Aena S.M.E., S.A. and Subsidiaries

Condensed Consolidated Interim Financial Statements

30 June 2020

Consolidated Interim Directors' Report

2020

(With Limited Review Report thereon)

(Free translation from the original in Spanish.
In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Limited Review on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of

Aena S.M.E., S.A. commissioned by the Board of Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Aena S.M.E., S.A. (the "Company") and subsidiaries (the "Group"), which comprise the statement of financial position at 30 June 2020, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). The directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain 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 accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances can be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2020 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2, which states that these interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying condensed interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2019. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2020 contains such explanations as the directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2020. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Aena S.M.E., S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the Board of Directors of Aena S.M.E., S.A. in relation to the publication of the six-monthly financial report required by article 119 of Legislative Royal Decree 4/2015 of 23 October 2015 approving the Revised Securities Market Law enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

Manuel Martín Barbón
(Signed on the original in Spanish)

28 July 2020

AENA S.M.E., S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements and Interim Consolidated Management Report for the six-month period ended 30 June 2020

Contents

(Amounts in thousands of euros unless otherwise stated)

Condensed consolidated interim statement of financial position at 30 June 2020 and 31 December 2019

	Note	30 June 2020	31 December 2019 (*)
ASSETS			
Non-current assets			
Property, plant and equipment	6, 7	12,386,792	12,670,706
Intangible assets	6, 7	712,852	1,009,244
Investment properties	7	141,680	140,928
Right-of-use assets		54,803	61,725
Investments in associates and joint ventures	8.d	51,941	63,783
Other financial assets	8.a	94,433	80,123
Deferred tax assets		173,956	106,929
Other receivables		4,809	4,363
		13,621,266	**14,137,801**
Current assets			
Inventories		6,990	6,841
Trade and other receivables	8.a	379,206	505,304
Cash and cash equivalents	8.a	2,184,196	240,597
		2,570,392	**752,742**
Total assets		**16,191,658**	**14,890,543**
EQUITY AND LIABILITIES			
Equity			
Share capital		1,500,000	1,500,000
Share premium		1,100,868	1,100,868
Retained earnings/(accumulated losses)		3,767,471	3,938,336
Cumulative conversion differences		(167,779)	(21,575)
Other reserves		(123,289)	(111,827)
Non-controlling interests		(47,053)	(23,926)
		6,030,218	**6,381,876**
Liabilities			
Non-current liabilities			
Financial debt	8.a, 10	6,923,100	5,675,036
Derivative financial instruments	8.a, b	109,112	95,672
Grants		444,620	461,690
Provisions for employee benefit obligations		50,868	44,639
Provision for other liabilities and expenses	11	75,690	77,267
Deferred tax liabilities		54,803	58,386
Other non-current liabilities		15,174	15,462
		7,673,367	**6,428,152**
Current liabilities			
Financial debt	8.a, 10	1,922,778	1,238,403
Derivative financial instruments	8.a, b	30,371	31,662
Trade and other payables		437,227	679,879
Current tax liabilities		-	10,165
Grants		34,226	35,652
Provision for other liabilities and expenses	11	63,471	84,754
		2,488,073	**2,080,515**
Total liabilities		**10,161,440**	**8,508,667**
Total equity and liabilities		**16,191,658**	**14,890,543**

The Notes to the condensed consolidated interim financial statements form an integral part thereof.

(*) The consolidated statement of financial position at 31 December 2019 is presented solely for purposes of comparison (see Note 2).

(Amounts in thousands of euros unless otherwise stated)

Condensed consolidated interim income statement for the six-month periods ended 30 June 2020 and 30 June 2019

	Note	30 June 2020	30 June 2019 (*)
Continuing operations			
Ordinary revenue	5	1,085,153	2,073,507
Other operating revenue		6,208	4,575
Work carried out by the Company for its assets		2,383	2,636
Supplies		(79,532)	(85,581)
Staff costs		(237,907)	(229,042)
Losses, impairment and change in trading provisions		(8,083)	(3,060)
Other operating expenses		(447,611)	(589,916)
Depreciation and amortisation		(403,497)	(393,464)
Capital grants taken to income		18,527	18,536
Surplus provisions		175	1,491
Net gains/(losses) on disposal of fixed assets	6	(1,448)	(4,699)
Impairment of intangible assets, property, plant and equipment and investment property	6, 7	(119,574)	-
Other net gains/(losses)		(6,911)	867
Operating profit/(loss)		**(192,117)**	**795,850**
Finance income		1,562	3,070
Finance expenses		(59,302)	(70,426)
Other net finance income/(expenses)		(6,878)	338
Net finance income/(expense)		**(64,618)**	**(67,018)**
Profit/(loss) and impairment of equity-accounted investees	7, 8.d	(2,277)	10,945
Profit/(loss) before tax		**(259,012)**	**739,777**
Corporate Income tax	12	67,014	(180,699)
Consolidated profit/(loss) for the period		**(191,998)**	**559,078**
Profit/(loss) for the period attributable to non-controlling interests		**(21,261)**	**87**
Profit/(loss) for the period attributable to owners of the parent company		**(170,737)**	**558,991**
Earnings per share (euros per share)			
Basic earnings per share for the period		(1.14)	3.73
Diluted earnings per share for the period		(1.14)	3.73

The Notes to the condensed consolidated interim financial statements form an integral part thereof.

(*) The consolidated condensed interim income statement for the six-month period ended 30 June 2019 is presented solely for purposes of comparison (see Note 2).

(Amounts in thousands of euros unless otherwise stated)

Condensed consolidated interim statement of comprehensive income for the six-month periods ended 30 June 2020 and 30 June 2019

	Note	30 June 2020	30 June 2019 (*)
Consolidated profit/(loss) for the period		**(191,998)**	**559,078**
Other comprehensive income - Items that are not reclassified to income for the period		**(6,900)**	**(3,979)**
- Actuarial gains and losses and other adjustments		(8,498)	(4,793)
- Share in other comprehensive income recognised for investments in associates and joint ventures		(16)	(1)
- Tax effect		1,614	815
Other comprehensive income - Items that may be subsequently reclassified to income for the period		**(152,632)**	**(42,703)**
2. Cash flow hedges		**(11,998)**	**(59,341)**
- Gains/(Losses) on measurement		(28,592)	(76,174)
- Amounts transferred to the income statement		16,594	16,833
3. Foreign exchange translation differences		**(143,516)**	**1,966**
- Gains/(Losses) on measurement		(143,516)	1,966
6. Tax effect		**2,882**	**14,672**
Total comprehensive profit/(loss) for the period		**(351,530)**	**512,396**
- Attributable to the parent company		(328,403)	514,917
- Attributable to non-controlling interests		(23,127)	(2,521)

The Notes to the condensed consolidated interim financial statements form an integral part thereof.

(*) The condensed consolidated interim statement of comprehensive income for the six-month period ended 30 June 2019 is presented solely for purposes of comparison (see Note 2).

(Amounts in thousands of euros unless otherwise stated)

Condensed consolidated interim statements of changes in equity for the six-month periods ended 30 June 2020 and 30 June 2019 (*)

	Attributable to owners of the parent company									
	Share capital	Share premium	Cumulative earnings	Hedging reserves	Actuarial gains and losses	Cumulative conversion differences	Share in other comprehensive income of associates	Total	Non-controlling interests	Total equity
Balance at 01 January 2019	**1,500,000**	**1,100,868**	**3,534,635**	**(68,265)**	**(12,091)**	**(20,301)**	**23**	**6,034,869**	**(11,064)**	**6,023,805**
Profit/(loss) for the period	-	-	558,991	-	-	-	-	558,991	87	559,078
Share in other comprehensive income of associates	-	-	-	-	-	-	(1)	(1)	-	(1)
Other comprehensive income for the period	-	-	-	(43,836)	(2,028)	1,791	-	(44,073)	(2,609)	(46,682)
Total comprehensive income for the period	**-**	**-**	**558,991**	**(43,836)**	**(2,028)**	**1,791**	**(1)**	**514,917**	**(2,522)**	**512,395**
Distribution of dividends	-	-	(1,039,500)	-	-	-	-	(1,039,500)	(5,547)	(1,045,047)
Other movements	-	-	1,138	-	-	-	-	1,138	-	1,138
Total contributions by and distributions to shareholders recognised directly in equity	**-**	**-**	**(1,038,362)**	**-**	**-**	**-**	**-**	**(1,038,362)**	**(5,547)**	**(1,043,909)**
Balance at 30 June 2019	**1,500,000**	**1,100,868**	**3,055,264**	**(112,101)**	**(14,119)**	**(18,510)**	**22**	**5,511,424**	**(19,133)**	**5,492,291**
Balance at 01 January 2020	**1,500,000**	**1,100,868**	**3,938,336**	**(96,431)**	**(15,415)**	**(21,575)**	**19**	**6,405,802**	**(23,926)**	**6,381,876**
Profit/(loss) for the period	-	-	(170,737)	-	-	-	-	(170,737)	(21,261)	(191,998)
Share in other comprehensive income of associates	-	-	-	-	-	-	(16)	(16)	-	(16)
Other comprehensive income for the period	-	-	-	(7,936)	(3,510)	(146,204)	-	(157,650)	(1,866)	(159,516)
Total comprehensive income for the period	**-**	**-**	**(170,737)**	**(7,936)**	**(3,510)**	**(146,204)**	**(16)**	**(328,403)**	**(23,127)**	**(351,530)**
Distribution of dividends	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	(128)	-	-	-	-	(128)	-	(128)
Total contributions by and distributions to shareholders recognised directly in equity	**-**	**-**	**(128)**	**-**	**-**	**-**	**-**	**(128)**	**-**	**(128)**
Balance at 30 June 2020	**1,500,000**	**1,100,868**	**3,767,471**	**(104,367)**	**(18,925)**	**(167,779)**	**3**	**6,077,271**	**(47,053)**	**6,030,218**

The Notes to the condensed consolidated interim financial statements form an integral part thereof.

(*) The condensed consolidated statement of changes in equity for the six-month period ended 30 June 2019 is presented solely for purposes of comparison (see Note 2).

(Amounts in thousands of euros unless otherwise stated)

Condensed consolidated interim statement of cash flows for the six-month periods ended 30 June 2020 and 30 June 2019

	Note	30 June 2020	30 June 2019(*)
Profit/(loss) before tax		**(259,012)**	**739,777**
Adjustments for:		**577,893**	**452,895**
- Depreciation and amortisation		403,497	393,464
- Impairment loss on trade and other receivables		8,083	3,060
- Changes in provisions		(461)	14,973
- Impairment of fixed assets	7	119,574	-
- Grants taken to income		(18,527)	(18,536)
- (Gains)/losses on disposal of fixed assets	6	1,448	4,699
- Value corrections for impairment of financial instruments		255	-
- Finance income		(1,562)	(3,885)
- Finance expenses		42,708	53,593
- Exchange differences		6,623	477
- Finance expense on settlement of financial derivatives		16,594	16,833
- Other revenue and expenses		(2,616)	(838)
- Impairment of and share in profit/(loss) of equity-accounted investees	7, 8.d	2,277	(10,945)
Changes in working capital:		**40,323**	**17,135**
- Inventories		(197)	47
- Trade and other receivables		123,125	(76,013)
- Other current assets		(48)	(32)
- Trade and other payables		(66,548)	121,257
- Other current liabilities		(15,572)	(26,972)
- Other non-current assets and liabilities		(437)	(1,152)
Other cash generated by operating activities		**(58,134)**	**(98,220)**
Interest paid		(46,652)	(52,437)
Interest received		945	53
Taxes paid		(12,166)	(45,043)
Other collections (payments)		(261)	(793)
Net cash flows from operating activities		**301,070**	**1,111,587**

(Amounts in thousands of euros unless otherwise stated)

Condensed consolidated interim statements of cash flows for the six-month periods ended 30 June 2020 and 30 June 2019

	Note	30 June 2020	30 June 2019(*)
Cash flow from/(used in) investing activities			
Acquisitions of property, plant and equipment		(288,058)	(263,032)
Acquisitions of intangible assets		(11,522)	(9,935)
Acquisitions of investment properties		(7)	(3,012)
Payments for acquisitions of other financial assets		(14,623)	(6,141)
Proceeds on disposal of/loans to Group companies and associates		-	5,635
Proceeds from disposals of property, plant and equipment		-	85
Proceeds from disposals of intangible assets		381	-
Proceeds from other financial assets		59	1,966
Dividends received		417	4,050
Net cash flows from/(used in) investing activities		**(313,353)**	**(270,384)**
Cash from/(used in) financing activities			
Proceeds from grants		-	1,574
Issue of debt	10	2,441,790	75,000
Other receipts	10	6,473	38,291
Repayment of bank borrowings	10	(100,000)	(9,157)
Repayment of Group financing	10	(362,320)	(362,320)
Lease liability payments	10	(3,970)	(3,798)
Dividends paid		-	(1,045,047)
Other payments		(16,899)	(11,099)
Net cash from/(used in) financing activities		**1,965,074**	**(1,316,556)**
Effect of exchange rate fluctuations		**(9,192)**	**13**
Net (decrease)/increase in cash and cash equivalents		1,943,599	(475,340)
Cash and cash equivalents at the beginning of the period		**240,597**	**651,380**
Cash and cash equivalents at the end of the period		**2,184,196**	**176,040**

The Notes to the condensed consolidated interim financial statements form an integral part thereof.

(*) The condensed consolidated interim cash flow statement for the six-month period ended 30 June 2019 is presented solely for purposes of comparison (see Note 2).

Notes to the condensed consolidated interim financial statements for the six-month period ended 30 June 2020

1. General information

Aena S.M.E., S.A. ("the Company", or "Aena") is the Parent of a group of companies (the "Group") which at 30 June 2020 consisted of eight subsidiaries and four associates. Aena S.M.E, S.A. was incorporated as an independent legal entity by virtue of Article 7 of Royal Decree Law 13/2010 of 3 December authorising the Council of Ministers to incorporate the company. The authorisation for the effective incorporation took place on 25 February 2011 in the agreement of the Council of Ministers of that date in which the incorporation of the state corporation Aena Aeropuertos, S.A. was authorised pursuant to the provisions of Article 166 of Law 33/2003 of 3 November on the Assets of the Public Administrations (LPAP).

The Group is controlled by the public corporation "ENAIRE".

On 5 July 2014, pursuant to Article 18 of Royal Decree-Law 8/2014, the name of Aena Aeropuertos, S.A. was changed to Aena, S.A. and the public business entity "Aeropuertos Españoles y Navegación Aérea" was renamed ENAIRE ("Parent" or "controlling company"). As a result of the provisions of Law 40/2015, of 1 October, on the Legal System for the Public Sector, at the General Shareholders' Meeting held on 25 April 2017 the Company's corporate name was changed to "Aena S.M.E., S.A."

The Company's corporate object, in accordance with its Articles of Association, is as follows:

- The organisation, management, co-ordination, exploitation, maintenance, administration and management of general interest, state-owned airports, heliports and associated services.
- The co-ordination, exploitation, maintenance, administration and management of the civil areas of air bases open to civil aviation traffic and joint-use airports.
- The design and preparation of projects, execution, management and control of investments in infrastructures and facilities referred to in the previous paragraphs and in goods intended for the provision of aerodrome air traffic services attached to said airport infrastructures.
- The evaluation of needs and, if appropriate, the proposal for planning new airport infrastructures and airport and acoustic rights of way associated with airports and services which the Company is responsible for managing.
- The performance of organisational and security services at airport facilities that it manages, without prejudice to the authority assigned to the Ministry of Public Works in this respect.
- Training in areas relating to air traffic, including the training of aeronautical professionals that require licences, certificates, authorisations or ratings and the promotion, reporting or development of aeronautical or airport activities.

In addition, the Company may engage in all commercial activities directly or indirectly related to its corporate purpose, including the management of airport facilities outside Spanish territory and any other ancillary and complementary activity that allows a return on investments.

At 30 June 2020, the Company' main activity consists of the business lines that constitute its corporate object. The corporate object may be carried out by the company directly or through the creation of commercial companies and, specifically, the individualised management of airports may be carried out through subsidiary companies or through the concession of services.

The registered office of Aena S.M.E., S.A. is located in Madrid, Spain, at Calle Peonías, 12, after the change thereof adopted by its Board of Directors on 30 October 2018.

2. Basis of presentation

The Group's consolidated financial statements for 2019 were prepared by the Company's directors in accordance with International Financial Reporting Standards as adopted by the European Union, applying the accounting policies described in Note 2 of the notes to the consolidated financial statements, so that they present the true and fair view of the consolidated equity and consolidated financial position of the Group at 31 December 2019, the consolidated results of its operations, the changes in consolidated equity and its consolidated cash flows for the year then ended.

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been subjected to a limited review by the auditors under ISRE 2410. The figures for 30 June 2019 (which were also subject to the same type of review) and 31 December 2019 (audited) are presented solely for purposes of comparison.

These condensed consolidated interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting and were approved by the Group's directors on 28 July 2020.

In accordance with IAS 34, interim financial reporting is presented solely for the purpose of updating the contents of the last consolidated financial statements prepared by the Group, placing emphasis, through selected explanatory notes, on new activities, events, transactions and circumstances that are significant for understanding the changes in the financial situation and performance of the entity since the end of the last financial year, without duplicating previously published information. Accordingly, it does not include all the information required by the International Financial Reporting Standards adopted by the European Union for a complete set of financial statements.

Therefore, for a proper understanding of the information contained in these condensed consolidated interim financial statements, they must be read together with the Group's consolidated financial statements for 2019, which were prepared on 25 February 2020 and at the date of preparation of these consolidated condensed interim financial statements were pending approval.

Given the events that have taken place recently in Spain, caused by the spread of COVID-19, and in view of the State of Alarm declared by the Government as a result of this health emergency, the Board of Directors of AENA, in its meeting of 24 March 2020, agreed to cancel the Ordinary General Shareholders' Meeting scheduled for 31 March and 1 April on first and second call respectively. This decision was taken as an exercise of responsibility towards the Company, its shareholders, workers, suppliers and Spanish society as a whole with the aim of collaborating in containing the spread of COVID-19, adopting those measures that, as permitted by law, help to reduce the risk of contagion.

The decision to postpone the General Shareholders' Meeting was adopted under Royal Decree-Law 8/2020 of 17 March on urgent extraordinary measures to deal with the economic and social impact of COVID-19, which has provided listed companies with various options with respect to shareholders' meetings, including the cancellation of the meeting and the extension of the deadline for holding the meeting to the first 10 months of the year, an option chosen by the Board.

At its meeting on 30 June 2020, the Board of Directors resolved to replace the proposed appropriation of profit for 2019 included in the financial statements prepared on 25 February 2020 (see Note 9) and to call the General Shareholders' Meeting to be held on 29 and 30 October at first and second call, respectively.

It should also be mentioned that the amendment to the proposed appropriation of profit for 2019 does not significantly affect the true and fair view of the financial statements (beyond the note in the note to the financial statements relating to that proposal), and therefore, in accordance with the provisions of the joint communiqué of the College of Registrars and the CNMV in relation to the proposed appropriation of profit of commercial companies in the context of the health crisis arising from COVID-19 dated 26 March 2020, and pursuant to the provisions of Article 40.6 bis of Royal Decree Law 8/2020 of 17 March, on urgent extraordinary measures to deal with the economic and social impact of COVID-19, and Article 38.c) of the Royal Decree of 22 August 1885 publishing the Commercial Code, the Board of Directors of the parent company considers that it is not necessary to restate the aforementioned financial statements for the year ended 31 December 2019, opting consequently to maintain the financial statements approved on 25 February 2020.

(Amounts in thousands of euros unless otherwise stated)

2.1 Changes in accounting policies

The accounting policies used in the preparation of these condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2019, except as indicated below.

The following interpretations and amendments were adopted by the European Union during the first half of 2020:

Area	Subject/Issue	Effective date
Modifications to the references to the conceptual framework in IFRS	Some references to the conceptual framework in the IFRS are updated, in order to facilitate the use of the new concepts of the conceptual framework for users of the standards.	01 January 2020
Amendments to IAS 1 and IAS 8: Definition of material or relative	Minor amendments to IAS 1 and IAS 8 to clarify the definition of "material".	01 January 2020
Amendments to IFRS 3 "Business Combinations"	Clarifies the definition of "business", with the objective of helping entities determine whether a transaction should be accounted for as a "business combination".	01 January 2020
Amendments to IFRS 9, IAS 39 and IAS 7 Amendment of Reference Interest Rates	Amendments to IFRS 9, IAS 39 and IFRS 7 in view of the Reform of Reference Interest Rates.	01 January 2020

None of these standards have had a significant impact on the Group's condensed consolidated financial statements, the most relevant aspects relating to their application being discussed below.

Amendments to IFRS 9, IAS 39 and IFRS 7 in view of the Reform of Reference Interest Rates.

The amendments to IFRS 9, IAS 39 and IFRS 7 on the modification of reference interest rates were applied by the Group in advance in the consolidated financial statements for the year ended 31 December 2019, as detailed in Note 2.1.2.3 to said financial statements. The Group's exposure and the hedging relationships affected are also those indicated in this Note. The transition programme, the action plans and the relationship with the financial institutions, Arrangers of the current debt affected by the reform, are monitored to respond in time and form to the reforms that are being carried out.

Early application for the year ended 31 December 2019 has enabled the Group to continue to apply hedge accounting during the period of uncertainty arising from the reform of reference interest rates.

2.2 Standards, amendments and interpretations that have not been adopted by the EU or have been adopted by the EU but do not apply until subsequent financial years

At the date of preparation of these condensed consolidated interim financial statements, the Group had not early adopted any other standards, interpretations or amendments that have not yet come into force.

In addition, at the date of preparation of these condensed consolidated interim financial statements, the IASB and IFRIC had published a series of standards, amendments and interpretations detailed below, which are pending adoption by the European Union:

Area	Subject/Issue	Effective date
Amendments to IAS 1 Presentation of financial statements	Classifications of liabilities as current or non-current	Issued on 23 January 2020, this standard has not yet been adopted by the EU.
Amendments to IFRS 3 Business combinations	Updating of references of the Modifications to the Conceptual Framework without changes in the accounting recognition criteria.	Issued on 14 May 2020, this standard has not yet been adopted by the EU.
Amendments to IAS 16 Property, plant and equipment	Accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use.	Issued on 14 May 2020, this standard has not yet been adopted by the EU.
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Costs of fulfilling a contract to be included when assessing whether a contract is onerous.	Issued on 14 May 2020, this standard has not yet been adopted by the EU.
Annual improvements to IFRS, 2018-2020 cycle	Minor changes to IFRS1, IFRS 9, IFRS 41 and illustrative examples of leases.	Issued on 14 May 2020, this standard has not yet been adopted by the EU.
Amendments to IFRS 16 COVID-19-Related Rent Concessions	The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.	Issued on 28 May 2020, this standard has not yet been adopted by the EU.

Based on the analyses to date, the Group believes that the application of these standards and amendments will not have a significant impact on the consolidated financial statements in the initial period of application. With regard to the amendments to IFRS 16, since the most significant part of the Group relating to leases relates to its role as lessor, it has not been significantly affected.

2.3 Consolidation and changes in scope

The consolidation principles used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for 2019.

There have been no transactions carried out by the Group in the six-month period ended 30 June 2020 leading to changes in the scope relative to that existing at 31 December 2019.

2.4 Comparative information

During the six-month period ended 30 June 2020 there were no changes in significant accounting criteria relative to those applied in 2019.

The figures in the condensed consolidated interim financial statements are expressed in thousands of euros, unless otherwise indicated.

2.5 Seasonality of Group operations

The activity of the main segments in terms of the Group's ordinary revenue is subject to seasonal effects, as indicated below:

- Aeronautical revenue is affected by passenger traffic, the highest figures for which are achieved between holiday months and public holidays (Christmas, summer, Easter and public holidays).

- Commercial revenue for services is also affected by the increase in passenger traffic and the increased purchases in the specialty shops located in the terminals that usually take place during the Christmas season.

Also, pursuant to IFRIC 21, the annual accrual of real estate tax (IBI) and other local taxes amounting to €152 million (2019: €147 million), is collected in full on 1 January without payment yet being due. In addition, airport segment expenses are influenced by weather conditions and, in particular, by the winter season, which translates into action plans for the prevention of winter ice and snow contingencies at airports at risk of these adverse weather conditions.

3. Accounting estimates and judgements

The preparation of the condensed consolidated interim financial statements under IFRS requires the making of assumptions and estimates that have an impact on the recognised amount of assets, liabilities, income, expenses and related disclosures. The estimates and assumptions made are based, inter alia, on historical experience, the advice of expert consultants, and forecasts and expectations of future events considered reasonable in light of the facts and circumstances considered at the date of the Statement of Financial Position. Actual results may be different from the estimates.

Significant judgements made by management in the application of accounting policies and the key sources of estimation uncertainty are the same as those described in the last consolidated financial statements, except for those originating from the assessment of the effects of the COVID-19 health crisis.

a) Impact of the COVID-19 pandemic

The appearance of COVID-19 in China and its rapid expansion to a large number of countries in the early months of 2020 led to the viral outbreak being classified as a pandemic by the World Health Organisation on 11 March and a State of Alarm being decreed in Spain on 14 March with the publication of Royal Decree 463/2020, Spain being the country in which the most significant part of the Group's activity is concentrated. The State of Alarm in Spain has been extended six times, the last time by Royal Decree 555/2020 of 5 June, until 21 June 2020.

Given the current lack of effective medical treatment for the virus, the consequences of this health crisis and the containment measures taken in much of the world to control the pandemic have significantly affected the global economy, as evidenced by increased volatility in asset prices and exchange rates and declining long-term interest rates, and have had a very negative impact on businesses in the tourism and air transport sector as a result of radical restrictions on air operations and the mobility of people during the containment stages of the epidemic.

In this context, the Group's management has adopted a series of measures that it considers necessary to deal with the largely unpredictable consequences of this unprecedented situation in order to cover the most significant risks that have been identified:

- **Operational and business risk.**

  As a result of the crisis, the Group has been affected by a drastic reduction in air traffic and the practically total cessation of commercial business in the airport network, given that the declaration of the State of Alarm by the Spanish Government on 14 March limited the free movement of people and suspended the opening of retail shops and establishments to the public, with the exception of, among others, food establishments, basic needs and pharmacies.

  In compliance with these measures, referring to the opening of establishments that are indispensable to meeting the essential needs of workers, suppliers and passengers in the air-side zone of the facilities, from 15 March on only some shop and food services remained open in the main airports of the network: convenience stores, tobacconists, pharmacies, some food services and vending machines.

  Traffic in the first half of 2020 at the airports managed by the Group totalled 50.2 million passengers (143.4 million passengers in the same period of 2019), representing a year-on-year fall of 65.13%. At the airports managed in Spain, a passenger volume of 43.5 million (127.9 million in the first half of 2019) was registered, representing a year-on-year decline of 66.0%. At Luton Airport, passenger volume fell to 3.0 million, a fall of 5.5 million passengers or 64.4%. The North-east Brazil Airports Group registered 3.7 million passengers (6.9 million passengers in the first half of 2019, when it was not consolidated). These traffic data for the period correspond to the entire half-year, although it should be noted that the start of operations at the Brazilian airports was staggered over the first quarter.

