82,271)
	Minority interests in Shareholders' equity	0	0	0
G	**SHAREHOLDERS' EQUITY**	**1,102,196**	**1,184,467**	**(82,271)**
	Non-current financial liabilities	1,254,639	1,464,648	(210,009)
	Other non-current financial assets	(1,671)	(1,705)	34
H	**NON-CURRENT NET DEBT**	**1,252,968**	**1,462,943**	**(209,975)**
	Current financial liabilities	574,441	165,382	409,059
	Current financial assets	(538,291)	(502,400)	(35,891)
I	**CURRENT NET DEBT**	**36,150**	**(337,018)**	**373,168**
L = H + I	**NET DEBT**	**1,289,118**	**1,125,925**	**163,193**
G + L	**HEDGING OF INVESTED CAPITAL**	**2,391,314**	**2,310,392**	**80,922**

Fixed assets

Fixed assets as of June 30, 2020 equaled 2,628.3 million euros, down 19.0 million euros compared to the end of 2019, due to the following changes:

- a decrease in Intangible fixed assets (-4.5 million euros), in relation to the investments for the period (54.8 million euros), offset by amortization and depreciation (48.0 million euros) and the recovery of advances paid to suppliers (-11.3 million euros);
- a decrease in Non-current financial assets (17.1 million euros) mainly attributable to the valuation at fair value of the equity investment in Azzurra Aeroporti S.p.A., which caused a value adjustment of -16.2 million euros essentially due to the impact of Covid-19 on the future cash flows of the company; the above-mentioned decrease is attributable for the residual amount (-0.9 million euros) to the valua-

tion of the associated undertaking Pavimental S.p.A. using the equity method, which takes account of the pro quota result for the period;

- an increase in deferred tax assets of 3.3 million euros primarily due to the negative change in the fair value of derivatives and the effects of the tax loss on the 3.5% IRES surcharge (Robin Tax) to the Parent Company ADR, partly offset by the performance of the airport infrastructure renewal fund.

Working capital

The Working capital was positive at 5.8 million euros and showed an increase of 105.8 million euros compared to December 31, 2019 due to the events described below.

- Commercial assets were equal to 258.5 million euros and recorded a drop of 51.1 million euros compared to the end of 2019, essentially as a consequence of the lower volumes of activity.
- Other current assets rose by 10.2 million euros, primarily due to the higher VAT credit (up 6.6 million euros) and the recognition of the receivable from INPS for amounts advanced by the ADR Group with reference to the CIGS (up 2.5 million euros).
- Current tax assets saw an increase of 19.4 million euros due essentially to the recognition of the consolidated tax credit, corresponding to the 24% IRES tax benefit on the tax loss recorded in the six months.
- Trade liabilities decreased by 56.1 million euros as a consequence mainly of the decreased volume of investments made in the six months as well as of external costs.
- Other current liabilities decreased by 39.2 million euros overall, mainly as the combined effect of:
  - a decrease in the payables for surtax on passenger fees of 25.6 million euros due to the impact of the correlated effect of the performance in the period of this type of collections from carriers. For this type of charge, ADR is an intermediary in the collection of surcharges, which it pays back to the end beneficiaries in the month after the month of collection;
  - a decrease in the payables for concession fees of 12.6 million Euros in relation to the payment of the second installment of 2019 made in January 2020, net of the portion accrued in the period;
  - a decrease in payables to personnel for 7.0 million euros attributable to the cost cutting actions;
  - an increase in the payable for the firefighting service of 3.0 million euros in relation to the cost accrued in the period;
  - an increase in payables for withholding tax on personnel of 2.5 thousand euros and payables due to social security agencies of 1.3 million euros, in relation to the suspended tax and contribution payments under the Liquidity Decree, which some Group companies have benefited from.
- Current tax liabilities decreased by 32.0 million euros after the payment of the 2019 tax balance.

Current share of provisions and non-current liabilities

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	Change
Provisions for employee benefits	17,081	17,931	(850)
Provisions for renovation of airport infrastructure	200,813	189,002	11,811
Other allowances for risks and charges	22,772	22,474	298
TOTAL	**240,666**	**229,407**	**11,259**
of which:			
- current share	66,681	61,993	4,688
- non-current share[1]	173,985	167,414	6,571

The renovation provision, which includes the current value of the estimate of the charges to be incurred for the contractual obligation to restore and replace assets under concession, increased by 11.8 million euros compared to the balance at the end of 2019 due to provisions for the period net of operating uses, which absorb the values resulting from updating the scheduled replacement/renewal actions included in the updated business plan.

Net invested capital

The consolidated net invested capital, equal to 2,391.3 million euros as of June 30, 2020, showed an increase of 80.9 million euros compared to the end of the previous year.

Shareholders' equity

The Group shareholders' equity, equal to 1,102.2 million euros, decreased by 82.3 million euros compared to December 31, 2019, due to the overall net income of the period, which includes the negative change in the fair value of derivatives and of the equity investment in Azzurra Aeroporti S.p.A.

Net debt

Net debt as of June 30, 2020 amounted to 1,289.1 million euros, up by 163.2 million euros compared to the end of 2019.

[1] Non-current liabilities also include the item “Other liabilities” equal to 2,076 thousand euros as of 06.30.2020 and 7,479 thousand euros as of 12.31.2019.

TABLE 4. Consolidated net debt

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	Change
Non-current financial liabilities	1,254,639	1,464,648	(210,009)
Bonds	702,370	1,115,670	(413,300)
Medium/long-term loans	386,729	207,198	179,531
Financial instruments - derivatives	164,320	140,076	24,244
Other non-current financial liabilities	1,220	1,704	(484)
Other non-current financial assets	(1,671)	(1,705)	34
NON-CURRENT NET DEBT	**1,252,968**	**1,462,943**	**(209,975)**
Current financial liabilities	574,441	165,382	409,059
Current share of medium/long-term financial liabilities	520,237	129,848	390,389
Derivative financial instruments	54,204	35,534	18,670
Current financial assets	(538,291)	(502,400)	(35,891)
Cash and cash equivalents	(536,941)	(500,885)	(36,056)
Other current financial assets	(1,350)	(1,515)	165
CURRENT NET DEBT	**36,150**	**(337,018)**	**373,168**
NET DEBT	**1,289,118**	**1,125,925**	**163,193**

Non-current net debt

The non-current net debt amounts to 1,253.0 million euros, down 210.0 million euros as a result of the changes described below.

- Bonds (702.4 million euros) refer to Tranche A4 in Pounds Sterling of the bonds originally issued by Romulus Finance for 229.9 million euros and to the bond loan issued by ADR in December 2017 for 472.5 million euros. The decrease of 413.3 million euros is essentially attributable to the short-term reclassification, for a total of 399.0 million euros, of the EMTN ("Euro Medium Term Note Program") bond loan issued by ADR in December 2013 and the adjustment of the Tranche A4 to the exchange rate at the end of period (-17.1 million euros).
- Medium/long-term loans, amounting to 386.7 million euros, increased by 179.5 million euros due to the disbursement of the third tranche of the loan granted by CDP for a nominal value of 80.0 million euros and the disbursement of tranche A, for a nominal value of 100.0 million euros, of the loan granted by BNL in the first half of 2020.
- Derivative financial instruments, amounting to 164.3 million euros and comprising Cross Currency Swaps to hedge the Tranche A4 in pounds sterling, showed a negative fair value of 114.6 million euros, up 8.8 million euros, due to the exchange rate component (17.1 million euros), partly offset by the positive performance of the interest rate component. The residual amount of 49.7 million euros refers to the negative fair value of four forward-starting Interest Rate Swap agreements (with a notional value of 300.0 million euros, with deferred application: February 20, 2022) up 15.5 million euros with respect to December 31, 2019.

Current net debt

The financial position highlights, for the current part, a current net debt of 36.2 million euros compared to the end of 2019 equal to 337.0 million euros. The increase of 373.2 million euros is essentially attributable to the short-term reclassification of 399.0 million euros of the bond loan EMTN maturing in February 2021 and increase in liabilities for derivative financial instruments (+18.7 million euros) relative to four forward-starting Interest Rate Swap contracts (with a notional value of 400.0 million euros, with deferred application, initially set for February 20, 2020 and recently renegotiated to June 30, 2021). These effects were partially offset by higher cash and cash equivalents (up 36.1 million euros).

TABLE 5. Consolidated statement of Cash Flows

(THOUSANDS OF EUROS)	1st HALF 2020	1st HALF 2019
Net income (loss) for the period	**(46,666)**	**108,470**
Adjusted by:		
Amortization and depreciation	55,638	53,040
Allocation to provisions for renovation of airport infrastructure	20,883	29,497
Financial expense from discounting provisions	664	1,052
Change in other provisions	(578)	(2,899)
Share of profit (loss) of associates accounted for using the equity method	828	1,871
Net change in deferred tax (assets) liabilities	2,306	5,935
Other non-monetary costs (revenues)	4,386	4,225
Changes in working capital and other changes	(111,166)	7
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(73,705)**	**201,198**
Investments in tangible assets (*)	(6,861)	(18,002)
Investments in intangible assets (*)	(54,791)	(103,843)
Works for renovation of airport infrastructure	(9,710)	(13,992)
Equity investments and minority shareholdings in consolidated companies	(1)	0
Gains from disinvestments and other changes in tangible and intangible assets and equity investments	11,239	5,256
Net change in other non-current assets	(12)	7
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(60,136)**	**(130,574)**
Dividends paid	0	(130,672)
Raising of medium/long-term loans	179,500	0
Net change in other current and non-current financial liabilities	(9,568)	(9,783)
Net change in current and non-current financial assets	(35)	0
NET CASH FLOW FROM FUNDING ACTIVITIES (C)	**169,897**	**(140,455)**
NET CASH FLOW FOR THE PERIOD (A+B+C)	**36,056**	**(69,831)**
Cash and cash equivalents at the start of the period	500,885	328,200
Cash and cash equivalents at the end of the period	536,941	258,369

(*) including advances to suppliers for 1,456 thousand euros in the first half of 2020 and 21,883 thousand euros in the first half of 2019.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	1st HALF 2020	1st HALF 2019
Net income taxes paid (reimbursed)	31,771	56,220
Interest income collected	74	15
Interest payable and commissions paid	32,272	32,070

The net cash flow from operations of the ADR Group generated in the first half of 2020 was negative for 73.7 million euros, down by 274.9 million euros compared to the comparative period, due to the decrease in net profit for the half year and the unfavorable trend in working capital.

Due to the substantial stop to worksites in the second half of the year, the net cash flow from investment activities, amounting to -60.1 million euros, was 70.4 million euros lower than in the same period of 2019, when it stood at -130.6 million euros.

Net cash flow from funding activities was a positive 169.9 million euros as a result of the disbursement of the third tranche of the loan granted by CDP (+80 million euros) and tranche A of the loan granted by BNL (+100 million euros).

As a result of the trends described above, the net cash flow for the period, which was +36.1 million euros, increased the cash and cash equivalents at the end of the period to 536.9 million euros compared to the opening balance of 500.9 million euros.

2.2.3. ADR Group investments

TABLE 1. ADR Group capital investment in the first half of 2020, 2019 and 2018

(millions of euros)	1st HALF 2020	1st HALF 2019	1st HALF 2018
Airport concession investments	49.6	77.9	51.5
Other investments in tangible and intangible assets	10.6	22.1	7.5
Total investments	**60.2**	**100.0**	**59.0**
Renovation interventions[2]	**9.7**	**14.0**	**26.1**
TOTAL	**69.9**	**114.0**	**85.1**

Initiatives implementing the Planning Agreement continued in the first half of 2020. 69.9 million euros have been spent in total, broken down as follows:

- 45.3 million euros targeted to the expansion of capacity; in detail, 41.4 million euros for the realization of new Terminals and Piers, and in particular the continuation of capacity upgrading works in accordance with the "East Terminal Expansion" project at Fiumicino airport, and 3.9 million euros for the expansion of airport aprons;
- 14.5 million euros for the development of computing and technological equipment and other minor interventions;
- 0.5 million euros for extraordinary civil maintenance works, systems at Ciampino airport;
- 9.7 million euros for recovery interventions, extraordinary maintenance and renovation of the existing infrastructure.

In the second half of the first six months of the year, the measures adopted by the government to limit the spread of the virus at national level (so-called "lockdown"), in addition to the initiatives activated by the ADR Group to protect adequate levels of liquidity, led to an almost total suspension of construction sites throughout the airport system.

[2] These amounts are for the use of the provisions for renovation of airport infrastructure

(millions of euros)	1st HALF 2020	
Interventions on terminals and piers		**41.4**
of which the main ones are:		
East Airport System	31.7	
Terminal 3 - restructuring	4.5	
Works on runways and aprons		**3.9**
of which the main ones are:		
Bravo West stretch doubled	2.4	
Buildings, networks, systems, ICT systems and other minor systems		**14.5**
of which the main ones are:		
Asset FCO (buildings, networks, systems, …)	4.2	
Actions on technological systems and networks	7.4	
Ciampino		**0.5**
Total investments		**60.2**
of which:		
finished	4.3	
in progress	55.9	
Renovation interventions		**9.7**
TOTAL		**69.9**

No specific investments in Research and Development have been carried out during the first half of 2020.

2.2.4. Alternative performance indicators

In order to illustrate the economic result of the Group as well as its economic and financial position, reclassified statements were prepared which are different from those required under EU IFRS accounting standards adopted by the Group and contained in the Condensed consolidated interim financial statements. These reclassified statements[3] contain alternative performance indicators to those directly resulting from the Condensed consolidated interim financial statements that management deem useful for monitoring the Group's performance and representing the economic and financial results of the business.

These alternative performance indicators ("API") are:

- Net operating costs
- Gross operating margin (EBITDA)
- Fixed assets
- Working capital
- Net invested capital
- Net debt

Reference is made to the next paragraph for a reconciliation of the above-mentioned indicators with the Condensed consolidated interim financial statements.

Moreover, in order to better assess the Group's operating performance at economic and financial level, the following additional alternative performance indicators are presented:

[3] As already highlighted in the paragraph relative to the Consolidated economic and financial situation, in compliance with the approach adopted starting from the 2018 Annual Financial Report, the format of the reclassified income statement includes allocations to allowances for risks and charges in the items contributing to the calculation of the Gross Operating Margin (EBITDA). The reclassified income statement of the first half of 2018 was therefore recalculated for comparison purposes.

API	SOURCE/CALCULATION METHOD
EBITDA %	ratio between EBITDA and Revenues from airport management
EBIT %	ratio between Operating income (EBIT) and Revenues from airport management
Investments	are determined as follows:
	+ investments in Tangible assets (see Note 6.1 of the Explanatory Notes)
	+ investments in Intangible assets net of advances paid to suppliers in the period (see Note 6.2 of the Explanatory Notes)
	+ revenues for construction services (see Note 7.1 of the Explanatory Notes)
	+ operating uses of the Provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Net debt/Shareholders' equity	ratio between Net debt and Shareholders' equity
Net debt/EBITDA (last 12 months)	ratio between Net debt and EBITDA of the last 12 months rolling determined as so: EBITDA of the six months under review + EBITDA previous year - EBITDA of the comparative six months

The reclassified statements and the above-mentioned indicators must be considered as replacing the conventional ones required by IFRS.

Reconciliation between the reclassified consolidated income statement and the consolidated financial statements

The income statement was reclassified on a "value-added" basis, which shows the contribution of the financial and core areas of operation.

For the items that cannot be directly inferred from the consolidated financial statements, the calculation method and the reference to the sections of this Consolidated interim financial report containing the necessary information for calculation purposes are provided.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	SOURCE/CALCULATION METHOD
Revenues from airport management of which:	as inferred from the consolidated financial statements
aeronautical revenues	see Note 7.1 of the Explanatory Notes
non-aeronautical revenues	see Note 7.1 of the Explanatory Notes
Revenues from construction services	as inferred from the consolidated financial statements
Other operating income	as inferred from the consolidated financial statements
Total revenues	
External operating costs	calculated as follows
	+ Consumption of raw materials and consumables (as inferred from the consolidated financial statements)
	+ Service costs (as inferred from the consolidated financial statements)
	- Costs for construction services (see Note 7.3 of the Explanatory Notes)
	- Costs for renovation of airport infrastructures (see Note 7.3 of the Explanatory Notes)
	+ Expenses for leased assets (as inferred from the consolidated financial statements)
	+ Other costs (as inferred from the consolidated financial statements)
	- Allocations to provisions for doubtful accounts (see Note 7.5 of the Explanatory Notes)
Costs for construction services	see Note 7.3 of the Explanatory Notes
Concession fees	as inferred from the consolidated financial statements
Payroll costs	as inferred from the consolidated financial statements
(Allocation to) Re-absorption of allowances for risks and charges	as inferred from the consolidated financial statements
Total net operating costs	
Gross operating margin (EBITDA)	
Amortization and depreciation	as inferred from the consolidated financial statements
Provisions for renovation and other adjusting provisions	calculated as follows
	+ Allocations to provisions for doubtful accounts (see note 7.5 of the Explanatory Notes)
	+ Allocation to (use of) the provisions for renovation of airport infrastructure (as inferred from the consolidated financial statements)
	- operating uses of the provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Operating income (EBIT)	
Financial income (expense)	as inferred from the consolidated financial statements
Share of profit (loss) of associates accounted for using the equity method	as inferred from the consolidated financial statements
Income (loss) before taxes from continuing operations	as inferred from the consolidated financial statements
Taxes	as inferred from the consolidated financial statements
Net income (loss) from continuing operations	as inferred from the consolidated financial statements
Net income (loss) from discontinued operations	as inferred from the consolidated financial statements
Net income (loss) for the period	as inferred from the consolidated financial statements
Share of income (loss) for the period pertaining to third party shareholders	as inferred from the consolidated financial statements
Group share of income (loss) for the period	as inferred from the consolidated financial statements

Reconciliation between the reclassified consolidated statement of financial position and the consolidated financial statements

The Consolidated statement of financial position was reclassified in accordance with “management criteria”, which, on one hand, shows the division of invested capital between fixed capital and working capital, net of provisions, and on the other, the related sources of funding, represented by self-financing (shareholders’ equity) and borrowing (current and non-current net debt). For the items that cannot be directly inferred from the consolidated financial statements, the calculation method is provided.

	RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	SOURCE/CALCULATION METHOD
	Intangible fixed assets	corresponding to the item “Intangible assets” in the consolidated financial statements
	Tangible fixed assets	corresponding to the item “Tangible assets” in the consolidated financial statements
	Non-current financial assets	corresponding to the item “Equity investments” in the consolidated financial statements
	Deferred tax assets	as inferred from the consolidated financial statements
	Other non-current assets	as inferred from the consolidated financial statements
A	**FIXED ASSETS**	
	Trade assets	as inferred from the consolidated financial statements
	Other current assets	as inferred from the consolidated financial statements
	Current tax assets	as inferred from the consolidated financial statements
	Trade liabilities	as inferred from the consolidated financial statements
	Other current liabilities	as inferred from the consolidated financial statements
	Current tax liabilities	as inferred from the consolidated financial statements
B	**WORKING CAPITAL**	
	Provisions for employee benefits	as inferred from the consolidated financial statements
	Provisions for renovation of airport infrastructure	as inferred from the consolidated financial statements
	Other allowances for risks and charges	as inferred from the consolidated financial statements
C	**CURRENT SHARE OF PROVISIONS**	corresponding to the item “Allowances for current provisions” in the consolidated financial statements
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	
	Non-current liabilities	+ Allowances for non-current provisions as inferred from the consolidated financial statements
		+ Other non-current liabilities as inferred from the consolidated financial statements
E	**NON-CURRENT LIABILITIES**	
F = A + D + E	**NET INVESTED CAPITAL**	
	Group Shareholders' equity	as inferred from the consolidated financial statements
	Minority interests in Shareholders’ equity	as inferred from the consolidated financial statements
G	**SHAREHOLDERS' EQUITY**	
	Non-current financial liabilities	as inferred from the consolidated financial statements
	Other non-current financial assets	as inferred from the consolidated financial statements
H	**NON-CURRENT NET DEBT**	
	Current financial liabilities	as inferred from the consolidated financial statements
	Current financial assets	+ Other current financial assets as inferred from the consolidated financial statements
		+ Cash and cash equivalents as inferred from the consolidated financial statements
I	**CURRENT NET DEBT**	
L = H + I	**NET DEBT**	
G + L	**HEDGING OF INVESTED CAPITAL**	

3. Risk factors

3.1. Operational and strategic risks

Main features

The correct management of the risks inherent in performing the company's businesses is a fundamental element for the ADR Group to maximize opportunities and reduce the potential losses associated with unexpected events, preserve the creation of economic value in the long-term and protect the tangible assets and intangible interests of the stakeholders.

The ADR Group has adopted a preventive approach to risk management, to guide management's decisions and activities, with the belief that a suitable process of identification, measurement, management and monitoring of the main risks contributes to guaranteeing that the company is run smoothly, correctly and in line with the strategic objectives. A structured "Enterprise Risk Management" process was then implemented for the integrated management of business risks. The key principles of the internal control and risk management system of the ADR Group are based on:

- a suitable definition of the roles and responsibilities structured to prevent functional overlapping and an appropriate system of operating mandates that consider the nature, size and risks of the individual categories of operations;
- a definition of operating processes that requires suitable documentary support to allow the tracking of decisions and the compliance with suitable authorization procedures;
- a definition of security mechanisms that ensure a suitable protection of the assets and data of the corporate organization, in order to allow data access within the limits of what is necessary to perform the assigned activities;
- periodic and continuous repetition of the risk identification and assessment process, periodic assessment of the effectiveness and efficiency of business processes for their constant adjustment;
- continuous monitoring of the internal control system carried out firstly by line management, and of the checks of the Internal Audit department of the parent company Atlantia to ensure the actual application *of the procedures and compliance with regulations in force*.

The strategic approach to the risk management system can be summarized mainly as the activities performed by:

- the Board of Directors, which defines the nature and level of risk compatible with the strategic objectives (the Risk Appetite), through a continuous process of analysis and assessment of the business context in which the company works. In relation to the risk profiles, the guidelines for the risk management and containment action implementation system are outlined;
- ADR's top management pursues the business objectives in compliance with the guidelines defined by the Board of Directors and made operational in terms of risk assessment by the Legal Department, entrusted with guaranteeing a risk management system that is in line with the methods specified by the parent company Atlantia.

The Risk Management process is arranged into the following phases:

- Phase 1: receipt of the Risk Management methodological guidelines from the parent company Atlantia to define the Risk Appetite and the Risk Catalogue (Risk Assessment);
- Phase 2: preparation/update of the Risk Appetite: the Risk Appetite of ADR Group companies is submitted for approval to the respective Boards of Directors, in accordance with the deadlines defined in the methodological guidelines;
- Phase 3: preparation/update of the Risk Catalogue (Risk Assessment). This phase, which involves ADR Risk Officer and Risk Owners, provides for the identification, assessment and management of risks, as well as the identification of any corrective action taken to align the level of residual risk with the risk appetite defined in the respective Risk Appetite;
- Phase 4: presentation Approval on the Boards of Directors of each ADR Group company of the results of the Risk Assessment and presentation of the risk management activities carried out during the year.

During 2020, the ADR Group launched a project to update the methodology, aimed at ensuring the alignment of the Group's Enterprise Risk Management framework with the best practices in the sector, also with reference to issues related to the pandemic event that characterizes the current macroeconomic scenario. The activities are scheduled to end in December 2020.

Activities and procedures

RISK	DEFINITION	POSSIBLE CAUSES	POSSIBLE CONSE-QUENCES	MITIGATION ACTIVITY
Strategic risks	Risks linked to the evolution of the air transport market and over reliance on Alitalia and other important carriers.	The ADR Group's economic results are highly affected by air traffic which, in turn, is conditioned by the health emergencies, the economic scenario, the economic-financial conditions of the individual carriers, the alliances between carriers and the competition, on some routes, from alternative means of transport.	These risks may significantly affect long-term performance, thereby resulting in changes to ADR Group's development policies.	The risk management tools are: (i) short and long-term analysis of the competitive scenario, (ii) monitoring the trends of the demand, (iii) investment program in close cooperation with the stakeholders, (iv) diversification and development of the portfolio of carriers/markets to address and anticipate any reduced offer, (v) management of the incentive plan for the development of additional traffic.
Air transport security risks	Risks to persons and vehicles in the context of airport operations (ground/airside) and airport operations in adverse weather conditions.	Incorrect behavior of airport operators (ADR and third parties), failure to comply with procedures, inadequate monitoring of the activities carried out, signs and runway pavements not suitable for operations, birdlife on the ground, adverse weather conditions, etc.	Plane crashes, damage to persons, property, equipment and infrastructure of ADR and third parties.	(i) the safety management system, (ii) progressive investments in safety and security, (iii) staff training, (iv) pressing strict control and monitoring activities of the security standards.
Information systems	Risks related to the failed/incorrect operation of systems and IT security.	Incorrect system maintenance activities, inadequate IT security measures, cyber-attacks (cybercrime).	System unavailability with consequent blockage of airport operations, theft, distraction, data loss.	(i) CED infrastructure highly available with remote disaster recovery and annual operation checks, (ii) redundant network infrastructure in the main components, (iii) service levels differentiated according to the service situation, (iv) periodic vulnerability assessment and penetration test activities.
Compliance and regulatory risks	Risks linked to the failure to comply with the Planning Agreement, Risks of amendments to the reference regulatory framework, Failure to comply with the law and reference legislation.	Inadequate monitoring, control and verification of the fulfilments required by the concession agreement or the reference regulations.	Possibility of financial penalties, initiation of the procedure for forfeiture of the concession, penalties on the airport tariff, etc., criminal and administrative fines.	The management of these risks is focused on the utmost substantial compliance with regulations and legislation in force, cooperation with the reference authorities and close liaison with the Granting Body to ensure maximum compliance with the requirements relating to regulated activities.

Risks linked to the management of third parties	Risks related to the lack of guarantee of service to users by third party partners present at the airport. Risks related to possible repercussions on the company's image deriving from inadequate management of contractual relations with third parties.	Airport personnel strikes, reduction in operating personnel due to company crisis situations, failure to comply with procedures.	Non-compliance with customer service levels, damage to image, interruption of airport operations.	Airport plans and procedures to manage contingencies and states of emergency.

3.2. Financial risks

RISK	DEFINITION	POSSIBLE CAUSES	POSSIBLE CONSEQUENCES	MITIGATION ACTIVITY
Liquidity risks	Risk associated with the difficulty of finding the financial resources needed to meet debt repayment commitments and the implementation of the investment plan.	The reduction in the loans granted by banking counterparties and other investors, due to both market reasons and contingent situations for companies issuing financial debt. Inability to take out new loans due to a significant deterioration in creditworthiness.	Difficulties in finding financial resources on the market can significantly affect: a) the ability to invest in both the maintenance and development of airport infrastructure; b) the ability to repay maturing financial debts.	The tools for managing this type of risk can be summarized as follows: a) updating short and long term analyses of prospective financial requirements; b) monitoring of capital market conditions; c) refinancing of borrowings well in advance of their due dates; d) diversification of the Company's sources of financing. in addition to the holding within the company, in times of financial tension, higher levels of available liquidity than in ordinary situations.
Interest rate risk	Risks related to the increase in the cost conditions of financial sources of debt.	Monetary policy decisions taken by central banks or the deterioration of the creditworthiness of counterparties and/or the Company.	The increase in market reference rates or credit spreads applied to the Company may result in a significant increase in the cost of debt.	The instruments for the management of this risk are: a) planning prospective financial requirements; b) using "derivative" instruments (interest rate swaps); c) starting fixed rate loans.
Exchange rate risks	Risks linked to the unfavorable trend in the value of currencies other than the euro.	The appreciation of foreign currencies against the euro is a consequence of currency market trends and is totally exogenous with respect to the airport business.	The need to comply with financial obligations in currencies other than the euro, the currency collected by the Company for the provision of its services, may create an increase in the value of such obligations with respect to the value originally contracted.	Hedging of cash flows in foreign currency through derivative contracts (currency swaps) to protect specific risks.
Risks related to outstanding loan agreements	The loan contracts in force require financial constraints and "do and do not do" clauses that are typical of such contracts to be respected.	Failure to comply with such constraints and clauses could be linked to the objective impossibility for the company to fulfill them.	Failure to comply with such constraints and clauses could result in the lending institutions declaring "default" with the activation of **coercive actions** that may go as far as requesting early repayment of the loans concerned.	Monitoring of commitments and related maturities, as well as periodic evaluation of the performance of the relevant financial indicators, in order to prevent, through any corrective actions, the possible impact of factors affecting compliance with the commitments undertaken.

4. Other information

Relations with the parent company Atlantia S.p.A.

Aeroporti di Roma S.p.A. is a company subject to management and coordination by Atlantia S.p.A., which owns 99.384% of the share capital. The remaining share is divided between local authorities (former Prime Ministerial Decree of February 25, 1999) and other minor shareholders (with a total investment of 0.265%).

The notice regarding management and coordination required by Article 2497-bis of the Italian Civil Code is available in a specific section of the Separate financial statements (Annex 1).

ADR also complies with the Atlantia Group's "Code of conduct for the prevention of discrimination and the protection of the dignity of women and men"; on October 9, 2019 it also adopted the new Code of Ethics and the new Anti-Corruption Policy in force within the Atlantia Group.

In turn, ADR “manages and coordinates” its subsidiary undertakings, ADR Tel, ADR Ingegneria S.p.A., ADR Assistance, ADR Security, ADR Mobility and Airport Cleaning.

Inter-company relations and transactions with related parties

All transactions with parent companies, subsidiary undertakings and other related parties were carried out on an arm's length basis.

With reference to inter-company relations and transactions with related parties, please see Note 10 to the Consolidated financial statements.

5. Subsequent events

Traffic trends in the first seven months of 2020[4]

Due to the persistent Covid-19 emergency around the world, the air transport sector also suffered a major global crisis in July, as it did in previous months linked to the pandemic.

During the period January - July 2020, the Roman airport system recorded an overall drop of 70.9% in passengers, with a parallel drop in movements of 61.2%.

TABLE 1. Main traffic data of the Roman airport system

	JAN. 1 – JUL. 22 2020	JAN. 1 – JUL. 22 2019	Δ%
Movements (no.)	**77,895**	**200,962**	**(61.2%)**
Fiumicino	63,357	171,881	(63.1%)
Ciampino	14,538	29,081	(50.0%)
Passengers (no.)	**7,850,122**	**26,974,211**	**(70.9%)**
Fiumicino	6,755,989	23,709,537	(71.5%)
Ciampino	1,094,133	3,264,674	(66.5%)
Cargo (tons)	**50,097**	**110,691**	**(54.7%)**
Fiumicino	40,033	100,509	(60.2%)
Ciampino	10,064	10,182	(1.2%)

Fiumicino

The continuing negative effects of COVID-19 caused a 71.5% decrease in passenger traffic at Fiumicino airport during the period under consideration. The drop in the Domestic sector (-66%) was lower, thanks in particular to flows towards Southern Italy and the islands.

In the first 22 days of July, performance was down 84.1% compared with the same period of the previous year; the Domestic segment was down 70.1%, whilst the European and non-European segments were down 84.8% and 95.6%, respectively; within the latter, the long-haul component, net of some flights to the Arabian Peninsula and North America, still appears to be substantially zero.

Ciampino

In the period in question, the airport - which was closed to commercial activities from March 13 to May 4, and with some flights resuming from the second half of June by Wizz Air first, and Ryanair immediately afterwards - recorded a decrease of -66.5% compared to the same period last year.

In the first 22 days of July, passengers fell by 75.3%; general aviation fell by 37.9% in the same period.

[4] Provisional data updated to July 22, 2020 and compared with the same period of 2019.

Other significant events

- On July 16, 2020 the Transport Regulation Authority published the new Airport Fee Regulation Models, approved by Resolution no. 136/2020, which will also apply to operators with planning agreements under derogation and will enter into force on July 1, 2021. ADR will challenge this resolution in the wake of the dispute before the Lazio Regional Administrative Court, which had already begun with the challenge against the Resolution with which ART had launched the procedure for revision of the above Models due to lack of applicability of the above Models to program agreements under derogation, such as the one signed by ADR.

- Article 202 of Italian Law Decree no. 34/20 (Re-launch Law Decree), as amended by conversion law no. 77 of July 17, 2020, inserting paragraph 1-bis, provided that "*In view of the drop in traffic at Italian airports consequently to the epidemiological emergency caused by COVID-19 and the measures adopted by the State and the regions to contain the contagion, in order to curb the consequent economic effects, the duration of concessions for the management and development of airport activities, in progress at the date of entry into force of the law converting this decree, is extended by two years*".

  As a result, the concession fees posted under Intangible assets, which are amortized throughout the entire concession, will be amortized, with the use of constant rates determined with reference to the new expiry of the concession.

- On July 17, 2020 Fitch Ratings decided to change ADR's watch rating, like that of Atlantia, from negative to evolving, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The evolving state reflects the high uncertainty about the evolution of the situation in both negative and positive terms. The agency also states that if a Memorandum of Understanding is signed, according to the terms communicated by the Presidency of the Council of Ministers, it could take a positive action on the rating.

6. Business Outlook

The impact of the COVID-19 crisis has forced a radical reconsideration of the 2020 forecasts for the entire ADR Group, for which it is inevitable to maintain all of the cost containment and investment program reduction initiatives, already implemented, active for the entire current year.

Although a gradual recovery in traffic is expected in the second half of the year, the trend in demand is still highly uncertain for a recovery to be actually credited, given that the volumes of 2019 cannot be expected in the near future.

Therefore, also in perspective, maintaining high levels of liquidity is the Group's priority objective, as well as the commitment to facilitate a rapid recovery of the appropriate credit metrics for an Investment Grade company, upon activities returning to normal levels.

The Board of Directors

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020

Condensed Consolidated Interim Financial Statements as of June 30, 2020

CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP

Consolidated Statement of Financial Position

ASSETS (THOUSANDS OF EUROS)	NOTES	06.30.2020	*of which related parties*	12.31.2019	*of which related parties*
NON-CURRENT ASSETS					
Tangible assets	6.1	53,215		53,955	
Concession fees		2,427,751		2,422,626	
Other intangible assets		45,691		55,301	
Intangible assets	6.2	2,473,442		2,477,927	
Equity investments	6.3	47,236		64,347	
Other non-current financial assets	6.4	1,671		1,705	
Deferred tax assets	6.5	53,966		50,627	
Other non-current assets	6.6	413		401	
TOTAL NON-CURRENT ASSETS		**2,629,943**		**2,648,962**	
CURRENT ASSETS					
Inventories		6,047		4,197	
Trade receivables		252,464	*1,928*	305,416	*3,181*
Trade assets	6.7	258,511	*1,928*	309,613	*3,181*
Other current financial assets	6.4	1,350	*1,350*	1,515	*1,350*
Current tax assets	6.8	27,227	*26,901*	7,851	*7,470*
Other current assets	6.9	25,877	*495*	15,637	*514*
Cash and cash equivalents	6.10	536,941		500,885	
TOTAL CURRENT ASSETS		**849,906**	***30,674***	**835,501**	***12,515***
TOTAL ASSETS		**3,479,849**	***30,674***	**3,484,463**	***12,515***

SHAREHOLDERS' EQUITY AND LIABILITIES (THOUSANDS OF EUROS)	NOTES	06.30.2020	*of which related parties*	12.31.2019	*of which related parties*
SHAREHOLDERS' EQUITY					
GROUP SHAREHOLDERS' EQUITY					
Share capital		62,225		62,225	
Reserves and retained earnings		1,086,637		877,081	
Net income (loss) for the period		(46,666)		245,161	
		1,102,196		1,184,467	
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY		0		0	
TOTAL SHAREHOLDERS' EQUITY	6.11	**1,102,196**		**1,184,467**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	6.12	14,043		14,893	
Provisions for renovation of airport infrastructure	6.13	140,066		133,439	
Other allowances for risks and charges	6.14	19,876		19,082	
Allowances for non-current provisions		173,985		167,414	
Bonds		702,370		1,115,670	252,704
Medium/long-term loans		386,729		207,198	
Financial instruments - derivatives		164,320		140,076	
Other financial liabilities		1,220		1,704	
Non-current financial liabilities	6.15	1,254,639		1,464,648	252,704
Other non-current liabilities	6.16	2,076	128	7,479	790
TOTAL NON-CURRENT LIABILITIES		**1,430,700**	***128***	**1,639,541**	***253,494***
CURRENT LIABILITIES					
Provisions for employee benefits	6.12	3,038		3,038	
Provisions for renovation of airport infrastructure	6.13	60,747		55,563	
Other allowances for risks and charges	6.14	2,896		3,392	
Allowances for current provisions		66,681		61,993	
Trade payables	6.17	160,218	50,351	216,352	84,709
Trade liabilities		160,218	50,351	216,352	84,709
Current share of medium-long-term financial liabilities		520,237	392	129,848	453
Financial instruments - derivatives		54,204		35,534	
Current financial liabilities	6.15	574,441	392	165,382	453
Current tax liabilities	6.8	63		32,020	19,070
Other current liabilities	6.18	145,550	1,768	184,708	3,652
TOTAL CURRENT LIABILITIES		**946,953**	***52,511***	**660,455**	***107,884***
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,479,849**	**52,639**	**3,484,463**	**361,378**