As regards the commercial business, the Board of Directors of Aena S.M.E., S.A. agreed to empower the management team to study the possible effects of the health crisis caused by COVID-19 and the measures adopted by the public powers to deal with it on the various commercial contracts and, where appropriate, to negotiate and agree on such contractual amendments as may be appropriate, including those regarding fixed rents and minimum annual guaranteed rents (hereinafter MAGRs).

At 30 June 2020, the revenue from the MAGRs corresponding to the period of the State of Alarm, between 15 March and 20 June, amounting to €198.6 million, has been recognised, given that Aena has a contractual right to receive these rents and since IFRS 16 Leases is applicable, non-recognition is not possible. However, in the event that said contracts undergo changes in the future as a result of the aforementioned negotiations, their effect will be registered in accordance with the provisions of these regulations regarding contractual amendments. In so deciding, the management took account of the legal cause at the origin of the closure of the commercial establishments, as well as of the bases on which the renegotiation of the lease contracts is envisaged, explained in the enclosed Management Report.

The Group has set up specific working groups and procedures to monitor and manage the progress of its operations at all times, in order to try to react as quickly as possible and thus minimise the impact that this reduction in the volume of activity has on its assets.

In order to adapt to the measures taken by governments in most of the countries affected by the pandemic and the consequent drop in activity, the Group has been adapting the capacity of its airports to the different levels of operation, which has involved, among other measures, the temporary cessation of activities in some spaces and terminals, always bearing in mind that the airports in Aena's network are considered to be infrastructures of general interest and must therefore maintain a degree of activity that guarantees not only the service to commercial aviation to the extent necessary, but also other types of aviation such as air cargo, as well as the services of the police, the Guardia Civil, sea rescue, organ transplants, etc. Therefore, the level of capacity is being adapted according to the evolution of the level of traffic, which has been gradually recovering as progress is made in de-escalation measures implemented by the Government.

- **Liquidity risk.**

As a result of the exceptional situation caused by the pandemic, the Group's cash flows have been drastically reduced during the first half of 2020. In addition, it is foreseeable that the general situation of the markets may lead to a general increase in liquidity tensions in the economy, as well as a contraction in the credit market. It is also foreseeable that there will be problems in meeting deadlines for certain planned collections given the difficulties that some of our customers and debtors may encounter.

In order to ensure the availability of liquidity in the face of the severity and uncertainty of the evolution of the pandemic, the Group has deployed a plan to strengthen it, making use of available credit lines and signing new financing operations.

Between April and May, in order to strengthen the Company's liquidity, Aena signed loans with various financial institutions for a combined amount of €2,325.6 million, with which it considers the objective of its plan to strengthen liquidity in response to the effects deriving from the spread of COVID-19 to have been attained.

With the signing of these loans, Aena increased the availability of cash and credit facilities at 30 June 2020 to a total of €2,894 million, to which is added the possibility of issuing debt through the Euro Commercial

Paper (ECP) programme of up to €900 million, of which, at the end of the first half-year, €525 million were available.

Closely related to the adjustment of capacity at airports, a cost saving plan has been implemented with a view to protecting the Group's financial position. This plan is based on the renegotiation of service contracts (security, cleaning, maintenance, etc.), elimination of expenses (consultancy, advertising, corporate expenses, etc.) and a halt to new non-essential hiring of personnel. This adjustment has allowed the company to achieve a reduction in the average monthly cash outflow associated with operating expenses of approximately €43 million. Likewise, the Group has temporarily halted a large part of its investment programme, representing a monthly reduction in the average cash outflows of approximately €52 million.

In the case of Luton, in view of the substantial reduction in activity, a contingency plan was defined with the aim of ensuring liquidity and avoiding the consequences of non-compliance with the financial covenants (see Note 10). The actions taken to protect cash have been drawdown in full of the £80 million revolving credit facility, suspension of payment of the dividend to the shareholders, delay in the payment of interest on the shareholder loan and delay in the payment to the pension fund scheduled for March (£11.8 million) until December, which has been accepted by the Trustee. 514 employees have been temporarily suspended, overtime has been eliminated and ongoing hiring has been suspended. Further adjustments to other operating expenses bringing the total reduction in OPEX to 58%. The financiers have been asked to grant a waiver regarding the leverage covenant. Cash available at the end of June was £33 million.

Last March, Luton airport requested the activation of the special force majeure procedure contemplated in the concession contract, which recognises the right of the concessionaire company to compensation.

Also in order to ensure liquidity, the Brazilian subsidiary ANB implemented a contingency plan and has carried out the following actions:

- Significant reduction in opening hours, in coordination with airlines and regulatory authorities.
- Reviewing external service contracts, which are largely outsourced (maintenance, security and surveillance, fire fighting service, cleaning and handling, among others).
- Asking ANAC, the regulator, to extend the deadlines for the submission of projects and the execution of investments required by the concession contract. These deadlines have been suspended by ANAC and the new ones will be defined once reliable planning of the restart of operations is possible.
- Use of the liquidity relief measures established by the authorities as a result of the declaration of the state of Public Calamity, consisting mainly of deferral of the payment of employer contributions and indirect federal taxes.
- Negotiation of special payment conditions with airlines, and granting commercial and real estate clients discounts on minimum rents, based on the level of activity and subject to their being up-to-date with payment or having concluded an existing debt payment plan.

These measures have made it possible to maintain a continuity in the collection flow of ANB and have contributed to the sustainability of the operations of its main customers. ANB has not needed to resort to external financing, since its capitalisation, required by the concession contract, as well as the effects of the measures indicated above, make it possible to estimate that it will have sufficient cash to meet its commitments until the effects of the epidemic on the activity subside in the coming months.

Considering the way the concession contract treats events of force majeure, the interpretations made by the Brazilian authorities on the COVID-19 pandemic and the legislation applicable to the case, the Management of ANB is preparing a request for an extraordinary review to restore the economic-financial balance of the concession contract as a consequence of the aforementioned event of force majeure.

As indicated in Note 9 to these financial statements, at its meeting on 30 June 2020, the Board of Directors of AENA S.M.E., S.A. resolved to replace the proposed appropriation of profit for 2019 included in the financial statements prepared on 25 February 2020, cancelling the distribution of the planned dividend in order to strengthen the Group's solvency and to safeguard its liquidity as far as possible in the current circumstances, which do not enable the future impact of the COVID-19 health crisis on the economy of the markets in which the Group operates to be assessed.

The capacity adjustment, the cost cuts and, therefore, the decrease in the monthly operating cash outflow is being modulated as the level of traffic unfolds in the coming weeks and months.

The Group's cash position at 30 June 2020 totalled €2,184 million which, together with the implementation of specific plans for the efficient management of Opex and Capex, will enable it to cope with future tensions.

- **Health risk**

It is a priority for the Group to collaborate with measures to prevent the spread of COVID-19 and to protect the health of its workers, suppliers, external personnel and passengers. Since the beginning of the health crisis, AENA has created Operational Recovery Groups (GROs in the Spanish acronym) in order to identify and implement measures to ensure that airports operate safely and generate confidence among passengers and workers. The measures envisaged have been coordinated with the other players in the air transport sector (airlines through their main associations ALA and IATA, handling operators, commercial concessionaires, etc.) and with the Ministries of Transport and Health of the Spanish Government and the European Commission. In addition, Aena is an active member of the "Off the Ground" project of ACI Europe (Airports Council International Europe).

Regarding health and operational controls at airports managed by Aena, in accordance with the first additional provision of Royal Decree-Law 21/2020 of 9 June on urgent measures of prevention, containment and coordination to deal with the health crisis caused by COVID-19, Aena, as manager of the network of airports of general interest, must temporarily make available to the central and peripheral services of the Foreign Health sub-directorate of the Spanish Ministry of Health the human, health and support resources necessary to ensure health checks on passengers entering the country at the airports it manages from international flights, which is why, in collaboration with the Ministry of Health, Aena is currently managing the human and material resources that carry out a primary check on all passengers arriving in Spain from any other country, consisting in taking their temperature using thermal imaging cameras, collecting data for locating passengers and a visual inspection, as well as a secondary check on passengers with symptoms.

Aena will be entitled to recover, in the framework of the Airport Regulation Document (DORA), the costs actually incurred for collaborating in carrying out health checks in the airport environment and the operational health and safety measures adopted, discounting any subsidies or other financial assistance it may receive for carrying out these activities under the first additional provision of Royal Decree Law 21/2020 of 9 June and the other operational health and safety measures to be adopted as a result of the COVID-19 pandemic.

If these costs cannot be recovered within the framework of DORA 2017- 2021, with a view to minimising the impact of their application on the sector, they may be recovered, duly capitalised, in any of the subsequent DORAs. In the latter case, the provisions of sections 1, 2.b) and 3.c) of the sixth transitory provision of Law 18/2014 of 15 October will not apply to the costs that are transferred to subsequent DORAs.

Accompanying the progressive recovery in demand, London Luton Airport is implementing the latest safety guidelines from the United Kingdom Government, which include the reinforcement of cleaning services, disinfection measures, installation of specific signage, as well as procedures for tracking arriving passengers.

Similarly, ANB, in coordination with ANAC and with the health authorities, is implementing measures at all its airports to guarantee the operational recovery of the activity in optimal safety conditions, such as the reinforcement of cleaning services and maintenance of air conditioning systems, disinfection measures, installation of specific signage and testing of its employees. Likewise, and as airlines increase their demands, schedules and service levels are being extended as and when requested and feasible.

The proposed measures affecting workers have been developed locally in each of the workplaces. Following the declarations of pandemic and of State of Alarm in Spain, teleworking processes have been implemented as far as the different functions have allowed, preventive measures related to cleaning, information and training, organisational measures, guidelines for the gradual return to face-to-face activity, means of protection, diagnostic tests, risk assessment, etc., taking individualised decisions for each type of job with the aim of trying to preserve the health of our employees.

With regard to the investment plan, during the period spent in the State of Alarm, from 14 March 2020, when the country's activity was paralysed, Aena temporarily suspended, for reasons of health security and strategic prudence, the execution of its contracts for works and technical assistance associated with them. Airport projects require the direct and continuous participation of a multidisciplinary group of professionals from different companies and organisations, whose work was not compatible with compliance with the recommendations of the health authorities or with the legislation passed. In view of the new context, Aena carried out an exhaustive analysis and review of all ongoing and planned investments, in order to adapt its investment plan to the different, more realistic scenarios, depending on the needs that arise. It was therefore necessary to stop and analyse, in a rational way, the projects that would be associated with such investments.

As a result of the measures taken to control, contain and forecast the pandemic, in the first half of 2020, the Group incurred exceptional expenses, both on Aena facilities and on personal and health protection amounting to €2,692 thousands.

The improvement in health indicators for COVID-19 in Spain led to the lifting of the State of Alarm on 21 June 2020. This improvement is also being experienced in almost all European countries, which, together with the materialisation of common European regulations in the air sector, has meant the gradual lifting of restrictions on air operations and the free movement of people between Member States. Therefore, the airlines have begun to schedule flights since the second half of June so it is expected that in the coming months air traffic will gradually recover and increase. During June, given the increased visibility of a progressive revival of traffic, execution of the 2020 investment plan also resumed.

- Valuation of assets

Whenever there is an indication that these assets could have suffered impairment, the Group checks to see whether goodwill, other intangible assets, property, plant and equipment, investment property and equity-accounted financial investments have undergone any loss of value due to impairment, in accordance with the accounting policy described in Note 2.8 to the financial statements, which describes how management identifies the cash-generating units (CGUs) and the methodology used to subject the assets allocated to them to impairment tests.

The measures adopted in each country to halt the spread of the coronavirus have led to an extraordinary reduction in activity and revenue in all Aena Group companies, resulting in a sharp decline in operating cash flows. These circumstances are considered as indicators of impairment for the purposes indicated in the foregoing paragraph.

Consequently, these impairment tests were carried out at 30 June.

The key assumptions and other parameters used to determine, during the period, the recoverable amount of the cash-generating units and the conclusions reached from the analysis performed are detailed in Note 7 to the financial statements.

b) Fair value estimation

The table below includes an analysis of financial instruments measured at fair value, classified by valuation method. A fair value hierarchy is established that classifies the input data from measurement techniques used to measure fair value in three levels, as follows:

- Listed prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
- Data other than listed prices included within Level 1 that are observable for the asset or liability, both directly (i.e. prices) and indirectly (i.e. derived from prices) (Level 2).
- Data for the asset or liability that are not based on observable market data (i.e. unobservable data) (Level 3).

(Amounts in thousands of euros unless otherwise stated)

The following table sets out the Group's assets and liabilities measured at fair value at 30 June 2020:

	Level 1	Level 2	Level 3	Total balance
Liabilities				
Derivatives (Note 8)	-	139,483	-	139,483
Total liabilities	**-**	**139,483**	**-**	**139,483**

The following table presents the Group's liabilities measured at fair value at 31 December 2019:

	Level 1	Level 2	Level 3	Total balance
Liabilities				
Derivatives (Note 8)	-	127,334	-	127,334
Total liabilities	**-**	**127,334**	**-**	**127,334**

There have been no transfers between Level 1 and Level 2 financial instruments during the period.

a) Financial instruments in Level 1:

The fair value of financial instruments traded in active markets is based on listed market prices at the date of the Statement of Financial Position. A market is considered active when listed prices are readily and regularly available through an exchange, financial intermediaries, a sectoral institution, a price service or a regulatory body, and those prices reflect current market transactions that occur regularly between parties acting in conditions of mutual independence. The listed market price used for the financial assets held by the Group is the current bid price. These instruments are included in Level 1. There are no financial instruments in Level 1 on either of the dates.

b) Financial instruments in Level 2:

The fair value of financial instruments that are not traded in an active market (e.g. off-the-books market derivatives) is determined using valuation techniques. Valuation techniques maximise the use of available observable market data and rely as little as possible on entity-specific estimates. If all the significant data required to calculate the fair value of an instrument are observable, the instrument is included in Level 2. The financial instruments included in Level 2 are interest rate derivatives (swaps) hedging floating rate loans.

c) Financial instruments in Level 3:

If any of the significant data are not based on observable market data, the instrument is included in Level 3. There are no financial instruments in Level 3 on either of the dates.

Specific valuation techniques for financial instruments include:

- Market listed prices or prices established by financial intermediaries for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on estimated interest rate curves (see Note 8.b).
- Other techniques, such as discounted cash flow analysis, are used to analyse the fair value of other financial instruments.

4. Financial information by segments

The Group carries on its business activities in the following segments: Airports, Real Estate Services, the various companies belonging to Aena Desarrollo Internacional and SCAIRM (Concessionaire company for Murcia Region International Airport, which is considered a single cash generating unit in itself), in accordance with the criteria described in the most recent annual consolidated financial statements, for 2019.

The information corresponding to the companies of the LLAH III Group has been included within the "International" segment in said Accounts, given that their ordinary revenue, results and assets were significantly less than 10% of the aggregate Group values. Also included in the "International" segment was the information on the new North-east Brazil Airports Group Concession Company ("ANB"), as it had no activity during 2019.

In this first half of 2020, both the LLAHIII Group and ANB have exceeded the aforementioned threshold of 10% of the aggregate results, so it has been considered necessary to report the results of the operations of these Companies in differentiated segments.

The Chairman and CEO evaluate the performance of the operating segments on the basis of their EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). During the six-month periods ended 30 June 2020 and 2019, EBITDA, calculated as explained above, was adjusted for impairment and derecognition of fixed assets.

The financial information by segment at 30 June 2020 is as follows (in thousands of euros):

30 June 2020	Airports					International					
	Aeronautical	**Commercial**	**Real estate services**	**Sub-Total**	**SCAIRM (Murcia Region International Airport)**	**ANB**	**LLAH III**	**Other International**	**Sub-total International**	**Adjustments**	**Total consolidated**
Ordinary revenues-	535,144	452,469	30,204	1,017,817	1,835	8,026	54,363	3,949	66,338	(837)	1,085,153
External customers	*535,143*	*452,454*	*30,204*	*1,017,801*	*1,835*	*8,026*	*54,363*	*3,128*	*65,517*	-	*1,085,153*
Inter-segments	*1*	*15*	-	*16*	-	-	-	*821*	*821*	*(837)*	-
Other operating revenue	21,129	6,276	589	27,994	26	49	-	95	144	(871)	27,293
Total revenue	**556,273**	**458,745**	**30,793**	**1,045,811**	**1,861**	**8,075**	**54,363**	**4,044**	**66,482**	**(1,708)**	**1,112,446**
Supplies	(79,595)	-	-	(79,595)	(738)	-	-	-	-	801	(79,532)
Personnel	(186,446)	(22,905)	(5,360)	(214,711)	(2,222)	(3,896)	(16,158)	(920)	(20,974)	-	(237,907)
Other operating expenses	(317,743)	(80,713)	(10,982)	(409,438)	(4,088)	(8,893)	(32,212)	(1,965)	(43,070)	902	(455,694)
Depreciation and amortisation	(301,486)	(51,082)	(7,873)	(360,441)	(1,075)	(6,584)	(35,221)	(176)	(41,981)	-	(403,497)
Impairment and net gain or loss on disposals of fixed assets	(1,518)	44	1,091	(383)	(47,744)	(72,895)	-	-	(72,895)	-	(121,022)
Other results	(4,282)	(381)	(2,230)	(6,893)	(20)	-	-	-	-	2	(6,911)
Total expenses	**(891,070)**	**(155,037)**	**(25,354)**	**(1,071,461)**	**(55,887)**	**(92,268)**	**(83,591)**	**(3,061)**	**(178,920)**	**1,705**	**(1,304,563)**
EBITDA	**(33,311)**	**354,790**	**13,312**	**334,791**	**(52,951)**	**(77,609)**	**5,993**	**1,159**	**(70,457)**	**(3)**	**211,380**
Impairment and net gain or loss on disposals of fixed assets	1,518	(44)	(1,091)	383	47,744	72,895	-	-	72,895	-	121,022
Adjusted EBITDA	**(31,793)**	**354,746**	**12,221**	**335,174**	**(5,207)**	**(4,714)**	**5,993**	**1,159**	**2,438**	**(3)**	**332,402**
Operating profit/(loss)	**(334,797)**	**303,708**	**5,439**	**(25,650)**	**(54,026)**	**(84,193)**	**(29,228)**	**983**	**(112,438)**	**(3)**	**(192,117)**
Net finance income/(expense)	**(47,140)**	**(13,434)**	**(1,445)**	**(62,019)**	**(795)**	**(1,195)**	**(12,510)**	**(4,291)**	**(17,996)**	**16,192**	**(64,618)**
Profit/(loss) of equity-accounted investees	-	-	-	-	-	-	-	(2,277)	(2,277)	-	(2,277)
Profit/(loss) before tax	**(381,937)**	**290,274**	**3,994**	**(87,669)**	**(54,821)**	**(85,388)**	**(41,738)**	**(5,585)**	**(132,711)**	**16,189**	**(259,012)**
Total Assets at 30 June 2020	-	-	-	15,649,264	24,630	344,421	622,039	92,248	1,058,708	-540,944	16,191,658
Total Liabilities at 30 June 2020	-	-	-	9,440,682	53,920	11,342	662,658	368,564	1,042,564	-375,726	10,161,440

The line "Impairment and net gain or loss on disposals of fixed assets" includes the impairment of the SCAIRM CGU (-€47,744,000), the ANB CGU (-€72,895,000) and the net reversal of the "real estate services" CGU (+€1,065,000), giving a total of -€119,574,000 (see enclosed Income Statement and Note 7). The impairment loss on equity-accounted investees (-€3,454,000 - Note 7), is included in the line "Profit/(loss) and impairment of equity-accounted investees" in the accompanying Income Statement.

In the operating segment information at 30 June 2020 costs have been adjusted in accordance with the DORA Resolution of 27 January 2017. According to this document and for regulatory purposes, the costs of airport activity must be reduced annually by €38.4 million (including Cost of capital at 6.98%) with the following breakdown: Staff costs €1.7 million; Depreciation and amortisation €11.4 million; Other Operating Expenses €12 million and Cost of Capital €13.3 million. We have therefore reduced the cost of the aeronautical activity in the six-month period by €12.5 million in operating expenses through the aforementioned reallocation of costs, transferring these costs to the services subject to private prices included in the "Commercial" activity.

The financial information by segment at 30 June 2019 is as follows (in thousands of euros):

30 June 2019	Airports		Real estate services	Sub-Total	SCAIRM (Murcia Region International Airport)	International	Adjustments	Total consolidated
	Aeronautical	Commercial						
Ordinary revenues-	1,330,947	571,433	35,693	1,938,073	7,858	128,426	(850)	2,073,507
External customers	*1,330,865*	*571,433*	*35,693*	*1,937,991*	*7,858*	*127,658*	-	*2,073,507*
Inter-segments	*82*	-	-	*82*	-	*768*	*(850)*	-
Other operating revenue	22,333	4,886	607	*27,826*	*35*	100	*(723)*	*27,238*
Total revenue	**1,353,280**	**576,319**	**36,300**	**1,965,899**	**7,893**	**128,526**	**(1,573)**	**2,100,745**
Supplies	(85,526)	-	-	(85,526)	(727)	-	672	(85,581)
Personnel	(175,878)	(22,275)	(5,302)	(203,455)	(2,176)	(23,411)	-	(229,042)
Other operating expenses	(412,740)	(102,587)	(14,334)	(529,661)	(7,072)	(57,127)	884	(592,976)
Depreciation and amortisation	(299,610)	(52,231)	(8,271)	(360,112)	(1,006)	(32,346)	-	(393,464)
Impairment and net gain or loss on disposals of fixed assets	(3,991)	(554)	(148)	(4,693)	-	(6)	-	(4,699)
Other results	277	462	126	865	2	-	-	867
Total expenses	**(977,468)**	**(177,185)**	**(27,929)**	**(1,182,582)**	**(10,979)**	**(112,890)**	**1,556**	**(1,304,895)**
EBITDA	**675,422**	**451,365**	**16,642**	**1,143,429**	**(2,080)**	**47,982**	**(17)**	**1,189,314**
Impairment and net gain or loss on disposals of fixed assets	3,991	554	148	4,693	-	6	-	4,699
Adjusted EBITDA	**679,413**	**451,919**	**16,790**	**1,148,122**	**(2,080)**	**47,988**	**(17)**	**1,194,013**
Operating profit/(loss)	**375,812**	**399,134**	**8,371**	**783,317**	**(3,086)**	**15,636**	**(17)**	**795,850**
Net finance income/(expense)	(34,346)	(9,825)	(922)	(45,093)	(776)	(21,149)	-	(67,018)
Profit/(loss) of equity-accounted investees	-	-	-	-	-	10,945	-	10,945
Profit/(loss) before tax	**341,466**	**389,309**	**7,449**	**738,224**	**(3,862)**	**5,432**	**(17)**	**739,777**
Total Assets at 30 June 2019	-	-	-	13,605,243	59,390	926,397	(278,028)	14,313,002
Total Liabilities at 30 June 2019	-	-	-	8,204,501	52,610	666,692	(103,092)	8,820,711

In the operating segment information at 30 June 2019 costs have been adjusted in accordance with the DORA Resolution of 27 January 2017. According to this document and for regulatory purposes, the costs of airport activity must be reduced annually by €38.5 million (including Cost of capital at 6.98 %) with the following breakdown: Staff costs €1.6 million; Depreciation and amortisation €11.4 million; Other Operating Expenses €12 million and Cost of Capital €13.5 million. We have therefore reduced the cost of the aeronautical activity in the six-month period by €12.5 million in operating expenses through the aforementioned reallocation of costs, transferring these costs to the services subject to private prices included in the "Commercial" activity.

(Amounts in thousands of euros unless otherwise stated)

The reconciliation of EBITDA and adjusted EBITDA with Profit for the six month periods ended 30 June 2020 and 30 June 2019 is as follows:

Item	**30 June 2020**	**30 June 2019**
Total adjusted EBITDA	**332,402**	**1,194,013**
Impairment and net gain or loss on disposals of fixed assets	(121,022)	(4,699)
Total segment EBITDA	**211,380**	**1,189,314**
Depreciation and amortisation	(403,497)	(393,464)
Operating profit/(loss)	**(192,117)**	**795,850**
Net finance expense	(64,618)	(67,018)
Share of income of associates	(2,277)	10,945
Corporate Income tax	67,014	(180,699)
Profit/(loss) for the period	**(191,998)**	**559,078**
Profit/(loss) for the period attributable to non-controlling interests	(21,261)	87
Profit/(loss) for the period attributable to shareholders of the	(170,737)	558,991

(Amounts in thousands of euros unless otherwise stated)

5. Revenue

The Group's operations and sources of revenue are described in its most recent annual consolidated financial statements.

a) Revenue breakdown

The breakdown, by type of service provided, of the ordinary revenues of the Subtotal included in the financial information by segments (excluding International, SCAIRM (Murcia) and adjustments) is as follows:

	30 June 2020	30 June 2019
Airport services	**535,144**	**1,330,947**
Airport charges	**515,851**	**1,294,399**
Landing charges	144,315	351,249
Parking charges	35,985	21,825
Passengers	217,044	597,092
Airbridges	21,453	48,337
Security	68,253	203,371
Handling charges	19,980	51,174
Fuel	6,431	15,652
On-board catering	2,390	5,699
Other airport services (1)	**19,293**	**36,548**
Commercial services	**452,469**	**571,433**
Leases	13,454	17,163
Specialty Shops	44,772	52,877
Duty free shops	166,505	157,197
Food & Beverage	99,495	97,169
Car Rental	33,162	70,252
Car parks	28,858	76,444
Advertising	9,663	16,108
VIP services(2)	14,663	36,574
Other commercial revenue(3)	41,897	47,649
Real estate services	**30,204**	**35,693**
Leases	6,690	6,867
Land	9,454	12,060
Warehouses and hangars	4,448	3,960
Cargo logistics centres	6,597	8,605
Real Estate Operations	3,015	4,201
Total Net Turnover	**1,017,817**	**1,938,073**

1) Includes Counters, 400 Hz Airbridge usage, Fire Service, Left Luggage, and Other Revenue.

2) Includes lounge rental, VIP packages, other lounges, fast-track and fast-lane.

3) Includes commercial operations (banking services, baggage laminating machines, telecommunications, vending machines, etc.), commercial supplies and filming and recordings.

The sharp drop in revenue observed was due to the circumstances described in Note 3. At the end of the first half-year, the network's airports registered a passenger volume of 43.5 million, which represents a year-on-year drop of 66.0%.

As indicated in Note 2.21 to the Consolidated Financial Statements for 2019:

- In application of the Airport Regulation Document (DORA) for the period 2017-2021, the reduction of 2.22% in the airport charges in force at the time came into force from 1 March 2018, which affected January and February 2019.

- On 1 March 2019, the 2019 airport charges came into force, based on freezing the adjusted annual maximum revenue per passenger (IMAAJ) of 2019 at the level of the 2018 IMAAJ.

- In relation to the Airport Regulation Document (DORA) for the period 2017-2021, on 1 March 2020 the airport charges applicable for 2020 entered into force, based on the reduction of the adjusted annual maximum revenue per passenger (IMAAJ) for 2020 by 1.44% compared with the 2019 IMAAJ (€10.42 per passenger).

A significant part (28.95 %) of airport service revenues in the six months to 30 June 2020 is concentrated in three customers, with revenues of €88 million, €76 million and €75 million respectively (six months to 30 June 2019: €210.4 million, €198.4 million and €178 million respectively, 44.1% of the revenue from airport services).