Consolidated Income Statement

(THOUSANDS OF EUROS)	NOTES	1st HALF 2020	*of which related parties*	1st HALF 2019	*of which related parties*
REVENUES					
Revenues from airport management		161,434	*2,659*	444,902	*6,905*
Revenues from construction services		49,641		77,872	
Other operating income		5,682	*517*	6,345	*572*
TOTAL REVENUES	7.1	**216,757**	**3,176**	**529,119**	***7,477***
COSTS					
Consumption of raw materials and consumables	7.2	(5,251)	*0*	(14,936)	*(9,708)*
Service costs	7.3	(109,034)	*(35,661)*	(146,832)	*(57,058)*
Payroll costs	7.4	(59,869)	*(191)*	(90,144)	*(2,040)*
Concession fees		(5,321)		(17,509)	
Expenses for leased assets		(530)		(582)	
(Allocation to) use of the provisions for renovation of airport infrastructure	6.13	(11,173)		(15,505)	
(Allocation to) Re-absorption of allowances for risks and charges	6.14	(438)		(455)	
Other costs		(4,323)	*(7)*	(5,629)	*(7)*
Other operating costs	7.5	(21,785)	*(7)*	(39,680)	*(7)*
Depreciation of tangible assets	6.1	(7,595)		(7,631)	
Amortization of intangible concession fees	6.2	(44,523)		(42,455)	
Amortization of other intangible assets	6.2	(3,520)		(2,954)	
Amortization and depreciation		(55,638)		(53,040)	
TOTAL COSTS		**(251,577)**	***(35,859)***	**(344,632)**	***(68,813)***
OPERATING INCOME		**(34,820)**		**184,487**	
Financial income		278		3,946	*3,520*
Financial expense		(45,622)	*(1,082)*	(28,422)	*(6,503)*
Foreign exchange gains (losses)		17,066		541	
FINANCIAL INCOME (EXPENSE)	7.6	**(28,278)**	***(1,082)***	**(23,935)**	***(2,983)***
Share of profit (loss) of associates accounted for using the equity method	7.7	(828)		(1,871)	
INCOME (LOSS) BEFORE TAXES		**(63,926)**		**158,681**	
Income taxes	7.8	17,260		(50,211)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**(46,666)**		**108,470**	
Net income (loss) from discontinued operations		0		0	
NET INCOME (LOSS) FOR THE PERIOD		**(46,666)**		**108,470**	
of which:					
Group income (loss)		**(46,666)**		108,470	
Minority interests		0		0	

Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	NOTES	1st HALF 2020	1st HALF 2019
NET INCOME (LOSS) FOR THE PERIOD		**(46,666)**	**108,470**
Share of cash flow hedge derivative financial instruments	6.15	(25,980)	(55,119)
Tax effect		5,889	13,229
Share pertaining to the “other components of comprehensive income” of equity investments accounted for using the equity method		(51)	22
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect		**(20,142)**	**(41,868)**
Income (loss) from actuarial valuation of employee benefits	6.12	0	(1,014)
Tax effect		0	244
Profits (losses) from fair value measurement of the equity investments	6.3	(16,231)	0
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect		**(16,231)**	**(770)**
Reclassifications of the other components of the comprehensive income statement for the period	6.15	**771**	**766**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT		**(35,602)**	**(41,872)**
COMPREHENSIVE NET INCOME (LOSS) FOR THE PERIOD		**(82,268)**	**66,598**
of which:			
Group income (loss)		(82,268)	66,598
Minority interests		0	0

Statement of changes in consolidated equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	CASH FLOW HEDGE RESERVE	RESERVE FOR THE VALUATION OF EQUITY INVESTMENTS ACCORDING TO THE EQUITY METHOD	PROFIT/(LOSS) RESERVE FOR THE FAIR VALUE MEASUREMENT OF EQUITY INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME (LOSS) FOR THE PERIOD (net of advance on dividends)	TOTAL	MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS OF DECEMBER 31, 2018	**62,225**	**12,462**	**667,389**	**(51,654)**	**32**	**0**	**284,053**	**132,369**	**1,106,876**	**0**	**1,106,876**
Net income for the period								108,470	108,470		108,470
Other components of comprehensive income:				(41,124)	22		(770)		(41,872)	0	(41,872)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(41,124)					(41,124)	0	(41,124)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect							(770)		(770)	0	(770)
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method					22				22	0	22
Comprehensive income for the period				(41,124)	22		(770)	108,470	66,598	0	66,598
Dividend distribution (balance)								(130,672)	(130,672)	0	(130,672)
Allocation of residual profit of the previous year							1,697	(1,697)	0	0	0
Other changes					(44)		126		82	0	82
BALANCE AS OF JUNE 30, 2019	**62,225**	**12,462**	**667,389**	**(92,778)**	**10**		**285,106**	**108,470**	**1,042,884**	**0**	**1,042,884**
BALANCE AS OF DECEMBER 31, 2019	**62,225**	**12,462**	**667,389**	**(88,107)**	**11**	**0**	**285,326**	**245,161**	**1,184,467**	**0**	**1,184,467**
Net income (loss) for the period								(46,666)	(46,666)	0	(46,666)
Other components of comprehensive income:				(19,320)	(51)	(16,231)			(35,602)	0	(35,602)
Profits (losses) from fair value measurement of the cash flow hedge derivative instruments, net of the tax effect				(19,320)					(19,320)	0	(19,320)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect									0	0	0
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method					(51)				(51)	0	(51)
Losses (profits) from fair value measurement of the equity investments						(16,231)			(16,231)		(16,231)
Comprehensive Net Income (Loss) for the period				(19,320)	(51)	(16,231)		(46,666)	(82,268)	0	(82,268)
Allocation of profit of the previous year							245,161	(245,161)		0	0
Other changes					(3)				(3)	0	(3)
BALANCE AS OF JUNE 30, 2020	**62,225**	**12,462**	**667,389**	**(107,427)**	**(43)**	**(16,231)**	**530,487**	**(46,666)**	**1,102,196**	**0**	**1,102,196**

Consolidated statement of Cash Flows

(THOUSANDS OF EUROS)	NOTES	1st HALF 2020	1st HALF 2019
Net income (loss) for the period		**(46,666)**	**108,470**
Adjusted by:			
Amortization and depreciation	6.1/6.2	55,638	53,040
Allocation to provisions for renovation of airport infrastructure	6.13	20,883	29,497
Financial expense from discounting provisions	7.6	664	1,052
Change in other provisions		(578)	(2,899)
Share of profit (loss) of associates accounted for using the equity method	7.7	828	1,871
Net change in deferred tax (assets) liabilities		2,306	5,935
Other non-monetary costs (revenues)		4,386	4,225
Changes in working capital and other changes		(111,166)	7
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(73,705)**	**201,198**
Investments in tangible assets (*)	6.1	(6,861)	(18,002)
Investments in intangible assets (*)	6.2	(54,791)	(103,843)
Works for renovation of airport infrastructure	6.13	(9,710)	(13,992)
Equity investments and minority shareholdings in consolidated companies		(1)	0
Gains from disinvestments and other changes in tangible and intangible assets and equity investments		11,239	5,256
Net change in other non-current assets		(12)	7
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**(60,136)**	**(130,574)**
Dividends paid		0	(130,672)
Raising of medium/long-term loans		179,500	0
Net change in other current and non-current financial liabilities		(9,568)	(9,783)
Net change in current and non-current financial assets		(35)	0
NET CASH FLOW FROM FUNDING ACTIVITIES (C)		**169,897**	**(140,455)**
NET CASH FLOW FOR THE PERIOD (A+B+C)		**36,056**	**(69,831)**
Cash and cash equivalents at the start of the period	6.10	500,885	328,200
Cash and cash equivalents at the end of the period	6.10	536,941	258,369

(*) including advances to suppliers for 1,456 thousand euros in the first half of 2020 and 21,883 thousand euros in the first half of 2019.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	1st HALF 2020	1st HALF 2019
Net income taxes paid (reimbursed)	31,771	56,220
Interest income collected	74	15
Interest payable and commissions paid	32,272	32,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OF THE AEROPORTI DI ROMA GROUP

1. General information

Aeroporti di Roma S.p.A. (hereafter the “Company” or “ADR” or “the Parent Company”) manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority (“ENAC”) and ADR. On December 21, 2012, the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through the subsidiary undertakings, to which specific activities are assigned. The concession expires on June 30, 2044. For updates relating to the expiry of the concession, please see the paragraph Subsequent events.

The registered office of the Parent Company is in Fiumicino, Via Pier Paolo Racchetti 1, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration of the Company is currently set until December 31, 2050, unless extended.

On the date of presenting the Condensed consolidated interim financial statements, Atlantia S.p.A. (“Atlantia”) is the shareholder that directly holds the majority of the shares of ADR (61,842,015, equal to 99.385% of the capital) and exercises management and coordination of the Company.

These Condensed consolidated interim financial statements of ADR and its subsidiary undertakings (the “ADR Group”) were approved by the Board of Directors of the Company during the meeting of July 31, 2020 and subject to audit by EY S.p.A..

The Consolidated financial statements were prepared in the assumption of going-concern.

2. Form and content of the Consolidated financial statements

The Condensed consolidated interim financial statements as of June 30, 2020 were prepared in compliance with IAS 34 “Interim Financial Reporting” (applicable for half-year financial information).

The Condensed consolidated interim financial statements comprise statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders’ equity, statement of cash flows and these explanatory notes, applying the provisions of IAS 1 “Presentation of Financial Statements” and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items described in the Consolidated Financial Statements as of December 31, 2019, to which reference is made.

Compared to the annual Consolidated Financial Statements, a summarized report is envisaged in terms of form and content, as provided for by IAS 34. As a consequence, for more detailed information, these Condensed consolidated interim financial statements must be read together with the Consolidated Financial Statements as of December 31, 2019, prepared according to the International Financial Reporting Standards (IFRS).

The accounting statements are the same as those adopted in the Consolidated Financial Statements as of December 31, 2019.

All the values are expressed in thousands of euros, unless otherwise stated. Euro is the functional currency of the Parent Company and the subsidiary undertakings and the currency of presentation of the financial statements.

For each item in the consolidated financial statements, the corresponding value of the previous year or period is reported for comparison purposes.

3. Consolidation area and principles

The Condensed consolidated interim financial statements include the financial statements of ADR and its subsidiary undertakings for the period ending June 30, 2020, directly or indirectly controlled by ADR, both by virtue of the shares held corresponding to the majority of votes in the Shareholders' Meeting (also when considering the potential voting rights deriving from options that can be exercised immediately) and due to other facts or circumstances that (also when excluding the related shares) assign the power over the relevant activities of the company, the exposure or the right to variable returns on the investment in the company and the ability to use the power over the company to influence the returns on the investment.

The subsidiary undertakings are included in the consolidation area as of the date when control is acquired by the Group and are excluded from the area as of the date when control is lost by the Group. Annex 1 "List of equity investments" lists the companies included in the consolidation area. The consolidation area has not changed compared to December 31, 2019.

For consolidation purposes, the accounting situations of the subsidiary undertakings were used, approved by the relevant Boards of Directors and the Sole Directors, adjusted on the basis of the IFRS standards adopted by the Group.

The consolidation principles are the same applied to the preparation of the Consolidated Financial Statements as of December 31, 2019, to which reference is made.

4. Accounting standards applied

In preparing the condensed consolidated interim financial statements as of June 30, 2020, the same accounting standards and valuation criteria applied in preparing the consolidated financial statements for the year ended December 31, 2019, were used, to which reference is made for an analytical description of these standards and criteria.

It should be noted that with effect from January 1, 2020, the amendment to IFRS 9, IAS 39 and IFRS 7 on "Interest Rate Benchmark Reform" came into force, which amends some of the requirements for the application of hedge accounting, providing for temporary exemptions to them, in order to mitigate the impact deriving from the uncertainty of the reform of the Interbank Offered Rates (IBOR), pending its completion, on the evaluation of the effectiveness of hedges through derivative financial instruments. In particular, the amendment requires (phase 1 of the implementation project envisaged by the IASB) the supply of information on the hedging ratios potentially affected by the reform of IBOR rates, requesting a temporary suspension of certain specific hedging requirements envisaged by IFRS 9; this information is illustrated in note 6.15, to which reference should be made.

According to IFRS, the preparation of the financial statements requires estimates and valuations to be made, which affect the determination of the book value of assets and liabilities as well as the information provided in the explanatory notes, also with reference to the assets and liabilities potentially existing at the end of the period. These estimates are used primarily to determine the amortization and depreciation, the impairment test of assets (including the valuation of receivables), allowances for provisions, employee benefits, the fair value of financial assets and liabilities, current and deferred tax assets and liabilities.

Therefore, the actual results subsequently recorded may differ from these estimates; furthermore, the estimates and valuations are reviewed and updated periodically and the effects deriving from any variation are immediately reflected in the financial statements.

In accordance with IAS 36, note that, when preparing the condensed consolidated interim financial statements, the recognized assets are subject to impairment only when internal and external impairment indicators are present that require the immediate measurement of the relevant losses. If such indications exist, the value of these assets is estimated to verify the recoverability of the amounts recorded in the financial statements and determine the amount of any write-downs to be entered.

To this end, reference was also made to the ESMA Recommendation of May 20, 2020, in which, in particular, it is stated that the effects of the Covid-19 pandemic are presumed to indicate the presence of one or more indicators of impairment.

5. Concession Agreement

Concessionary Relationship

ADR's corporate purpose is the construction and management of airports or a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the ENAC Regulations that govern the operation of airports open to civil traffic.

The original Concession Management Agreement no. 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with a specific Council of Ministers Presidential Decree. The single document regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be guided by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

Duration of the Concession

The term of the concession expires on June 30, 2044 in compliance with art. 14 of Italian Law no. 359 of August 8, 1992, and art. 1-quaterquater of Italian Law no. 351 of August 3, 1995, as set forth in the reports by the Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998.

The causes for revocation, default or termination of the concessionary relationship are specified in the new Single Deed - Planning Agreement under arts. 18, 19 and 20 as well as art. 20-bis for the effects set for the natural expiry as of June 30, 2044. For updates relating to the expiry of the concession, please see the paragraph Subsequent events.

Subject Matter of the Concession

Italian Law no. 755/1973 (art. 1) sets forth the subject of the concession, consisting in the single management of the Roman airport system, to be carried out under the supervision of the Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree no. 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

ADR also provides security screening services for passengers and carry-on and checked baggage, always based on the concession regime.

Income

Pursuant to art. 6, paragraph 1, of Italian Law no. 755/1973, "all revenues of the State, which derive from the management of the two airports, belong to the company holding the concession".

Art. 10 of the Single Deed - Planning Agreement lists in detail the concessionaire's income, providing also the "fair fee" to be paid to it by anyone carrying out non-aeronautical activities for a profit, including occasionally, within the airports under concession, which is not remunerated otherwise.

This article also specifies the income deriving from or connected to commercial activities that are not included in the tariff discipline of the Planning Agreement.

It regulates the so-called "regulated consideration", i.e. the airport services originally identified in the "Reordering framework regarding the tariff system for airport services rendered on an exclusive basis" proposed by the Minister of Transport and Navigation in conjunction with the Minister of Finance and approved with CIPE resolution no. 86 of August 4, 2000 and replaced by Resolution no. 51/08. These fees include the airport fees and all the fees for the services rendered on an exclusive basis.

Concession fees

Italian Law Decree no. 251/1995, converted into Italian Law no. 351/1995, introduced the obligation to pay a concession fee.

The reference parameter for calculating the fee ("WLU" - Work Load Unit) was adopted following the Decree of the State Property Office of June 30, 2003, then extended in subsequent years. The WLU corresponds to one passenger or 100 kg of cargo or post and is calculated using the data reported in the statistical yearbook of the Ministry for Infrastructure and Transport - ENAC (Italian Civil Aviation Authority). This fee quantification method was confirmed until 2021, with subsequent Decrees of the State Property Office.

According to art. 2, paragraph 4 of the Single Deed - Planning Agreement, if, as a result of regulatory provisions and/or administrative measures, the amount of the concession fee were to be changed compared to the one in force at the time of stipulation, or if taxation were introduced with an equivalent effect to be borne by the Concessionaire, the latter shall be entitled to a specific increase to cover the greater disbursement.

ADR also pays ENAC a fee for the concession of the baggage and passenger security checking services pursuant to Italian Ministerial Decree no. 85/1999. The amount is set to 0.07 euros per outgoing passenger (Italian Ministerial Decree of July 13, 2005). The obligation to make this payment is reported also under art. 2, paragraph 5 of the Planning Agreement.

The asset regime

Art. 12 of the Single Deed - Planning Agreement governs the Concessionaire's right to use the assets. This is to be interpreted together with the provisions in arts. 703 and 41 of the Navigation Code.

Additional rules contained in the Planning Agreement contribute to defining the legal treatment of the assets (e.g., art. 20-bis) which, though conditioned by the relevance of the principle of correlation to the use for performing regulated activities or alternatively commercially (unregulated) activities, does not significantly differ from the pre-existing regime. In particular:

- the assets received under concession at the time of establishing the concessionaire or subsequently created by it by virtue of laws of the State with public funds, are possessed by the concessionaire under the right of use regime as these are government property; these assets are summarized in the table below:

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019
Assets received under the concession at Fiumicino	119,812	119,812
Assets received under the concession at Ciampino	29,293	29,293
Assets completed on behalf of the State (*)	742,197	742,197
TOTAL	**891,302**	**891,302**

(*) value of construction services for works financed, realized and reported to the Italian Civil Aviation Authority.

- the assets acquired/created by the Concessionaire with funding from its accounts and used to perform activities subject to fee regulation are held under the ownership regime until the end of the concession. This leads to the obligation to hand them over to the Grantor upon the natural expiry of the concession; this action will be in any case conditioned by the repayment of their value to be established according to the convention rules;
- the same treatment applies to the goods acquired/created by the Concessionaire with funding from its accounts, but used to perform (unregulated) commercial activities, provided these are related to real estate whose need has been expressly declared by ENAC, due to their characteristics to perform airport functions, thus authorizing their creation;
- for commercial movable properties, instead, the Concessionaire has full ownership; the Grantor is granted a right to purchase (art. 20-bis 4.d) upon the natural expiry of the concession, which can be exercised by paying the former concessionaire their residual carrying value.

Based on the Single Deed - Planning Agreement, at the natural expiration of the concession, ADR will receive a fee equal to the residual value of the investments made. The residual value will be taken from the regulatory accounts.

To date, the ADR Group has a limited number of assets in service whose residual value from the regulatory accounts exceeds zero; this residual value as of June 30, 2044 is negligible.

6. Information on the items of the consolidated statement of financial position

6.1 Tangible assets

(THOUSANDS OF EUROS)	12.31.2019							06.30.2020		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Land and buildings	15,722	(74)	15,648	0	(73)	0	0	15,722	(147)	15,575
Plant and machinery	94,595	(72,047)	22,548	162	(4,985)	102	0	94,859	(77,032)	17,827
Industrial and commercial equipment	14,359	(12,251)	2,108	184	(370)	0	0	14,543	(12,621)	1,922
Other assets	37,878	(28,811)	9,067	241	(1,490)	90	(3)	38,167	(30,262)	7,905
Work under construction and advances	1,603	0	1,603	6,274	0	(192)	0	7,685	0	7,685
Right of use on Property, plant and equipment and other assets	4,238	(1,257)	2,981	0	(677)	0	(3)	4,198	(1,897)	2,301
TOTAL TANGIBLE ASSETS	**168,395**	**(114,440)**	**53,955**	**6,861**	**(7,595)**	**0**	**(6)**	**175,174**	**(121,959)**	**53,215**

(THOUSANDS OF EUROS)	12.31.2018			CHANGE					06.30.2019		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	EFFECT OF IFRS16	COST	ACC. DEPR.	NET VALUE
Land and buildings	0	0	0	15,546	(36)	0	0	0	15,546	(36)	15,510
Plant and machinery	96,929	(65,387)	31,542	637	(5,062)	18	0	0	97,430	(70,295)	27,135
Industrial and commercial equipment	14,279	(11,846)	2,433	120	(387)	0	0	0	14,399	(12,233)	2,166
Other assets	35,158	(25,617)	9,541	507	(1,577)	680	(5)	0	36,241	(27,095)	9,146
Work under construction and advances	811	0	811	780	0	(683)	0	0	908	0	908
Right of use on Property, plant and equipment and other assets	0	0	0	412	(569)	0	0	2,972	3,384	(569)	2,815
TOTAL TANGIBLE ASSETS	**147,177**	**(102,850)**	**44,327**	**18,002**	**(7,631)**	**15**	**(5)**	**2,972**	**167,908**	**(110,228)**	**57,680**

Tangible assets, equaling 53,215 thousand euros (53,955 thousand euros as of December 31, 2019), are down in the period by 740 thousand euros, mainly due to depreciation, partly offset by the investments of the period (6,861 thousand euros).