The revenue breakdown of the International activity, in thousands of euros, is as follows:

	30 June 2020			
	ANB	LLAH III	Other international	Total
Ordinary revenue	**8,026**	**54,363**	**3,949**	**66,338**
Airport charges	4,982	24,754	-	**29,736**
Commercial services	3,044	29,609	-	**32,653**
Other services	-	-	3,949	**3,949**
Other operating revenue	**49**	-	**95**	**144**
Total revenue	**8,075**	**54,363**	**4,044**	**66,482**

b) Geographical information

The Group carries out its operations in Spain, except for the International activity, which holds its main investments in the United Kingdom, Brazil, Mexico and Colombia. In the six months ended 30 June 2020 and 2019, ordinary revenues from external customers were distributed geographically as follows (data in thousands of euros):

Country	30 June 2020	30 June 2019
Spain	1,020,139	1,946,552
Brazil	8,013	-
United Kingdom	54,363	122,131
United States	-	28
Luxembourg	-	284
Colombia	396	734
Mexico	2,235	3,778
TOTAL	**1,085,153**	**2,073,507**

6. Property, plant and equipment and intangible assets

a) Property, plant and equipment

The fall of €283.9 million in "Property, plant and equipment", is mainly explained by trends in capital expenditure in the Spanish network, as a result of which additions for the period were less than the depreciation recognised. This effect was amplified in this six-month period by the investment reduction plans put in place to mitigate the effects of the crisis caused by COVID-19.

The main additions recognised during the first half of 2020 are detailed below.

As for the actions in progress, we can highlight the acquisition of equipment for the inspection of in-hold baggage (EDS) at several new airports in the network, the work related to the connection of the apron with the parallel taxiway and with the rapid exit taxiways at Ibiza airport, and the investment in hyper-converged infrastructure equipment for the airports and central services. The expansion of the terminal building at London Luton Airport, which will become the most sustainable airport in the UK through its development plans, has been delayed on account of the coronavirus pandemic until next year.

The most important actions put into service were the resurfacing of the runway at Seville airport, the renovation work on the T1, A2, A3, A4 and A5 taxiways and the expansion of the commercial aircraft apron at Zaragoza airport, and the thermal insulation work on the terminal building and modules at Palma de Mallorca airport.

Items of property, plant and equipment with an acquisition cost of €56,684,000 were derecognised during the six-month period ended 30 June 2020 (six-month period ended 30 June 2019: €178,418,000), producing a loss on derecognition of property, plant and equipment of €1.570,000 (six-month period ended 30 June 2019: loss of €4,801,000). The most significant retirements were due to the replacement of various installations and items of equipment at several of the network's airports, demolitions to replace airport infrastructure and retirements related to payments from suppliers of fixed assets in respect of amounts capitalised in prior years.

Finally, during the period property, plant and equipment with an acquisition cost of €4,750,000 were transferred to investment properties (six months ended 30 June 2019: €577,000).

b) Intangible assets

For their part, Intangible Assets decreased by €296.4 million, mainly as a result of a dual effect: 1) Negative conversion differences amounting to €153.1 million associated with unfavourable movements of the Brazilian real (€130.4 million) and pound sterling (€22.7 million) in the valuation of the concessions of the North-east Brazil Airport Group of and of Luton Airport. These amounts have had their counterpart in the heading of "Foreign exchange translation differences" in the enclosed "Condensed consolidated interim statement of comprehensive income". 2) As reported in Note 7, the Group has carried out the appropriate impairment tests on all its CGUs, recognising an impairment of its intangible assets for a net amount of €120.5 million.

The main additions in the first half of 2020 correspond to the acquisition of various airport management applications and the re-engineering and automation of corporate application processes.

Intangible assets with an acquisition cost of €494,000 were derecognised during the six-month period ended 30 June 2020 (six-month period ended 30 June 2019): €1,547,000, producing losses of €1,000 without impairment (six months to 30 June 2019 no result).

At 30 June 2020, a total of €6,000 of financial expenses associated with intangible assets had been capitalised (30 June 2019: €24,000).

(Amounts in thousands of euros unless otherwise stated)

7. Impairment of intangible assets, property, plant and equipment and investment property

At 31 December 2019, Group management reviewed the 2019 results to assess whether there were significant changes that could lead to impairment of intangible assets, property, plant and equipment and investment properties and concluded that there were no indications of impairment. Nevertheless, in accordance with the procedure described in Notes 2.8 and 6 to the consolidated financial statements for the year then ended, and for the CGUs described in that Note, the Group performed an impairment test with the premises and variables described in said consolidated annual financial statements, and did not detect any impact on the consolidated financial statements at 31 December 2019, even after applying sensitivities to the variables used.

As described in Note 3 on the effects of the COVID-19 pandemic, the measures to stop the spread of the coronavirus have led to an extraordinary reduction in activity and revenues of all Aena Group companies, which has translated into a sharp reduction in operating cash flows and which can be considered as indicators of impairment in accordance with the provisions of accounting regulations. Consequently, at the end of the six-month period ended 30 June 2020, the Group carried out the appropriate impairment tests on all of its CGUs, obtaining the following results:

CGU	Impairment
Airport network	-
Real estate services	(1,065)
SC AIRM	47,744
ANB	72,895
LLAH III Group	-
Financial investments	3,454
Total	**123,028**

The reasonableness of the key assumptions made, and of the sensitivity analyses carried out, the results and the conclusions reached on the impairment tests carried out, have been favourably reviewed by independent professional experts from Ernst & Young.

CGU "Aena Airport Network"

The first six months of the year saw a sharp fall in passenger traffic (-66.0%) and operations (-56.6%) compared with the same period of the previous year. Revenues constituting Aena S.M.E., S.A's turnover decreased by 47.5 % (Note 5), while EBITDA (€334.8 million) decreased by 70.7 % compared with the same period of 2019.

Given that the aforementioned falls were not contemplated in the scenario used in the impairment test carried out at the end of 2019, for the airport network constituting the Airports segment , at the end of the six-month period ended 30 June 2020, the Group carried out an impairment test. However, no significant impacts on the Condensed Consolidated Interim Financial Statements at 30 June 2020 were identified, even after applying sensitivities to the variables used. The main premises used for this impairment test were the following:

- **Traffic**

Various international aeronautical organizations (Eurocontrol, IATA-International Air Transport Association, ICAO-International Civil Aviation Organization, ACI-Airports Council International) estimate that the decrease in the number of passengers in Europe in 2020 would be between 45% and 70%. With these scenarios it is estimated that the decrease in passenger traffic in Spain in 2020 would be between 57% and 67% in its best and worst case scenarios respectively. Specifically, IATA has estimated a decrease in traffic for Spain of the order of 59%.

(Amounts in thousands of euros unless otherwise stated)

Regarding the medium-term recovery scenarios, on 13 May IATA published a first analysis of the impact of COVID-19 for the coming years, estimating that worldwide traffic will not recover until at least 2023, two years after the economic recovery expected in 2021. However, at the European level, that recovery would be slower and would not arrive until at least 2024, due mainly to the economic weakness of the region. In this regard, the recovery of 2019 traffic levels in 2024, with an air traffic level for 2021 down by 25% on 2019 was used as the base scenario.

Additionally, and considering that the current changing environment greatly hinders and imposes clear limitations on the ability to make estimates regarding the consequences that this crisis may have for the business, a meticulous evaluation of the foreseeable scenarios has been carried out, considering, in addition to the previously explained scenario, a more pessimistic scenario in which traffic recovers to 2019 levels around 2027 and traffic in 2021 is down by -50% on 2019.

- **Financial projections**

The Group carried out the calculations of the recoverable amount as the value in use at 30 June 2020 based on the financial projections approved by the Management for the period 2020 to 2027.

Traditionally, the Group uses a projection period of four years, however, considering the existing uncertain environment, it was considered more appropriate to extend the projection period to 2027, the year in which it is considered that, in any case, air traffic will have fully returned to normal.

Cash flow projections from the eighth year were calculated using an expected constant growth rate of 1.5%, taking into account the growth estimates for air traffic contained in the DORA (CAGR of 1.8% in passenger traffic for the period 2022-2031).

The key assumptions that mainly affect the cash flows of the Airport Network CGU are:

- Passenger traffic, in which the two scenarios mentioned above were contemplated.
- Variation of charges. For the second DORA, which covers until 2026, a variation of charges of between 0 and -2% was assumed.
- Investment level. A level of investments has been considered in correlation with the traffic level of each scenario.
- Efficiencies in operational costs (OPEX). The inflation percentages used are:

OPEX PROJECTION	2020	2021	2022	2023	2024	2025	2026	2027
CPI		0%	1%	2%	2%	2%	2%	2%

The amounts foreseen in 2020 include the cost saving plans in order to protect the Group's financial situation indicated in Note 3. During the period 2021-2027, operating expenses grew slightly above inflation, due to some variability with traffic increases.

- **Discount rates**

	30 June 2020
Perpetual growth rate	1.50%
Pre-tax discount rate	8.35 %
Post-tax discount rate	6.26 %

The discount rate applied to cash flow projections is the Weighted Average Cost of Capital before taxes (WACCBT) estimated according to the CAPM (Capital Asset Pricing Model) methodology, and is determined by the weighted average cost of equity and cost of debt capital. It has been revised upwards relative to 2019 to reflect the impact of the health crisis and the measures taken to control it on its various components: risk-free rate, country risk, market risk premium, cost of debt and the risk inherent to the asset itself.

- **Sensitivity analysis**

Additionally, the Group performed a sensitivity analysis of the impairment calculation, using reasonable variations of the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)
- Perpetuity growth rates (+1 p.p./-1 p.p.)

These sensitivity analyses, performed at the close of the half-year ended 30 June 2020, show that there are no significant risks associated with reasonably possible changes to the assumptions, considered on an individual basis. In other words, the management considers that, within the aforementioned ranges, no impairment corrections would occur, even in the worst-case scenario (pessimistic assumption on traffic, 2nd DORA charges -2%, discount rate increased by one percentage point and growth rate in perpetuity reduced by one percentage point).

“Real Estate Services” CGU

In this segment each of the real estate assets is a CGU in itself, being able to generate income independently of the rest of the assets.

The Group has commissioned an independent appraisal company (GLOVAL VALUATION SAU) to review and value the real estate portfolio at 30 June 2020, as it also did for 31 December 2019, in order to determine the fair value of its real estate investments, with special attention to the significant changes and market conditions deriving from the COVID-19 pandemic. In particular, the report says: “*This means that we are facing a set of circumstances with a remarkable degree of uncertainty and unprecedented volatility in the various productive sectors and financial markets on which to base a judgement. Therefore, the valuation could contemplate a higher degree of uncertainty and a higher level of caution with respect to normalised stable conditions. Given the unknown future impact that COVID-19 may have on the real estate market, it is recommended to review these more frequently. Given this lack of normality in the market, a series of additional measures have been adopted, which help to obtain values that reasonably reflect the current market situation and are indicated in the report.”*

Valuation method: Valuation has been performed using a capitalisation approach, which provides an indication of value by converting future cash flows into a single present capital value. This approach, which is similar to a Discounted Cash Flow (DCF) model, is generally used to estimate the value of cash-generating operating units, explicitly recognising the time value of cash flows that the asset itself will generate".

The comparison between the fair value at 30 June, 2020 and the carrying amounts of the various CGUs included in the Real Estate Segment resulted in an impairment provision for four buildings, for a total of €710,000 and a partial reversal of the impairment provision for land occupied by golf courses at Barcelona and Valencia airports for €1,775,000, thus giving a net positive result of €1,065,000.

The fair value of the real estate investments (current values in thousands of euros at the dates presented) are as follows:

	30 June 2020	**31 December 2019**
Land	331,000	303,476
Buildings	514,174	588,807
Total	**845,174**	**892,283**

(Amounts in thousands of euros unless otherwise stated)

CGU constituted by the Concessionaire Company of Murcia Region International Airport

On 24 February 2018 a public services management contract in the form of a concession was concluded between the Autonomous Region of Murcia, owner of the AIRM facilities and the Company whose object comprises all actions relating to the management, operation, maintenance and conservation of Murcia Region International Airport. The duration of the concession will be 25 years from signing.

The concession agreement for AIRM is within the scope of IFRIC 12 Service Concession Agreements and was reflected in the Group's consolidated financial statements for the year ended 31 December 2019 in accordance with the intangible asset model.

The Company values the intangible asset deriving from the concession agreement at the consideration paid or payable, without taking account of contingent payments associated with the operation, that is, at the present value of the minimum guaranteed fees.

The Group estimates the recoverable amount of said investment as the value in use at 30 June 2020 based on the financial projections approved by its Management for the entire concession period.

These calculations use cash flow estimates based on the projections of the Financial Economic Plan presented in the Economic Bid for the Concession Contract, updated in accordance with the latest estimates of the Management for the entire period of the concession.

The main assumptions used in the calculation of the value in use at 30 June 2020 are the following:

- **Traffic:** The IATA recovery assumptions referred to in the heading corresponding to the CGU "Aena Airport Network" were used, with a traffic level for 2021 of -28.5% relative to 2019, and with growth for 2022 and 2023 of 16% and 10%, respectively.

  From the year of recovery, 2024, the proposed traffic scenario has been generated by applying the direct translation of the assumptions on the Bid with a displacement of 8 years:

  - Compound annual growth rate (CAGR) 2024-2025: The growth of the Bid for 2017 (+9.1%) is applied.
  - CAGR 2025-2033 The same CAGRs of the Bid for 2017-2025 (+5.9%) are applied.
  - CAGR 2033-2038 The same CAGRs of the Bid for 2025-2030 (+5.7%) are applied.
  - CAGR 2038-2043 The same CAGRs of the Bid for 2030-2035 (+4%) are applied. With these assumptions, about 3.1 million passengers would be reached in 2043, compared with just over 4 million in the Bid for that same year.

With these assumptions there is a decrease of 19.5 million passengers during the concession period compared with those contemplated in the Economic Bid (41.9 million passengers compared with 61.4 million passengers in the Bid, 32.7% fewer).

The decrease in total revenue, relative to the Bid, is about €295 million.

- **Operating expenses:** The variation in expenses compared with the Bid is relatively small (€50 million lower), due to a high component of fixed expenses independent of traffic.

- **Discount rate:**

Pre-tax discount rate	11.3 %
Post-tax discount rate	8.5 %

The discount rate applied to cash flow projections is the Weighted Average Cost of Capital before taxes (WACCBT) estimated according to the CAPM (Capital Asset Pricing Model) methodology, and is determined by the weighted average cost of equity and cost of debt capital. It has been revised upwards relative to 2019 to reflect the impact of the health crisis and the measures taken to control it in its various components: risk-free rate, country risk, market risk premium, cost of debt and the asset's own risk.

The effects deriving from the economic rebalancing mechanism to which the company is entitled have not been taken into account since they have not yet been approved: Article 34.4 of Royal Decree Law 8/2020 establishes that, in public service concession contracts, the de facto situation created by COVID-19 and the measures adopted by the State, Autonomous Regions or Local Government to combat it will entitle the concessionaire to restoration of the economic balance of the contract by, as appropriate in each case, the extension of its initial duration by up to a maximum of 15% or by amending the clauses of economic content included in the contract.

The test carried out on the base scenario revealed the need to recognise a value correction for the entire book value of the intangible assets and property, plant and equipment subject to the concession, which amounted to €47,744,000 at 30 June 2020. This amount appears in the item “Impairment of fixed assets” in the enclosed Income Statement for the six months to 30 June 2020. Of these €47,744,000, €47,621,000 corresponded to the intangible asset deriving from the concession agreement, and the rest to property, plant and equipment (technical facilities, machinery, information processing equipment and furniture).

The Company performed a sensitivity analysis of the impairment calculation, using reasonable variations in the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)

As a result of the sensitivity analysis carried out for a decrease in the discount rate of 1 pp, the impairment in this case would have amounted to €45,088,000 instead of the €47,744,000 indicated.

CGU constituted by the state company Aeroportos do Nordeste do Brasil S.A. (ANB)

On 15 March 2019, Aena was declared the winner by the Brazilian National Civil Aviation Agency (ANAC) in the auction held in connection with the concession for the operation and maintenance of the Recife, Maceió, Aracaju, Campina Grande, João Pessoa and Juazeiro do Norte airports in Brazil, grouped into the North-east Brazil Airports Group.

In accordance with Law 40/2015 of 1 October on the Legal Regime of the Public Sector, at its meeting on 12 April 2019 the Council of Ministers agreed to authorise Aena Desarrollo Internacional, S.M.E., S.A. to create the state trading company Aeroportos do Nordeste do Brasil S.A. (hereinafter, “ANB” or “Aena Brazil”) as the concession holder for airport management of the aforementioned airports. On 30 May 2019, the new Brazilian company was incorporated, wholly owned by Aena Desarrollo Internacional S.M.E. S.A., with a share capital of 10,000 Brazilian reais and the specific and exclusive corporate object of providing public services for the expansion, maintenance and operation of the airport infrastructure of the airport complexes comprising the North-east block of Brazil. At its meeting held on 1 July 2019, the Board of Directors of the Brazilian company approved a share capital increase of 2,388,990,000 Brazilian reais (approximately €537.8 million at the insured exchange rate of 4.4425 EUR/BRL), which was fully subscribed by its sole shareholder.

In view of the foregoing, the concession agreement for airports in Northeast Brazil is within the scope of IFRIC 12 Service Concession Agreements and was reflected in the Group’s consolidated financial statements for the year ended 31 December 2019 in accordance with the intangible asset model.

As regards the intangible assets and property, plant and equipment deriving from this agreement, the Group estimates the recoverable amount of said investment as the value in use at 30 June 2020 based on the financial projections approved by its Management for the entire concession period, until 2049. These future cash flows were estimated in the currency in which they were going to be generated (Brazilian reais). AENA converted the present value by applying the spot exchange rate on the date at which the value in use was calculated (closing exchange rates at: 30 June 2020 6.1118). The most significant assumptions used for this estimate were:

(Amounts in thousands of euros unless otherwise stated)

- **Traffic:**

The short- and medium-term Scenarios published for LATAM by the various International Organisations, mainly ICAO and IATA, were taken as a reference and additionally an econometric model was used, incorporating a revised forecast of Brazil's GDP that allows modelling of the medium to long-term growth potential of traffic. The results of this update constitute the new Post-COVID Base Scenario.

This new scenario implies 939 million passengers throughout the concession period, a decrease of 16% from the number of passengers envisaged in the bid (1,123 million), in turn causing a decrease of 20% in operating revenue relative to the figure initially considered.

- **Harmonised Consumer Price Index (HCPI):** 3.5%, according to information from the Central Bank of Brazil.

- **Operating expenses (OPEX):** Expenses are reduced by 12% with respect to those contemplated in the pre-COVID scenario, mainly in the section of the variable fee on the gross income of the concession and on staff costs, due to the size of the workforce in accordance with the new passenger volume forecast for the entire period of the concession.

- **Investment (CAPEX):** A review has been carried out of the CAPEX estimated in the bidding phase, in accordance with the new scenarios for growth in air traffic foreseen. In this regard, initial investments have been reduced by 10% (about €71 million), mainly in those chapters related to traffic demand, meeting the required levels of availability of facilities.

- **Discount rate:**

Pre-tax discount rate	17.4 %
Post-tax discount rate	11.5 %

The discount rate applied to cash flow projections is the Weighted Average Cost of Capital before taxes (WACCBT) estimated according to the CAPM (Capital Asset Pricing Model) methodology, and is determined by the weighted average cost of equity and cost of debt capital.

Considering the way the concession contract treats events of force majeure, the interpretations made by the Brazilian authorities on the COVID-19 pandemic and the legislation applicable to the case, the Management of ANB is preparing a request for an extraordinary review to restore the economic-financial balance of the concession contract as a consequence of the aforementioned event of force majeure. The effects deriving from this economic rebalancing mechanism on the projections made have not been taken into account, as they have not yet been approved.

The test carried out on the base scenario revealed the need to recognise a value correction amounting to €72,895,000 at 30 June 2020, which has been allocated to the intangible asset deriving from the concession agreement. This amount appears in the item "Impairment of fixed assets" in the enclosed Income Statement for the six months to 30 June 2020.

The Company performed a sensitivity analysis of the impairment calculation, using reasonable variations in the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (p.p.):

Discount rate (-2 p.p./+2 p.p.)
HICP (-1 p.p./+1 p.p.)

For a HICP of 3.5% (baseline scenario), as a result of the sensitivity analysis carried out for an increase in the discount rate of 2% (to 13.5%), the impairment in this case would have amounted to €169 million, and for an increase of 1% (to 12.5%) it would have been €126 million; for a reduction in the discount rate to 10.5%, the impairment would have been €9 million, while with a discount rate of 9.5% no impairment would have occurred.

For a discount rate of 11.5% (baseline scenario), as a result of the sensitivity analysis carried out for an increase in the HCPI of 1% (to 4.5%), the impairment in this case would have amounted to €8 million; for a decrease in the inflation rate to 2.5%, it would have been €125 million.

For a WACC of 13.5% and an HCPI of 2.5%, the impairment would have amounted to €205 million; for a WACC of 9.5% and an HCPI of 4.5%, the value in use would exceed the carrying amount of the fixed assets by €167 million, so there would be no impairment.

CGU constituted by the LLAH III Group (Note 2.2 to the 2019 Consolidated Financial Statements)

The Administrative Concession Agreement for London Luton Airport (owned by the Luton Borough Council) does not qualify as subject to IFRIC 12, as the charges of that airport are not subject to regulated prices. Such an agreement is accounted for as a lease in accordance with IFRS 16.

Regarding the intangible assets and property, plant and equipment from the acquisition of LLAH III, the Group estimates the recoverable amount of this investment as the value in use at 30 June 2020 based on the financial projections approved by its Management for the entire concession period. These future cash flows were estimated in the currency in which they were going to be generated (pounds sterling). AENA converted the present value by applying the spot exchange rate on the date at which the value in use was calculated (closing exchange rates at: 30 June 2020 0.91243; 2019: 0.8508). The most significant assumptions used for this estimate were:

- **Financial projections**

These were made using the estimates contained in the Business Plan approved by the Company's Management, which extend to 2032, the year when the concession contract legally expires, given that the Concession Agreement with Luton Borough Council gives the Company the right to operate the airport infrastructure until that year.

These projections include the current outlook of its Management on the adverse effects deriving from the COVID-19 pandemic, which significantly reduce passenger traffic and operating cash flows during the 2019-2023 period relative to the Business Plans approved in 2019. In that year 2023, it is considered that air traffic could return to the levels reached in 2019 (18 million passengers), in line with the latest forecasts made by Airports Council International (ACI). Likewise, a growth scenario of up to 19 million passengers is contemplated in 2025; beyond 2025 passenger growth is not considered, since this is the maximum capacity envisaged in the projections. In this base scenario, the total number of passengers considered during the period 2020-2032 amounts to 216.7 million.

Apart from this, the projections include a reduction in the concession fees to be paid contractually to the Granting Entity, in application of clause 10.5 of the Concession Agreement, regarding the occurrence of events of force majeure, which is designed to preserve shareholder value in case of events similar to the COVID-19 pandemic. In application of his clause, an 18-month extension of the concession period is also contemplated, until the year 2032 (initially it was until 2031).

Additionally, an evaluation of the foreseeable scenarios has been carried out, and in addition to the previously explained base scenario (recovery of 2019 traffic levels in 2023), a more prudent scenario has also been considered, in which 2019 traffic would recover in 2025, 19 million passengers would be reached in 2027 and total traffic during the period 2020-2032 would amount to 215.7 million passengers.

Finally, a more pessimistic scenario has been considered, in which 2019 traffic would recover in 2028-2029, 19 million passengers would be reached in 2029 and total traffic during the period 2020-2032 would amount to 174.2 million passengers.

(Amounts in thousands of euros unless otherwise stated)

- **Discount rate**

A pre-tax discount rate of 10.80% has been used, with a corresponding after-tax discount rate of 7.75%. The discount rate applied to cash flow projections is the Weighted Average Cost of Capital before taxes ($WACC_{BT}$) estimated by expert consultants according to the CAPM (Capital Asset Pricing Model) methodology, and is determined by the weighted average cost of equity and cost of debt capital.

- **Sensitivity to changes in the assumptions**

At 30 June 2020, in the base scenario and in all the other traffic scenarios envisaged, a sensitivity analysis of the impairment calculation was performed using reasonable variations in the main financial assumptions used in the calculation, assuming the following increases or decreases in percentage points (p.p.):

- Discount rate (-0.5 p.p./+0.5 p.p.)

This sensitivity analysis showed that there are no significant risks associated with reasonably possible changes in the assumptions, considered on an individual basis. That is, management believes that, within the above ranges, no corrections for impairment would be necessary.

On the basis of the foregoing the Group management considers that the recoverable amount calculated at 30 June 2020 is greater than the carrying amount of the fixed assets mentioned.

CGUs constituted by investments in associates and joint ventures

The impairment calculation is determined by comparing the carrying amount of the investment with its recoverable amount, understood as the greater of value in use and fair value less selling costs. In this regard, value in use is calculated based on the Company's share in the present value of the estimated cash flows from ordinary activities and the final disposal or of the estimated flows expected to be received from the distribution of dividends and final disposal of the investment.

The test results are shown below:

	Impairment of equity-accounted investees	***Final value of the equity holding***
SACSA	(1,727)	1,580
AMP	-	50,272
AEROCALI	(1,727)	89
Total	**(3,454)**	**51,941**

The impairment loss on equity-accounted investees (€3,454,000 - see Note 8.d) is included in the line "Profit/(loss) and impairment of equity-accounted investees" in the accompanying Income Statement.

(Amounts in thousands of euros unless otherwise stated)

8. Financial instruments

a) Financial Instruments by category

	30 June 2020			
	Financial assets at amortised cost	Hedging derivatives	Assets at fair value through profit or loss	Total
Assets in the Statement of Financial Position				
Other financial assets	94,086	-	347	**94,433**
Trade and other receivables (excluding prepayments and non-financial assets)	337,561	-	-	**337,561**
Cash and cash equivalents	2,184,196	-	-	**2,184,196**
Total	**2,615,843**	**-**	**347**	**2,616,190**

	30 June 2020			
	Financial liabilities at amortised cost	Hedging derivatives	Other financial liabilities at amortised cost	Total
Liabilities in the Statement of Financial Position				
Financial debt (excluding finance lease liabilities) (Note 10)	8,785,062	-	-	**8,785,062**
Lease liabilities (Note 10)	60,816	-	-	**60,816**
Derivative financial instruments (Note 3)	-	139,483	-	**139,483**
Suppliers and other accounts payable (excluding non-financial liabilities)	240,706	-	-	**240,706**
Total	**9,086,584**	**139,483**	**-**	**9,226,067**

	31 December 2019			
	Financial assets at amortised cost	Hedging derivatives	Assets at fair value through profit or loss	Total
Assets in the Statement of Financial Position				
Other financial assets	79,776	-	347	**80,123**
Trade and other receivables (excluding pre-payments and non-financial assets) (Note 13)	501,543	-	-	**501,543**
Cash and cash equivalents (Note 15)	240,597	-	-	**240,597**
Total	**821,916**	**-**	**347**	**822,263**

	31 December 2019			
	Financial liabilities at amortised cost	Hedging derivatives	Other financial liabilities at amortised cost	Total
Liabilities in the Statement of Financial Position				
Financial debt (excluding finance lease liabilities) (Note 10)	6,845,683	-	-	**6,845,683**
Finance lease liabilities (Note 10)	67,756	-	-	**67,756**
Derivative financial instruments (Note 3)	-	127,334	-	**127,334**
Suppliers and other accounts payable (excluding non-financial liabilities)	526,943	-	-	**526,943**
Total	**7,440,382**	**127,334**	**-**	**7,567,716**

b) Measurement of fair values

The only financial instruments that are measured at fair value in the statement of financial position are the following derivative financial instruments:

(Amounts in thousands of euros unless otherwise stated)

	30 June 2020		31 December 2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps – Aena cash flow hedges	-	134,720	-	125,777
Interest rate swaps - cash flow hedges LLAH III	-	4,763	-	1,557
Total	**-**	**139,483**	**-**	**127,334**
Current portion	**-**	**30,371**	**-**	**31,662**
Non-current portion	**-**	**109,112**	**-**	**95,672**

The breakdown of derivative financial instruments at 30 June 2020 and 31 December 2019 is shown in the preceding table.

During the six-month periods ended 30 June 2020 and 30 June 2019, hedge derivatives met the requirements necessary for the application of hedge accounting.

Interest rate swap contracts

Interest rate swap contracts are used as cash flow hedges to reduce exposure to changes in the EURIBOR. The fair value of the interest rate swaps has been obtained by discounting the net cash flows expected during the contractual period to their present value, using at each time of valuation the discount factors obtained from the zero coupon curve. In order to estimate the variable cash flows, the forward rates or implicit rates obtained from the zero coupon interest rates existing in the market at the time of the valuation of the interest swap are used. The fair value thus obtained is adjusted for credit risk, understood as both the credit risk of the counterparty and the credit risk itself when necessary. In order to quantify the credit risk of a financial agent, there are three methodologies commonly accepted in the market, which are applied in the following order of priority: 1) Whenever there is Credit Default Swap (CDS) quoted in the market, the credit risk is quantified based on its market price. 2) Whenever there are debt issues accepted for trading in the different financial markets, the quantification of credit risk can be obtained as the differential between the internal rate of return (yield) of the bonds and the risk-free rate. 3) If it is not possible to obtain the quantification of the risk following the two previous methodologies, the use of comparables is generally accepted, that is, to take as a reference companies or bonds of companies in the same sector as the one we wish to analyse. For further details with regard to this type of contract, see Note 12 to the Group's consolidated financial statements for the year ended 31 December 2019.

(Amounts in thousands of euros unless otherwise stated)

b) Concentration of credit risk

Regarding the possible impairment of trade receivables at 30 June 2020, accounting regulations allow the use of practical solutions to measure the expected credit losses of said accounts, using a matrix of provisions based on the experience of actual historical credit losses and adjusting said historical loss information with current observable (forward looking) information. At 30 June 2020 therefore, observable market information has been considered for the estimation of the expected loss based on CDS (Credit Default Swaps) that determine the probabilities of default for the BB rating of the sectors to which Aena Group customers belong. Even though the probabilities of default have been greatly increased in this way, the high level of guarantees provided by Aena's clients make the exposure to trade credit risk very low and, therefore, the final impact in this section is immaterial.

As a result, the Group determined that application of the impairment requirements of IFRS 9 to existing financial assets gave rise to the following change in the provision for impairment loss during the six-month periods ended 30 June 2020 and 30 June 2019:

	Trade and other receivables	*Other financial assets and treasury*	*Total*
Balance of impairment provision at 1 January 2020	**121,116**	**984**	**122,100**
Variation in the provision during the first half of 2020:			
Expense/(Income) for impairment of customer and other receivables	7,606	-	7,606
Expense/(Income) for impairment of other financial assets	-	255	255
Cash and cash equivalents	-	-	-
Balance of impairment provision at 30 June 2020	**128,722**	**1,239**	**129,961**

	Trade and other receivables	*Other financial assets and treasury*	*Total*
Balance of impairment provision at 01 January 2019	**108,071**	**1,847**	**109,918**
Variation in the provision during the first half of 2019:			
Expense/(Income) for impairment of customer and other receivables	2,446	-	2,446
Expense/(Income) for impairment of other financial assets	-	(810)	(810)
Cash and cash equivalents	-	(5)	(5)
Balance of impairment provision at 30 June 2019	**110,517**	**1,032**	**111,549**

c) Investments in associates and joint ventures

The detail of the movement under this heading in the Statement of Financial Position during the first half of 2020 is as follows:

	Initial value of equity holding	*Additions/ Reductions*	*Impairment of equity-accounted investees*	*Contribution of year's results*	*Dividends approved*	*Foreign exchange translation differences*	*Share in other comprehensive income of associates*	*Others*	*Final value of the equity holding*
SACSA	3,921	-	(1,727)	1	-	(482)	-	(133)	1,580
AMP	56,179	-	-	2,626	-	(8,513)	(16)	(4)	50,272
AEROCALI	3,683	-	(1,727)	(1,450)	-	(417)	-	-	89
Total	**63,783**	**-**	**(3,454)**	**1,177**	**-**	**(9,412)**	**(16)**	**(137)**	**51,941**

(Amounts in thousands of euros unless otherwise stated)

The detail of the movement under this heading in the Statement of Financial Position during the first half of 2019 is as follows:

	Initial value of equity holding	*Additions/ Reductions*	*Impairment of equity-accounted investees*	*Contribution of year's results*	*Dividends approved*	*Foreign exchange translation differences*	*Share in other comprehensive income of associates*	*Others*	*Final value of the equity holding*
SACSA	3,339	-	-	2,621	(2,164)	136	-	(278)	3,654
AMP	56,809	(5,230)	-	7,154	(12,703)	1,253	(1)	1,065	48,347
AEROCALI	5,285	-	-	1,170	(3,079)	156	-	-	3,532
Total	**65,433**	**(5,230)**	**-**	**10,945**	**(17,946)**	**1,545**	**(1)**	**787**	**55,533**

On 1 September 2020, the concession of Alfonso Bonilla Aragón International Airport, Cali, managed by Aerocali S.A., expires. Also, on 26 September 2020, the concession of Rafael Núñez International Airport in Cartagena de Indias, managed by Sociedad Aeroportuaria de la Costa S.A. (SACSA), expires.

Notwithstanding the foregoing, negotiations are ongoing with the Colombian National Infrastructure Agency (ANI) for the development of a public-private partnership (PPP) for the airports of Cali and Cartagena, the objective being to sign a new concession contract once the current concession ends in 2020, the latest amendments requested by the ANI having been submitted in March.

As a consequence of the foregoing and of the circumstances described in Note 3 regarding the effects of the COVID-19 pandemic, the Group carried out an impairment test at 30 June 2020 on equity-accounted investees, resulting in an impairment of the value of the investments in an amount of €3,454,000.

9. Share capital, legal reserve and capitalisation reserve

According to the information available in the CNMV (National Securities Market Commission), on 30 June 2020 the shareholdings exceeding 10% are the following:

ENAIRE	51.00 %

As indicated in Notes 2 and 3 to the consolidated condensed interim financial statements, under Royal Decree-Law 8/2020 of March 17 on extraordinary urgent measures to face the economic and social impact of COVID-19, the Board of Directors of the parent company AENA S.M.E., S.A., in its meeting held on 24 March 2020, agreed to call off the Ordinary General Shareholders' Meeting scheduled for 31 March 2020 and 1 April 2020, in the first and second calls, respectively, suspending the proposal for the appropriation of AENA's 2019 profit under the General Accounting Plan approved by Royal Decree 1514/2007 and included in the financial statements for 2019 drawn up on 25 February 2020.

The Board of Directors of AENA S.M.E., S.A., in its meeting of 30 June 2020, agreed to replace the proposal for the appropriation of profit for 2019 included in the financial statements for 2019 drawn up on 25 February 2020 with the following:

	Thousands of euros
	2019
Allocation basis:	
Profit	1,421,326
Application:	
Capitalisation reserve (Law 27/2014)	26,163
Voluntary reserve	1,395,163

The amendment to the proposal for the appropriation of profit for 2019 is justified by the objective of strengthening the Company's solvency in the current circumstances, which do not allow the future impact of the COVID-19 health crisis on the economy of the markets in which the Company operates to be assessed. For this reason, the resolutions passed by the Board of Directors are aimed at safeguarding the Company's liquidity as much as possible, and in this regard they do not reduce the Company's equity to a greater extent than would have occurred if the proposal for the appropriation of profits had been approved.

(Amounts in thousands of euros unless otherwise stated)

The legal reserve has been added to in accordance with Article 274 of the Revised text of the Corporate Enterprises Act, which provides that, in any case, a figure equal to 10% of the profit for the year must be allocated to this reserve until it reaches at least 20% of the share capital. At 30 June 2020 this reserve is endowed with the legal minimum. This reserve cannot be distributed and, if it is used to offset losses in the event of no other sufficient reserves being available for that purpose, it must be restored from future profits.

Also, in compliance with the provisions of Article 25 of Law 27/2014 of 27 November on Corporation Tax, following approval of the appropriation of profit for 2019, the parent company will allocate €26,163,000 to a capitalisation reserve (in 2019, €20,089,000), as a result of the application of the reduction established in the aforementioned article in the 2019 corporation tax settlement, with the commitment to maintain both the restricted reserve set aside for this concept and the increase in equity used as the basis for this reduction for the next five years.

At 30 June 2020 there are no capital increases in progress or authorisations to operate in own shares.

10. Financial debt

The components of financial debt at 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Non-current		
Loans from ENAIRE	4,358,276	4,705,603
AENA Loans from credit institutions	2,273,797	250,000
LLAH III loans	-	413,692
Loans from LLAH III shareholders	52,864	54,518
Aena lease liabilities	17,967	20,582
LLAH III lease liabilities	33,099	37,086
Aena Brazil lease liabilities	99	134
Liability to Public Entity in respect of AIRM concession	47,989	47,222
Other financial liabilities	139,009	146,199
	6,923,100	**5,675,036**
Current		
Loans from ENAIRE	631,410	646,130
Accrued interest on Aena loans from cr. insts.	2,267	40
Aena loans from credit institutions	450,000	391,000
Aena ECP programme	375,000	159,000
LLAH III loans	429,060	3,543
Loans from LLAH III shareholders	406	418
Aena lease liabilities	5,139	5,056
LLAH III lease liabilities	4,464	4,764
Aena Brazil lease liabilities	48	134
Other financial liabilities	24,984	28,318
	1,922,778	**1,238,403**
Total current and non-current	**8,845,878**	**6,913,439**

(Amounts in thousands of euros unless otherwise stated)

The carrying amounts and fair values of non-current borrowings are as follows:

	Carrying amount		Fair value	
	30 June 2020	**31 December 2019**	**30 June 2020**	**31 December 2019**
Financial debt with the Group	4,358,276	4,705,603	4,285,825	4,882,783
AENA S.M.E., S.A., loans from credit institutions	2,273,797	250,000	2,203,254	251,302
LLAH III Loans	-	413,692	-	413,692
Loans from LLAH III shareholders	52,864	54,518	52,864	54,518
Finance lease liabilities	51,165	57,802	51,165	57,802
Liability to Public Entity in respect of AIRM concession	47,989	47,222	47,590	47,222
Other financial liabilities	139,009	146,199	139,408	146,199
Total	**6,923,100**	**5,675,036**	**6,780,106**	**5,853,518**

The fair value of current borrowings is equal to their carrying amount, as the impact of discounting to present value is not significant. Fair values for debt with a term greater than one year are based on cash flows discounted at risk-free rates (OIS curve) plus a spread equal to the modelised AENA CDS (156 bps) as per Bloomberg (2019: cash flows discounted at risk-free rates (OIS curve) plus a spread equal to the modelised AENA CDS per Bloomberg (46 bps) and are at Level 3 of the fair value hierarchy.

The reconciliation between the opening and closing balances in the statement of financial position of the components of the Financial debt is as follows:

		Cash flow						
	31 December 2019	**Financing activities Collections**	**Financing activities Payments**	**Operating activities Interest payments**	**Transfers from short to long term**	**Accrued interest**	**Exchange differences**	**30 June 2020**
Non-current								
Loan from ENAIRE	4,705,603	-	-	-	(347,626)	299	-	4,358,276
AENA loans from credit institutions	250,000	2,025,630	-	(1,994)	-	161	-	2,273,797
Other LLAH III Loans	413,692	-	-	-	(384,172)	134	(29,654)	-
Loans from LLAH III shareholders	54,518	-	-	-	2,115	-	(3,769)	52,864
Aena lease liabilities	20,582	-	-	-	(2,615)	-	-	17,967
LLAH III lease liabilities	37,086	-	-	-	(1,497)	-	(2,490)	33,099
ANB lease liabilities	134	-		--	(35)	-	-	99
Liability to Public Entity in respect of AIRM concession	47,222	-	-	-	-	767	-	47,989
Other financial liabilities	146,199	6,473	(13,538)	-	(17)	(108)	-	139,009
Total non-current	**5,675,036**	**2,032,103**	**(13,538)**	**(1,994)**	**(733,847)**	**1,253**	**(35,913)**	**6,923,100**
Current								
Loan from ENAIRE	646,130	-	(362,320)	(18,877)	347,626	18,851	-	631,410
Accrued interest, credit institutions AENA	40	-	-	(856)		3,083	-	2,267
Loans from credit institutions Aena	391,000	159,000	(100,000)	-	-	-	-	450,000
Aena ECP programme	159,000	216,000	-	-	-	-	-	375,000
Other LLAH III Loans	3,543	41,160	-	(6,071)	384,172	6,514	(258)	429,060
Loans from LLAH III shareholders	418	-	-	-	(2,115)	2,163	(60)	406
Aena lease liabilities	5,056		(2,567)	(237)	2,615	272	-	5,139
LLAH III lease liabilities	4,764	-	(1,352)	(1,278)	1,497	1,103	(270)	4,464
ANB lease liabilities	134		(51)	(3)	35	-	(67)	48
Other financial liabilities	28,318	-	(3,361)	-	17	10	-	24,984
Total current	**1,238,403**	**416,160**	**(469,651)**	**(27,322)**	**733,847**	**31,996**	**(655)**	**1,922,778**
Total Financial Debt	**6,913,439**	**2,448,263**	**(483,189)**	**(29,316)**	**-**	**33,249**	**(36,568)**	**8,845,878**

(Amounts in thousands of euros unless otherwise stated)

Financial debt with parent company

	30 June 2020	31 December 2019
Non-current		
Loan to AENA S.M.E., S.A. from ENAIRE	4,361,207	4,708,860
IFRS 9 adjustment	-	-
Adjustment to balance of ENAIRE loan using effective cost criterion.	(2,931)	(3,257)
Subtotal AENA, S.M.E., S.A. long-term debt with ENAIRE	**4,358,276**	**4,705,603**
Current		
Loan from ENAIRE	618,952	633,326
IFRS 9 adjustment	(146)	-
Adjustment to balance of ENAIRE loan using effective cost criterion.	(342)	(358)
Interest accrued on loans from ENAIRE	12,946	13,162
Subtotal AENA, S.M.E., S.A. short-term debt with ENAIRE	**631,410**	**646,130**
Total	**4,989,686**	**5,351,733**

The main variations in the financing flows correspond to changes in debt explained in Note 3.

The movement during the period of the financial debt of the Luton subsidiary " Other LLAH III loans" reflects a short / long term transfer for a net amount of €384.2 million, which includes a long-short reclassification of €425.3 million because, at 30 June, the Net Debt/EBITDA ratio was above the limits established in the covenants in its financing contracts. The temporary suspension of the obligation to comply with these ratios (waiver) is currently being negotiated with the lenders, and is expected to be obtained shortly.

Likewise, it should be noted that Aena S.M.E. has signed loans with the EIB, ICO, Unicaja and FMS for a total amount of €6,067 million, which include the following covenants:

- Net Financial Debt / EBITDA must be less than or equal to 7.0x; and
- EBITDA / Finance expenses must be higher than or equal to 3.0x.

These covenants are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months and the net financial debt at the end of the period, and calculated in accordance with the provisions of the Contract(s). At 30 June 2020, the financial ratios are within the permitted range, although it is expected that at 31 December 2020, due to the impact of the fall in traffic on EBITDA, the Net Financial Debt/EBITDA ratio will not be compliant, and therefore the Company plans to initiate conversations with financial entities for the approval of a temporary waiver of compliance with said ratios.

(Amounts in thousands of euros unless otherwise stated)

11. Provisions and contingencies

a) Provisions

The movement in this heading during the six-month period ended 30 June 2020 was as follows:

	Environmental actions	Responsibilities	Taxes	Expropriations and delay interest	Other operating provisions	Infrastructure-related provisions	Emission rights	Total
Balance at 01 January 2020	**72,301**	**37,443**	**8,527**	**8,012**	**34,230**	**1,508**	**-**	**162,021**
Charge for the period	749	2,998	88	204	9,490	830	222	14,359
Reversals/Excesses	(294)	(599)	(42)	(314)	(8,336)	(4)	-	(9,589)
Amounts Used	(1,282)	(566)	(548)	(115)	(24,789)	-	(222)	(27,300)
Exchange differences	(81)	(20)	-	-	(229)	-	-	(330)
At 30 June 2020	**71,393**	**39,256**	**8,025**	**7,787**	**10,366**	**2,334**	**-**	**139,161**

Analysis of total provisions:

	30 June 2020	31 December 2019
Non-current	75,690	77,267
Current	63,471	84,754
Total	**139,161**	**162,021**

Provisions for environmental actions

The provision of €749,000 for environmental actions during the six-month period ended 30 June 2020 was due to the updating of the acoustic footprints of certain insulation plans. The balancing entry for these provisions is included under "Property, plant and equipment".

At 30 June 2020 there has been no change in the amount of the weighted average price of the insulation per home, coinciding with that indicated in the consolidated annual accounts for the year 2019.

Also, there were reversals during the first six months of 2020 for an amount of €294,000 against the value of the fixed assets against which the provision was originally established.

Provisions for liabilities

During the first half of 2020 the provisions made by the Group totalling €2,998,000 related mainly to commercial claims for an amount of €2,482,000 and labour claims amounting to €459,000.

During the January-June 2020 period, the reversals amounting to €599,000 related mainly to the resolution in favour of the Group of labour disputes amounting to €479,000. The remaining reversals were credited to the consolidated interim income statement, mainly under the "Excess provisions" caption.

Provisions for expropriations and delay interest

Reversals made during the six-month period ended 30 June 2020 are principally the result of a Supreme Court ruling that a cassation appeal filed by the expropriated party was inadmissible. The €313,000 reversed were credited to the value of the property, plant and equipment against which they were originally recorded, and the remaining €1,000 was credited to profit and loss (at the time they were debited to interest expense for expropriation delays).

Provisions for actions related to infrastructure

This provision corresponds in full to the concessionaire company for Murcia Region International Airport (AIRM) (see Note 2.2 to the consolidated financial statements for 2019). The concession contract formalised includes infrastructure replacement actions during its term that are carried out with respect to periods of use greater than one year and which are required to maintain the infrastructure suitable to provide the services adequately.

These actions, insofar as they reveal wear and tear on the part of the infrastructure, bring with them the provision of a systematic supply and until such time as these actions are to be carried out. The allocation of this provision results in an expense being recognised in profit and loss.

Other operating provisions

In accordance with section 3.9.2 of the DORA, the commercial incentive scheme approved in February 2017 will be maintained in 2020 in order to continue encouraging the opening of new routes, increase in long-range passengers, encourage traffic at airports with lower traffic volumes and reduce the seasonality of airports with a strong seasonal component.

The effect of traffic incentives amounted to a charge of €3,961,000 in the first half of 2020 (net of the reversal of €8,308,000 of provisions from previous years) compared with €13,313,000 in the same period of 2019 (net of the reversal of €1,160,000 of provisions from previous years). There have been applications corresponding to these incentive schemes amounting to €24,789,000 against this provision during the period (30 June 2019: €25,698,000).

b) Contingencies

Note 23 to the consolidated financial statements for 2019 details the main legal proceedings that the various companies in the group had pending at that date. There were no significant changes during the first half of 2020 regarding the situation of these legal proceedings.

12. Corporate Income tax

The corporate income tax for the first six months of 2020 has been calculated on the basis of the tax rate estimated to be applicable to the consolidated companies' earnings for the year. The implicit tax rate before deductions and activation of deductions was 25% (2019: 25%), except for the earnings of the LLAH III group, which are taxed at 19% (2019: 19%) and ANB, whose tax rate is 34% (2019: 34 %).

These rates correspond to the nominal corporate tax rates of the main countries in which the Aena Group carries out its operations.

In the United Kingdom, a progressive reduction in the rate of income tax was approved on 6 September 2016, going from 19% to 17% from 1 April 2020. This reduction has been eliminated, maintaining the tax rate of 19% for this year and subsequent years.

Pursuant to current legislation, taxes cannot be considered definitively settled until the relevant returns have been inspected by the tax authorities or until a four-year prescription period has elapsed from filing. At 30 June 2020, the Group companies generally have the statute-of-limitations period between 2016 and 2019 open for all taxes, with the exception of corporate tax, which is open for 2015 and subsequent years.

The directors of Aena consider that the tax settlements have been properly carried out and, therefore, even if discrepancies were to arise in the interpretation of current legislation as a result of the tax treatment given to the transactions, any resulting liabilities, if any, would not have a material effect on the accompanying condensed consolidated interim financial statements.

Taxes are also open for inspection for the first six months of 2020.

(Amounts in thousands of euros unless otherwise stated)

The taxes for the last six years of the United Kingdom companies making up the LLAH III group are open to inspection by their taxation authority.

According to Brazilian legislation, taxes cannot be considered definitively closed until five years have elapsed, the months of the 2019 fiscal year in which ANB began its activity being open for inspection.

With effect from 1 January 2018, the tax group of which Aena S.M.E., S.A. is the parent company changed its composition to include Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia (SCAIRM), the concessionaire company for Murcia Region International Airport.

13. Related-party transactions

The Group is controlled by the public corporation "ENAIRE".

All Related-party transactions are conducted at market values. In addition, transfer prices are appropriately supported, and therefore the directors of the Group do not consider that any significant risks that could give rise to material liabilities in the future exist in this connection.

The transactions carried out with Group companies and associates are shown below:

(a) Sales of goods and services

	30 June 2020	30 June 2019
Rendering of services:		
- Public corporation "ENAIRE"	658	859
- Associates	2,638	4,512
- Related companies:	2,581	2,092
- INECO	-	7
- Other related companies	2,581	2,085
Total	**5,877**	**7,463**

(b) Purchases of goods and services

	30 June 2020	30 June 2019
Services received:		
- Public corporation "ENAIRE"	59,744	65,683
- Associates	305	383
- Related companies	14,285	14,506
- AEMET	5,221	5,089
- INECO	2,533	4,671
- Other related companies	6,531	4,746
Total	**74,334**	**80,572**
Acquisition of assets (fixed)		
- Group companies	17	79
- Related companies	2,834	3,547
- INECO	870	640
- Other related companies	1,964	2,907
Total	**2,851**	**3,626**

The amount of the service received from ENAIRE corresponds mainly to services received from aerodrome air traffic control (ATM and CNS services). To this end, the appropriate Service Agreement between the airport operator and the air traffic service provider has been concluded in order to determine the corresponding consideration to be paid for such services. The cost of these services is recognised under "Supplies" in the accompanying consolidated income statement. For the six months ended 30 June 2020 services provided by the ultimate parent company by way of ATM and CNS amounted to €59,684,000 (six months to 30 June 2019: €65,624,000). This heading also includes the consideration paid by Aena for the special authorisation for the temporary use of the plant where the Data Processing Centre (DPC) of the office building in Arturo Soria, owned by ENAIRE, is located, amounting to €58,000 for the six-month period ended 30 June 2020 (30 June 2019: €57,000).

(Amounts in thousands of euros unless otherwise stated)

The remaining contracts between Aena S.M.E., S.A. and its related companies for 2020 and 2019 are listed in Note 34.b) to the Consolidated Financial Statements for 2019.

(c) Income from interest in related companies

	30 June 2020	30 June 2019
- Related companies	417	417
Total	**417**	**417**

In the first half of 2020 the Group received a dividend from European Satellite Services Provider SAS (ESSP SAS) in the amount of €417,000 (30 June 2019: €417,000).

In the first half of 2020, finance income from dividends from associates was zero (six months to 30 June 2019: €17,946,000). At 30 June 2020, the Group had a balance of zero (30 June 2019: €15,546,000) relating to dividends receivable from these associates.

During the first half of 2020, the subsidiary LLAH III did not distribute dividends to its shareholders (first half of 2019: dividends amounting to £10 million (€11.32 million at the transaction exchange rate), of which Aena Desarrollo Internacional received €5,773,000 and the rest, €5,547,000, were received by external partners).

(d) Remuneration of key management personnel

See Note 14. Other information.

(Amounts in thousands of euros unless otherwise stated)

(e) Year-end balances arising from sales/purchases of goods/services

	30 June 2020	31 December 2019
Receivables from related parties:		
- Associates	5,071	5,147
- Related companies	625	8,679
- AEMET	1	1
- INECO	-	-
- Other related companies	624	8,678
- Public corporation "ENAIRE"	294	287
Total receivables from related parties	**5,990**	**14,113**

	30 June 2020	31 December 2019
Payables to related parties:		
- Associates	1,683	1,379
- Related companies	3,339	11,313
- AEMET	1,151	1,027
- INECO	314	4,312
- Other related companies	1,874	5,974
- Public corporation "ENAIRE"	21,227	23,895
Total payables to related parties	**26,249**	**36,587**

Receivables from related parties arise primarily from service transactions. The receivables are not secured due to their nature and do not accrue interest.

Payables to related companies arise mainly from transactions involving the purchase of fixed assets and the provision of ATM and CNS services mentioned in section b). The foregoing balances are included under "Related-party payables".

(f) Loans from related parties

See Note 10. Financial debt.

14. Other information

Average workforce

The average number of employees in the first six months of 2020 and 2019, by category and gender, of fully consolidated Group companies, was as follows:

	30 June 2020 (*)			30 June 2019 (*)		
Job category	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Senior Management	5	7	12	3	8	11
Executives and graduates	863	1,105	1,968	751	987	1,738
Coordinators	356	928	1,284	334	832	1,166
Technicians	1,518	3,026	4,544	1,457	3,055	4,512
Support staff	561	677	1,238	540	601	1,141
	3,303	**5,743**	**9,046**	**3,085**	**5,483**	**8,568**

(*) The above figures include temporary employees, which in the first half of 2020 amounted to 631 (first half of 2019: 799)

The integration of the LLAH III figures in the condensed consolidated interim financial statements at 30 June 2020 contributes 849 employees to the average workforce (30 June 2019: 838 employees) and ANB 270 employees (30 June 2019: 0 employees).

As for the Board of Directors of the parent company, at 30 June 2020, it consisted of eleven men and four women (first half 2019: 11 men and 4 women).

In the first half of 2020 the Group had an average workforce of 123 employees with disabilities (first half 2019: 114).