Investments of 6,861 thousand euros mainly refer to:

- within the category “Work in progress and advances” (6,274 thousand euros), primarily for the installation of monitors, ledwalls and network equipment in the new Departure area A (1,330 thousand euros), upgrading of the CED infrastructure (750 thousand euros) and advances to suppliers (1,456 thousand euros);
- within the category “Other assets” (241 thousand euros), to Furniture/Furnishings (60 thousand euros) and electronic machinery (32 thousand euros);

- within the category "Industrial and commercial equipment" (184 thousand euros) mainly to purchases of thermal cameras and similar equipment.

During the period, no significant changes took place in the estimated useful life of the assets.

6.2 Intangible assets

(THOUSANDS OF EUROS)	12.31.2019 COST	W.D.	ACC. AMORT.	NET VALUE	CHANGE INVESTMENTS	AMORTIZATION	OTHER CHANGES	06.30.2020 COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(960,517)	1,207,449	0	(24,642)	0	2,167,966	0	(985,159)	1,182,807
Airport management concession - investments in infrastructure	1,462,377	0	(247,200)	1,215,177	49,640	(19,881)	8	1,512,017	0	(267,073)	1,244,944
TOTAL CONCESSION FEES	3,630,343	0	(1,207,717)	2,422,626	49,640	(44,523)	8	3,679,983	0	(1,252,232)	2,427,751
Other intangible assets	85,139	(41)	(65,069)	20,029	5,151	(3,520)	69	90,359	(41)	(68,590)	21,728
Advances to suppliers	35,272	0	0	35,272	0	0	(11,309)	23,963	0	0	23,963
TOTAL OTHER INTANGIBLE ASSETS	120,411	(41)	(65,069)	55,301	5,151	(3,520)	(11,240)	114,322	(41)	(68,590)	45,691
TOTAL INTANGIBLE ASSETS	**3,750,754**	**(41)**	**(1,272,786)**	**2,477,927**	**54,791**	**(48,043)**	**(11,232)**	**3,794,305**	**(41)**	**(1,320,822)**	**2,473,442**

(THOUSANDS OF EUROS)	12.31.2018 COST	W.D.	ACC. AMORT.	NET VALUE	CHANGE INVESTMENTS	AMORTIZATION	OTHER CHANGES	06.30.2019 COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(911,233)	1,256,733	0	(24,642)	0	2,167,966	0	(935,875)	1,232,091
Airport management concession - investments in infrastructure	1,287,991	0	(211,107)	1,076,884	77,871	(17,813)	0	1,365,862	0	(228,920)	1,136,942
TOTAL CONCESSION FEES	3,455,957	0	(1,122,340)	2,333,617	77,871	(42,455)	0	3,533,828	0	(1,164,795)	2,369,033
Other intangible assets	73,907	(41)	(58,939)	14,927	4,090	(2,954)	27	78,024	(41)	(61,893)	16,090
Advances to suppliers	25,784	0	0	25,784	21,882	0	(5,294)	42,372	0	0	42,372
TOTAL OTHER INTANGIBLE ASSETS	99,691	(41)	(58,939)	40,711	25,972	(2,954)	(5,267)	120,396	(41)	(61,893)	58,462
TOTAL INTANGIBLE ASSETS	**3,555,648**	**(41)**	**1,181,279**	**2,374,328**	**103,843**	**(45,409)**	**(5,267)**	**3,654,224**	**(41)**	**(1,226,688)**	**2,427,495**

Intangible assets, equal to 2,473,442 thousand euros (2,477,927 thousand euros as of December 31, 2019) reduced by 4,485 thousand euros mainly due to the amortization for the period, equal to 48,043 thousand euros, and the recovery of advances paid to suppliers (11,309 thousand euros), partly offset by the investments for the period equal to 54,791 thousand euros.

Concession fees include the concession relating to managing the Roman Airport System; for further information on the concessionary relationship reference should be made to Note 5. In detail:

- Airport management concession - rights acquired: represents the value of the airport management concession, and reflects the difference between the price paid for ADR's shares by Leonardo S.p.A. (incorporated in Leonardo S.p.A. effective January 1, 2001) compared to the pro-rata value of shareholders' equity of ADR Group;
- Airport management concession - investments in infrastructure: includes the activities to create new infrastructure and/or improve and enhance the existing airport infrastructure carried out by the ADR Group.

The investments in the Airport management concession - investments in infrastructure equal 49,640 thousand euros and relate to construction services provided in the year on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded by nature, as well as the fair value of the related construction services carried out.

Worth noting are:

- work relating to the East Terminal System for 29.5 million euros, aimed at the realization of a new Boarding Area A and of the Avant-corps of Terminal 1;
- works on runways and aprons for 3.1 million euros;
- terminal maintenance and optimization of the terminals for 3.5 million euros;
- restructuring of Terminal 3 for 4.2 million euros;
- maintenance works on buildings managed by sub-concessionaires for 1.7 million euros.

With reference to the recoverability of the carrying value of intangible assets, and in particular Concession rights, the Covid-19 pandemic was considered an event representative of an impairment indicator as it led to a drastic reduction in the ADR Group's volume of activity. For further information reference should be made to Note 11.3 Information on the effects of the Covid-19 epidemic.

Therefore, in accordance with the requirements of IAS 36, an impairment test was carried out in relation to the carrying value as of June 30, 2020 of the Group's net invested capital, which was identified as a single Cash Generating Unit ("CGU"). The Group's two main business areas, aeronautical and non-aeronautical, actually form one single Cash Generating Unit for both their strict interconnection and the fact that one single value was assigned to the airport concession.

The impairment test was carried out on the basis of the Group's cash flow projections that incorporate projections of traffic, investments, revenues and costs for the duration of the concession. The method to calculate the recoverable value is the so-called "Unlevered Discounted Cash Flow" and the discounting rate applied to the discount of the cash flows equals 6.92%.

The impairment test showed that the recoverable value of the ADR Group's net invested capital was significantly higher than the carrying amount.

The sensitivity analyses of the recoverable value, determined by increasing the above discount rate by 1%, as well as reducing the average annual air traffic growth rate by 1%, confirmed the full recoverability of the net invested capital

Other intangible assets, equal to 21,728 thousand euros (20,029 thousand euros as of December 31, 2019), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for 2020, equal to 5,151 thousand euros, mainly refer to the acquisition of licenses and the evolutionary maintenance of the accounting system.

6.3 Equity investments

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
ASSOCIATED UNDERTAKINGS			
Pavimental S.p.A.	2,912	3,793	(881)
Spea Engineering S.p.A.	6,701	6,701	0
Consorzio E.T.L. in liquidation	0	0	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	9,613	10,494	(881)
OTHER COMPANIES			
Azzurra Aeroporti S.p.A.	35,769	52,000	(16,231)
Aeroporto di Genova S.p.A.	894	894	0
S.A.CAL. S.p.A.	957	957	0
Consorzio CAIE	1	1	0
Leonardo Energia - Società Consortile a r.l.	1	1	0
Convention Bureau Roma e Lazio Scrl	1	0	1
	37,623	53,853	(16,230)
TOTAL	**47,236**	**64,347**	**(17,111)**

Equity investments amount to 47,236 thousand euros, down by 17,111 thousand euros compared to December 31, 2019 due to:

- decrease in the value of the investment in Pavimental S.p.A. (“Pavimental”) (20% of capital) of 881 thousand euros, following the valuation according to the equity method, of which -828 thousand euros booked to the income statement (for ADR’s share of the associated undertaking’s loss for the period), -51 thousand euros to the other components of the comprehensive income statement, and -2 thousand euros to shareholders’ equity. The company operates in the building and maintenance sector and in the modernization of road, motorway and airport paving;
- reduction in the value of the equity investment in Azzurra Aeroporti S.p.A ("Azzurra") (7.77%), amounting to -16,231 thousand euros due to the fair value measurement, based on the expected cash flows as resulting from the latest update of the company's plan, which reflects the impact of Covid-19;
- acquisition, on March 19, 2020, of a stake in the consortium company Convention Bureau Roma e Lazio Scrl.

The value of the equity investment in the associated undertaking Spea Engineering as of December 31, 2019 has been confirmed. The uncertainties characterizing the company's prospects, also due to the well-known events in Genoa, suggested the adoption of a prudent approach with respect to the pro-quota value of shareholders' equity which, as of June 30, 2020, would have been higher.

ADSR constituted a pledge on the total investment of 7.77% in Azzurra Aeroporti S.p.A. (hereinafter “Azzurra”) in favor of the lenders of the same Azzurra. This guarantee is limited to a maximum amount of 130.6 million euros.

The measurement of the fair value of the main unlisted minority investments, which fall under level 3 of the fair value hierarchy, was determined using an approach that takes account of expected future cash flows (so-called discounted cash flows) as the measurement technique.

6.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)	06.30.2020			12.31.2019		
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Derivatives with positive fair value	0	0	0	0	0	0
Other financial assets	3,021	1,350	1,671	3,220	1,515	1,705
TOTAL OTHER FINANCIAL ASSETS	**3,021**	**1,350**	**1,671**	**3,220**	**1,515**	**1,705**

Other non-current financial assets, equal to 1,671 thousand euros (1,705 thousand euros as of December 31, 2019), essentially (1,425 thousand euros) refer to the ancillary charges incurred to subscribe the revolving facility remained unused also in 2020. For details, refer to Note 6.15.

Other current financial assets, equal to 1,350 thousand euros (1,515 thousand euros as of December 31, 2019), include the recognition of the receivable from the associate Spea Engineering S.p.A. (1,350 thousand euros) for the dividends resolved in 2018 and not yet paid.

6.5 Deferred tax assets

Deferred tax assets, equal to 53,966 thousand euros (50,627 thousand euros as of December 31, 2019), are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below.

	12.31.2019	CHANGE			06.30.2020
(THOUSANDS OF EUROS)		PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME AND CHARGES RECORDED IN SHAREHOLDERS' EQUITY	
DEFERRED TAX ASSETS					
Allocation to (use of) the provisions for renovation of airport infrastructure	46,735	1,202	(5,869)	0	42,068
Allocations to allowance for obsolete and slow-moving goods	88	0	(34)	0	54
Allocations to provisions for doubtful accounts	8,080	0	0	0	8,080
Amortized cost and derivative instruments	29,064	0	(25)	5,646	34,685
Allowances for risks and charges	4,869	228	(158)	0	4,939
Tax losses on IRES surcharge (3.5%)	0	2,738	0	0	2,738
Other	1,825	190	(311)	0	1,704
TOTAL DEFERRED TAX ASSETS	90,661	4,358	(6,397)	5,646	94,268
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET					
Application of IFRIC 12	40,018	1,154	(886)	0	40,286
Amortized cost and derivative instruments	0	0	0	0	0
Other	16	0	0	0	16
TOTAL DEFERRED TAX LIABILITIES	40,034	1,154	(886)	0	40,302
TOTAL NET DEFERRED TAX ASSETS	**50,627**	**3,204**	**(5,511)**	**5,646**	**53,966**

The increase of 3,339 thousand euros recorded in 2020 is primarily due to the negative change in the fair value of derivatives and the effects of the tax loss on the 3.5% IRES surcharge (Robin Tax) to the Parent Company ADR, partly offset by the performance of the airport infrastructure renewal fund.

6.6 Other non-current assets

Other non-current assets, equal to 413 thousand euros (401 thousand euros as of December 31, 2019), refer to guarantee deposits.

6.7 Trade assets

Trade assets, equal to 258,511 thousand euros (309,613 thousand euros as of December 31, 2019), include:

- inventories of 6,047 thousand euros (4,197 thousand euros as of December 31, 2019) comprising consumable materials, clothing, spare parts, cleaning material, fuel, telephone material, etc.;
- trade receivables of 252,464 thousand euros (305,416 thousand euros as of December 31, 2019).

In detail, trade receivables are broken down as follows:

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Due from clients	282,979	338,082	(55,103)
Due from parent company	251	363	(112)
Receivables for construction services	8,051	8,051	0
Other trade receivables	3,547	1,338	2,209
TOTAL TRADE RECEIVABLES, INC. PROVISIONS FOR DOUBTFUL ACCOUNTS	294,828	347,834	(53,006)
Provisions for doubtful accounts	(34,784)	(34,838)	54
Provisions for overdue interest	(7,580)	(7,580)	0
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(42,364)	(42,418)	54
TOTAL TRADE RECEIVABLES	**252,464**	**305,416**	**(52,952)**

Due from clients (including provisions for doubtful loans) total 282,979 thousand euros and recorded a reduction of 55,103 thousand euros, essentially due to a decrease in the volumes of activity.

Due from clients includes all receivables from Alitalia SAI under special administration accrued prior to the airline's admission to the extraordinary administration procedure and will be settled according to the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. In any case, any losses on receivables for services subject to settlement and resulting as an outcome of the procedure underway, being considered an event outside the concessionaire's responsibility, would lead to an alteration in the economic-financial balance that would be restored in accordance with the Planning Agreement, in the same way as other cases of force majeure or change in the regulatory framework.

It is worth remembering that the ADR Group's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 10,919 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, note that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia LAI S.p.A. under special administration (as well as due to the lessors owners of the aircrafts, jointly and severally obliged) in order to allow the aircraft owned by lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under other current liabilities.

Other trade receivables, equal to 3,547 thousand euros (1,338 thousand euros as of December 31, 2019), refer to prepaid expenses of a commercial nature and advances to suppliers.

The table below shows the movements of the provisions for doubtful accounts:

(THOUSANDS OF EUROS)	12.31.2019	INCREASES	DECREASES	06.30.2020
Provisions for doubtful accounts	34,838	3	(57)	34,784
Provisions for overdue interest	7,580	0	0	7,580
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**42,418**	**3**	**(57)**	**42,364**

The book value of trade receivables is close to the relevant fair value.

6.8 Current tax assets and liabilities

The table below shows in detail the assets and liabilities for current taxes at the start and end of the period.

	ASSETS			LIABILITIES		
(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE	06.30.2020	12.31.2019	CHANGE
Due from/to parent companies for tax consolidation	26,901	7,470	19,431	0	19,070	(19,070)
IRES	82	184	(102)	0	11,007	(11,007)
IRAP	244	197	47	63	1,943	(1,880)
TOTAL	**27,227**	**7,851**	**19,376**	**63**	**32,020**	**(31,957)**

Current tax assets are equal to 27,227 thousand euros (7,851 thousand euros as of December 31, 2019) and mainly include the receivable from the parent company Atlantia (as consolidating company for tax purposes) of 26,901 thousand euros, 19,431 thousand euros of which relate to the estimate of the IRES taxes for the period based on the tax loss, and 7,470 thousand euros to the receivable related to the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs and similar; for further information on the tax consolidation please see Note 7.8 Income taxes.

Current tax liabilities are equal 63 thousand euros (32,020 thousand euros as of December 31, 2019). The 31,957 thousand euros decrease compared to December 31, 2019 is attributable to the payment of the balance for 2019.

6.9 Other current assets

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	17,779	11,220	6,559
Due from others	7,616	3,935	3,681
TOTAL OTHER CURRENT ASSETS	**25,877**	**15,637**	**10,240**

Due from tax authorities, equal to 17,779 thousand euros (11,220 thousand euros as of December 31, 2019), mainly includes:

- VAT credit of 11,948 thousand euros (5,398 thousand euros as of December 31, 2019);
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 1/1/1993-3/23/1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required.

Due from others rose by 3,681 thousand euros, primarily due to the recognition of the receivables from INPS for amounts advanced to ADR Group staff in relation to the Special Income Support Fund (2,467 thousand euros).

6.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Bank and post office deposits	536,623	500,509	36,114
Cash and notes in hand	318	376	(58)
TOTAL CASH AND CASH EQUIVALENTS	**536,941**	**500,885**	**36,056**

Cash and cash equivalents, amounting to 536,941 thousand euros, have increased by 36,056 thousand euros compared to December 31, 2019, consequently to the use of an additional 80 million euros of the CDP loan and tranche A of the 100 million euro loan granted by BNL, offset by a negative cash flow from continuing operations and investments of the period.

6.11 Shareholders' equity

The Shareholders' equity of ADR Group as of June 30, 2020 amounts to 1,102,196 thousand euros (1,184,467 thousand euros as of December 31, 2019), while the minority interests in Shareholders' equity amount to zero (zero also as of December 31, 2019).

The shareholders' equity is analyzed as follows:

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Share capital	62,225	62,225	0
Legal reserve	12,462	12,462	0
Share premium reserve	667,389	667,389	0
Cash flow hedge reserve	(107,427)	(88,107)	(19,320)
Reserve for the valuation of equity investments according to the equity method	(43)	11	(54)
Profits (losses) from fair value measurement of equity investments	(16,231)	0	(16,231)
Other reserves and retained earnings	530,487	285,326	245,161
Net income (loss) for the period	(46,666)	245,161	(291,827)
TOTAL GROUP SHAREHOLDERS' EQUITY	**1,102,196**	**1,184,467**	**(82,271)**
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	**0**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**1,102,196**	**1,184,467**	**(82,271)**

The changes taking place in the period are highlighted in the table entered among the accounting statements and mainly refer to:

- Group loss for the period for 46,666 thousand euros;
- the negative result of the comprehensive income statement for -35,602 thousand euros deriving mainly from the negative change in fair value of the cash flow hedge derivatives (-19,320 thousand euros net of the tax effect) and the fair value of the equity investment in Azzurra Aeroporti S.p.A. (-16,231 thousand euros).

As of June 30, 2020, ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

ADR's legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details reference is made to Note 6.15.

6.12 Provisions for employee benefits (current and non-current share)

Provisions for employee benefits are 17,081 thousand euros (17,931 thousand euros as of December 31, 2019) of which 14,043 thousand euros non-current, and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the obligation, determined based on actuarial techniques, to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

(THOUSANDS OF EUROS)		1ST HALF 2020
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		17,931
Current cost	22	
Interest payable	28	
Total costs recorded in the income statement		50
Payments / Uses		(900)
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		17,081
of which:		
non-current share		14,043
current share		3,038

In accordance with the provisions of IAS 19, the actuarial estimate of the employee severance indemnities as of June 30, 2020 was not made as the effects are negligible, considering the main assumptions, such as the discount rate and the annual turnover rate, in line with December 31, 2019.

6.13 Provisions for renovation of airport infrastructure (non-current and current share)

Provisions for renovation of airport infrastructure, equal to 200,813 thousand euros (189,002 thousand euros as of December 31, 2019), of which 60,747 thousand euros for the current share (55,563 thousand euros as of December 31, 2019), include the current value of the updated estimate of charges to be incurred for extraordinary maintenance, repairs and replacements of goods and plants for the contractual obligation of the concession manager to ensure the due functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the year.