Remuneration of Senior Management and directors

Remuneration received during the first half of 2020 and 2019 by Senior Management and Directors of the Group, classified by type, was as follows (in thousands of euros):

	30 June 2020			30 June 2019		
Item	**Senior Management**	**Board of Directors**	**Total**	**Senior Management**	**Board of Directors**	**Total**
Salaries	644	-	683	594	-	631
Per diems	5	86	91	21	86	107
Pension plans	7	-	7	-	-	-
Insurance premiums	3	-	3	3	-	3
Total	**659**	**86**	**784**	**618**	**86**	**741**

Remuneration for the first half of 2020 corresponds to that received in Aena S.M.E., S.A. by ten Senior Management positions and by the Chairman and Chief Executive Officer, as in the first half of the previous year.

The difference in remuneration that can be seen between the salaries of the periods analysed is mainly due to a position that remained vacant from March to October 2019 and to the salary increase approved for 2019, provided for in Royal Decree-Law 24/2018 of December 21.

There were no advances, balances or loans granted at 30 June 2020 or 30 June 2019. Likewise, there are no pension obligations to former or current directors.

Situations of conflicts of interest of the directors

In order to avoid situations of conflict with the interests of the Company, during the period directors who have held positions on the Board of Directors have complied with the obligations set out in Article 228 of the Consolidated Text of the Corporate Enterprises Act. Similarly, they and those related to them, have refrained from engaging in any conflict of interest situations mentioned in Article 229 of that Act.

Shareholdings and positions held, and activities carried out, by members of the Board of Directors in other similar companies.

At 30 June 2020 and 31 December 2019, the members of the Board of Directors had not held any ownership interests in the share capital of companies that directly engage in activities that are identical, similar or complementary to the corporate object of the Company. In addition, no activities that are the same, similar or complementary to the Company's corporate object have been carried out or are currently being carried out by members on their own behalf or on behalf of third parties.

None of the persons associated with the members of the Board of Directors hold any shareholding whatsoever in the share capital of Companies, and hold no position and fulfil no duties within any Company with the same, similar or supplementary corporate object as the Company.

Commitments to acquire fixed assets

Investments committed at 30 June 2020 amounted to €1,279.3 million (31 December 2019): €1,302.6 million).

Sureties and guarantees

The bank guarantees provided to various bodies at 30 June 2020 amounted to €18,900,000 (31 December 2019: €10,280,000). The directors consider that no significant liabilities will arise from the provision of these guarantees.

15. Events after the reporting period

Since the closing date of the six-month period ended 30 June 2020 and up until the date of approval of the consolidated interim financial statement, no significant events have occurred that might affect the condensed consolidated interim financial statements or the consolidated equity position of the Group other than those commented upon in this report.

Consolidated interim management report

for the six-month period ended 30 June 2020

Aena S.M.E., S.A. and Subsidiaries

Details of webcast/conference call:
29 July 2020
1 p.m. (Madrid time)
https://edge.media-server.com/mmc/p/t5s7hkj7

Spain: +34 914 146 280
United Kingdom: +44 (0) 2071 928 000
USA: +1 631 510 7495

Access code: 7690192

1. Executive summary

The first half of 2020 was totally conditioned by the effects deriving from the spread of COVID-19 and the State of Alarm decreed on 14 March by the Government of Spain, as well as by the measures adopted by the governments of the countries in which Aena has a presence, in response to the emergency health situation.

The impact of the spread of COVID-19 on the traffic of Aena's Spanish network[1] began in late February with the cancellation of flights to and from China by various carriers. A few days later, in view of the increase in cases in northern Italy, the Spanish Government cancelled direct flights between Spain and Italy. Then, on 12 March, the US announced the suspension of flights from Europe for a month, and a month later, a total of 160 countries had imposed restrictions on citizens travelling from Spain.

On 14 March the Government decreed a State of Alarm in Spain for the following 15 days. Since then it was extended several times, most recently to 21 June. The State of Alarm limited people's free movement, introduced restrictions on transport and suspended the opening to the public of retail premises and establishments, with the exception of, among others, food establishments, basic needs and pharmacies.

On 17 March the member countries of the European Union announced the general closure of the external land borders and the prohibition of entry to citizens of third countries in all but exceptional circumstances.

The Government of Spain extended access restrictions for foreign travellers to the ports and airports designated as entry points in Spain on 22 March.

The validity of the State of Alarm ended on 21 June, allowing unrestricted mobility within Spanish borders, and on 30 June, the Government of Spain lifted travel restrictions with European Union Member States and other Schengen area countries. This measure was accompanied by the elimination of the quarantine period that had to be observed by all travellers arriving in Spain from abroad.

Likewise, on 2 July, the Government of Spain modified the criteria for temporary restriction of non-essential travel from third countries to the European Union and other Schengen countries and adopted the Recommendation of the Council of the European Union, which specifies the list of third countries, as well as the new categories of persons exempt from restrictions, regardless of their place of origin. The lifting of restrictions on residents of these countries, applied since 4 July, is subject to criteria of progressivity and reciprocity.

Aena S.M.E., S.A.[1]

The volume of passengers in the network in Spain[2] reflected the first effects deriving from the spread of COVID-19 and the State of Alarm decreed on 14 March by the Government, registering a year-on-year decrease of 59.3% for the month of March. In the following months, this decline was even more pronounced and, in April, May and June, passenger traffic decreased by 99.4%, 98.9% and 96.1% respectively.

At the end of the first half-year, the network's airports registered a passenger volume of 43.5 million, which represents a year-on-year decline of 66.0% and of 84.4 million passengers.

In response to the sharp fall in activity, from 23 March Aena adjusted airport capacities to adapt them to the specific operational needs, to the measuress taken by the Spanish Government, and to maintain the activity of cargo flights for supplying the population and for essential activities, cargo flights transporting sanitary products and other emergency flights, operations of the National Transplant Organisation and the Security Forces and other commercial flights complying with the provisions of the various royal decrees.

Closely related to the capacity adjustment carried out at airports, Aena implemented a cost saving plan in order to protect its cash position, based on the renegotiation of service contracts (security, cleaning, maintenance, etc.), the elimination of expenses and the halting of new non-essential contracts. The reduction in the average monthly cash outflow on operating expenses was estimated at approximately €43 million.

The capacity adjustment, the cost cuts and, therefore, the decrease in the monthly operating cash outflow will be modulated depending on how the level of traffic unfolds.

Likewise, Aena temporarily halted its investment programme, which entailed a monthly reduction in average cash outflows of approximately €52 million.

On 24 March the Board of Directors adopted the decision to call off the Ordinary General Shareholders' Meeting, which had been scheduled for 31 March.

Between April and May, in order to strengthen the Company's liquidity, Aena signed loans with various financial institutions for a combined amount of €2,325.6 million, with which it considers the objective of its plan to strengthen liquidity in response to the effects deriving from the spread of COVID-19 to have been attained. With the signing of these loans, Aena increased the availability of cash and credit facilities at 30 June 2020 to a total of €2,894 million, to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, of which, at the end of the first half-year, €525 million were available.

(1) Aena S.M.E., S.A. ("Aena" or "the Company")

(2) Including Murcia Region International Airport

For their part, Fitch and Moody's rating agencies have confirmed Aena's credit rating:

- Fitch, the "A" rating with a stable outlook and, the "F1" short-term rating, on 3 April.

- On 24 June, Moody's confirmed the Long Term Issuer Default Rating "A3" and the outlook, revised on 31 March from stable to negative, reflecting the risks surrounding the uncertainty of the recovery of traffic.

In the operational area, the ending, on 21 June, of the State of Alarm in Spanish territory, and the lifting of travel restrictions with European Union Member States and other Schengen countries since 30 June, have allowed modest growth in activity to be observed at network airports.

In step with this growing activity, Aena is reopening terminals and operating spaces at airports where it had adjusted capacity to the specific needs of operations.

Likewise, it is noteworthy that to facilitate the scheduling of operations by airlines, the Board of Directors of Aena approved, on 16 June 2020, a commercial incentive scheme applicable regardless of the number of passengers that carriers manage to have on the flights that they operate. The cost of this scheme is estimated at €25 million assuming some 71,000 operations benefit from it in the period July 2020 to March 2021.

In this regard, we should highlight other actions implemented by Aena to mitigate the impacts of COVID-19 on companies that provide services at airports, customers and tenants. Thus, at the end of April, Aena approved an exceptional deferral of payments for a period of six months, subject to certain conditions, applicable to the amounts invoiced from the date of the decree of the State of Alarm, 14 March 2020, and for a period of three months which ended on 14 June 2020. The total amount deferred under various headings amounted to €83.6 million, from which commercial operators benefited to the extent of €18.6 million and airlines €65.0 million.

From an operational point of view, it is also worth mentioning the efforts devoted during June to organising the health checks of the Foreign Health sub-directorate of the Ministry of Health for passengers arriving on international flights. In collaboration with the Ministry of Health, Aena currently manages the personal and material resources that carry out primary checks on all passengers arriving in Spain from any other country, consisting of taking temperatures using thermographic cameras, collecting passenger location data and a visual inspection, as well as a secondary check on any passengers showing symptoms.

During June, given the increased visibility of a progressive recovery of traffic, execution of the 2020 investment plan resumed. However, it should be noted that various actions in progress, and especially those recently started, could suffer some variation in their planning due to their temporary stoppage. As a consequence of the modification of the execution schedule, the investment amount estimated to be executed in 2020 is €352.0 million, of which €107.6 million have been executed at 30 June 2020.

As regards the revision of commercial contracts, the Board of Directors of Aena S.M.E., S.A. agreed to empower the management team to study the effects of the health crisis caused by COVID-19 and the measures taken by the public powers to deal with it on the various commercial contracts and, where appropriate, to negotiate and agree on such contractual amendments as may be appropriate, including those regarding fixed rents and minimum annual guaranteed rents (as stated in the Inside Information notified to the CNMV by Aena on 28 April 2020).

The negotiation of commercial contracts will be carried out in accordance with the following considerations:

- They will be carried out on a case-by-case basis and taking into account the specific circumstances and risks of each contract and operator.

- They will take into account various levers for risk mitigation: minimum annual guaranteed rents (MAG), duration of the contract, obligation to open, investment commitment, marketing fee, variable rent and product range.

- In order to maintain the value of these contracts for Aena, the negotiations could envisage various adaptations of the contractual terms to the post-COVID-19 reality, in relation to the MAG (including a possible reduction of these, linked to the duration of the State of Alarm), the duration of the contracts, etc., providing the tenants maintain their contracts.

Finally, it is relevant to note that on 30 June, the Board of Directors of Aena called the Ordinary General Shareholders' Meeting, which is scheduled to be held on 29 October.

Also, the Board of Directors in its aforementioned meeting proposed that the dividend corresponding to the results for 2019 not be distributed and that the amount initially envisaged be allocated to voluntary reserves. The amendment to the proposal for the appropriation of profit for 2019 is justified by the objective of strengthening the Company's solvency in the current circumstances, which do not allow the future impact of the COVID-19 health crisis on the economy of the markets in which the Company operates to be assessed.

On the situation of the investees:

London Luton Airport

The impact of COVID-19 on activity in Luton began to become apparent from 11 March, and the month ended with almost no traffic. The situation continued during the following months and, although in June Luton airport showed the first signs of a slight recovery in activity, at the end of the first half, traffic stood at 3.0 million passengers, representing a year-on-year decline of 64.4% and a loss of 5.5 million passengers.

Given the significant reduction in activity, Luton defined a contingency plan with the objective of ensuring liquidity, as well as avoiding the consequences of non-compliance with the financial covenants in force before the crisis. The actions carried out have been:

- Closure of most operational areas in the terminal building. Between 22 April and 1 May, the passenger terminal was closed, although the airport remained open for cargo and general aviation flights.

- Adjustments to staff costs and other operating expenses. A workforce adjustment is being negotiated for a total of 250 employees.

- Postponement of execution of non-essential CAPEX, reducing investment by £4.5 million during the period April-June.

- Suspension of payment of the dividend to the shareholders and delay in the payment of interest on the shareholder loan.

- At 30 June 2020, Luton Airport did not comply with the maximum Net Debt/EBITDA ratio included as a covenant in its financing contracts. In application of IAS 1, a total of €425.3 million has been reclassified as current debt. However, the Company expects to obtain a waiver from the financial institutions in the coming days.

- Finally, it should be noted that last March Luton Airport requested the activation of the special force majeure procedure provided for in the concession contract, which recognises the right of the concessionaire company to economic rebalancing of the concession. To this end, discussions are ongoing with the Luton Borough Council on the effective application of the aforementioned compensation mechanisms.

Accompanying the progressive recovery in demand, London Luton Airport is implementing the latest safety guidelines from the United Kingdom Government, which include the reinforcement of cleaning services, disinfection measures, installation of specific signage, as well as procedures for tracking arriving passengers.

Aeroportos do Nordeste do Brasil (ANB)

The pandemic reached the country a few weeks after it reached Europe. On 20 March 2020 the Brazilian Government decreed a state of 'Public Calamity', and federal, state and municipal authorities adopted actions which include social isolation, opening restrictions on shops, restaurants and other establishments, as well as the closing of borders to non-resident foreigners. Many of these actions remained in force at 30 June 2020, although the majority of states and municipalities in which ANB carries out its activities had initiated plans in June for the gradual restart of activities.

The reduction in the number of passengers started to become apparent from 13 March and gradually intensified. With effect from 28 March the three main Brazilian airlines implemented emergency corridors, which reduced the number of weekly domestic flights at the airports managed by ANB to 66. International flights were cancelled.

In the months of April, May and June, international activity continued limited and at the end of the first half, the volume of passengers stood at 3.7 million (6.9 million in the first half of 2019, when it was not part of the Aena Group). These traffic data for the period correspond to the entire half-year, although it should be noted that ANB took charge of the airport operations during the first quarter.

Given the significant fall in activity, ANB implemented a contingency plan with the aim of ensuring liquidity and the following actions:

- Significant reduction in opening hours, in coordination with airlines and regulatory authorities.

- Reviewing external service contracts, which are largely outsourced (maintenance, security and surveillance, fire fighting service, cleaning and handling, among others).

- Asking ANAC, the regulator, to extend the deadlines for the submission of projects and the execution of investments required by the concession contract. These deadlines have been suspended by ANAC and the new ones will be defined once reliable planning of the restart of operations is possible.

- Use of the liquidity relief measures established by the authorities as a result of the declaration of the state of Public Calamity, consisting mainly of deferral of the payment of employer contributions (Contribuição Previdenciária Patronal) and indirect federal taxes.

- Negotiation of special payment conditions with airlines, and granting of discounts on minimum rents to commercial and real estate customers.

These actions have made it possible to maintain a continuity in the collection flow of ANB and have contributed to the sustainability of the operations of its main customers.

ANB has not needed to resort to external financing, since its capitalisation, required by the concession contract, as well as the effects of the actions indicated above, make it possible to estimate that it will have sufficient cash to meet its commitments until the effects of the epidemic on the activity subside in the coming months. The Company had 109 million reais (BRL) (€19.3 million) in cash and cash equivalents at 30 June, compared with R$116 million (€20.4 million) at 31 March.

Considering the way the concession contract treats events of force majeure, the interpretations made by the Brazilian authorities on the COVID-19 pandemic and the legislation applicable to the case, the Management of ANB is preparing a request for an extraordinary revision to restore the economic-financial balance of the concession contract.

Accompanying the gradual recovery of demand, in coordination with ANAC and with the health authorities, ANB is implementing actions at all its airports to ensure the operational recovery of the activity in optimal safety conditions, such as the reinforcement of cleaning services and maintenance of air conditioning systems, disinfection, installation of specific signage and testing of its employees.

Likewise, and as airlines increase their demands, schedules and service levels are being extended as and when required.

Other key aspects of business trends in the period are:

- At the operational level, traffic for the half-year at network airports in Spain, at Luton airport and at the six airports of the North-east Brazil Airports Group fell to 50.2 million passengers, a decline of 65,0% compared with the 143.4 million passengers recorded in the same period of 2019.

- As a result of the fall in traffic and of the measures imposed in response to the health emergency situation, consolidated revenues decreased by €988.3 million to €1,112.4 million, a year-on-year fall of 47.0%.

  Revenues from aeronautical activity in the airport network[3] decreased by €799.6 million (-58.9% year-on-year) to €557.3 million and commercial revenues amounted to €459.4 million, representing a decline of €118.7 million (-20.5%).

  As regards commercial activity, we would point out that the declaration of the State of Alarm in Spain led to the closure of most of the points of sale, with convenience stores, tobacconists, pharmacies, some restaurants and vending machines being the only places that remained open from 15 March to 21 June.

  At 30 June 2020 the revenues in respect of the MAG corresponding to the period of the State of Alarm (from 15 March to 20 June) amounting to €198.6 million was recognised in the accounts, given that Aena has a contractual right to receive these rents and since IFRS 16 Leases is applicable, non-recognition is not possible. In this decision, the management took account of the legal cause at the origin of the closure of the commercial establishments, as well as of the bases on which the lease contracts are expected to be renegotiated.

  From 21 June, commercial activity has gradually restarted, and in this regard a series of measures have been put in place to meet the health objectives set at any given time by the health authorities, to facilitate the passage of passengers through commercial areas in safe conditions.

- As regards operating expenses for the period, (supplies, staff costs and other operating expenses), they amounted to €765.1 million, a reduction of €139.5 million (-15.4%) year-on-year, reflecting the cost saving measures implemented by the Group companies.

  Aena's savings plan estimated a reduction in the average monthly cash outflow of €43 million. Effective savings amounted to €157.1 million In the second quarter of 2020.

- The measures decreed by the Spanish Government and by the governments of the countries in which Aena is present to halt the expansion of COVID-19 led to an extraordinary reduction in the activity and revenues of all Aena Group companies, which has resulted in a sharp reduction in operating cash flows. This can be considered as an indicator of impairment in accordance with the provisions of accounting regulations.

  Consequently, the Group has carried out valuations of its assets with the following conclusions:

  - Airport activity (aeronautical and commercial) in the airport network in Spain has not suffered impairment.

  - There is no impairment for Luton airport, taking into account the concession contract which contains economic rebalancing clauses that were reflected in the valuation analysis.

[3] Including Murcia Region International Airport

- An impairment was identified at the Murcia Region International Airport (AIRM) for an amount of €47.7 million, which is reflected in the Income Statement for the six months to 30 June. The concession rebalancing measures have not been and will not be taken into account until they have been determined and agreed.

- Regarding the value correction of assets in Brazil (ANB), an impairment of €72.9 million was identified, and is reflected in the Income Statement for the six months to 30 June.
  The concession rebalancing measures have not been and will not be taken into account in the valuation until they have been determined and agreed. Apart from this, under the heading "Cumulative conversion differences" in the Statement of Financial Position, €130.4 million have been recognised in respect of negative differences on conversion of the intangible assets deriving from the concession agreement due to the adverse movements of the Brazilian real against the euro between 1 January and 30 June 2020.

- Regarding the investees in Colombia (SACSA and Procyclical), an impairment of €3.5 million has been recognised, and is reflected in the heading “Profit/(loss) and impairment of equity-accounted investees” of the Income Statement for the half-year to 30 June 2020.

The main valuation assumptions used in the impairment tests can be found in Note 7 to the Consolidated Interim Financial Statements at 30 June 2020.

- EBITDA (earnings before interest, tax, depreciation and amortisation) for the period amounted to €211.4 million, 82.2% or €977.9 million less than in the first half of 2019 (€1,189.3 million), reflecting the negative trend in activity as well as the impact of the impairments recognised at 30 June in application of IAS 36, for a net amount of €119.6 million, which had no effect on cash.

  The value correction has been recognised under "'Impairment of intangible assets, property, plant and equipment and investment property” in the Income Statement.

  Excluding the effect of the net amount of impairment, EBITDA for the period would amount to €331.0 million.

- The result before tax was a loss of €259.0 million, compared with a profit of €739.8 million in the first half of 2019.

  The result for the six months to 30 June 2020 is affected by €123.0 million in respect of the net impairments recognised in the Income Statement. Specifically, in the item “Impairment of intangible assets, property, plant and equipment and investment property” (€119.6 million) which reflects the value corrections for AIRM and ANB, and in the item “Profit/(loss) and impairment of equity-accounted investees” which reflects those corresponding to SACSA and Aerocali (€3.5 million).

  Excluding this impact, the pre-tax loss would be €136.0 million

- The result for the period was a net loss of €170.7 million, compared with the net profit of €559.0 million for the six months to 30 June 2019, affected by the aforementioned impacts.

- Cash flow from operating activities fell to €301.1 million, a decrease of 72.9% or €810.5 million compared with the €1,111.6 million of the first half of 2019.

- The Aena Group’s ratio of consolidated net financial debt (calculated as Current plus Non-current Financial debt less Cash and cash equivalents) to EBITDA increased to 3.6x at 30 June 2020 (2.4x at 31 December 2019).

- In relation to the execution of investments, the amount paid in the period was €299.6 million (€217.3 million in the first quarter) compared with €276.0 million in the same period of 2019.

  In the airport network in Spain investment paid amounted to €290.7 million, at Luton airport €7.8 million and at ANB €1.1 million.

  The temporary freezing of Aena’s investment programme entailed a monthly reduction in average cash outflows of approximately €52 million. Effective savings amounted to €175 million during the second quarter of 2020.

- The effects deriving from the spread of COVID-19 have also been reflected in the share price. During the period, the share price has fluctuated between a minimum of €91.90 and a maximum of €174.50, closing on 30 June at €118.70, representing a fall in the share price of 30.4%, more than the fall in the IBEX 35, which lost 24.3% in the same period.

Outlook for 2020:

- Forecasting trends in traffic in the current context caused by the COVID-19 crisis is complex, due to the difficulty of assessing the various impacts (macroeconomic, operational, health, sociological, etc.)

  Various international aeronautical organizations such as Eurocontrol, IATA (International Air Transport Association), ICAO (International Civil Aviation Organisation) and

ACI (Airports Council International) estimate that the decrease in the number of passengers in Europe would be between 45% and 70% in 2020. With these scenarios it is estimated that the decrease in passenger traffic in Spain in 2020 would be between 57% and 67% in its high and low case scenarios respectively. Specifically, IATA has estimated a decrease in traffic for Spain of the order of 59%.

Regarding the medium-term recovery scenarios, on 13 May IATA published a first analysis of the impact of COVID-19 for the coming years, estimating that worldwide traffic will not recover until at least 2023, two years after the economic recovery expected in 2021. However, at the European level, that recovery would be slower and would not arrive until at least 2024, due mainly to the economic weakness of the region.

These ranges are those that Aena used for its asset valuation for the purposes of the impairment test at 30 June 2020. For 2021, scenarios of -50% and -25% with respect to 2019 have been applied, with recovery to 2019 levels of traffic expected to take place some time between 2024 and 2027.

- Aena has signed loans with the EIB, ICO, Unicaja and FMS outstandings under which at 30 June 2020 amounted to €6,067 million, which include the following covenants:

  - Net Financial Debt/EBITDA must be less than or equal to 7.0x.
  - EBITDA / Finance expenses must be higher than or equal to 3.0x.

  These covenants are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months and the net financial debt at the end of the period.

  At 30 June 2020, the financial ratios are within the permitted range, although it is expected that at 31 December 2020 due to the impact of the fall in traffic on EBITDA the ratio of Net Financial Debt to EBITDA will not be complied with, for which reason the Company intends to shortly initiate conversations with the financial institutions for the approval of a temporary waiver of the requirement to comply with these ratios.

- The start of the consultation process to set the aeronautical charge for the year 2021 has been delayed until 1 October.

- Finally, with regard to the recovery of the costs relating to the health and operational checks implemented by Aena, it should be pointed out that Royal Decree-Law 21/2020 of 9 June establishes that Aena will temporarily make available to the central and peripheral services of the Foreign Health sub-directorate of the Ministry of Health the human, health, and support resources necessary to ensure health checks on incoming passengers on international flights at the airports managed by Aena, on such terms as may by common agreement be arranged between Aena and the Ministry of Health. Aena will have the right to recover the costs incurred as a consequence of the collaboration with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic. These costs will be recovered within the framework of DORA.

  If these costs cannot be recovered within the framework of DORA 2017-21, they may be recovered, duly capitalised, in any of the subsequent DORA. In this case, the rate will not be subject to the cap in airport charge review of 0%, the accumulated deficit in DORA 2017-21 may be transferred to DORA 2022-26 and the accumulated deficit in DORA 2022-26 may be transferred to the following five-year period.

  Under this decree, Aena incurred expenses of €2.7 million in the half-year to 30 June 2020, which are reflected in “Other results” in the Income Statement.

2. Activity figures

2.1. Traffic in the Aena airport network in Spain

In the first half of the year, the activity of the network's airports registered a 66.0% fall in the volume of passengers, a loss of 84.4 million passengers.

The decline that started in late February was sharpened in the following weeks due to the spread of COVID-19 and restrictions on mobility both in Spain and in the rest of the world. The negative trend in traffic continued in the following months and the drop in traffic was even more pronounced in the months of April, May and June, when it fell by 99.4%, 98.9% and 96.1% year-on-year, a loss of 73.6 million passengers in the second quarter.

Since March, Aena has focused the efforts of its airports on the operation of essential flights to guarantee the arrival of medical supplies and products to supply the population, as well as facilitating the return of Spaniards and the departure of non-resident foreigners to their countries of origin.

The validity of the State of Alarm ended on 21 June, allowing unrestricted mobility within Spanish borders, and on 30 June, the Government of Spain lifted travel restrictions with European Union Member States and other Schengen area countries. This measure was accompanied by the elimination of the quarantine period that had to be observed by all travellers arriving in Spain from abroad.

Likewise, on 2 July, the Government of Spain modified the criteria for temporary restriction of non-essential travel from third countries to the European Union and other Schengen countries and adopted the Recommendation of the Council of the European Union, which specifies the list of third countries, as well as the new categories of persons exempt from restrictions, regardless of their place of origin. The countries whose residents are not affected by the temporary restriction of non-essential travel to the European Union are: Algeria, Australia, Canada, Georgia, Japan, Montenegro, Morocco, New Zealand, Rwanda, Serbia, South Korea, Thailand, Tunisia, Uruguay and China. The lifting of restrictions on residents of these countries, applied since 4 July, is subject to criteria of progressivity and reciprocity.

Regarding the number of aircraft movements, the half-year saw a year-on-year decrease of 56.6%, the number of operations having fallen to 488,801.

In the months of April, May and June the declines reached 93.5%, 91.7% and 80.7% respectively.

Cargo volume decreased in the period by 27.5%, to 362,226 metric tons and the levels of transported goods registered falls of 59.7%, 47.3% and 41.4% respectively in the months of April, May and June.

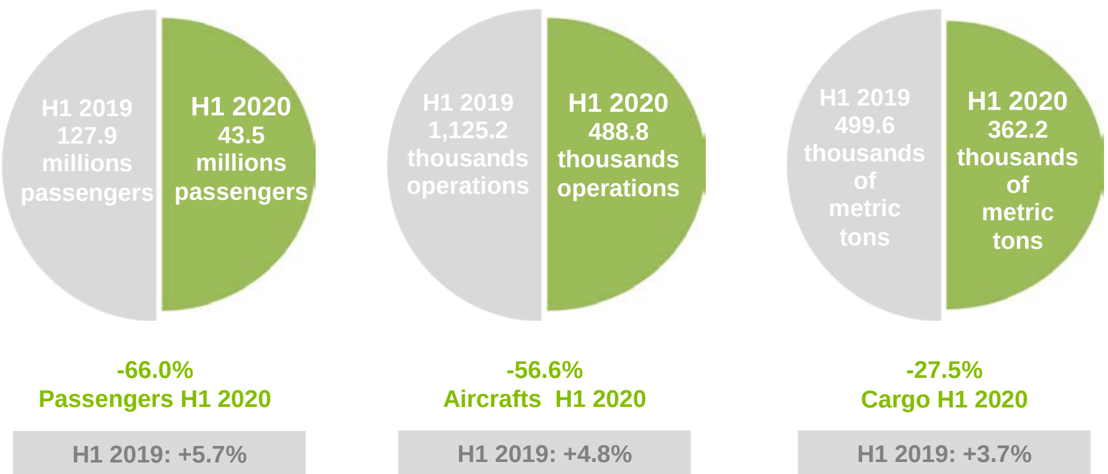

Figure 1. Traffic in the Aena airport network

2.2. Analysis of air passenger traffic by airports and airlines

The fall in traffic by airports in the first half of 2020 is detailed below:

	Passengers			Aircraft			Cargo		
Airports and airport Groups	**Millions**	**Variation (1) YoY %**	**Share of Total**	**Thousands**	**Variation (1) YoY %**	**Share of Total**	**Metric tons**	**Variation (1) YoY %**	**Share of Total**
Adolfo Suárez Madrid-Barajas	11.4	-61.2%	26.1%	93.9	-54.7%	19.2%	193,734	-26.2%	53.5%
Josep Tarradellas Barcelona-El Prat	8.3	-66.5%	19.1%	66.3	-60.0%	13.6%	55,500	-33.7%	15.3%
Palma de Mallorca	2.4	-80.8%	5.6%	25.5	-73.2%	5.2%	3,441	-23.9%	1.0%
Total Canary Islands Group	9.6	-56.6%	22.2%	100.6	-50.7%	20.6%	12,898	-30.0%	3.6%
Total Group I	9.5	-70.1%	21.8%	100.5	-61.4%	20.6%	13,873	-19.0%	3.8%
Total Group II (2)	1.9	-69.6%	4.5%	43.0	-53.4%	8.8%	53,779	-34.2%	14.8%
Total Group III	0.3	-62.2%	0.7%	59.0	-41.1%	12.1%	29,001	-8.4%	8.0%
TOTAL	**43.5**	**-66.0%**	**100.0%**	**488.8**	**-56.6%**	**100.0%**	**362,226**	**-27.5%**	**100.0%**

Traffic data pending final closure, not subject to significant changes.

(1) *Percentage variations calculated in passengers, aircraft and kg.*
(2) *Includes data of Murcia Region International Airport (AIRM): 127,410 passengers and 1,248 aircraft movements.*

Table 1. Analysis of air traffic by airport and airport group

Reorganisation of facilities

In order to adapt to the measures taken by the Spanish Government to face the health emergency caused by the spread of COVID-19 and the ensuing declaration of the State of Alarm, Aena adjusted the capacity of its airports to the specific operational needs, so as to achieve more efficient management and ensure that operations could be restored in line with demand when activity resumed.

From 15 March to 21 June the reorganisation of the facilities was gradually adjusted to the specific operational needs to maintain the activity of cargo flights destined to supply the population and essential activities, cargo flights transporting medical goods, and other emergency flights, operations for the National Transplant Organisation and the Security Forces and other commercial flights complying with the provisions of the various royal decrees.

In the case of A.S. Madrid-Barajas Airport, all operations were grouped into T4, temporarily shutting down terminals T1, 2, 3 and T4S. J.T. Barcelona-El Prat Airport concentrated all its flights in terminal T1, in zones A and D, and closed its operations in terminal T2. In other airports, such as those of the Balearic and Canary Islands, the use of terminals was adapted and adjustments were applied in the rest of the network, reorganising the operations of 24 airports in groups I, II and III to serve flights on demand.

The improvement of epidemiological data has made it possible to eliminate numerous restrictions on mobility and it is now possible to travel freely in the national territory, in the European Union (EU) and in the Schengen Area. Furthermore, since the beginning of July, the EU has been gradually opening its borders to third countries whose epidemiological situation is positive in relative terms. The effect on air traffic of the reopening of borders has been modest in the first weeks, although it has allowed a modest increase in activity to be observed in the airports of the network.

In step with the growing activity, Aena is opening terminals and operating spaces and, on 1 July, all the airports that were operating on demand returned to their usual operating mode, with the exception of Logroño and Huesca.

Regarding the geographical distribution of traffic, it should be noted that as a consequence of the significant decrease in passenger traffic caused by the global COVID-19 crisis, domestic traffic fell by 61.6% in the period (25.1 million passengers) and international traffic by 68.1% (29.3 million passengers):

Region	Passengers (millions) H1 2020	Variation YoY %
Europe [(1)]	23.5	-69.3%
Spain	15.7	-61.6%
Latin America	1.8	-52.4%
North America [(2)]	1.0	-67.3%
Africa	0.8	-57.3%
Middle East	0.6	-62.0%
Asia and Others	0.2	-70.9%
TOTAL	**43.5**	**-66.0%**

[(1)] *Excluding Spain*
[(2)] *Comprises the US, Canada and Mexico*

Table 2. Distribution of traffic by geographical area

The impact on the Spanish network began in late February with the cancellation of flights to and from China by various carriers. A few days later, given the increase in cases in northern Italy, the Spanish Government cancelled direct flights between Spain and Italy, and then, on 12 March, the US announced the suspension of flights from Europe for a month.

From March, restrictions on mobility were extended, affecting both the movement of people within the borders of Spain, and between countries of the European Union and third countries.

Consequently, the loss of passengers in the period was reflected as shown below:

Country	Passengers (millions)		Variation		Share (%)	
	H1 2020	H1 2019	%	Passengers	H1 2020	H1 2019
Spain	15.7	40.8	-61.6%	-25.1	36.0%	31.9%
United Kingdom	5.7	20.5	-72.2%	-14.8	13.1%	16.0%
Germany	4.0	13.7	-70.9%	-9.7	9.2%	10.7%
Italy	2.2	7.5	-70.3%	-5.3	5.1%	5.9%
France	2.2	6.6	-66.8%	-4.4	5.0%	5.1%
Netherlands	1.4	4.1	-66.7%	-2.7	3.2%	3.2%
Portugal	1.0	2.6	-60.7%	-1.6	2.3%	2.0%
Belgium	1.0	3.0	-66.8%	-2.0	2.3%	2.3%
Switzerland	0.9	3.0	-69.0%	-2.1	2.1%	2.3%
United States	0.6	2.2	-70.7%	-1.6	1.5%	1.7%
Sweden	0.6	1.8	-65.7%	-1.2	1.4%	1.4%
Ireland	0.6	2.1	-73.4%	-1.6	1.3%	1.7%
Denmark	0.5	1.5	-63.9%	-1.0	1.2%	1.2%
Norway	0.5	1.4	-63.4%	-0.9	1.2%	1.1%
Morocco	0.5	1.1	-57.5%	-0.6	1.1%	0.8%
Total Top 15	**37.4**	**111.8**	**-66.5%**	**-74.4**	**86.0%**	**87.4%**
Rest of the world	**6.1**	**16.2**	**-62.3%**	**-10.1**	**14.0%**	**12.6%**
Total Passengers	**43.5**	**127.9**	**-66.0%**	**-84.4**	**100.0%**	**100.0%**

Table 3. Distribution of air traffic by country

As for passenger traffic by airline, the general decline in activity during the period is shown below:

Airline	Passengers (millions)		Variation		Share (%)	
	H1 2020	H1 2019	%	Passengers	H1 2020	H1 2019
Ryanair[(1)]	7.2	23.6	-69.4%	-16.4	16.6%	18.4%
Vueling	6.5	19.6	-66.7%	-13.1	15.0%	15.3%
Iberia	3.9	9.9	-61.0%	-6.0	8.9%	7.7%
Air Europa	3.6	9.1	-60.0%	-5.5	8.4%	7.1%
EasyJet[(2)]	2.4	8.3	-71.0%	-5.9	5.5%	6.5%
Iberia Express	2.1	4.8	-55.8%	-2.7	4.9%	3.8%
Grupo Binter[(3)]	1.8	3.6	-50.7%	-1.8	4.1%	2.8%
Air Nostrum	1.7	4.3	-59.2%	-2.5	4.0%	3.3%
Norwegian Air[(4)]	1.2	4.5	-74.0%	-3.4	2.7%	3.6%
Jet2.Com	1.1	3.3	-68.0%	-2.2	2.4%	2.6%
Lufthansa	0.7	2.1	-67.8%	-1.4	1.6%	1.7%
Eurowings	0.7	2.6	-74.1%	-1.9	1.5%	2.0%
Transavia	0.5	1.8	-69.2%	-1.2	1.3%	1.4%
Wizz Air[(5)]	0.5	1.2	-59.6%	-0.7	1.1%	0.9%
Thomson Airways	0.5	2.0	-76.1%	-1.5	1.1%	1.6%
Total Top 15	**34.4**	**100.6**	**-65.8%**	**-66.3**	**79.0%**	**78.7%**
Other airlines	**9.1**	**27.3**	**-66.6%**	**-18.2**	**21.0%**	**21.3%**
Total Passengers	**43.5**	**127.9**	**-66.0%**	**-84.4**	**100.0%**	**100.0%**
Total Low Cost Passengers[(6)]	**23.5**	**73.5**	**-68.0%**	**-50.0**	**54.0%**	**57.5%**

[(1)] *Comprising Ryanair Ltd. and Ryanair Sun, S.A.*
[(2)] *Comprising EasyJet Switzerland, S.A., EasyJet Airline Co. Ltd. and EasyJet Europe Airline GmbH*
[(3)] *Comprising Binter Canarias, Naysa and Canarias Airlines*
[(4)] *Comprising Norwegian Air International, Norwegian Air Shuttle A.S. and Norwegian Air UK.*
[(5)] *Comprising Wizz Air Hungary, Wizz Air Ukraine, Wizz Air UK Ltd. and Wizz Air Bulgaria*
[(6)] *Includes traffic of low-cost airlines on regular flights*

Table 4. Distribution of air traffic by airlines

COVID-19 aeronautical commercial incentive

In order to contribute to the reactivation of air traffic in Spain, Aena has designed a commercial incentive that encourages airlines to schedule operations regardless of the number of passengers. This incentive is applied between 1 July 2020 and 27 March 2021 on the percentage of recovery of operations relative to the same month of 2019 providing certain thresholds are exceeded. Each company may obtain a discount, of 75% or 100%, on the average monthly landing charge, for all those monthly operations carried out at Aena's network airports that exceed the recovery levels set.

This incentive will accrue monthly and will be reimbursed to the airlines at the end of the corresponding season. The cost of this scheme is estimated at €25 million assuming some 71,000 operations benefit from it in the period July 2020 to March 2021.

Starting in the winter season 2020, the application of this new incentive cancels and replaces the incentive applied to the opening of new routes to previously unserved destinations and the growth incentive on long-haul routes currently in force.

2.4. International presence

Aena's share outside Spain extends to 21 airports: 12 in Mexico, 2 in Colombia, 1 in the United Kingdom and 6 in Brazil and, through GAP, in the Montego Bay and Kingston airports in Jamaica.

The traffic performance at these airports has been as follows:

			Variation[1]	Shareholding %	
Millions of passengers	**H1 2020**	**H1 2019**	**%**	**Direct**	**Indirect**
London Luton (United Kingdom)	3.0	8.5	-64.4%	51.0%	
Aeroportos do Nordeste do Brasil S.A.[2]	3.7	6.9	-46.6%	100.0%	
Grupo Aeroportuario del Pacífico[3] (Mexico)	13.4	24.1	-44.4%		5.8%
Aerocali (Cali, Colombia)	1.3	2.6	-52.3%	50.0%	
SACSA (Cartagena de Indias, Colombia)	1.3	2.8	-52.9%	37.9%	

[1] *Percentage changes calculated in passengers*
[2] *In the first half of 2019, it was not part of the Aena Group. The concession contract was signed on 5 September, and the concession term was activated on 9 October 2019.*
[3] *GAP includes traffic at Montego Bay and Kingston airports (Jamaica)*

Table 5. Passenger traffic at investee airports

London Luton Airport registered 3,029,281 passengers, a year-on-year decrease of 64.4% in the first half of 2020.

In terms of aircraft movements and cargo volume, there were 30,187 operations (-56.0% year-on-year) and 17,042 metric tons of goods (-3.6% year-on-year).

During the month of June, Luton airport showed the first signs of a slight recovery in activity with the restart of Wizz Air flights, mainly. However, this activity was hampered by the ban on flights to and from Romania and Poland and the quarantine imposed by the UK Government on arrivals from abroad.

Accompanying the progressive recovery in demand, London Luton Airport is implementing the latest safety guidelines from the United Kingdom Government. This includes:

- Improved terminal cleaning
- Installation of hand disinfection units.
- Installation of signage for passengers to maintain a safe distance.
- Displaying the latest public health information throughout the airport, including regular announcements
- Tracking procedures for arriving passengers

Aeroportos do Nordeste do Brasil (ANB)

Through its subsidiary Aena Desarrollo Internacional S.M.E., S.A. Aena won the concession for the operation and maintenance of the airports of the North-east Brazil Airports Group (Recife, Maceió, Aracaju, Campina Grande, João Pessoa and Juazeiro do Norte), in the auction held on 15 March 2019.

Aeroportos do Nordeste do Brasil S.A. was incorporated on 30 May 2019. Its specific and exclusive corporate object is the provision of public services for the expansion, conservation and operation of the airport infrastructure of the airport complexes that make up the North-east block of Brazil.

The concession, which has a period of 30 years extendable by 5 additional years, was activated on 9 October 2019. During 2019, the operation of the airports continued to be carried out by the Brazilian public manager, Infraero and in accordance with the concession contract, in January 2020 ANB progressively started operations at the Group's airports.

The group began operations at the different airports on the following dates:

- Juazeiro do Norte-Orlando Bezerra de Menezes Airport: 13 January 2020
- Campina Grande-Presidente João Suassuna Airport: 16 January 2020
- Maceió-Zumbi dos Palmares Airport: 13 February 2020
- Santa Maria-Aracaju International Airport: 20 February 2020
- João Pessoa-Presidente Castro Pinto International Airport: 24 February 2020
- Recife/Guararapes-Gilberto Freyre International Airport: 03 March 2020

These airports registered a passenger volume of 3.7 million in the period:

Millions of passengers	Q1 2020	Q1 2019	Q2 2020	Q2 2019	H1 2020(1)	H1 2019
Recife	2.1	2.3	0.2	2.0	2.3	4.3
Maceió	0.6	0.6	0.0	0.4	0.6	1.1
João Pessoa	0.3	0.4	0.0	0.3	0.4	0.7
Aracaju	0.3	0.3	0.0	0.3	0.3	0.6
Juazeiro do Norte	0.1	0.2	0.0	0.1	0.1	0.3
Campina Grande	0.0	0.0	0.0	0.0	0.0	0.1
TOTAL	**3.4**	**3.8**	**0.3**	**3.1**	**3.7**	**6.9**

(1) *Data for the entire period, not adjusted to the date of commencement of operations at each airport.*

Trends in traffic show the sharp decrease registered since March as a result of the COVID-19 crisis, which closed the half-year with a decrease of 46.6%.

In terms of aircraft movements and cargo volume, there were 40,119 operations (-39.4% year-on-year) and 13,643 metric tons of goods (-52.2% year-on-year).

Accompanying the progressive recovery of demand, in coordination with ANAC and the health authorities, ANB is implementing measures in all its centres to guarantee the operational recovery of the activity in optimal safety conditions, such as carrying out tests for its employees, installation of specific signage, supply of hydroalcoholic gel and paper towels, and reinforcement of cleaning and maintenance services for air conditioning systems. Likewise, and as airlines increase their demands, schedules and levels of certain services such as security are being extended as and when requested.

Grupo Aeroportuario del Pacífico (GAP)

In the first half of 2020, GAP's passenger traffic stood at 13.4 million passengers, representing a year-on-year fall of 44.4%. These figures reflect the falls in domestic traffic of 44.3% and in international traffic of 44.6%.

On 30 March 2020 the Mexican Government declared a health emergency due to the event of force majeure constituted by the COVID-19 epidemic. This declaration resulted in the immediate suspension of non-essential activities in the public, private and social sectors from 30 March to 30 April 2020. In March, domestic air traffic had already been very significantly affected by the recommendation to Mexican citizens to stay at home. International traffic fell sharply due to the high degree of dependence on traffic with the United States, which has ceased authorisation for all but essential flights to enter its territory.
In Jamaica, the Government suspended all incoming international flights from 25 March 2020, with the exception of cargo and goods transport.

Currently, airlines have already begun to resume and increase the frequencies of their domestic and international flights in Mexico. In Jamaica, with the opening of its borders from June, international flights land again at the airports of Montego Bay and Kingston. Health safety protocols are being followed at all airports.

On 25 March 2020, Grupo Aeroportuario del Pacífico, S.A.B. de C.V. announced the measures approved by the Board of Directors, considering the prevailing circumstances and disruptions at the national and global level, deriving from the COVID-19 pandemic:

- To implement a service cost containment plan consisting in reducing consumption, security, cleaning and maintenance services in accordance with the new passenger demand, maintaining operations at the minimum necessary without reducing the quality of the service, closing any operational areas that are not being used.
- To postpone non-mandatory capital investments and to ask the authorities for permission to postpone the investments committed to for this year.
- Additionally, as a prudent measure to protect the Company's liquidity, to postpone submission to the shareholders of the proposed distribution by means of dividend and capital reduction included in the call notice of 11 March for the Ordinary and Extraordinary Shareholders' Meetings of 28 April. Consequently, the Company issued a new call notice amending the agenda for the Ordinary Shareholders' Meeting and eliminating the call for the Extraordinary Meeting.

On 1 July 2020, GAP held its Ordinary General Shareholders' Meeting, which approved the appropriation of net profit for 2019 to retained earnings.

Regarding Cali Airport (Aerocali), as a consequence of the COVID-19 crisis, the first half-year closed with a negative variation of 52.3% year-on-year. The reduction of domestic traffic was 50.5% and international traffic 58.2%.
Cartagena de Indias Airport (SACSA) registered a decrease in traffic of 52.9% at the end of the first half-year, with falls in domestic and international traffic of 53.5% and 49.9% respectively.

- As for the measures taken with respect to air traffic by the Colombian Government in response to the global COVID-19 crisis, it decreed the cancellation of all international flights from 23 March and of domestic flights from 25 March. The Government authorised the start of "pilot" flights from 1 July and reopening to domestic and international traffic is expected in early September.

- At both Cartagena de Indias and Cali airports, the necessary actions are being taken to comply with the sanitary indications of the Colombian Government and international recommendations, as well as taking the appropriate actions to mitigate the economic impact on both concessions.

- With the entry into Chapter 11 of Avianca and Latam, in both concessions talks are being held with the airlines, and these have expressed their desire to continue operating normally once the traffic restrictions are lifted.

- Likewise, it is noteworthy that talks have begun with the Colombian National Infrastructure Agency (ANI) with a view to both concessions being compensated for the effects of COVID-19. Similarly, negotiations continue for the development of the two public-private partnerships (PPPs), corresponding to the airports of Cali and Cartagena, the objective of which is to sign two concession contracts once the current concessions end (Aerocali on 1 September 2020 and SACSA on 25 September 2020) and possible compensation for the pandemic.

2.5. Commercial activity

Faced with the situation created by the global COVID-19 crisis, Aena has been affected by a drastic reduction in air traffic and the practically total cessation of commercial business in the airport network, given that the declaration of the State of Alarm decreed by the Spanish Government on 14 March limited the free movement of people and suspended the opening of retail shops and establishments to the public, with the exception of, among others, food establishments, basic needs and pharmacies.

In compliance with these measures, referring to the opening of establishments that are indispensable to meeting the essential needs of workers, suppliers and passengers in the air-side zone of the facilities, from 15 March on only some shop and food services remained open in the main airports of the network: convenience stores, tobacconists, pharmacies, some food services and vending machines.

The Board of Directors of Aena S.M.E., S.A. agreed to empower the management team to study the effects of the health crisis caused by COVID-19 and the measures adopted by the public powers to deal with it on the various commercial contracts and, where appropriate, to negotiate and agree on such contractual amendments as may be appropriate, including those regarding fixed rents and minimum annual guaranteed rents (as stated in the Inside Information notified to the CNMV by Aena on 28 April 2020).

At 30 June 2020 the revenues in respect of the MAG corresponding to the period of the State of Alarm, 15 March to 20 June) amounting to €198.6 million was recognised in the accounts, given that Aena has a contractual right to receive these rents and since IFRS 16 Leases is applicable, non-recognition is not possible. In this decision, the management took account of the legal cause at the origin of the closure of the commercial establishments, as well as of the bases on which the lease contracts are expected to be renegotiated.

As a consequence of this, the revenues from the duty free lines, specialty shops, food and beverage, commercial operations and advertising (with contracts that include MAG) reflect the aforementioned accounting revenues, although in the second quarter there was no variable revenues due to the suspension for opening the retail premises and establishments during the State of Alarm.

On the other hand, in those activities not subject to MAG, revenues for the period reflects the measures adopted by Aena in order to collaborate with companies that provide services at airports, customers and tenants in the face of the situation generated by COVID-19:

- The exemption from fixed rents for car rental and ATM operators during the period of the State of Alarm, which resulted in a fall in revenues of €19.7 million.

- In leases, the partial exemption of rents applied from 15 March to 20 June amounted to €4.0 million. This measure involved a 75% discount for the majority of contracts signed by airlines and handling agents for offices, warehouses, and commercial counters (including tour operators' and transport companies' commercial counters).

Additionally, in late April Aena approved the exceptional deferment of payments for a period of six months, subject to certain conditions, applicable to amounts invoiced from the date of the decree of the State of Alarm, 14 March 2020, for a period of three months ending on 14 June 2020. In the field of commercial operators, this measure has benefited them in a deferred amount of €18.6 million.

Regarding the revision of the commercial contracts previously mentioned, it should be noted that the negotiation of commercial contracts will be carried out in accordance with the following considerations:

- They will be carried out on a case-by-case basis and taking into account the specific circumstances and risks of each contract and operator.
- They will take into account various levers for risk mitigation: minimum annual guaranteed rents (MAG), duration of the contract, obligation to open, investment commitment, marketing fee, variable rent and product range.
- In order to maintain the value of these contracts for Aena, the negotiations could envisage various adaptations of the contractual terms to the post-COVID-19 reality, in relation to the MAG (including a possible reduction of these, linked to the duration of the State of Alarm), the duration of the contracts, etc., providing the tenants maintain their contracts.

The trend to 2023 of the minimum annual guaranteed rents and fixed rents, corresponding to the contracts in force at 30 June 2020, is shown for each business line in the following graph (in millions of euros):

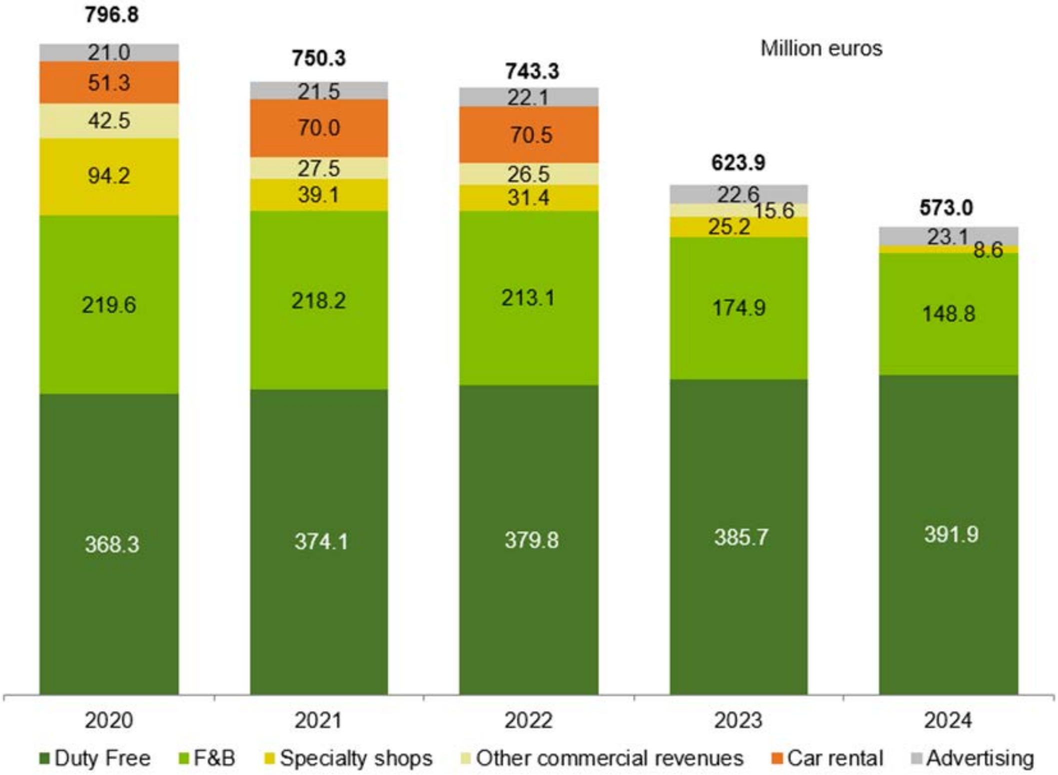

Figure 2. Minimum annual guaranteed rents (MAG) by lines of business and car rental fixed rents

MAG adjusted pro rata to the actual contract start and end dates. Includes the MAG of the Murcia Region International Airport contracts.

Commercial operations comprise contracts for financial and regulated services (currency exchange, pharmacies, tobacco shops, etc.).

Duty Free: includes the amounts of the contract extension that ends in October 2020.

Since 21 June, commercial activity has been progressively restarted. In this regard, a series of measures have been put in place aimed at making it easier for passengers to pass through commercial areas, shops and food and beverage establishments, complying with the sanitary measures dictated at any particular time by the authorities, to allow travellers to pass through the commercial areas in safety. These measures include the following:

- Coordinating with the commercial lessees on staggered openings, adapted to the movement of passengers, the maximum capacity and social distancing measures.
- Coordinating sanitary protection measures for customers and employees, and the control of maximum capacity in walk-through and traditional shops.
- Adaptation of VIP lounges to the new operating environment. Determining open rooms, opening hours, service level, maximum capacity and new layout to comply with safe distancing.
- Defining and implementing promotional campaigns to reactivate the marketing of VIP lounges and car parks.
- In the car rental activity, the lessees of this activity, in collaboration with Aena, have developed and implemented safety, cleaning and hygiene protocols, aimed at increasing the level of service associated with the reactivation of traffic.

3. Business lines

3.1 Airports Segment

3.1.1 Aeronautical

Airport Regulation Document (DORA 2017-2021)

Regulated Asset Base

The regulated asset base stood at €10,042 million at 31 December 2019.

2020 Airport charges

In relation to the Airport Regulation Document (DORA) for the period 2017-2021, on 1 March 2020 the airport charges applicable for 2020 entered into force, based on the reduction of the adjusted annual maximum revenue per passenger (IMAAJ) for 2020 by 1.44% compared with the 2019 IMAAJ (€10.42 per passenger).

Aeronautical activity

In the field of aeronautical activity, it should be noted that in the face of the drastic reduction in air traffic deriving from the global COVID-19 crisis, Aena adopted a series of measures (announced on 23 March 2020) to ensure the correct operation of its services, achieve more efficient management and ensure the recovery of operations in line with demand.