(THOUSANDS OF EUROS)	12.31.2019	PROVISIONS	DISCOUNTING EFFECT	OPERATING USES	06.30.2020
Provisions for renovation of airport infrastructure	189,002	20,883	638	(9,710)	200,813
of which:					
current share	55,563				60,747
non-current share	133,439				140,066

6.14 Other allowances for risks and charges (current and non-current share)

Other allowances for risks and charges amount to 22,772 thousand euros (22,474 thousand euros as of December 31, 2019), of which 2,896 thousand euros for the current share (3,392 as of December 31, 2019). Reported below is the analysis of the breakdown of the item and the changes during the six months.

(THOUSANDS OF EUROS)	12.31.2019	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	06.30.2020
Tax provisions	6,614	36	0	0	6,650
Provisions for current and potential disputes	15,151	363	0	(140)	15,374
Provisions for internal insurance	696	39	0	0	735
To cover investee companies' losses	13	0	0	0	13
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**22,474**	**438**	**0**	**(140)**	**22,772**
of which:					
current share	3,392				2,896
non-current share	19,082				19,876

Tax provisions, equal to 6,650 thousand euros, reflect the risk of negative outcomes of the pending disputes with UTF (now the Customs Office) concerning import taxes and additional provincial taxes on electricity disbursed in the period 2002-2012 - as well as the issues regarding ICI/IMU (property taxes).

The provisions for current and potential disputes of 15,374 thousand euros (15,151 thousand euros as of December 31, 2019) include the estimated charges that are deemed likely to be incurred in connection with the disputes in progress at the end of the six months. This provision increased in the period by 223 thousand euros in total, due to the effect of the allocation of 363 thousand euros in relation to the evolution of the disputes underway and for the risk linked to new positions, in part offset by utilizations for 140 thousand euros.

This provision includes a prudent valuation, made on the basis of the best current information of the claims for compensation of third parties referring to the fire in T3 on May 7, 2015. On this point, so far 170 claims have been lodged (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification, for damages that to date total approximately 19 million euros.

For further information on the current disputes, reference should be made to Note 9.5 Litigation.

6.15 Financial liabilities (current and non-current share)

	06.30.2020					12.31.2019		
(THOUSANDS OF EUROS)	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
MEDIUM-LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,101,812	399,442	702,370	229,887	472,483	1,115,670	0	1,115,670
Medium/long-term loans	499,210	112,481	386,729	184,126	202,603	319,654	112,456	207,198
Accrued expenses medium/long-term financial liabilities	7,224	7,224	0	0	0	16,105	16,105	0
Other financial liabilities	2,310	1,090	1,220	922	298	2,991	1,287	1,704
TOTAL MEDIUM-LONG-TERM FINANCIAL LIABILITIES	1,610,556	520,237	1,090,319	414,935	675,384	1,454,420	129,848	1,324,572
FINANCIAL INSTRUMENTS - DERIVATIVES	218,524	54,204	164,320	164,320	0	175,610	35,534	140,076
TOTAL FINANCIAL LIABILITIES	**1,829,080**	**574,441**	**1,254,639**	**579,255**	**675,384**	**1,630,030**	**165,382**	**1,464,648**

Bonds

	12.31.2019					CHANGES	06.30.2020
(THOUSANDS OF EUROS)	BOOK VALUE	RECLASSIFICATIONS	NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	AMORTIZED COST EFFECT	BOOK VALUE
Bonds	**1,115,670**	0	0	0	(17,068)	3,210	**1,101,812**
current share	0						399,442
non-current share	1,115,670						702,370

As of June 30, 2020, Bonds are equal to 1,101,812 thousand euros (1,115,670 thousand euros as of December 31, 2019). The decrease, of 13,858 thousand euros, is attributable to the adjustment of the A4 bond to the exchange rate at the end of the six months (-17,068 thousand euros), partly offset by the effects on the debt measurement of application of the amortized cost method (+3,210 thousand euros).

Reported below is the main information regarding the bond issues in place as of June 30, 2020.

(THOUSANDS OF EUROS)

NAME	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	229,887	5.441%	every six months	bullet	20 years	02.2023
€600,000,000 3.250% EMTN 02/2021	ADR	400,001	EUR	399,442	3.25%	yearly	bullet	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06/2027	ADR	500,000	EUR	472,4823	1.625%	yearly	bullet	10 years	06.2027
TOTAL BONDS				**1,101,812**					

(*) the book value recorded in the financial statements (229.9 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the period.

(**) bonds originally issued by Romulus Finance Srl, subsequently "replaced" by ADR following the Issuer Substitution operation in 2016.

As of June 30, 2020, the A4 bonds are no longer held by Atlantia.
For further information on A4 bonds, see Note 8.

In addition to the above-mentioned A4 bonds, the last of the bonds issued in 2003 by the Romulus Finance "vehicle" to fund the securitization of the previous bank loan taken on after the privatization of the company, the issues related to the bond issue program known as EMTN (Euro Medium Term Notes) launched by the company in 2013 are still outstanding. In addition to the senior unsecured issue on December 10, 2013 for a total par value of 600 million euros - of which to date 400 million euros remain following the buyback transaction in 2017 -, the subsequent issue completed on June 8, 2017 is on the market, for a par value of 500 million euros. The securities representing both bond issues were placed with qualified investors and listed in the regulated market of the Irish stock exchange.

As of June 30, 2020, the rating assigned by the Fitch, Moody's and S&P agencies to the bond issues and the issuer rating of ADR was of BBB-, Baa3 and BB+ respectively. The outlooks assigned by the agencies are rating watch negative, negative and credit watch negative, respectively.

On January 3, 2020, Moody's cut the rating to Baa3 (from Baa2), placing the rating "under review for downgrade". On January 8 Fitch lowered the rating to BBB- (from BBB+) with “negative” Rating Watch. On January 15, Standard & Poor’s lowered the rating to BB+ (da BBB), also choosing the “negative” Credit Watch. All of these three actions are the result of the simultaneous downgrading of the Atlantia group's rating in relation to the risks associated with the issue of Italian Law Decree no. 162/2019 (the so-called “Milleproroghe” decree), which was subsequently converted into a law and containing, in art. 35, Provisions regarding motorway concessions. In the agencies’ opinion, this provision implies serious conditions of uncertainty and potential negative impacts on the financial situation if Autostrade per l'Italia SpA's concession were to be revoked. This is thus a negative development linked solely to factors that are external to ADR, for which the rating agencies in any case acknowledge a condition of partial isolation (+1 notch Moody's; +2 notches S&P) from the Parent Company's rating.

On March 2, 2020, Moody's once again upgraded Atlantia's rating following the conversion of the “milleproroghe” decree into law. The agency published an addition cut to Atlantia’s rating from Ba1 to Ba2. However, the same agency granted ADR a further positive notch of isolation from the Parent Company's rating (i.e. + 2 notches compared with Atlantia), thus leaving ADR's rating at Baa3 unchanged. The outlook of all of the Group’s companies, including ADR, was thus changed from “under review for downgrade” to “negative”.

Following the overall analysis of the European air transport sector and the impact of the COVID-19 pandemic, on April 1, 2020, S&P reduced ADR's stand-alone credit profile ("SACP") from "a+" to "a-". This action, whilst reducing the SACP by 2 notches, once again highlights ADR's "stand alone" creditworthiness, which, compared with the issuer’s, deriving from consideration of the Atlantia Group's creditworthiness, shows a difference of 4 notches.

The agencies' ratings were further updated in the second half of 2020. For details on the development of the rating, reference is made to the paragraph on Subsequent events.

The fair value of the bond issues is reported in the table below.

		06.30.2020		12.31.2019
(THOUSANDS OF EUROS)	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,101,812	1,141,309	1,115,670	1,206,841
TOTAL BONDS	**1,101,812**	**1,141,309**	**1,115,670**	**1,206,841**

The fair value of the bond issues was determined on the basis of the market values available as of June 30, 2020; in particular, the future cash flows were discounted by using the standard discounting curves used in market practice (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2019, there was a drop in the fair value of both the pound sterling bond, partly due to the exchange rate component of liabilities, and the euro bond. The overall decrease in the fair value of the bonds therefore amounted to 65.5 million euros compared to December 31, 2019.

Medium/long-term loans

(THOUSANDS OF EUROS)	12.31.2019 BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	06.30.2020 BOOK VALUE
Medium/long-term loans	**319,654**	180,000	0	(444)	**499,210**
current share	112,456				112,481
non-current share	207,198				386,729

Medium/long-term loans equal 499,210 thousand euros (319,654 at the end of the previous year), of which 112,481 thousand euros as current share; these loans increased consequently to the utilization of the last tranche of the CDP loans, equal to 80 million euros, and tranche A of the loan granted by BNL in May 2020, equal to 100 million euros.

Reported below is the main information regarding the medium/long-term loans in place as of June 30, 2020.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
Syndicate of banks	Revolving Credit Facility ("RCF")	250,000	0	0	EUR	variable rate indexed to the Euribor + margin	quarterly	revolving	5 years (*)	07.2023
Banca Nazionale del Lavoro ("BNL")	BNL Loan 2016	100,000	100,000	99,981	EUR	0.18%	every six months	at maturity	4 years	11.2020
Banca Nazionale del Lavoro ("BNL")	BNL Loan 2020	200,000	100,000	99,511	EUR	variable rate indexed to the Euribor3M + 1.55%	quarterly	at maturity	4 years	05.2024
European Investment Bank ("EIB")	EIB Loan	150,000	150,000	149,845	EUR	I tranche (110,000) 1.341% II tranche (40,000) 0.761%	yearly	amortizing from 2020 amortizing from 2022	14 years 15 years	09.2031 11.2034
Cassa Depositi e Prestiti ("CDP")	CDP Loan	150,000	150,000	149,873	EUR	I tranche (40,000) 1.629% II tranche (30,000) 1.070% III tranche (80,000) 1.263%	yearly	amortizing from 2020 amortizing from 2022 amortizing from 2023	14 years 15 years 15 years	09.2031 11.2034 03.2035
European Investment Bank ("EIB")	2018 EIB Loan	200,000	0	0	EUR	n.a.	n.a.	amortizing	up to 15 years	-
Total medium/long-term loans		**1,050,000**	**500,000**	**499,210**						

(*) the contract originally provided the option of extending the initial deadline of July 2021 by an additional 2 years; this option was exercised by ADR, postponing the original deadline to July 2023.

The Revolving Credit Facility ("RCF"), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the Company's development plans. This line, which will expire in July 2023, was granted by a pool of banks made up as follows: Barclays, BNP Paribas Group, Crédit Agricole Group, Mediobanca, Natixis, Société Générale, NatWest and UniCredit. The cost of this line of credit varies depending on the rating assigned to ADR by at least two out of three agencies.

The line of credit granted by BNL (BNP Paribas Group) was signed by ADR in November 2016. This line of credit, amounting to 100 million euros, is utilized as of June 30, 2020 and must be repaid in full in November 2020. The contractual structure is in line with the previously mentioned RCF and is characterized by a covenant structure in line with that normally used for companies with investment grade rating. This line of credit was granted at an especially favorable interest rate since the funds made available by the granting bank benefit from the Targeted Longer-Term Refinancing Operations ("TLTRO") program provided by the European Central Bank at the time of subscription.

In the first half of 2020, the same bank granted a new loan, with a contractual structure borrowed from the previous one, at a variable rate for a total of 200 million euros, maturing in 2024. The first tranche of 100 million euros was disbursed in May 2020, while the remaining 100 million euros will become payable when the loan matures in November 2020.

In December 2016 two contracts had been signed with regard to the line for 300 million euros resolved by the European Investment Bank ("EIB") in favor of ADR in 2014: the first contract totaled 150 million euros was agreed directly with the EIB, and the latter, for the residual 150 million euros, brokered by Cassa Depositi e Prestiti ("CDP"). The EIB and CDP loans were subscribed as financial support of the "Aeroporti di Roma – Fiumicino Sud" project. As of June 30, 2020, these funding lines are entirely used. As shown in the table above, the two lines, maturing in 2031 and 2034, are characterized by an amortizing type of repayment and are fixed rate. The remaining portion of 80 million euros, under the 2016 contract, was disbursed on March 30, 2020. This request had been fixed already in the last quarter of 2019 following a corresponding extension of the availability period.

The financial contracts that govern these lines are characterized by terms and conditions that are more oriented to a "project" type loan structure (see Note 8 below), as they are aimed at financing some investment projects that constitute the Airport Development Plan.

As of June 30, 2020, a further line granted by the EIB in 2018, amounting to 200 million euros, was also available and not requested, payable in one or more tranches and directly by the bank itself. This additional loan was granted following the update of the Fiumicino SUD infrastructure project, which envisaged an increase in the value of the projects originally financed. The characteristics of the relevant loan agreement signed on March 23, 2018 are essentially in line with the previous contract and may be used through the first quarter of 2021.

The fair value of the medium/long-term bond issues is reported in the table below.

(THOUSANDS OF EUROS)	06.30.2020		12.31.2019	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	399,699	376,563	319,654	316,366
Floating rate	99,511	95,789	0	0
TOTAL MEDIUM/LONG-TERM LOANS	**499,210**	**472,352**	**319,654**	**316,366**

The fair value of the medium/long-term loans was determined based on market values available as of June 30, 2020; in particular, the future cash flows were discounted according to the standard discount curves used by the market (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

The overall increase in the fair value of the medium-long term bonds therefore amounted to 156.0 million euros compared to December 31, 2019, mainly due to the new requests of the 2020 CDP and BNL loans made in the first half of 2020.

Other financial liabilities

	12.31.2019				06.30.2020
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	INCREASES FOR FINAL DISCOUNTING	REPAYMENTS	BOOK VALUE
Payables for leases	**2,991**	0	9	(690)	**2,310**
current share	1,287				1,090
non-current share	1,704				1,220

The item "payables for leases", which includes the present value of liabilities deriving from lease contracts, fell by 681 thousand euros essentially as a result of the payments of the leasing installments.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Exchange rate hedging derivatives	89,384	72,316	17,068
Interest rate hedging derivatives	128,895	103,054	25,841
Interest accrual	245	240	5
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**218,524**	**175,610**	**42,914**
non-current share	164,320	140,076	24,244
current share	54,204	35,534	18,670

Foreign currency hedging derivatives e del interest rate risk

The ADR Group uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

As of June 30, 2020 the ADR Group had two cross currency swaps allowing the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in pound sterling to be stabilized.

The amount of the cash flow hedge reserve recorded in the income statement in the first half of 2020, relating to the negative fair value of forward starting derivatives subscribed in 2015 and subject to unwind in June 2017, equaled 1,014 thousand euros.

As of June 30, 2020, ADR also had other forward starting interest rate swap contracts in place:

- four contracts signed in October 2016 and September 2017, with a total notional capital of 400 million euros, with activation – following the negotiated restructuring with the counterparties in the first half of 2020 - June 2021, with the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2021;
- three contracts signed in August 2018 for a total notional capital of 300 million euros. These contracts, with activation in February 2022, have the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2023.

Below is a table summarizing the outstanding derivative contracts with negative fair value of the ADR Group as of June 30, 2020.

										FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE	
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	UNDERLYING	AS OF 06.30.2020	AS OF 12.31.2019	TO INCOME STATEMENT	TO OCI (*)
Mediobanca, UniCredit	ADR	CCS	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3-month Euribor + 90bps until 12.2009, then pays a fixed rate of 6.4%		(25,238)	(33,546)	141	8,167
				C						(89,384)	(72,316)	(17,068)	0
									Class A4 (*)	(114,622)	(105,862)	(16,927)	8,167
Société Générale	ADR	IRS FWD (**)	CF	I	09.2017	06.2031	100,000	It pays a fixed rate of 1.606% and receives 6-month Euribor	debt to be undertaken	(17,273)	(12,474)	0	(4,799)
UniCredit, NatWest, Société Générale	ADR	IRS FWD (***)	CF	I	08.2018	02.2032	300,000	They pay an average fixed rate of 1.618% and receive the 6-month Euribor	debt to be undertaken	(49,698)	(34,214)	0	(15,484)
Unicredit, BNPP	ADR	IRS FWD (**)	CF	I	10.2016	06.2031	300,000	They pay an average fixed rate of 1.105% and receive the 6-month Euribor	debt to be undertaken	(36,686)	(22,820)	0	(13,866)
								TOTAL		**(218,279)**	**(175,370)**	**(16,927)**	**(25,982)**
								of which:					
								Exchange rate hedging derivatives		(89,384)	(72,316)		
								Interest rate hedging derivatives		(128,895)	(103,054)		

(*) the change in fair value is posted in the OCI net of the tax effect

(**) forward-starting IRS: activation date June, 2021.

(***) forward-starting IRS: activation date February 2022.

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

In relation to the valuation techniques and the inputs used to determine the fair value of the derivatives, reference is made to Note 9.4 Information on fair value measurement.

6.16 Other non-current liabilities

Other non-current liabilities are equal to 2,076 thousand euros (7,479 thousand euros as of December 31, 2019) and consist for 1,210 thousand euros of amounts due to personnel and 866 thousand euros of amounts due to social security agencies. The 5,404 thousand euro decrease is attributable to both the negative fair value change of the share-based plans and the reclassification under Other current liabilities of payables maturing in the short term. In relation to information on the remuneration plans based on shares, reference is made to Note 11.1.

6.17 Trade payables

Trade payables are equal to 160,218 thousand euros (216,352 thousand euros as of December 31, 2019).

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Due to suppliers	152,249	201,568	(49,319)
Due to parent companies	1,892	1,596	296
Deferred income	2,629	1,694	935
Advances received	3,448	11,494	(8,046)
TOTAL TRADE PAYABLES	**160,218**	**216,352**	**(56,134)**

Due to suppliers, equal to 152,249 thousand euros, are down 49,319 thousand euros reflecting the lower volume of investments made in the first half of 2020 compared to the end of the previous year, and the decrease in external costs.

Advances received, equal to 3,448 thousand euros, decreased by 8,046 thousand euros, reflecting the lower advances received from customers.

6.18 Other current liabilities

Other current liabilities are equal to 145,550 thousand euros (184,708 thousand euros as of December 31, 2019).
The item is analyzed in the table below.

(THOUSANDS OF EUROS)	06.30.2020	12.31.2019	CHANGE
Payables for taxes other than income taxes	97,757	120,505	(22,748)
Payables for firefighting services	2,969	0	2,969
Payables due to personnel	10,185	17,238	(7,053)
Payables due to social security agencies	11,755	10,406	1,349
Payables for security deposits	13,604	14,475	(871)
Other payables	9,280	22,084	(12,804)
TOTAL OTHER CURRENT LIABILITIES	**145,550**	**184,708**	**(39,158)**

Payables for taxes other than income taxes are equal to 97,757 thousand euros (120,505 thousand euros as of December 31, 2019) and mainly include:

- payable for the passenger surcharges for 67,658 thousand euros (93,228 thousand euros as of December 31, 2019). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commission surcharge) for the commission management of the Municipality of Rome. The decrease in the payable for the surcharge, down by 25,570 thousand euros compared to the end of 2019, reflects the decrease in the volume of activity recorded in the six months;

- payable of 23,334 thousand euros to the Lazio Regional Authority for IRESA (23,113 thousand euros as of December 31, 2019). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board.
- payables for withholding tax on personnel, amounting to 5,977 thousand euros, down by 2,479 million euros, in relation to the suspended tax payments under the Liquidity Decree, which some Group companies have benefited from.