Among the measures adopted, Aena adjusted airport capacities to adapt them to specific operational needs, to the measures taken by the Spanish Government, and to maintain the activity of cargo flights intended to supply the population and essential activities, cargo flights transporting sanitary products and other emergency flights, operations for the National Transplant Organisation and the Security Forces and other commercial flights complying with the provisions of the various royal decrees.

Closely related to the capacity adjustment carried out at airports, Aena implemented a cost saving plan in order to protect its cash position, based on the renegotiation of service contracts (security, cleaning, maintenance, etc.), the elimination of expenses and the halting of new non-essential contracts.

The improvement in the epidemiological data of COVID-19 in the last month, which has allowed the lifting of restrictions on mobility, has led to modest but growing activity at the network's airports.

In step with this growing activity, Aena is opening terminals and operating spaces:

- A.S. Madrid-Barajas Airport has opened T1 and is concentrating its activity in terminals T1 and T4.
- J.T. Barcelona-El Prat Airport has transferred all operations from terminal T2 to terminal T1**.**
- In the Balearic Islands, Palma de Mallorca Airport is concentrating all operations in Module B and part of Module C and in Ibiza the reduced configuration has been expanded.
- In the Canary Islands, the Gran Canaria airport only has two thirds of the terminal building closed and Lanzarote airport has put Terminal T1 back into service .
- Malaga airport opened T3 on 1 July.
- All the airports that were operating on demand have resumed their usual operation, from 1 July, with the exception of the Logroño and Huesca airports.

Likewise, in order to ensure the safety of passengers and workers, in coordination with the health and transport authorities of the Government of Spain, as well as with the Member States of the EU and the international associations of airports (ACI) and airlines (IATA), Aena has implemented in the network airports all the recommendations on cleaning, safety distance, hygiene and communication of the EASA (European Aviation Safety Agency) and ECDC (European Centre for Disease Control and Prevention).

Since May 15, the Ministry of Health, through its Foreign Health sub-directorate, has been requiring health checks on arrival for passengers from abroad.

To carry out these checks, the Ministry of Health has the support of Aena, with both human and technological resources. In the first case, two companies provide support and back-up services for health personnel at all airports.

The health checks established incorporate three security filters and suspicious cases go to a secondary control where health personnel assess the passenger's clinical and epidemiological situation.
The ultimate purpose of all the measures implemented at airports is to protect and to build trust, to recover traffic safely and facilitate mobility, tourism and economic activity.

Regarding the cost of these measures, Royal Decree-Law 21/2020 of 9 June establishes that Aena will temporarily make available to the central and peripheral services of the Foreign Health sub-directorate of the Ministry of Health the human, health, and support resources necessary to ensure health checks on incoming passengers on international flights at the airports managed by Aena, on such terms as may by common agreement be arranged between Aena and the Ministry of Health. Aena will have the right to recover the costs incurred as a consequence of the collaboration with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic. These costs will be recovered within the framework of DORA. If these costs cannot be recovered within the framework of DORA 2017-21, they may be recovered, duly capitalised, in any of the subsequent DORA. In this case, the rate will not be subject to cap in airport charge review of 0%, the accumulated deficit in DORA 2017-21 may be transferred to DORA 2022-26 and the accumulated deficit in DORA 2022-26 may be transferred to the following five-year period.

Under this decree, Aena incurred expenses of €2.7 million to 30 June 30 2020, which are reflected in "Other results" in the Income Statement

Additionally, in relation to the measures adopted by Aena, with a view to assisting service providers, customers and tenants faced with strains on their liquidity in the situation caused by COVID-19, at the end of April it approved the deferral of payments, subject to certain conditions, applicable to amounts invoiced from the date of the decree of the State of Alarm, 14 March 2020, for a period of three months ending on 14 June 2020. In the field of aeronautical services, this deferral was applied to amounts invoiced for:

- Aircraft parking
- Landing Charges and Airport Transit Services
- Passengers, PRM and Security
- Use of Airbridges
- Fuels and Lubricants
- Ground Assistance Services
- Meteorological Services

The total amount deferred under the various headings, from which the airlines benefited, amounted to €65.0 million.

The following is a summary of the most significant figures of the aeronautical activity during the period:

Thousands of euros	H1 2020	H1 2019	Variation	% Variation
Ordinary revenues	536,147	1,334,533	-798,386	-59.8%
Airport charges[1]	516,812	1,297,905	-781,093	-60.2%
Passengers	217,339	598,199	-380,860	-63.7%
Landing	144,675	352,576	-207,901	-59.0%
Security	68,474	204,233	-135,759	-66.5%
Airbridges	21,453	48,337	-26,884	-55.6%
Handling	20,046	51,332	-31,286	-60.9%
Fuel	6,443	15,694	-9,251	-58.9%
Parking	35,992	21,834	14,158	64.8%
Catering	2,390	5,699	-3,309	-58.1%
Other airport services[2]	19,335	36,629	-17,294	-47.2%
Other operating revenues	21,153	22,365	-1,212	-5.4%
Total revenues	557,300	1,356,898	-799,598	-58.9%
Total expenses (incl. deprec. & amort.)	-940,076	-985,341	-45,265	-4.6%
EBITDA[3]	-80,343	672,062	-752,405	-112.0%

(1) The revenue amounts for passenger fees, landing charges and security charges include the commercial incentives: €4.6 million in 2020 (-€10.7 million in 2019).
(2) Includes: Check-in counters, use of 400 Hz airbridges, fire service, luggage lockers and other revenues.
(3) Earnings before interest, tax, depreciation and amortisation.

Table 6. Key figures of aeronautical activity

The decline in passenger traffic that started in late February and sharpened in March, due to mobility restrictions imposed in Spain and the rest of the world as a consequence of the spread of COVID-19, is the main reason why ordinary revenues of the aeronautical activity decreased by 59.8% year-on-year (€798.4 million).

The lower revenues in the period was also affected by the exemption from the payment of landing charges and air transit charges applied during the State of Alarm to aircraft carrying at least 50% loads of medical equipment needed to fight the pandemic. Where in addition to medical equipment they transported other, non-medical material of whatever kind, the exemption applied only to the percentage of the charge corresponding to medical equipment. This measure has been extended until 5 July.

The effect of traffic incentives led to revenues of €4.6 million (including the regularisation of €1.8 million of provisions from previous years), compared with expense of €10.7 millions in the first half of 2019 (net of the regularisation of €1.3 million), due to the fact that as a consequence of the drastic decrease in passenger traffic in March, many airlines ceased to meet the necessary requirements to request them, for which reason the estimate was adjusted.

Rebates for connecting passengers amounted to €15.2 million (€15.0 corresponding to the first quarter), compared with €35.7 million in the first half of 2019.

Regarding the main actions carried out at network airports in the field of aeronautical services, during the period, we would highlight:

Passenger services

Within the scope of the Strategic Cleaning Plan, the phase V tendering process, which started in December 2019, is about to end. This tendering process is divided into 3 lots, based on geographical groupings of airports. Lot 1 consists of Santiago, Vigo and A Coruña airports. Lot 2 comprises the Canary Islands airports of Fuerteventura, La Gomera and El Hierro. And lot 3 consists of Granada and Seville.

The total amount of the tender is €4.0 million per year, which represents an increase of 15.3% compared with the amounts in the previous bidding process.

The main objective of the new contracts is to improve the quality offered to passengers in compliance with the quality standards set out in the Airport Regulation Document 2017-2021 (DORA). They establish a model that promotes the values of quality, efficiency and flexibility, as well as modernising the service by means of a digital platform for resolving incidents in real time. The Strategic Cleaning Plan has been reinforced in the past few months by some of the measures contained in the Operational Recovery Plan to deal with the COVID-19 pandemic. This Plan is allowing activity to be resumed at airports while maintaining a strict level of service for passengers, as well as for airport workers, the usual cleaning being complemented by continuous disinfecting of the facilities.

In general, the current service plans, together with the implementation of the Strategic Cleaning Plan carried out in recent years, are adapted to the current reality, which requires a reinforcement of cleaning frequencies to allow hygienic and sanitary conditions to be maintained in the airport environment. The frequencies of the passenger transit and waiting areas are being resized in response to increases in passenger traffic. Additionally, hydro-alcoholic gel dispensers have been located in airports, and other measures have been implemented following recommendations of the Health Authorities.

Regarding the progressive incorporation of all the airports in the Aena network into the ASQ (Airport Service Quality) programme with electronic tablets, eight more airports were included during the first quarter. In the first quarter of 2020, Madrid, Barcelona, Palma de Mallorca, Alicante, Ibiza, Seville, Menorca and Jerez airports joined nine other airports in the use of these electronic devices. Between 2020 and the beginning of 2021 it is envisaged that all 33 airports of the Aena network integrated in the ASQ programme will be managed through tablets.

Regarding the "No Barriers" service, it is worth mentioning the effort made to give it continuity at all airports during the months of the State of Alarm, in order to collaborate in assisting passengers with reduced mobility transported by the numerous repatriation flights. As in the rest of the services, the Operational Recovery Plan contains specific measures for the "No Barriers" service, to guarantee its provision following the recommendations of the Health Authorities.

Services to airlines

In the current context deriving from the COVID-19 pandemic, Aena is doing its utmost to offer a quality service to the airlines. To this end Aena actively participates in various forums such as Airports Council International Europe (ACI Europe) and the European Union Aviation Safety Agency (EASA) where, in coordination with the other players in the air transport sector, various proposals are debated for facing the current situation and measures established to mitigate it and protect the health of both workers and passengers as they pass through airports.

In addition to promoting interaction with all the agents involved, there is a strong commitment from Aena to promote various innovation projects. With them, it is intended to respond to new needs and face the requirements deriving from the current circumstances.

One of the more notable projects to be carried out is the promotion of the use of facial recognition technology, since its use allows passengers to go through the security filter and board without the need to show their documentation. This initiative, which began testing at Menorca Airport last year, followed by A.S. Madrid-Barajas Airport, was scheduled for extension to J.T. Barcelona-El Prat Airport in the 2020 summer season, but given the circumstances due to the COVID-19 health crisis, its implementation was postponed; it will be resumed in the coming months. These types of initiatives, in addition to increasing capacity and improving processing times, are now more relevant than ever as they provide ways of reducing physical contact. With this in mind we have also been promoting the use of contactless applications and management tools, which, in addition to streamlining operations, reduce users' exposure to possible sources of contagion.

Another way of reducing passengers' exposure to possible sources of infection is the use of baggage self-check-in kiosks and self bag drop devices. Self check-in provides passengers with an automated system to carry out the complete check-in process without requiring the intervention of external personnel. In the field of airlines, Aena will continue promoting its use, thus improving the service provided. At present, J.T. Barcelona-El Prat Airport has some counters of this type available for carriers such as Vueling, Air France-KLM, Lufthansa and Air Europa, and there are plans to install them at A.S. Madrid-Barajas Airport over the course of 2020, although its implementation will depend on how the current context unfolds and the final decision of the airlines.

In order to make more efficient use of the available space in airport infrastructures, improving the flow of people and favouring their social distancing, in July Aena will make available to airlines the possibility of boarding passengers in groups. Aena has implemented this possibility in the computer systems found at the boarding gates and on the various flight information screens where passengers will have information on their group's boarding.

Regarding the trials with a prototype of an autonomous tractor for platform-based baggage transport started at Menorca airport, after a few months on hold, it is expected that they will be resumed in July. This is a pilot project with which Aena encourages the search for innovative solutions that will improve the future service that handling operators offer to carriers at airports. The other participants are Iberia, Charlatte (one of the world's leading manufacturers of industrial and airport vehicles) and Navya (French leader in autonomous driving systems).

Air traffic services

Despite the drastic reduction in air traffic caused by COVID-19, the air traffic services provided ensure that the planned number of operations can be carried out. These services have been adjusted to the real demand during the State of Alarm, and, as activity recovers, they are being adapted to the new levels of traffic.

In relation to the contract for the provision of air traffic services (ATS) or tower control, at 12 network airports where this service is deregulated, the Aena Board of Directors has approved its renewal. This concerns services at the following airports: A Coruña, Alicante-Elche, Cuatro Vientos, Fuerteventura, Ibiza, Jerez, La Palma, César Manrique-Lanzarote, Sabadell, Seville, Valencia and Vigo. Current contracts expire between November 2020 and January 2022.

We would also highlight the fact that work continues on the projects to install Remote Towers at Vigo and Menorca airports, infrastructure and equipment for which were initially planned for the first quarter of 2021. However, given the current circumstances affected by COVID-19, the commissioning of the Remote Towers is now expected to take place at the end of 2021 or in early 2022.
The Remote Tower concept provides operational and security advantages, given that the incorporation of new technologies allows more effective and safer provision of air navigation services compared with what a new conventional tower can offer, since it:

- Improves security and operability by means of new technological functionalities of cameras and associated software.
- Improves the efficiency and availability of resources that contribute to ensuring continuity of the service.

Operational systems

During 2020, progress will continue to be made on integrating the airports of the network into the “A-CDM” (Airport-Collaborative Decision Making) and Advanced Tower programmes, under the auspices of Eurocontrol. These programmes promote the exchange of information among all players involved in operating flights, with the objective of favouring joint decisions, improving punctuality, reducing the cost of movements and mitigating the environmental impact.

Likewise, Seville and Bilbao airports are expected to obtain Advanced Tower Certification during the year if growth in traffic permits, thereby integrating the operational data of these airports into the European network of information in real time managed by Eurocontrol, reaching about 82% of the network operations traffic in Spain during 2020. In 2019, work began on migration from Advanced Tower to A-CDM at Málaga-Costa del Sol Airport. Certification was initially envisaged for the first half of 2020, but this timing has been compromised and it will now depend on the resumption of activity and on traffic trends after the current COVID-19 situation.

Operations

Due to the situation brought about by the declaration of the State of Alarm due to COVID-19, the airports of the Aena network have adopted various measures to modify schedules or to operate on demand and have adapted human and material resources to the new scenario, which they have analysed from the point of view of operational safety and executing the corresponding measures to ensure the safety of operations at all times.

Now that the State of Alarm has ended, a protocol of guidelines and plans to be followed by the airports for the return to operation has been established. This protocol covers all the activities and services that have been affected by the fall in demand, as well as the coordination to be carried out with the various agents participating in the operation: airlines, ground handling agents, the State Meteorological Agency (AEMET), etc.

In relation to the management of the COVID-19 international health crisis, actions have been coordinated with the Ministry of Health in order to define the procedure and the necessary means both for the routine control of non-domestic flights and to update the procedures for the control of suspected cases on aircraft. Likewise, Aena has participated in both the State Facilitation Committee and in its permanent Commission for health issues, with the aim of analysing and resolving the incorporation of EASA guidelines on COVID-19 into the Spanish legal system.

Also, the signage guidelines for the deployment of temporary material at airports have been developed, to implement measures such as social distancing, waste management, hygiene, etc., allowing passengers to be offered a safe airport environment, as well as complying with the measures and recommendations established by various organisations (EASA, Ministry of Health, the Spanish Aviation Safety and Security Agency AESA, etc.).

Regarding the modification of operational capacity, during the period the possibility of adapting the declared capacity parameters to the circumstances caused by the epidemic has been discussed with the General Directorate of Civil Aviation.

In the area of emergency management, work has been carried out on the preparation of risk management associated with the impossibility of carrying out scheduled drills at airports.

Due to the extraordinary measures in force during the State of Alarm, it was necessary temporarily to freeze the annual scheduling of drills, which has been resumed and updated following the ending of the State of Alarm.

Apart from this, during the second quarter of 2020, the annual review of the airports' RFFS (rescue and fire-fighting services) categories was carried out, with the conclusion that the RFFS category offered by the airports is sufficient to respond to the planned operations.

Physical security and equipment

In the field of physical security, it is noteworthy that the two-year contracts for the new private security assignments have expired. They have been tacitly extended until the end of the year, and the extension of services is currently being negotiated with the contractors. These contractual arrangements, based on indicators of quality of safety and passenger service, which are aligned with the objectives established in the DORA, have had a positive result so far. In cases where new tenders are invited because the existing contract is not extended, service quality indicators will continue to be included.

We should also point out that due to the COVID-19 health crisis which started in March, it was necessary to review all security services, suspending services in the form in which they were being provided and decreasing the number of resources as a result of the drastically reduced number of passengers and the closure of terminals or parts of them. This led to a 70% reduction in service overall and in aggregate, as well as a reduction in the number of inspection teams to be maintained to adapt to the reduced number of operations, with the consequent reduction in associated expenses. However, since the second half of June, due to the increase in activity expected at airports, services are gradually being reinstated and a resumption plan has been drawn up in accordance with the estimates of the need for increased services foreseen in the coming months.

Additionally, the contracting process for the supply of inspection equipment, its maintenance, access control systems and CCTV (video surveillance control centres), as well as operating equipment and vehicles, which were temporarily suspended, are being reactivated. Regarding the airport security inspection actions carried out by AESA at network airports, they were suspended during the second quarter of 2020 and will be resumed as activity at airports picks up. Other significant actions in this area in the second quarter of 2020 are:

- Collaboration with AESA in the new work of the recently created National Facilitation Committee.
- Participation with AESA in various works and planning of tasks to be included in the security commissions along with the other players involved, such as the Security Forces, ENAIRE and the General Directorate of Civil Aviation.
- Participation in the Critical Infrastructure Protection Table, which, during the State of Alarm period, was convened weekly to analyse problems with incidents in the sector at the national level.
- Collaboration in various innovation projects related to operational improvement: biometrics, improvement and measurement of passenger flows, and the COMETA communications system project.
- Beginning of the actions of two pilot projects to carry out tests with equipment on security filters. The first of them is focused on filter equipment that allows the passenger to carry liquid and portable devices in hand luggage, and the second is aimed at the implementation of remote inspection rooms that will allow part of the security filter guards to be "relocated" to separate rooms.

In relation to the award of the supply and installation of the EDS Hold Baggage Inspection Equipment (Standard 3) at the network's airports, already started in 2019, and suspended during the second quarter, it is planned to carry out a joint analysis with the AESA on the possible impact on regulatory compliance of replacing this equipment, the deadline for which is September 2020.

Facilities and Maintenance

During the second quarter, work continued on the main lines of the Strategic Airport Maintenance Plan (PEMA) established for this year, with the aim of accumulating the least possible delay. We continued to work on developing the implementation of grouped maintenance contracts and the deployment of the new version of the MAXIMO application, the main objective being to streamline and standardise maintenance services at all airports in the Aena network, at a three-year time horizon.

The main objectives for this year continue to be the implementation of the 18 grouped contracts that will concentrate the maintenance services of the 45 airports that make up Groups I, II, III and the Canary Islands and the implementation of the new computer-assisted maintenance management system (new version of the MAXIMO application) incorporating the "mobility" functionality, which will start us out on the path to digitisation of these services in a homogeneous and uniform way in all the airports of the network.

For this, a pilot implementation of the MAXIMO application will be required, to allow the standardisation of maintenance assets, tasks and processes in all airports in the network in accordance with the maintenance manuals by facility specialities prepared in 2019.

3.1.2 Commercial activity

The following table shows the most significant figures for commercial activity, reflecting a decrease of €120.1 million in ordinary commercial revenues in the first half of 2020:

Thousands of euros	H1 2020	H1 2019	Variation	% Variation
Ordinary revenues	453,160	573,240	-120,080	-20.9%
Other operating revenues	6,278	4,888	1,390	28.4%
Total revenues	459,438	578,128	-118,690	-20.5%
Total expenses (incl. deprec. & amort.)	-161,069	-177,789	-16,720	-9.4%
EBITDA(1)	349,560	452,666	-103,106	-22.8%

(1) Earnings before interest, tax, depreciation and amortisation.

Table 7. Most significant figures for commercial activity

At 30 June 2020 the revenues in respect of the MAG corresponding to the period of the State of Alarm, 15 March to 20 June) amounting to €198.6 million was recognised in the accounts, given that Aena has a contractual right to receive these rents and since IFRS 16 Leases is applicable, non-recognition is not possible. In this decision, the management took account of the legal cause at the origin of the closure of the commercial establishments, as well as of the bases on which the lease contracts are expected to be renegotiated.

As a consequence of this, the revenues from the duty free lines, specialty shops, food and beverage, commercial operations and advertising (with contracts that include MAG) reflect the aforementioned accounting revenues, although in the second quarter there was no variable revenues due to the suspension of the retail premises and establishments during the State of Alarm.

On the other hand, in those activities not subject to MAG, revenues for the period reflects:
- The exemption from fixed rents for car rental and ATM operators during the period of the State of Alarm, which involved a €19.7 million reduction in revenues.
- In leases, the partial exemption of rents applied from 15 March to 20 June amounted to €4.0 million.
- Additionally, revenues from car parks and VIP services was reduced by the fall in traffic, by €47.7 million and €21.9 million respectively.

	Revenues		Variation		Minimum Annual Guaranteed Rents	
Thousands of euros	H1 2020	H1 2019	Thousands of €	%	H1 2020	H1 2019
Duty free shops	166,615	157,693	8,922	5.7%		
Specialty Shops	44,809	52,958	-8,149	-15.4%		
Food & Beverage	99,553	97,446	2,107	2.2%		
Car Rental	33,489	70,921	-37,432	-52.8%		
Car Parks	28,912	76,630	-47,718	-62.3%		
VIP services	14,663	36,576	-21,913	-59.9%		
Advertising	9,667	16,120	-6,453	-40.0%		
Leases	13,506	17,203	-3,697	-21.5%		
Other commercial revenues(1)	41,946	47,694	-5,748	-12.1%		
Ordinary commercial revenues	453,160	573,240	-120,080	-20.9%	246,418	69,776

(1) This includes various commercial activities carried out at airports such as banking services, baggage wrapping machines, other vending machines and regulated services (pharmacies, tobacco shops and lotteries).

Table 8. Breakdown of commercial business lines

The MAG amount recognised in the period represents 68.0% of the revenues of lines with contracts that incorporate said clauses (18.8% in the first half of 2019).

Highlights for the period by lines of activity are:

Duty Free shops

This business line is operated by World Duty Free Group (DUFRY), through the contracts signed with Aena, broken down into three lots.

In week six of 2020 (from 3 to 9 February) the impact of COVID-19 began to be noticed and sales of duty free shops to passengers with Asian destinations were very negatively affected. Between weeks eight (from 17 to 23 February) and nine (24 February to 1 March) the negative impact was noticeable in sales to passengers bound for Italy.

Despite this, variable rents of duty-free shops grew by 7.5% in the first two months of the year, as a result of the increase in sales driven by the price campaigns carried out by Dufry.

The effect of COVID-19 on the duty-free shops at A.S. Madrid-Barajas and J.T. Barcelona-El Prat Airports was not noticed in the first two months of the period. The loss caused by the impact on sales to passengers bound for Asian and Italian destinations was offset by increases in sales to passengers for other destinations, achieving a positive result.

Royal Decree 463/2020, approved by the Government on 14 March 2020, which declared a State of Alarm for the management of the health crisis situation caused by COVID-19 and which applied throughout the national territory, ordered the immediate suspension of the opening to the public of retail premises and establishments, with the exception of those dedicated to food, beverage and basic needs. This measure, in force until the end of the State of Alarm on 21 June, caused the closure of all duty-free shops located at Spanish airports.

From 22 June the process of gradual reopening of duty-free shops began, starting with the reopening of the walk-through shop on the 4th floor of Palma de Mallorca Airport. The process continued on 23 June with the reopening of the walk-through shop in the central Plaza of T4 of A.S. Madrid-Barajas Airport and on 24 June with the reopening of the shop located in the Sky Centre of T1 of J.T. Barcelona-El Prat Airport.

On 1 July numerous duty-free shops were reopened, specifically the walk-through shops in Bilbao, Malaga, Santiago, Alicante, Valencia, Lanzarote, Fuerteventura, Tenerife North, the ground floor shop at Tenerife South, as well as the duty free express shop in Ibiza and, with a reduced surface area, the main shop at Menorca Airport.

For walk-through shops, procedures have been established to be followed in the event of capacity saturation, coordinated between Aena and Dufry.
Apart from this, Dufry has developed a protocol with the operational measures to be taken in their shops, among which are the elimination of the testers available to customers, capacity control, safe distancing, the organisation of user flows, protection screens, and hydro=alcoholic gel dispensers.

Specialty Shops

During the first quarter the contracts for the premises awarded at Menorca Airport were signed. The airport was supposed to complete the renovation works of the premises and deliver them to the tenants so that they could carry out their own preparations. However, before 14 March, only the convenience store premises could be delivered to WHSmith, so the opening of the rest was postponed until tenants were able to carry out their adaptation works and traffic started to return to normal.

We would point out also that due to the declaration of the State of Alarm, the tender dates were suspended for eight contracts corresponding to 11 premises in T1 of Barcelona airport (more than 1,400 m²) and seven contracts for Malaga Airport corresponding to the premises that were not renovated in the first phase carried out in 2019 (700 m²).

After the end of the State of Alarm, some shops began to open, especially convenience stores during the last week of June. Since the first weeks of July, the pace of opening of fashion shops and other activities has been picking up as air traffic is reactivated.

Food & Beverage

After the declaration of the State of Alarm on 14 March, the only premises that remained open in the airport network were: 5 points of sale at A.S. Madrid-Barajas Airport, one point of sale at J.T. Barcelona-El Prat Airport, the employee canteens at Madrid, Palma de Mallorca and Alicante airports, and food and beverage vending machines in passenger and employee areas that were open to airport activity.

At the time of declaration of the State of Alarm, the following deadlines were suspended:

- Tendering and auction of the food and beverage contract at Valencia Airport, consisting of eight premises and 68 vending machines for food and beverage. The call for tender was published in January 2020 and corresponds to the entire food and beverage offering of this airport, which will occupy an area of nearly 2,800 m² (an increase of 26% relative to the existing surface area used for this activity).

- The signing of the contract and delivery of the surface of the two premises awarded to McDonald's at Barcelona Airport, delivery of which was scheduled for 1 May.

- Publication of calls for tenders for 60 vending machines at Málaga-Costa del Sol Airport.

Until the declaration of the State of Alarm, the following actions were carried out:

- At Palma de Mallorca airport, the initial private investment works corresponding to the new food and beverage contracts for 33 shops were carried out. These premises were awarded in July 2019 and, the new operators began to provide service from November 2019.

  The food and beverage companies that were awarded the largest number of premises were: Áreas (23 premises), Airfoods (5) and SSP (2), in addition to Burger King Spain, McDonald's and Lagardère, which will each manage one outlet.
  The new offer will occupy an area of more than 10,600 m², which will mean an increase in the food & beverage area at this airport of around 9%.

- At Alicante airport, the final phase of the private works of the premises pending reform awarded in January 2020 was carried out, and the recovery works were carried out as a result of the fire suffered on 15 January.

  Of the new premises awarded in January, prior to the declaration of the State of Alarm, 12 shops were opened with the new brands: *Burger King*, *Santa Gloria*, *Lavazza*, *Häagen Dazs*, *Costa Coffee*, *Carlsberg*, *Eat*, *Enrique Tomás*, *Tim Hortons*, *Exki* and *Delicia*. Five shops are pending private works and the *Foodmarket* is undergoing rehabilitation following the fire.

  The new premises cover a surface area of nearly 5,600 m² and were awarded to the operators Áreas, Select Service Partner (SSP), Grupo EatOut (Pansfood) and Airfoods.