The Payables for firefighting services equal 2,969 thousand euros (0 as of December 31, 2019) and essentially include the fee accrued in the period.

Payables to personnel, equal to 10,185 thousand euros, decreased by 7,053 thousand euros as a consequence of cost cutting actions.

Payables due to social security agencies, amounting to 11,755 thousand euros, are up by 1,349 million euros, in relation to the suspended tax payments under the Liquidity Decree, which some Group companies have benefited from.

Other payables, equal to 9,280 thousand euros, (22,084 thousand euros as of December 31, 2019), include the payable to ENAC for the concession fee of 5,339 thousand euros, down by 12,614 thousand euros compared to 2019, in relation to the payment of the second installment of 2019, made in January 2020, net of the portion accrued in the year.

7. Information on the items of the consolidated income statement

7.1 Revenues

Revenues in the first half of 2020 equal 216,757 thousand euros (529,119 thousand euros in the first half of 2019) and are broken down as follows, in application of IFRS 15 standard:

(THOUSANDS OF EUROS)	1ST HALF 2020			1ST HALF 2019		
	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL
AERONAUTICAL						
Airport fees	80,589	0	80,589	243,025	0	243,025
Centralized infrastructures	3,764	0	3,764	8,599	0	8,599
Security services	15,674	0	15,674	52,498	0	52,498
Other	5,021	0	5,021	14,391	0	14,391
	105,048	*0*	*105,048*	***318,513***	***0***	***318,513***
NON-AERONAUTICAL						
Sub-concessions and utilities:						
Properties and utilities	3,549	18,262	21,811	6,293	27,028	33,321
Shops	0	22,663	22,663	0	67,495	67,495
Car parks	5,700	0	5,700	13,297	0	13,297
Advertising	2,548	0	2,548	6,921	0	6,921
Other	3,355	309	3,664	5,286	69	5,355
	15,152	*41,234*	*56,386*	***31,797***	***94,592***	***126,389***
REVENUES FROM AIRPORT MANAGEMENT	*120,200*	*41,234*	*161,434*	350,310	94,592	444,902
REVENUES FROM CONSTRUCTION SERVICES	49,641	0	49,641	77,872	0	77,872
OTHER OPERATING INCOME	243	5,439	5,682	705	5,640	6,345
TOTAL REVENUES	**170,084**	**46,673**	**216,757**	**428,887**	**100,232**	**529,119**
Timing of goods/services transfer:						
Over of time	65,768			112,716		
At a point in time	104,316			316,171		

Revenues for the first half of the year were heavily impacted by the crisis that, starting in March, affected the air transport sector as a result of the health emergency caused by the spread of the Covid-19 virus.

Revenues from airport management, equal to 161,434 thousand euros, dropped by 63.7% overall compared to the reference period, recording a negative trend in all of the components. Aeronautical activities directly connected to traffic trends (passenger traffic -69%) recorded a 67.0% drop. Also the non-aeronautical segment, with revenues down by 55.4%, was affected by the drop in traffic and terminal closures; in detail, revenues from commercial sub-concessions fell by 66.4%, whilst those from real estate sub-concessions fell by 34.5%; revenues from car parks fell by 57.1% and those from advertising fell by 63.2%.

Revenues from construction services equal to 49,641 thousand euros (77,872 thousand euros in the first half of 2019) refer to revenues from construction services for self-funded works. Consistent with the accounting model adopted, based on the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (mainly external costs). These revenues decreased by 28,231 thousand euros compared with the first half of 2019 due to the almost total suspension of worksites throughout the airport system in the second half of the current year.

Other operating income equal to 5,682 thousand euros (6,345 thousand euros in the first half of 2019) is broken down as follows:

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Grants and subsidies	26	49
Gains on disposals	0	15
Re-absorption of provisions:		
Provisions for overdue interest	2	0
Expense recoveries	2,142	2,516
Damages and compensation from third parties	174	212
Other income	3,338	3,553
TOTAL OTHER OPERATING INCOME	**5,682**	**6,345**

The decrease, totaling 663 thousand euros, is primarily due to the reduction in expense recoveries for 374 thousand euros.

7.2 Consumption of raw materials and consumables

Consumption of raw materials and consumables is equal to 5,251 thousand euros (14,936 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Fuel and lubricants	367	627
Electricity, gas and water	2,337	11,850
Consumables, spare parts and various materials	2,547	2,459
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**5,251**	**14,936**

The decrease of 9,685 thousand euros compared to the reference period is due to the drop of 9,513 thousand euros in electricity, gas and water, consequently due to the classification under service costs of the costs incurred in the first half of 2019 to purchase electricity from Leonardo Energia (this approach is consequent to the new regulatory structure in force since July 1, 2019, which configured Leonardo Energia as the internal production unit of the SSPC – Simplified System for Production and Consumption – with the exclusive aim of meeting ADR requirements).

7.3 Service costs

Service costs equal 109,034 thousand euros (146,832 thousand euros in the first half of 2019). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Costs for maintenance	18,533	23,187
Costs for renovation of airport infrastructure	9,710	13,992
External service costs	10,496	5,329
Costs for construction services	46,041	72,958
Cleaning and disinfestations	2,984	3,933
Professional services	4,187	3,444
Firefighting services	3,223	3,796
Other costs	13,815	19,176
Remuneration of Directors and Statutory Auditors	45	1,017
TOTAL SERVICE COSTS	**109,034**	**146,832**

The decrease in service costs, amounting to 37,798 thousand euros, is essentially attributable to the decrease of costs for construction services (-26,917 thousand euros) and the costs for renovation of airport infrastructures, as well as the minor costs for maintenance, cleaning and commercial support (classified under Other costs), as a result of the containment measures implemented from March onwards in order to combat the impacts resulting from the reduction in operations following the sharp drop in air traffic. The trend was partially offset by the increase of the costs for external services related to the classification of the costs for the electricity service mentioned in Note 7.2.

7.4 Payroll costs

Payroll costs equal 59,869 thousand euros (90,144 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Salaries and wages	44,581	64,036
Social security charges	13,145	18,784
Post-employment benefits	3,494	3,384
Other costs	(1,351)	3,940
TOTAL PAYROLL COSTS	**59,869**	**90,144**

The reduction in Payroll costs of 30,275 thousand euros compared to the first half of 2019 is attributable to the various internal cost containment measures implemented by the Group, including the use of social security benefits (CIGS) and holiday leave schemes, as well as the negative change in the fair value of stock incentive plans, classified under Other costs.

In particular, to cope with the massive drop in traffic due to the spread of Covid-19, the ADR Group launched a plan to use social security benefits (CIGS/Salary Integration Fund) for the period March

23, 2020 - January 22, 2021 which involved all employees entitled to benefits (3,235). INPS approved the program by between June 18 and 24 for all the Group's companies.

The table below shows the average headcount of the ADR Group (broken down by Company):

AVERAGE HEADCOUNT	1ST HALF 2020	1ST HALF 2019	CHANGE
ADR S.p.A.	1,400	1,376	24
ADR Tel S.p.A.	52	56	(4)
ADR Assistance S.r.l.	295	352	(57)
ADR Security S.r.l.	732	789	(57)
ADR Mobility S.r.l.	57	62	(5)
Airport Cleaning S.r.l.	503	517	(14)
TOTAL AVERAGE HEADCOUNT	**3,039**	**3,152**	**(113)**

7.5 Other operating costs

The other operating costs equal 21,785 thousand euros (39,680 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Concession fees	5,321	17,508
Expenses for leased assets	530	582
Allocation to (use of) the provisions for renovation of airport infrastructure	11,173	15,505
Allocation to (re-absorption of) allowances for risks and charges	438	455
Other costs:		
Allocations to provisions for doubtful accounts	3	877
Indirect taxes and levies	3,293	3,514
Other expenses	1,027	1,239
TOTAL OTHER OPERATING COSTS	**21,785**	**39,680**

Concession fees, equal to 5,321 thousand euros, down by 12,187 thousand euros compared to the reference period directly related to the traffic trends.

The item Allocation to (use of) provisions for renovation of airport infrastructure includes the allocation to the provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the year, classified in the corresponding item of the income statement by nature.

The Allocations to allowances for risks and charges are equal to 438 thousand euros (455 thousand euros of the first half of 2019). For more details reference is made to Note 6.14.

7.6 Financial income (expense)

The item Financial income (expense) equals -28,278 thousand euros (-23,935 thousand euros in the first half of 2019). The tables below provide details on the financial income and expense.

Financial income

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Interest income		
Interest on bank deposits and loans	104	136
Income on derivatives		
Valuation of derivatives	141	278
Other income		
Interest on overdue current receivables	29	5
Interest from clients	4	6
Other	0	1
Dividends from equity investments	0	3,520
TOTAL FINANCIAL INCOME	**278**	**3,946**

Financial income, equal to 278 thousand euros (3,946 thousand euros in the comparison period), is down due to the zeroing of the item “dividends from equity investments”, which in the first half of 2019 included dividends from Azzurra Aeroporti S.p.A. for 3,520 thousand euros.

Financial expense

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	638	1,024
Interest on outstanding bonds	17,011	16,968
Interest on medium/long-term loans	2,330	1,526
Effects of applying the amortized cost method	3,501	3,342
Other financial interest expenses	0	2
TOTAL FINANCIAL INTEREST EXPENSE	22,842	21,838
Valuation of derivatives	17,068	556
IRS differentials	5,036	4,963
TOTAL EXPENSES ON DERIVATIVES	22,104	5,519
Financial expense from discounting employee benefits	28	28
Other expenses	10	13
TOTAL OTHER EXPENSES	38	41
TOTAL FINANCIAL EXPENSE	**45,622**	**28,422**

The Financial expense from discounting provisions for renovation of airport infrastructure, equal to 638 thousand euros, includes the financial component for the discounting of the provision and dropped by 386 thousand euros consequently to the update of the rate used.

Interest on medium/long-term loans, amounting to 2,330 thousand euros, increased by 804 thousand euros compared to the first half of 2019 mainly due to the amounts drawn on the EIB and CDP loans and the disbursement of Tranche A of the new 2020 BNL Loan.

The Expense from valuation of derivatives, equal to 17,068 thousand euros (556 thousand euros in the comparison period) reflects the change occurring in the half in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in pound sterling (shown in Note 6.15).

This change is offset by a component of the same amount recorded under foreign exchange gains, which refers to the decrease in the par value of the bonds in pound sterling.

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
Foreign exchange gains	17,099	543
Foreign exchange losses	(33)	(2)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**17,066**	**541**

For comments, refer to the paragraph on Financial expense.

7.7 Share of profit (loss) of associates accounted for using the equity method

The share of profit (loss) of associates accounted for using the equity method, equal to -828 thousand euros (-1,871 thousand euros in the comparative period), includes the effect in the income statement of the write-down of the associated undertaking Pavimental, in relation to the negative economic results obtained by the company in the period (-1,126 thousand euros for Pavimental and -745 thousand euros for Spea respectively in the 2019 half-year).

7.8 Income taxes

Income taxes equal 17,260 thousand euros (-50,211 thousand euros in the first half of the previous year). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2020	1ST HALF 2019
CURRENT TAXES		
IRES	(19,329)	32,785
IRAP	172	11,439
	(19,157)	**44,224**
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	(410)	53
	(410)	**53**
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	2,039	5,209
Deferred tax liabilities	268	725
	2,307	**5,934**
TOTAL INCOME TAXES	**(17,260)**	**50,211**

With reference to IRES, please note that in June 2017 ADR S.p.A., together with the Group companies, ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility and ADR Security S.r.l., communicated to the consolidating company Atlantia the desire to exercise the group taxation option, pursuant art. 117 of TUIR, for the three-year period 2017-2019, with automatic renewal for the three-year period 2020-2022.

The IRES tax burden estimated for the first half of 2020 consists of income from tax consolidation, corresponding to the tax benefit of 24% relating to the tax losses recorded in the period, which can be recovered in the context of the Group's tax consolidation.

The estimate of the deferred tax assets considers the effects of the tax loss on the 3.5% IRES surcharge (Robin Tax) to the Parent Company ADR.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

For more details on the calculation of deferred tax assets, reference should be made to Note 6.5.

8. Guarantees and covenants on medium/long-term financial liabilities

The “Issuer Substitution” transaction performed in 2016 actually cancelled the comprehensive security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains to date, ceased. The only residual, though more limited, guarantee that remains in favor of this issue, is a “deed of assignment” under British law on any receivables of ADR related to cross currency swaps contracts in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros. Furthermore, ADR constituted a pledge on the total investment of 7.77% in Azzurra Aeroporti S.p.A. (hereinafter “Azzurra”) in favor of the lenders of the same Azzurra. This guarantee is limited to a maximum amount of 130.6 million euros.

ADR’s loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies with investment grade rating. Worth mentioning is that the EIB and CDP contracts require the respect of a leverage ratio threshold not exceeding 4.75x, which drops to 4.25x in case of downgrade of the company’s rating level to BBB-/Baa3 or lower.

The financial ratios must be checked twice a year, in accordance with the agreements, by applying the calculation formulas to the Group’s reference data (which must exclude any equity investments in companies funded through non-recourse financial debt) in the Consolidated Annual Financial Report as of December 31 and the Consolidated Interim Financial Report as of June 30.

With reference to bank loan agreements, it should be noted that, in April 2020, the Company activated waiver requests in order to avoid the breach of contract risk linked to defaulting on the financial covenant levels (covenant holiday) for the calculation date of December 31, 2020 and June 30, 2021. These waiver requests have become necessary due to the impacts that the COVID-19 pandemic may have on ADR’s projected financial results. As of June 30, 2020, among the waiver requests, the one from the banking pool for the RCF has been approved, while the approval procedure by the EIB and CDP is still underway.

Regarding the calculation date of June 30, 2020, the closing data confirms, based on the simulations carried out, the respect of the financial ratios set in the agreements. The calculation of the financial ratios will be formalized after the approval of this Consolidated interim financial report as of June 30, 2020.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program does not envisage limitations on ADR, nor the observance of financial covenants or obligations to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for “investment grade” issuers.

9. Other guarantees, commitments and risks

9.1 Guarantees

As of June 30, 2020, the ADR Group has outstanding guarantees, issued as part of the loan agreements mentioned in Note 8. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2019).

9.2 Commitments

The commitments on purchases of the ADR Group amount to 170.0 million euros regarding investment activities.

9.3 Management of financial risks

Credit risk

As of June 30, 2020, ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making provisions in a specific provision for doubtful accounts, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves making provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, as well as the status in the receivable management and collection process.

The Group's commercial and credit protection policies set out the procedure illustrated below for checking the awarding level in receivables:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, adequate collateral is required.

The Covid-19 crisis led to a situation of deep, albeit temporary, financial crisis involving the entire airport industry. The ADR Group is taking extraordinary measures (lengthening payment times, eliminating early billing, recovery plans) aiming to help overcome the current situation, trying to minimize the triggering of irreversible crisis situations for its customers.

Liquidity risk

Liquidity risk is the risk that the available financial resources may be insufficient to cover the maturing obligations. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of June 30, 2020 the ADR Group had a liquidity reserve estimated at 1,086.9 million euros, comprising:

- 536.9 million euros related to cash and cash equivalents;
- 550.0 million euros of unused credit facilities (for more details, see Note 6.15).

For information on the effects of the Covid-19 epidemic, reference should be made to Note 11.3.

Interest rate and exchange rate risk

The ADR Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

With resolutions of May 14, 2015 and July 11, 2018, the Parent Company's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, forward-starting interest rate swap transactions. With this type of instrument, which allows forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR can significantly reduce and almost eliminate the risk of rising interest rates before new financial arrangements are signed.

As of June 30, 2020, the ADR Group has:

- cross-currency swap derivatives, originally signed in 2003 and transferred to new counterparties in 2010, to cover the A4 bonds in pound sterling; Class A4, equal to a par value of 215 million pound sterling and included in the series of bond issues originally issued by Romulus Finance, was actually hedged, for the entire duration (until expiration in 2023) by two euro/sterling cross-currency swaps. The characteristics of this derivative instrument are described in Note 6.15;
- four forward-starting interest rate swap contracts signed on October 18, 2016 and September 18, 2017 (and subsequently restructured in February and June 2020), for a total notional value of 400 million euros, effective starting from June 2021 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15;
- three other forward-starting interest rate swaps signed on August 7, 2018 for a total notional value of 300 million euros, effective starting from February 2022 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15.

The Group does not have any other transactions in foreign currency in place.

9.4 Information on fair value measurements

Below is the fair value measurement at period end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non-recurring basis):

(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	06.30.2020 TOTAL
Derivatives with positive fair value	0	0	0	0
Derivatives with negative fair value	0	218,279	0	218,279
TOTAL HEDGING DERIVATIVES	**0**	**218,279**	**0**	**218,279**

The only financial instruments of the Group valued at fair value are the derivative instruments described in Note 6.4 and Note 6.15. These derivative instruments are included in "level 2" of the "fair value hierarchy" defined by IFRS 7, with the fair value measured based on valuation techniques that use parameters that can be observed in the market, other than the price of the financial instrument.

In the first half of 2020, no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, for which Note 6.15 indicates the fair value, this fair value is also included in level 2 of the "fair value hierarchy" defined by IFRS 7.

9.5 Litigation

As regards litigation as a whole, the ADR Group carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific provision under "Allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. No specific allocations were made for disputes for which a negative outcome was merely possible, given the different legal interpretations. Furthermore, there are a limited number of civil proceedings underway for which no provisions were made, as the impact of any negative outcome for the ADR Group, while negligible, could not be measured.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

Tax litigation

The most significant disputes involving the Parent Company ADR are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Litigation with the Customs Office - Electricity

- In 2006, the Tax Office of Rome (UTF - now the Customs Office) issued demands for payment of a total of 13 million euros (including interest, expenses and sanctions), regarding failure to pay the tax on electricity consumption and the related surcharge for the period 2002-2006 in addition to notifications of administrative irregularities. The disputes relate to the alleged sale to third parties of electricity acquired by ADR, as well as the refusal to recognize the subsidy applied to entities qualifying for inclusion in the "industrial operators" category. After the judgment on the merits in favor of the company, the Supreme Court filed nineteen rulings with which the grounds for appeal proposed by the State Attorney's Office were admitted, rejecting those proposed by the Company on cross-appeal. On October 8, 2019, the Supreme Court filed four sentences in favor of the Company concerning four acts Documents imposing administrative sanctions issued by the Customs Office. On February 28, 2020, the Supreme Court filed the ruling concerning additional three impositions of administrative sanctions which dismissed the case on the merits, which is the subject of the proceedings and ordered that the case be referred to the Regional Tax Commission to examine the tax effects of the case for the purposes of resolving the related sanctions. On May 22, 2020, ADR filed the appeal for resumption of the dispute with the Regional Tax Commission.

- Similar to the audits undertaken for the years 2002-2006 by the Rome Tax Office, the Customs Office began two subsequent audits of ADR on its taxation of consumption, excise tax and surcharge on electricity in the periods 2007-2010 and 2011-2012. The Revenue Agency also provided the tax assessment notices of the VAT due on the excise duties at issue for the same years.
- In relation to the payment orders issued by the Customs Office for the tax periods 2007-2010 and the Revenue Agency for VAT 2007, the Company lodged a complaint with the Supreme Court against the unfavorable sentences of the Provincial Tax Commission, while defining the dispute of the 2011 and 2012 tax periods.

  For the new tax assessment notices notified by the Revenue Agency for the VAT due on the consumption taxation for the years 2008-2012, the Company filed the relevant appeals, which were not accepted by the Provincial Tax Commission. Considering its arguments still open, ADR lodged an appeal against the rulings of first instance with the Provincial Tax Commission, which for two years confirmed the first instance ruling, whilst for two others upheld the Company's appeals. Appeals have been lodged with the Supreme Court for all second instance proceedings.

ICI/IMU

- In 2011, the Municipality of Fiumicino notified ADR tax assessments for the failure to pay the local property tax only for 2007-2009 regarding buildings of Alitalia Technical Area. The Company contested the mentioned deeds and appealed before the Provincial Tax Commission. For the year 2007, the Commission accepted the appeal filed by the company and the final judgment was issued, while the appeals for the other two years were rejected. ADR therefore appealed with regard to the years 2008 and 2009, both rejected by the Regional Tax Commission. The Company has appealed to the Supreme Court.

Tax indemnity

In 2002, when IRI obtained the consent to sell 44.74% of ADR to the Macquarie Group, the entities Gemina, Impregilo S.p.A. and Falck S.p.A. replaced IRI and directly assumed the indemnity commitment towards ADR (with a 50%, 13.1% and 36.9% share, respectively) as issued by IRI during the privatization of ADR, aimed at covering 51.166% of the losses that the Company may incur for tax claims relating to periods prior to the privatization that took place in July of 2000. The dispute between ADR and the Customs Office refers to the period of 1993/1998 and is covered by the mentioned guarantee. As Impregilo S.p.A. and Falck S.p.A. repudiate the validity of the guarantee, ADR has brought a case against these companies to obtain the payment of the sums due, following the definitive sentence convicting ADR. In October 2012, the Court of Rome accepted ADR’s application, against which Impregilo S.p.A. and Falck S.p.A. have appealed. On January 9, 2020 the Court of Appeal of Rome filed the sentence with which Falck S.p.A. and Impregilo S.p.A.'s appeal was rejected, confirming the first instance ruling in ADR's favor. Falck S.p.A. and Impregilo S.p.A., which considers its arguments still open, appealed to the Supreme Court.

Administrative, civil and labor litigation

The most significant disputes involving the Parent Company ADR are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Airport fees and regulated tariffs

- In 2014, EasyJet Switzerland SA summoned ADR to return 1 million euros, plus interest, equaling the excess amount paid, as claimed by the applicant, from 2009 to 2013 for the landing and take-off fees and passenger boarding fees (non-EU fees rather than EU fees for flights from/to the Swiss Confederation). At the hearing of October 2, 2019, the Parties specified the conclusions, as set out in the documents, and the judge did not make a decision on the case. With sentence of April 20, 2020, the Board, in addition to rejecting easyJet's demands in full, also accepted ADR's counterclaim, ordering the plaintiff to pay 0.3 million euros.
- In 2013, an appeal to the Lazio Regional Administrative Court was filed by the Municipality of Viterbo, with which the Planning Agreement was contested together with the Prime Ministerial Decree of December 21, 2012 and all the other preceding, related, and consequent deeds with a claim for damages, which to date is pending with no set hearing. Giving additional grounds on February 2016, the Municipality also filed an appeal against Italian Presidential Decree no. 201/2015, which had issued a "Regulation identifying the airports of national interest in accordance with article 698 of the Navigation Code".
- In 2014, Easyjet Airline Company Ltd notified ADR of an appeal to the Lazio Regional Administrative Court for the cancellation, with prior suspension, of the restructuring of the passenger boarding fees from March 1, 2014, in connection with the determination of the new transit fees, introduced with the Civil Aviation Authority directive of December 27, 2013. The plaintiffs deem this restructuring - resulting from the application of a 65% discount on the above-mentioned fees to the passengers in transit at the airport and the contextual increase of the same fee for outbound passengers - to be a violation of the Italian and community regulations. In 2014, the Lazio Regional Administrative Court rejected Easyjet's application for interim relief since the appeal was not secured by the "fumus boni iuris". An announcement of the date of the relevant hearing is awaited.

Airport fuel supply fees

- ENI S.p.A. has brought a claim before the Rome Civil Court against its own client airlines in order to ascertain their obligation to pay the oil company the amounts it owes to airport operators, and to order them to pay the amount accrued since October 2005. In the same claim, ENI S.p.A. has also brought a secondary claim against airport operators, including ADR, in order to ascertain that the concession fees paid by ENI to airport operators should not be calculated on the basis of the amount of fuel supplied to airlines. Moreover, as specifically regards ADR, ENI requests that the company be ordered to return the amount paid since October 2005, totaling 0.2 million euros and that it be determined that ENI does not owe the amount of 1.1 million euros requested by ADR until May 2006 and as yet unpaid. In 2017, the Court of Rome declared the lack of jurisdiction of the Ordinary Judge and Alitalia LAI filed an appeal to the Rome Court of Appeal. In 2018, the Court, in upholding the appeal, confirmed the jurisdiction of the Ordinary Judge and referred the case to the Court of Rome, where the action was reinstated. Following the dissolution of the reserve set aside based on the outcome of the hearing of May 9, 2019, the Judge arranged a technical accounting expert to examine the case. At the hearing of January 9, 2020, the expert took the oath and the case was adjourned to the hearing of May 5, 2021 to examine the consultancy.
- Alitalia LAI under special administration has begun separate legal proceedings at the Civil Court of Milan and Rome against some oil companies to force them to return the amounts paid from time to time as royalties on fuel in the period 2000 – 2009, due to the alleged mismatch between these amounts and the management costs for the specific service. In these proceedings, the oil company executives invoked ADR and other airport operators as third parties, in consideration of the fact that the royalties on fuel were requested by these companies. Within the proceedings, economic and

accounting appraisals were ordered, some of which have been filed. Some of the rulings are still pending. On February 27, 2020, three sentences were published with which the Court of Milan, in the proceedings brought by Alitalia LAI against Total Aviazione Italia and Air Total International SA, KAI (formerly Shell Italia Aviazione) and KRI (formerly Shell Italia) and Tamoil, respectively, accepted, albeit partially, the request made by Alitalia against the oil companies and, accepting the related indemnity claims made against the airport operators, ordered the latter to repay the oil companies specific amounts (in particular, with regard to ADR: 1.7 million euros to Total Aviazione Italia and Air Total International, 0.8 million euros to KAI and KRI and 0.4 million euros to Tamoil). The challenge of the appeal is being considered, with request for suspension of the enforceability of the judgments. On March 10, 2020 the sentence was also published with which the Court of Rome, in the case brought by Alitalia LAI against Air BP Italia, rejected the carrier's claim against the oil company and, consequently, the airport operators, including ADR, which are being sued as third parties.

- Within the framework of the appeal filed by Wind Jet against the sentence issued by the Court of Milan, regarding the claimed return, by some oil companies, of the jet fuel fees paid in the period 2004-2009 - which, in turn, invoked SEA and ADR - the Court, with decree issued in June 2017, arranged an expert. ADR appointed its own technical consultant. With sentence filed on February 7, 2020, the Appeal Court rejected the carrier’s appeal.

Decree for the approval of the Airport noise reduction and abatement plan of the airport of Ciampino

- With appeal of March 7, 2019 at the Lazio Regional Administrative Court ADR challenged Italian Ministerial Decree no. 345/2018 with which the Ministry for the Environment and Land and Sea Conservation (hereinafter the “Ministry for the Environment”) approved, with conditions, the ADR Intervention Plan for Noise Reduction and Abatement (“PICAR”); suspension of the challenged Ministerial Decree was not requested and a merit hearing is pending.
- Ryanair also challenged Italian Ministerial Decree no. 345/2018, asking for its suspension, with an appeal to the Lazio Regional Administrative Court of February 18, 2019, subsequently submitting additional reasons. ADR has taken formal legal action. The Lazio Regional Administrative Court, with Order of May 8, 2019, accepted the precautionary measures requested by Ryanair and therefore suspended PICAR with respect to the reduction of daily movements at the airport at gate no. 65. The relevant hearing is set for November 18, 2020.
- On May 30, 2019 the Ministry for the Environment challenged the abovementioned Order of the Lazio Regional Administrative Court, requesting the precautionary measure. On June 20, 2019, the Council of State rejected the appeal of the Ministry for the Environment.
- ADR was notified of two further appeals against Italian Ministerial Decree no. 345/2018, filed by the carrier Wizzair operating in Ciampino: one for damages and an extraordinary one to the President of the Republic, then moved to the Lazio Regional Administrative Court on July 9, 2019 on ADR’s request. At the hearing for the suspension, Wizzair's lawyer waived the suspension and asked for the discussion of the appeal to be combined with those of Ryanair on the same subject.
- On April 8, 2020, the Lazio Regional Administrative Court postponed the hearing regarding both Ryanair's and WizzAir's appeal against Italian Ministerial Decree no. 345/18 approving PICAR at Ciampino airport to a date to be set, in view of the fact that none of the parties has applied Article 84 of 18/3/20 - the so-called "Cura Italia" - which essentially states that a decision on the case may be requested without a verbal discussion, only on the basis of the documents filed.
- Ryanair also challenged ENAC Order no. 2/2019, with which the entity repealed its own previous orders which permitted allowances for overruns of the airport night closing times due to force

majeure. The Regional Administrative Court, both at monocratic and collegial setting, accepted the carrier's request for suspension and, therefore, has permitted the carrier to overrun past 11:00 pm for the above mentioned reasons of force majeure. With a sentence of January 15, 2020, the Lazio Regional Administrative Court upheld Ryanair's appeal, canceling ENAC's ruling 2/2019 in so far as it does not provide that, in the event of arrivals after 11:00 p.m., landing is permitted if the delay is due to exceptional causes of force majeure for which the carrier is not responsible.

Realization of the Exit in the East area - Fiumicino Sud Completion Project - Expropriations

The Fiumicino Sud Completion Project includes the creation of the new interconnecting junction between "Autostrada A91 Roma – Fiumicino" and the "East Area – Cargo City" of Fiumicino airport. It is necessary to expropriate some areas in the ownership of private companies for the realization of the works and ADR has been delegated by ENAC to act as Expropriating Authority. On April 16, 2019 Nuova Agrisud Immobiliare S.r.l., the company involved in the expropriation, challenged a series of provisions and communications issued by ADR during the expropriation procedure. Nuova Agrisud, in order to challenge the acts of the expropriation procedure, put forward grounds added to an earlier appeal to the 2017 Regional Administrative Court that has never been notified to ADR, which formally joined the proceedings on May 30, 2019.

Redrawing the borders of the Roman Coastline State Reserve

With Italian Ministerial Decree of October 24, 2013 the Minister of the Environment approved the "New borders of the Roman Coastline Natural State Reserve" replacing the one that had previously been identified with Italian Ministerial Decree of March 29, 1996. In particular, the new border expands the "type 1" areas, preventing construction of most of the works provided for under the 2030 Master Plan.

ENAC, with an appeal to the President of the Republic, challenged the Italian Ministerial Decree of October 24, 2013, while ADR filed an independent appeal with the Lazio Regional Administrative Court. In order to support the Entity in the ruling, ADR decided to intervene to support it, filing its motion in July 2018. On January 22, 2019 ADR received a communication in which the Council of State ordered a stay in the appeal to the President of the Republic made by ENAC, pending the decision of the ordinary ruling submitted by ADR and currently pending before the Lazio Regional Administrative Court. Given that ADR's appeal would have been closed on October 2, 2019 due to the time-limit of five years, on September 5, 2019 a request was made to schedule a hearing pursuant to art. 82 of Italian Legislative Decree no. 104/2010 (Administrative Procedure Code). As part of the above-mentioned appeal to the Lazio Regional Administrative Court, brought by ADR for the cancellation of Italian Ministerial Decree no. 311/2013, on May 4, 2020 the Company filed an appeal on additional grounds following the publication - on January 23, 2020 - of the Reserve Management Plan, and ENAC proposed to intervene to support ADR. The date of the relevant hearing is awaited.

Ryanair - Access to Records

With an application to access the records dated June 2018 Ryanair asked ADR if it could review all the commercial contracts between Alitalia and ADR still in force at the date of the access application, as well as all the charge documents that ADR issued Alitalia between January 1, 2015 and June 15, 2018 for the collection of the fees, the additional airport fees and IRESA (regional airport noise tax). ADR denied the application for access and Ryanair, in September 2018, filed a claim with the Lazio Regional Administrative Court to obtain the cancellation of ADR's refusal and subsequent confirmation of it. With sentence of December 2018, the Lazio Regional Administrative

Court rejected Ryanair's appeal. On February 11, 2019 ADR was notified of the appeal by Ryanair to the Council of State. The Council of State ruled on October 2, 2019, accepting the carrier's appeal and ordering ADR to produce the documents to be accessed within 30 days of notification. Due to ADR's failure to produce the documents within the set 30 days (November 3, 2019), Ryanair appealed to the Lazio Regional Administrative Court to comply with the above Council of State ruling. With sentence published on July 15, 2020, the Council of State upheld the appeal brought by Ryanair, deeming that ADR substantially prevented access to the actual contents of documents whose production had been ordered. In fact the sentence did not take into account any of the exceptions formulated by the Company, settling the issue on the basis of a meagre and simplistic justification. The judge awarded ADR the 30-day deadline for full compliance with the judgment resulting from Council of State sentence no. 6603 of 2019, on pain of the appointment of an ad acta commissioner.

Airport charges - Planning Agreement Annual Monitoring

On April 11, 2019 ADR filed an extraordinary appeal to the President of the Republic challenging and requesting the annulment of measure of December 24, 2018, with which ENAC General Manager updated the charges for the regulated services provided by the airport manager for the year 2019, in execution of the annual activity of monitoring of the charges parameters k, v and ε pursuant to art. 37-bis paragraph 4 of the Planning Agreement between ENAC and ADR. On June 10, 2019, ENAC opposed the extraordinary appeal and ADR moved the appeal to the President of the Republic before the Lazio Regional Administrative Court. The date of the relevant hearing is awaited.

Resolution of the Transport Regulatory Authority concerning the public consultation for the review of the "airport fee regulation" models

In November 2019 ADR challenged Authority's resolution no. 118/2019 of August 1, 2019 before the Lazio Regional Administrative Court without suspensive relief, objecting to the Authority's radical lack of power to introduce changes to the tariff regulation system set forth in the Planning Agreement signed between the Italian Civil Aviation Authority ("ENAC") and ADR pursuant to art. 17, paragraph 34-bis, of Italian Law Decree no. 78/2009. Indeed, by express regulatory provision, the tariff system provided for in the planning agreements "under derogation" is a "multiannual" tariff system, with updating procedures that are "valid for the entire duration of the concessionary relationship". An announcement of the date of the hearing is awaited.

2019 extraordinary maintenance plan - Fiumicino Airport

With appeal of December 9, 2019, ADR challenged, without requesting suspension, the deed by which ENAC approved, with exceptions, requirements and clarifications, the Extraordinary Maintenance Plan for Fiumicino airport. In particular, ENAC was challenged for the omission of some of the interventions included by ADR in the Plan. The date of the relevant hearing is awaited.

Bankruptcy proceedings involving clients

- A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia S.p.A. under special administration, Volare S.p.A. under special administration, Alitalia Express S.p.A. under special administration, Alitalia Servizi S.p.A. under special administration, and Alitalia Airport S.p.A. under special administration. Between the end of 2011 and 2013, insolvency claims were initially filed, followed by distribution plans. Subsequently, in 2014, 10.3 million euros were collected as "insolvency claim" secured by a lien. On March 19, 2014, 0.1 million euros were collected in accordance with the distribution plan for Alitalia Express under special administration.

- In 2009, Volare Airlines S.p.A. under special administration and Air Europe S.p.A. under special administration entered into separate civil proceedings in order to obtain cancellation of payments made to ADR during the year prior to the carriers' entry into bankruptcy respectively for 6.7 million euros and 1.8 million euros. With sentence of June 2011, the Court ordered ADR to pay the requested amounts; the legal actions filed by ADR were rejected by the Court of Appeal of Milan respectively in 2012 and 2014. In order to avoid enforcement proceedings, ADR proceeded to the payment of what requested and has submitted an appeal to the Supreme Court in both cases. For the judgment on Volare Airlines S.p.A. under special administration, the Supreme Court rejected the appeal filed by ADR with order of 2018. Regarding the ruling on Air Europe S.p.A. under special administration, the hearing has not been scheduled yet.
- On May 4, 2020, Alitalia SAI under special administration summoned ADR before the Civil Court of Civitavecchia, requesting the revocation of the payments made to the company in the six months prior to the date of the Decree of May 2, 2017. The statement of claim for the payments - made to ADR between November 2016 and January 2017 - for which the revocation is requested, with consequent declaration of ineffectiveness and relative return to Alitalia under special administration, is quantified at a total of approximately 34 million euros, plus legal interest and monetary revaluation. According to the records, the court appearance is scheduled for February 11, 2021. Similar injunctions were served by Alitalia SAI under special administration on ADR Mobility and ADR Tel (statement of claim of 1.3 million euros and 0.1 million euros, respectively).

Sub-concession of retail outlets

- ADR has entered into civil proceedings against Moccia Conglomerati S.r.l. in order to ascertain the resolution of the sub-concession agreement regarding an area to be allocated to a system for the production and marketing of asphalt concrete, as a result of serious breach by the counterparty, which would not have been able to obtain the issue of the necessary permits for the performance of operations. Therefore, ADR requested the immediate release of the area and to obtain compensation for damages. Within the framework of the ruling, Moccia filed a counterclaim towards ADR for 38.4 million euros, 33.6 million euros of which for loss of earnings. The hearing, following previous postponements, was adjourned to January 7, 2021 for the final judgment.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of Runway 3 at Fiumicino airport, appealed the 2006 sentence handed down by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest accrued from the time of the claim. The appeal reiterates the claims for damages made in first instance (66 million euros, including legal interest accrued from the time of the claim). With sentence filed in 2014, the Court of Appeal of Rome substantially rejected the appeal on the proposals of the ATI Alpine Bau, accepting the arguments put forward by ADR and declared the contract stipulated in 1997 terminated, due to the fault of the ATI contractor. In 2015 bankrupt Alpine Bau lodged an appeal with the Supreme Court. The hearing was held on February 11, 2020; the Supreme Court rejected the appeal with ruling notified on June 16, 2020.

- In November 2018 Cimolai S.p.A. (in ATI with Sertech S.p.A., RPA S.r.l. and Tecnica Y Projectos S.A.) brought proceedings against ADR in relation to certain reservations (from no. 30 to no. 41) registered as part of the contract to build Pier C. The total statement of claim amounts to 64.4

million euros plus interest and monetary revaluation. With ruling of May 29, 2020, the hearing of June 25, 2020 for the discussion was brought forward to June 8, 2020 and the so-called "written discussion" was arranged, subject to a mutual exchange of specific Notes between the Parties.

ANAC resolution on the Pier C tender

With reference to the surveillance procedure pursuant to Italian Legislative Decree no. 50/2016, initiated by ANAC in October 2016, with regard to the tender for Pier C (currently Pier E and front of the building), on September 4, 2019, the Authority issued resolution no. 759, which confirmed almost all of the objections raised since the start of the proceedings and ordered the forwarding to the Court of Auditors as well as to ENAC and the MIT, requesting also ADR to "assess the possible initiatives to be taken while informing the Authority of any consequent measures intended to be adopted".

Consequently, on October 18, 2019 ADR notified an appeal to the Lazio Regional Administrative Court, without suspensive relief, requesting the cancellation of the above-mentioned ANAC Resolution. An announcement of the date of the relevant hearing is awaited.

In addition, ADR informed the Certifying Bodies (SOA) of Cimolai and the subcontractors about the assessments carried out by the ANAC on the qualification of certain categories of works, related to the contract in question, for the purposes of their subsequent assessments and determinations.

Labor disputes

A group of former ADR employees, transferred to Ligabue Gate Gourmet Roma S.p.A., at the time of the sale of the West end catering business unit, filed a case against ADR and the Lazio Regional Authority, claiming compensation for not having been hired by other companies at the same economic conditions applied by the company mentioned above, based on a ministerial award signed by ADR together with other companies and local bodies, including the Lazio Regional Authority, when Ligabue went bankrupt. ADR won the case in first and second instance. A group of nine plaintiffs ultimately appealed to the Supreme Court, with a claim for damages for 6.7 million euros. A date for the hearing does not appear to have bene set yet.

Terminal 3 fire

Regarding the fire that, on the night between May 6 and 7, 2015, affected a large area of Terminal 3 (hereafter also “T3”), a proceeding is pending before the Public Prosecutor at the Court of Civitavecchia; the proceeding regards the offences under articles 113 and 449 of the Italian Criminal Code (participation in arson) and personal injury, in relation to which, on November 25, 2015, the measure under art. 415 bis of the Criminal Procedure Code was issued, notifying the conclusion of the preliminary investigation against: (i) five employees from the contractor for the ordinary maintenance of the air-conditioning systems and two ADR employees, all investigated also with regard to the offence under art. 590 of the Criminal Code (personal injury through negligence), (ii) the then Managing Director of ADR in the capacity as “employer” of the Company, (iii) the Head of the Fire Corps Contingent and (iv) the Director of the Lazio Airport System (ENAC).

In 2017, the preliminary hearing was held, which continued for several days, at the end of which, on February 15, 2018, the judge sent the defendants to trial for the crimes of participation in arson and personal injury.

The hearing before the Court of Civitavecchia started on October 15, 2018. On that occasion and at the subsequent hearing held on January 21, 2019, procedural checks were carried out, there was substantial recognition of the parties to the proceedings and the admission of the preliminary motions made by each party was ordered (call to hear the witnesses and the relevant technical consultants). The examination of witnesses started at the hearing of March 25, 2019, beginning with the names indicated by the Public Prosecutor. The hearing of the witnesses continued at the hearings held during 2019 (June 24 and November 4) and early 2020 (February 7) and will continue over several dates. The next hearing is set for September 14, 2020.

Claims for damages

- In 2011, ADR received a claim for damages for 27 million dollars for direct damages (indirect damages are still being defined) from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. ADR declines any responsibility for the event. Should the investigation being conducted by the competent authorities reveal ADR's clear responsibility, the compensation would be covered by the third-party liability insurance policy of the airport operator.
- About 170 claims have been received from third parties (mainly sub-concessionaires, handlers and passengers) with reference to the fire, only a portion of which, however, is concerned by a clear quantification of the damages (about 19 million euros). Given these claims for compensation, a prudent valuation - based on the best current information - of the liabilities the Company is likely to assume was included in the provisions.

Reserves on works posted by the contractors

As of June 30, 2020 reserves posted by the contractors amount to about 84 million euros (81 million euros as of December 31, 2019) towards ADR. Based on past evidence, only a small percentage of the reserves posted is actually due to the contractors. If recognized, the reserves will be recorded as an increase in the cost of concession fees.

If these refer to claims or maintenance, they are posted under the allowances for risks and charges for the portion deemed probable.

10. Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the year no significant transactions or transactions that significantly affected the Group's financial position or results took place.

Trade transactions and other transactions

(THOUSANDS OF EUROS)	06.30.2020		1st HALF 2020		12.31.2019		1st HALF 2019	
	ASSETS	LIABILITIES	REVENUES	COSTS	ASSETS	LIABILITIES	REVENUES	COSTS
PARENT COMPANIES								
Atlantia S.p.A.	27,153	1,884	157	(831)	7,912	20,667	157	(682)
TOTAL RELATIONS WITH PARENT COMPANIES	27,153	1,884	157	(831)	7,912	20,667	157	(682)
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	661	26,505	39	(24,089)	625	52,900	14	(43,780)
Spea Engineering S.p.A.	378	18,540	335	(3,356)	81	24,231	324	(10,264)
Ligabue Gate Gourmet S.p.A. (insolvent)	482	968	0	0	482	968	0	0
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	1,521	46,013	374	(27,445)	1,188	78,099	338	(54,044)
RELATED PARTIES								
Leonardo Energia S.c.ar.l.	50	961	79	(6,363)	12	2,888	79	(9,708)
Fiumicino Energia S.r.l.	66	0	84	0	35	0	88	0
Infoblu S.p.A.	0	47	0	(9)	0	29	0	0
Telepass S.p.A.	77	9	4	(41)	188	64	354	(90)
Autogrill Italia S.p.A.	(111)	140	2,151	(233)	914	640	5,908	(293)
Autostrade per l'Italia S.p.A.	507	951	131	(563)	691	973	190	(563)
Autostrade Tech S.p.A.	0	89	0	(116)	0	399	0	(200)
Consorzio Autostrade Italiane Energia	0	18	0	(11)	0	20	0	(10)
Edizione S.r.l.	0	16	0	(16)	0	25	0	(12)
Retail Italia Network S.r.l.	(55)	0	99	0	45	0	295	0
Telepass Pay S.p.A.	16	0	58	0	30	0	0	0
Essediesse S.p.A.	99	0	39	0	149	0	68	0
Società Autostrada Tirrenica per azioni	1	0	0	0	1	0	0	0
K-Master S.r.l.	0	239	0	0	0	0	0	0
Key Management Personnel	0	1,880	0	(231)	0	4,417	0	(3,211)
TOTAL RELATIONS WITH RELATED PARTIES	650	4,350	2,645	(7,583)	2,065	9,455	6,982	(14,087)
TOTAL	**29,324**	**52,247**	**3,176**	**(35,859)**	**11,165**	**108,221**	**7,477**	**(68,813)**

Relations with Atlantia refer mainly to the tax consolidation of some companies of the ADR Group and to charging back the cost for the seconded personnel.

The main relations with other related parties break down as follows:

- Pavimental: a company owned by Atlantiaa subsidiary undertaking of Atlantia that carries out maintenance and modernization work of the airport paving, as well as the realization of infrastructural works for the ADR Group;
- Spea Engineering: a company owned by Atlantiaa subsidiary undertaking of Atlantia, carrying out airport engineering services (work design and management) for the ADR Group;
- Fiumicino Energia S.r.l.: a company owned by Atlantiaa subsidiary undertaking of Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Telepass S.p.A. (a subsidiary undertaking of Atlantia): costs related to the Telepass system used in the car parks managed by ADR Mobility;
- Autogrill Italia S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a majority interest in Atlantia): revenues from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Autostrade per l'Italia S.p.A. (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive directors and not and the managers with strategic responsibilities (so-called key management personnel) in office at June 30, 2020 amount to 439 thousand euros (of which 231 thousand euros classified in the table above under item Key Management Personnel and the residual amount of 208 thousand euros under service costs towards other related parties) and include the amount pertaining to fees, remuneration employee payments, non-monetary benefits, bonuses and other incentives for roles in ADR (the remuneration for directors who covered the position for the six months, or even a part of the year, is indicated).

Financial relations

(THOUSANDS OF EUROS)	06.30.2020		1st HALF 2020		12.31.2019		1st HALF 2019	
	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia S.p.A.	0	392	0	(1,082)	0	253,157	0	(6,503)
TOTAL RELATIONS WITH PARENT COMPANIES	0	392	0	(1,082)	0	253,157	0	(6,503)
Spea Engineering S.p.A.	1,350	0	0	0	1,350	0	0	0
Azzurra Aeroporti S.p.A.	0	0	0	0	0	0	3,520	0
TOTAL RELATIONS WITH RELATED PARTIES	1,350	0	0	0	1,350	0	3,520	0
TOTAL	**1,350**	**392**	**0**	**(1,082)**	**1,350**	**253,157**	**3,520**	**(6,503)**

The financial liabilities with Atlantia have decreased as a result of the sale, on January 28, 2020, of the A4 bonds of which the parent company held 99.87%.

The financial assets from Spea Engineering S.p.A. comprise the receivable for the dividends resolved by the company in the year 2018 and not paid.

11. Other information

11.1 Information on share-based remuneration plans

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the enhancement of the Group's value, in addition to the managerial efficiency of management, Atlantia Group has incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving pre-set corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' Meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans to include personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia Group resulting from the merger more coherent.

The table below shows the chief elements of the incentive plans as of June 30, 2020, highlighting the rights attributed to directors and employees of the ADR Group. In addition, the unitary fair values of the assigned rights are shown, determined by a specifically appointed expert, using the Monte Carlo model.

	no. of rights assigned	no. of rights revoked	no. of rights for transfers	no. of rights opted for	no. of rights as of 06.30.2020	vesting expiry	deadline. year/ allocation	exercise price (euro)	unit fair value on the assign. date	rev. unit fair value as of 06.30.20 20	expected expiry on the assign. date (years)	risk-free interest rate at the assignme nt date	exp. volatility (=historic al) on the assign. date	dividends expected on the assign. date
2014 phantom stock option plans of Atlantia extended to ADR	758,751	(256,467)	(62,742)	(261,411)	178,131	05.08.2018	05.08.2021	n.a.	2.59	1, 14	3-6	1.01%	25.8%	5.32%
2014 phantom stock option plans of Atlantia extended to ADR	611,682	(45,137)	(21,202)	(132,392)	412,951	06.10.2019	06.10.2022	n.a.	1.89	1.16	3-6	0.61%	25.3%	4.94%
2017 phantom stock option plans I cycle	428,074	(448,212)	20,138	0	0	07.01.2020	07.01.2023	n.a.	2.37	0	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock option plans II cycle	364,701	(46,620)	(8,180)	0	309,901	06.15.2021	07.01.2024	n.a.	2.91	1.43	5.9	2.35%	21.9%	4.12%
2017 phantom stock option plans III cycle	470,806	(136,792)	21,005	0	355,019	06.15.2022	07.01.2025	n.a.	2.98	1.41	6.06	1.72%	24.3%	4.10%
2017 phantom stock grant plans I cycle	42,619	(44,624)	2,005	0	0	07.01.2020	07.01.2023	n.a.	23.18	0	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock grant plans II cycle	40,330	(5,156)	(905)	0	34,269	06.15.2021	07.01.2024	n.a.	24.5	15.26	5.9	2.35%	21.9%	4.12%
2017 phantom stock grant plans III cycle	48,221	(14,012)	2,151	0	36,360	06.15.2022	07.01.2025	n.a.	22.57	14.59	6.06	1.72%	24.3%	4.10%

In accordance with IFRS 2, as a result of the incentive plans in place, in the first half of 2020 an adjustment of the costs relating to previous years was charged to the income statement for 3,086 thousand euros, in relation to the negative change in the fair value of the attributed rights; the payables relating to the fair value of the "phantom" options existing at June 30, 2020 are posted under other current and non-current liabilities, in relation to the presumed exercise date.

11.2 Events and non-recurring, atypical and/or unusual transactions

During the first half of 2020, no non-recurring, atypical or unusual transactions were performed with third parties or related parties.

For information on the impacts of the Covid-19 outbreak please refer to Note 11.3 below; no significant additional non-recurrent events occurred in the period under review.

11.3 Information on the effects of the Covid-19 epidemic

The ADR Group's performance for the first half of 2020 was conditioned by the effects of an unprecedented crisis that, starting in March, involved the air transport sector in Italy and most of the rest of the world as a result of the health emergency caused by the spread of the Covid-19 virus.

Repercussions on business volumes at the Roman airport system were considerable, with passenger traffic down 69% compared with the first half of 2019 and movements down 60%.

The sharply negative trend in traffic was reflected in both aeronautical and non-aeronautical revenues, which recorded an overall reduction of 63.7%. For more details, see Note 7.1 Revenues,

In order to counter the impact on its economic results and liquidity, the ADR Group took immediate action, implementing a series of measures aimed to containing costs. In concurrence with the increase in traffic restrictions, the infrastructure operations of the airports have been progressively reduced; negotiations have also been started with suppliers for the consequent remodeling of external services. With regard to personnel management, Group companies have made use of the Special Income Support Fund for all employees, in addition to other measures, such as holiday entitlement programs. For more details, see the following notes: Note 7.3 Service costs, Note 7.4 Payroll costs, Note 7.5 Other operating costs.

The ADR Group's comprehensive income statement was also impacted by the write-down of the investment in Azzurra Aeroporti, measured at fair value at fair value, due to the impact of Covid-19 on the company's expected cash flows. For more details, see Note 6.3 Equity investments.

With reference to the recoverability of the carrying amount of intangible assets, and in particular Concession rights, the Covid-19 pandemic was considered an impairment indicator; therefore, in accordance with IAS 36, an impairment test was carried out revealed the recoverability of the ADR Group's net invested capital. For further information reference should be made to Note 6.2 Intangible assets.

With regard to the infrastructure investment program, it should be noted that the measures adopted by the government to limit the spread of the virus at national level (so-called "lockdown"), in addition to the initiatives activated by the ADR Group to protect adequate levels of liquidity, led to an almost total suspension of construction sites throughout the airport system in the second half of the first six months.

Again in order to safeguard liquidity, in the six months ADR was granted a new bank loan of 200 million euros, of which 100 million euros were collected in May. In addition, ADR has made waiver requests aimed at eliminating the risk of breach of contract linked to non-compliance with financial covenant levels. For further details, please refer to Note 6.15 Financial liabilities and Note 8 Guarantees and covenants on medium/long-term financial liabilities.

The actions undertaken, together with the capital strength of the parent company and its subsidiaries, appear sufficient to ensure compliance with the contractual commitments that the parent company and its subsidiary undertakings will be called upon to fulfil in the following 12 months.

12. Subsequent events

- On July 16, 2020 the Transport Regulation Authority published the new Airport Fee Regulation Models, approved by Resolution no. 136/2020, which will also apply to operators with planning agreements under derogation and will enter into force on July 1, 2021. ADR will challenge this resolution in the wake of the dispute before the Lazio Regional Administrative Court, which had already begun with the challenge against the Resolution with which ART had launched the procedure for revision of the above Models due to lack of applicability of the above Models to program agreements under derogation, such as the one signed by ADR.
- Article 202 of Italian Law Decree no. 34/20 (Re-launch Law Decree), as amended by conversion law no. 77 of July 17, 2020, inserting paragraph 1-bis, provided that "*In view of the drop in traffic at Italian airports consequently to the epidemiological emergency caused by COVID-19 and the measures adopted by the State and the regions to contain the contagion, in order to curb the consequent economic effects, the duration of concessions for the management and development of airport activities, in progress at the date of entry into force of the law converting this decree, is extended by two years*".

  As a result, the concession fees posted under Intangible assets, which are amortized throughout the entire concession, will be amortized, with the use of constant rates determined with reference to the new expiry of the concession.
- On July 17, 2020 Fitch Ratings decided to change ADR's watch rating, like that of Atlantia, from negative to evolving, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The evolving state reflects the high uncertainty about the evolution of the situation in both negative and positive terms. The agency also states that if a Memorandum of Understanding is signed, according to the terms communicated by the Presidency of the Council of Ministers, it could take a positive action on the rating.

For more details reference should be made to the Interim Management Report on Operations.

The Board of Directors

ANNEXES

Annex 1 - List of equity investments

NAME	REGISTERED OFFICE	ASSETS	CURRENCY	SHARE CAPITAL (EURO) (1)	SHAREHOLDERS	% HELD	% ADR GROUP INTEREST	CONSOLIDATION METHOD OR VALUATION CRITERION
PARENT COMPANY								
Aeroporti di Roma S.p.A.	Fiumicino (Rome)	Airport management	Euros	62,224,743				
SUBSIDIARY UNDERTAKINGS								
ADR Tel S.p.A.	Fiumicino (Rome)	Telephony	Euros	600,000	Aeroporti di Roma S.p.A.	99	100	Line-by-line
					ADR Ingegneria S.p.A.	1		
ADR Assistance S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility (PRM)	Euros	4,000,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Ingegneria S.p.A.	Fiumicino (Rome)	Coordination of activities for major airport works	Euros	100,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Mobility S.r.l.	Fiumicino (Rome)	Management of parking and car parks	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Security S.r.l.	Fiumicino (Rome)	Security and control services	Euros	400,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Airport Cleaning S.r.l.	Fiumicino (Rome)	Cleaning services	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	Rome	Construction	Euros	10,116,452	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Spea Engineering S.p.A.	Rome	Engineering and design services	Euros	6,966,000	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Consorzio E.T.L. - European Transport Law (in liquidation)	Rome	Office for European transport rules	Euros	(8,022)	Aeroporti di Roma S.p.A.	25		Valued at cost
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	Airport catering	Euros	103,200	Aeroporti di Roma S.p.A.	20		Valued at cost
OTHER EQUITY INVESTMENTS								
Aeroporto di Genova S.p.A.	Genova Sestri	Airport management	Euros	7,746,900	Aeroporti di Roma S.p.A.	15		Measured at fair value
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	Airport management	Euros	13,920,225	Aeroporti di Roma S.p.A.	9.229		Measured at fair value
Azzurra Aeroporti S.p.A.	Rome	Real estate, financial investments, etc.	Euros	3,221,234	Aeroporti di Roma S.p.A.	7.77		Measured at fair value
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	Electricity production	Euros	10,000	Aeroporti di Roma S.p.A.	10		Measured at fair value
Consorzio Autostrade Italiane Energia	Rome	Supply on the electricity market	Euros	114,853	Aeroporti di Roma S.p.A.	0.99		Measured at fair value
Convention Bureau Roma & Lazio scrl	Rome	Connected activity MICE tourism[2] and business tourism	Euros	132,000	Aeroporti di Roma S.p.A.	1 share (1,000 euros)		Measured at fair value

[1] The amounted stated for Consorzio E.T.L. – European Transport Law (in liquidation) refers to the net liquidation capital

[2] MICE (Meetings, Incentives, Conferences, Exhibitions)

REPORT
OF THE INDEPENDENT AUDITORS

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows and the related explanatory notes of Aeroporti di Roma S.p.A. and its subsidiaries (the "Aeroporti di Roma Group") as of 30 June 2020. The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Aeroporti di Roma Group as of June 30, 2020 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

We draw attention to the paragraph "Information on the effects of the Covid-19 epidemic" of the explanatory notes which describes the impact on Group's performance caused by the spread of the Covid-19 and informs about the financial strength of the parent company and the actions undertaken in order to ensure compliance with contractual commitments of the parent company and its subsidiaries. Our conclusion in not modified with respect to this matter.

Rome, 31 July 2020

EY S.p.A. Signed by: Roberto Tabarrini, Auditor

This report has been translated into the English language solely for the convenience of international readers

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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