- The exclusive initial investment works carried out at the airports of Gran Canaria, Barcelona and Malaga, by the new tenants of the premises, were practically completed.

  At the Gran Canaria airport, 17 shops (out of the 19 shops awarded) with new brands. At J.T. Barcelona-El Prat Airport, 47 points of sale (of the 49 awarded) renovated with new brands. At Málaga-Costa del Sol Airport, 23 refurbished premises with new brands, of the 25 food and beverage outlets awarded in June 2018.

Since 21 June, after the end of the State of Alarm, some food and beverage outlets have started to open. During the first weeks of July, the rate of openings was gradually adapted to the recovery of air traffic, in order to progressively develop the food and beverage activity in the terminals of the network's airports.

Car rental

Regarding trends in this business line, it should be noted that the number of contracts decreased by 55.7% in the half-year compared with the same period in 2019 and sales fell by 61.4% year-on-year.

Given the situation of the State of Alarm, which halted this activity, our tenants' demand for space to park their vehicle fleet, was answered with support by Aena, renting spaces (fields and parking spaces) with the application of a special charge created for this purpose, with the aim of:

- Facilitating operations for companies that provide car rental services at network airports, providing new areas for them to park their fleets.
- Minimising the negative impact that the current health crisis will have on Aena's revenues and taking advantage of the idle capacity of the other car parks arising from the fall in passengers.

Car Parks

First-quarter revenues showed a notable decrease, which in addition to being affected by the reduction in traffic caused by COVID-19, reflected the abnormally high comparable base of the previous year, affected by higher revenues at Madrid and Barcelona airports due to the taxi strike that took place for three weeks in these cities. Additionally, at Palma de Mallorca Airport, the renting of parking spaces to Hotelbeds came to an end, which meant a reduction in revenues at this airport.

Throughout the second quarter, due to the health crisis, there was almost no activity in car park operations, with no associated revenues. This circumstance was accompanied by a partial temporary suspension of the integrated car park service management contract, reducing the cost by 65%.

Since the end of the State of Alarm, a slight recovery in activity has been observed. Online reservations for parking spaces have been reactivated.

VIP services

Revenues from this business line come from the operation of 27 own VIP lounges, 1 Premium lounge, 2 VIP lounges leased to Iberia and the preferential security service access points: Fast Lane (priority access at security controls at eight network airports) and Fast Track (exclusive access at three security controls at A.S. Madrid-Barajas Airport), business centres, rest rooms (in Madrid and Barcelona), Meet & Assist service (in Palma de Mallorca, Alicante, Málaga, Tenerife South, Gran Canaria and Valencia) and meeting rooms.

The restrictions deriving from the State of Alarm led to the closing of the lounges from 15 March.

In the first quarter, works were carried out on the VIP lounges of the airports of Malaga (premium lounge), Gran Canaria, Tenerife

North and Ibiza, and the Alicante airport required works to be carried out to adapt an alternative provisional VIP lounge, its VIP lounge having been affected by the fire that took place at the airport.

Regarding management services, during the first quarter of 2020, a bidding process was started on the occasion of the opening in January of a new VIP lounge at Vigo airport.

From 1 July, the opening of some VIP Lounges will begin depending on airport traffic

Advertising

In the first quarter of 2020, the tenants that perform this activity carried out a large part of the investment in advertising media, both conventional and, fundamentally, digital.

Due to the COVID-19 crisis, since the beginning of March, advertising activity in our airports slowed considerably and finally came to a complete stop with the declaration of the State of Alarm.

During the State of Alarm, the suspension of a large part of the contracts for advertising campaigns displayed in the airports was authorised, although the displays were allowed to remain in order to avoid the poor impression that empty advertising supports would make and also to foster advertisers' loyalty for when activity resumes.

Throughout the month of July, advertising tenants will negotiate the reactivation of advertising campaigns suspended during the State of Alarm period.

Leases

The revenues of this business line comes from the rental of offices, commercial counters and warehouses within the terminal.

In this period, revenue was affected by the partial rent exemptions approved in April as a measure to mitigate the risk of large-scale vacation of spaces by our tenants, as a consequence of the declaration of the State of Alarm and the uncertainties around the recovery of air traffic.

This exemption, applied during the State of Alarm, amounted to €4.0 million and involved a 75% discount for the majority of contracts signed by airlines and handling agents for offices, warehouses, and commercial counters (including tour operators' and transport companies' commercial counters).

Likewise, it is worth noting the approval in June of commercial incentives, effective between 1 July, 2020 and 31 March 2021, which seek to support the tenure of tenants with contracts.

Other commercial revenues

This category includes sundry commercial activities carried out at airports such as banking services, baggage wrapping machines, other vending machines and regulated services (pharmacies, tobacco shops and lotteries, etc.). Also, in this period the sale of Personal Protective Equipment (PPE), in vending machines and convenience stores, was incorporated into the airports.

In the first quarter, the tender process for the VAT refund offices at Madrid and Barcelona airports (2 and 1 contracts respectively) was opened; the contracts are pending award, one of the bidders having appealed the process.

3.2 Real estate services segment

The real estate services activity segment includes the provision of leasing or transfer of use of land (built on or not), office buildings, warehouses, hangars and cargo sheds to airlines, air cargo operators, handling agents and other airport service providers aimed at supporting the activity and developing complementary services, such as the 24 service stations (15 land-side and 9 air-side) at 12 airports and the FBO (fixed base of operations) terminals at five of the major airports in the network.

As regards the plans for real estate development of the A.S. Madrid-Barajas and J.T. Barcelona-El Prat Airports, Aena continued to work during January and February with external advisers on defining the main aspects of the marketing of airport land available at both airports. However, based on the situation caused by the COVID-19 crisis and the State of Alarm decreed by the Government of Spain, it was decided to delay the launch of these processes, waiting for sufficient visibility to assess the right moment to resume them without penalising the value of the assets. Meanwhile, Aena continues to work on the various aspects of the process, to ensure its relaunch as soon as possible.

- At A.S. Madrid-Barajas Airport, until the COVID-19 crisis broke and following the initial valuations carried out by contracted experts, we were looking at developing an area of up to 2.2 million m² over the next few years by occupying 349 net hectares (out of the total of 909 gross hectares available) for a range of uses, which represented significant diversification of the activity carried out at the airport, bringing it closer to the modern concept of an Airport City.

- For its part, the Real Estate Plan for the J.T. Barcelona-El Prat Airport covered a maximum of 1.1 million new buildable m², through the occupation of close to 200 net hectares (out of the total of 290 gross hectares available) in a global development project that took due account of the conservation of the environmental and ethnographic values of the Delta del Llobregat.

Now that the State of Alarm has ended, and according to current forecasts, it is estimated that the process of selecting partners through a competitive process could be relaunched in the first quarter of 2021.

In relation to the works at other airports where there is availability of land and assets with high potential for the development of complementary airport activities, specifically at the Palma de Mallorca, Málaga, Valencia and Seville airports, the analyses began in mid-September 2019 and were expected to take one year. The declaration of the State of Alarm suspended the development of the works and it is estimated that it will be possible to resume them in September .

Key financial data for the real estate services segment is set out below:

Thousands of euros	**H1 2020**	**H1 2019**	**Variation**	**% Variation**
Ordinary revenues	30,232	35,723	-5,491	-15.4%
Real estate services[(1)]	30,232	35,723	-5,491	-15.4%
Other operating revenues	589	607	-18	-3.0%
Total revenues	30,821	36,331	-5,510	-15.2%
Total expenses (incl. deprec. & amort.)	-26,090	-27,998	-1,908	-6.8%
EBITDA[(2)]	12,623	16,620	-3,997	-24.1%

[(1)] Includes warehouses, hangars, real estate operations, off-terminal supplies and others.
[(2)] Earnings before interest, tax, depreciation and amortisation.

Table 9. Key financial data for the real estate services segment

Despite the increase in activity deriving from the new leasing contracts for cargo warehouses and fuel facilities, ordinary revenues of this segment decreased by €5.5 million compared with the same half-year of 2019.

This decrease was mainly caused by the partial rent exemptions, which involved discounts for a total amount of €7.7 million. This measure, applied during the State of Alarm period, was approved in April to mitigate the risk of mass abandonment of spaces by tenants, as a result of the declaration of the State of Alarm, and the uncertainties surrounding the recovery of air traffic.

This exemption has meant a discount of 75% for most contracts signed by airlines, handling agents and handling equipment maintenance companies, on offices, warehouses, paved and unpaved surfaces and commercial counters; and of 65% for the assets most directly related to air cargo.

We would also point to the approval in June of commercial incentives, effective between 1 July and 31 March 2021, in order to support tenants' permanence with signed contracts, and facilitate the contracting of new spaces with a minimum initial duration of two years.

As regards significant actions in the period relating to the activity of the segment, we would highlight the following:

Hangar activity:

- At Valencia Airport, in March work began on the construction of a new 4,750 m² hangar with a private apron on a 15,600 m² plot. At the same airport, in April the lease of a 1,240 m ^{2} hangar with an associated paved surface of 5,853 m^2 was awarded.
- In May, the lease of land was contracted for the construction of a 1,307 m^2 hangar at Sabadell Airport.
- At the Ceuta Heliport, works are under way for the construction of an 800 m² hangar on a plot of land of the same size.

Executive aviation:

During the State of Alarm there was a decrease in activity of 85% compared with the same period of the previous year, with a sharp drop in April and May (98% drop). In accordance with the procedure approved by the General Sub-Directorate of Foreign Health, and in order to ensure health security and minimise the risk of contagion, without penalising the operation in these executive terminals, a series of measures have been established in collaboration with the operators of the FBOs.

At Palma de Mallorca Airport, the activity of the new awardees of the executive aviation terminal (FBO) began in February, completing the renovation of a service that has been provided for almost 10 years with the highest levels of perceived quality. Also, the lease of a surface in the entrance hall of said terminal was awarded for the performance of multi-brand retail activity. This surface will be delivered to the successful bidder on completion of the works undertaken by Aena to resize and remodel the Terminal. The works are expected to be completed in March 2021.

Spaces dedicated to air cargo:

Regarding the marketing of spaces for air cargo, it should be noted that at J.T. Barcelona-El Prat Airport tenders have been invited for a new second-line cargo terminal with the possibility of leasing the warehouse for a maximum period of 10 years.

The warehouse has a built area of 5,050 m^2 and an exclusive manoeuvring area for trucks of 1,456 m^2. The deadline for the submission of offers was suspended after the declaration of the State of Alarm, and resumed once it ended in June, but in the end there were no bidders.

3.2 Murcia Region International Airport (AIRM)

On 24 February 2018 a public services management contract in the form of a concession was concluded between the Autonomous Region of Murcia, owner of the airport facilities and "Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A." (100% owned by Aena S.M.E., S.A.), whose corporate object consists of all actions relating to the management, operation, maintenance and conservation of Murcia Region International Airport. The duration of the concession will be 25 years from signing.

This airport began operation on 15 January 2019, at the same time as the discontinuation of civil operations at the military base of Murcia-San Javier Airport.

The activity of the first half of 2020 registered a year-on-year decrease of 73.8% in the number of passengers and 65.6% in aircraft movements (127,410 passengers, mostly international, and 1,248 movements). This operational information, as well as the financial information for the period, is included in the aeronautical, commercial and real estate services activities in this Management Report.

As explained in Note 7 to the Consolidated interim financial statements for the six-month period ended 30 June 2020, the extraordinary reduction in activity, which led to a fall in revenues, was translated into a sharp reduction in operating cash flows and can be considered as an indication of impairment in accordance with the provisions of accounting regulations (IAS 36). Consequently, an impairment has been recorded for the activity in AIRM of €47.7 million, which is reflected in the item "Impairment of intangible assets, property, plant and equipment and investment property" in the Income Statement for the half-year to 30 June 2020. The concession rebalancing measures have not been and will not be taken into account in this valuation until they have been determined and agreed.

3.3 International activity

Financial data for the international activity consist mainly of the consolidation of the subsidiaries (London Luton Airport and Aeroportos do Nordeste do Brasil), and those deriving from advisory services to international airports. In total, revenues from international business decreased by 48.3% in the first half of 2020, to €66.3 million.

Thousands of euros	**H1 2020**	**H1 2019**	**Variation**	**% Variation**
Ordinary revenues	66,338	128,426	-62,088	-48.3%
Other operating revenues	144	100	44	44.0%
Total revenues	66,482	128,526	-62,044	-48.3%
Total expenses (incl. deprec. & amort.)	-178,920	-112,890	66,030	58.5%
EBITDA [(1)]	-70,457	47,982	-118,439	-246.8%

[(1)] Earnings before interest, tax, depreciation and amortisation.

Table 10. Key data for the international segment

As explained in Note 7 to the Consolidated interim financial statements for the six-month period ended 30 June 2020, in compliance with accounting standards (IAS 36), at 30 June 2020 the Group carried out valuations of its assets to determine whether any impairment arises as a consequence of the circumstances generated by COVID-19 and its impact on activity.

The conclusions of this analysis, regarding the assets of the international segment, are as follows:

- There is no impairment for Luton airport, taking into account the concession contract which contains economic rebalancing clauses that were reflected in the valuation analysis.

- Regarding the assets in Brazil (ANB), an impairment of €72.9 million was identified, and is reflected in the item "Impairment of the value of intangible assets, property, plant and equipment and real estate investments" in the Income Statement for the half-year to 30 June 2020. The concession rebalancing measures have not been and will not be taken into account in the valuation until they have been determined and agreed.

  Apart from this, under the heading "Cumulative conversion differences" in the Statement of Financial Position (APPENDIX I), €130.4 million have been recognised in respect of negative differences on conversion of the intangible assets deriving from the concession agreement due to the adverse evolution of the Brazilian real against the euro between 1 January and 30 June 2020.

London Luton Airport

The consolidation of Luton airport meant a contribution of €54.4 million in revenues and €6.0 million in EBITDA, representing a year-on-year decrease of 55.5% and 86.9% respectively, reflecting the impact of COVID-19.

Thousands of euros[1]	H1 2020	H1 2019	Variation	% Variation
Aeronautical revenues	24,754	55,408	-30,654	-55.3%
Commercial revenues	29,609	66,723	-37,115	-55.6%
Total revenues	54,363	122,131	-67,769	-55.5%
Personnel	16,158	22,452	-6,294	-28.0%
Other operating expenses	32,212	53,989	-21,777	-40.3%
Depreciation, amortisation and impairment	35,221	32,176	3,046	9.5%
Total expenses	83,591	108,617	-25,025	-23.0%
EBITDA[2]	5,993	45,684	-39,691	-86.9%
Operating profit/(loss)	-29,228	13,514	-42,743	316.3%
Net finance income/(expense)	-12,510	-12,407	-104	-0.8%
Profit/(loss) before tax	-41,738	1,107	-42,847	3869.0%

[1] *Euro-sterling exchange rate: 0.87463 in H1 2020 and 0.8736 in H1 2019.*
[2] *Earnings before interest, tax, depreciation and amortisation.*

Table 11. Luton Airport economic information

In local currency, Luton's revenues in the period fell by 55.4% year-on-year to £47.5 million (compared with £106.7 million in H1 2019).

- Aeronautical revenues in GBP decreased by 55.3% (to £21.7 million compared with £48.4 million in the same period of 2019).

- Commercial revenues decreased by 55.6% (to £25.9 million, compared with £58.3 million in the same period of 2019).

  Commercial activities registered falls in all lines, those in retail and car parks being especially sharp, 61.1% and 61.6% respectively, associated with the decrease in activity at the airport.

EBITDA for the first half was £5.2 million, down by -86.9% year-on-year, and the EBITDA margin was 11.0% compared with 37.4% in the same period of the previous year.

The first quarter ended with EBITDA of £9.9 million, while the second quarter ended with -£4.7 million.

The actions taken by Luton Airport to reduce the effects of COVID-19 have focused on:

- Closure of most operational areas in the terminal building. Between 22 April and 1 May, the passenger terminal was closed, although the airport remained operational and open for cargo and general aviation flights.

- Personnel adjustments consisting of a reduction in wages and the temporary suspension of jobs, taking advantage of approved government aid to reduce the impact of the crisis. Overtime was also eliminated and ongoing hiring was suspended except for essential positions. A workforce adjustment is currently being negotiated for a total of 250 employees.

- Postponement of execution of non-essential CAPEX investment, reducing investment by £4.5 million during the period April-June.

- Suspension of payment of the dividend to the shareholders and delay in the payment of interest on the shareholder loan.

- At 30 June 2020, Luton Airport did not comply with the maximum Net Debt/EBITDA ratio included as a covenant in its financing contracts. In application of IAS 1, a total of €425.3 million has been reclassified as current debt. However, the Company expects to obtain a waiver from the financial institutions in the next few days.

- Finally, it should be noted that last March Luton Airport requested the activation of the special force majeure procedure provided for in the concession contract, which recognises the right of the concessionaire company to its rebalancing. To this end, discussions are ongoing with the Luton Borough Council on the effective application of the aforementioned compensation mechanisms.

Aeroportos do Nordeste do Brasil (ANB)

At 31 March 2020, operations had begun at the airports of the group, as detailed by dates and airports in section 2.4 of this Management Report (International presence).

The consolidation of the operations of the six airports has meant a contribution of €8.1 million in revenues and -€77.6 million in EBITDA, affected by the start dates of operations (much of the first quarter can be considered pre-operational), as well as by the stoppage of activity in the second quarter due to COVID-19:

Thousands of euros[1]	H1 2020
Aeronautical revenues	4,982
Commercial revenues	3,044
Other revenues	49
Total revenues	8,075
Personnel	3,896
Other operating expenses	8,893
Depreciation, amortisation and impairment	79,479
Total expenses	92,268
EBITDA[2]	-77,609
Operating profit/(loss)	-84,193
Net finance income/(expense)	-1,195
Profit/(loss) before tax	-85,388

[1] *Euro-Brazilian real exchange rate: 5.4104*
[2] *Earnings before interest, tax, depreciation and amortisation.*

Table 12. Aeroportos do Nordeste do Brasil economic information

In local currency, ANB's revenues for the period amounted to R$43.7 million. Aeronautical revenues amounted to R$27.0 million, commercial revenues to R$16.5 million and oher revenues to R$0.3 million.

EBITDA for the period was -R$448.4 million.

The result for the quarter, before tax, was a loss of R$454.9 million, due mainly to the effect of "Depreciation, amortisation and impairment" of R$445.5 million and the net finance expense of R$6.5 million. This finance expense consisted mainly of the negative exchange differences recognised on debts to Group companies, due to the devaluation of the BRL against the euro (35.8% between 31 December 2019 and 30 June 2020).

The actions taken by ANB to reduce the effects of COVID-19 have focused on:

- Significant reduction in opening hours, in coordination with airlines and regulatory authorities. During the second quarter, only the Campina Grande airport was left without demand for regular flights. Recife Airport maintained its 24-hour operation, and the remaining four airports operated with a reduced schedule sufficient to meet existing demand in the most efficient way possible.
- Reviewing external service contracts, which are largely outsourced (maintenance, security and surveillance, fire fighting service, cleaning and handling, among others).
- Asking ANAC, the regulator, to extend the deadlines for the submission of projects and the execution of investments required by the concession contract. On 13 May 2020 ANAC responded by suspending the deadlines for the execution of these contractual obligations, and indicating that the new deadlines would be defined at a later time, once the most critical period of the pandemic was behind, and reliable planning of the restart of operations was possible.
- Taking advantage of the liquidity relief measures established by the authorities as a result of the declaration of the state of Public Calamity, consisting mainly of the 4-month deferred payment of employer contributions (*Contribuição Previdenciária Patronal*) and indirect federal income taxes corresponding to the payments that should have been made in April and May.
- Negotiation of special payment conditions with airlines, which are being complied with, and granting commercial and real estate clients discounts on minimum rents, based on the level of activity and subject to their being up-to-date with payment or having concluded an existing debt payment plan.

These measures have made it possible to maintain a continuity in the collection flow of ANB and have contributed to the sustainability of the operations of its main customers.

ANB has not needed to resort to external financing, since its capitalisation, required by the concession contract, as well as the effects of the measures indicated above, make it possible to estimate that it will have sufficient cash to meet its commitments until the effects of the epidemic on the activity subside in the coming months. The Company had R$109 million (€19.3 million) in cash and cash equivalents at 30 June 2020, compared with R$116 million (€20.4 million) at 31 March 2020.

Considering the way the concession contract treats events of force majeure, the interpretations made by the Brazilian authorities on the COVID-19 pandemic and the legislation applicable to the case, the Management of ANB is preparing a request for an extraordinary review to restore the economic-financial balance of the concession contract as a consequence of the aforementioned event of force majeure.

The results of equity-accounted non-majority investees are shown hereunder:

	Equity method profit/(loss)				**Exchange rates**[1]			
Thousands of euros	**H1 2020**	**H1 2019**	**Variation**	**% Variation**	**Monetary units per euro**	**H1 2020**	**H1 2019**	**% Variation**
AMP (Mexico)	2,626.5	7,153.7	-4,527.2	-63.3%	MXN	23.84	21.65	10.1%
SACSA (Colombia)	-1,726.5	2,621.0	-4,347.5	-165.9%	COP	4,071.73	3,602.08	13.0%
AEROCALI (Colombia)	-3,176.9	1,170.4	-4,347.3	-371.4%	COP	4,071.73	3,602.08	13.0%
Total impairment of and share in profit/(loss) of associates	-2,276.9	10,945.1	-13,222.0	-120.8%				

[1] *Average rate for the period*

Table 13. Equity-accounted investees

As explained in Note 7 to the Consolidated interim financial statements for the six-month period ended 30 June 2020, in compliance with accounting standards (IAS 36), at 30 June 2020 the Group carried out valuations of its assets to determine whether any impairment arises as a consequence of the circumstances generated by COVID-19 and its impact on activity.

Regarding the investees in Colombia (SACSA and Procyclical), an impairment of €3.5 million has been recognised, and is reflected in the heading “Profit/(loss) and impairment of equity-accounted investees” of the Income Statement for the half-year to 30 June 2020.

4. Income statement

Thousands of euros	H1 2020	H1 2019	Variation	% Variation
Ordinary revenues	1,085,153	2,073,507	-988,354	-47.7%
Other Operating Income	27,293	27,238	55	0.2%
Total revenues	1,112,446	2,100,745	-988,299	-47.0%
Supplies	-79,532	-85,581	-6,049	-7.1%
Staff costs	-237,907	-229,042	8,865	3.9%
Other operating expenses	-447,611	-589,916	-142,305	-24.1%
Losses, impairment and change in trading provisions	-8,083	-3,060	5,023	164.2%
Depreciation and amortisation	-403,497	-393,464	10,033	2.5%
Net gains/(losses) on disposal of fixed assets	-1,448	-4,699	-3,251	-69.2%
Impairment of intangible assets, property, plant and equipment and real estate investments	-119,574	0	119,574	100.0%
Other results	-6,911	867	7,778	-897.1%
Total expenses	-1,304,563	-1,304,895	-332	0.0%
EBITDA[(1)]	211,380	1,189,314	-977,934	-82.2%
Operating profit/(loss)	-192,117	795,850	-987,967	-124.1%
Finance income	1,562	3,070	-1,508	-49.1%
Finance expenses	-59,302	-70,426	-11,124	-15.8%
Other net finance income/(expenses)	-6,878	338	-7,216	2134.9%
Net finance income/(expense)	-64,618	-67,018	-2,400	-3.6%
Profit/(loss) and impairment of equity-accounted investees	-2,277	10,945	-13,222	-120.8%
Profit/(loss) before tax	-259,012	739,777	-998,789	-135.0%
Corporate Income tax	67,014	-180,699	-247,713	-137.1%
Consolidated profit/(loss) for the period	-191,998	559,078	-751,076	-134.3%
Profit/(loss) for the period attributable to non-controlling interests	-21,261	87	-21,348	-24537.9%
Profit for the period attributable to shareholders of the parent Company	-170,737	558,991	-729,728	-130.5%

[(1)] Earnings before interest, tax, depreciation and amortisation.

Table 14. Income statement

This period was marked by the effects on the performance of the Aena Group, both in terms of activity and results, of the decrease in passenger traffic that began in late February due to restrictions on mobility imposed in Spain and in the rest of the world as a consequence of the spread of COVID-19.

The declaration of the State of Alarm in Spain and the suspension of commercial activity led to the closure of most of the points of sale. From 15 March, the only open locations in the airport network were convenience stores, tobacconists, pharmacies, some food and beverage outlets and vending machines.

Due to these circumstances total revenues decreased by €988.3 million or 47.0% year-on-year to €1,112.4 million, and ordinary revenues decreased by €988.4 million or 47.7%, to €1,085.2 million, as explained by business segments in section 3 of this report (Business lines).

Regarding the variation in total expenses , in this period they amounted to €1,304.6 million, in line with the first half of 2019, affected by the impact of the valuations which, in compliance with IAS 36, the Group has carried out on its assets at 30 June to determine whether any impairment arises as a consequence of the circumstances generated by COVID-19 and its impact on activity. As a result of this analysis, impairment losses of €119.6 million have been recognised and are reflected in the item Impairment of intangible assets, property, plant and equipment and real estate investments.

The cost saving plan announced by Aena, based on the renegotiation of service contracts, the elimination of certain expenses and the cessation of new non-essential contracts, was reflected in expenses of the second quarter.

The main year-on-year variations in operating expenses for the period correspond to the following items:

- Supplies decreased by 7.1% (€6.0 million), mainly due to the renegotiation of the ATM/CNS (Air Traffic and Communications, Navigation and Surveillance) service agreement with ENAIRE, which led to cost reduction of €3.0 million in the second quarter. The variation also reflects a reduction in expenses of €1.8 million for the regularisation of services not provided since January at Palma de Mallorca airport.

- Staff costs show an increase of 3.9% (€8.9 million), mainly deriving from the salary revision of Aena staff and hirings in 2019.

  Due to the situation caused by the health crisis and the consequent cost containment measures, starting in March the hiring of new employees was halted.

  At Luton airport, it should be noted that the measures adopted led to a year-on-year reduction in expenses of €6.3 million.

- Other operating expenses decreased by 24.1% (€142.3 million).

  At network airports, mainly due to the savings measures implemented, a reduction of €121.6 million in expenses was achieved in the second quarter, the main decreases corresponding to security, maintenance, PMR service, cleaning, electricity and professional services.

  Amendments to contracts and the closure of facilities and filters at airports reduced security costs by €31.5 million compared with the same period of 2019. The measures enabled us to reduce maintenance costs by €26.4 million compared with 2019, and PMR service costs (highly variable depending on the number of passengers) by €14.0 million. In cleaning, the adaptation of the service to open facilities was reflected in a reduction of €12.9 million in expenses, and the lower electricity consumption due to reduced activity and the closure of terminals and spaces was reflected in the €1.2 million reduction in the cost of electricity. Expenses for professional services decreased by €8.5 million, mainly due to the suspension of non-essential services and commercial marketing actions.

  At Luton airport, the Other operating expenses item was reduced by €21.8 million in the second quarter, due to the effect of the drastic drop in traffic on the concession fee (-€17.2 million), the adjustment measures adopted in the services and the suspension of non-essential expenses.

- Depreciation of fixed assets increased by €10.0 million (2.5%), due to the consolidation of depreciation of fixed assets in Brazil (€6.6 million) and the increase (€3.0 million) in depreciation at Luton Airport deriving from the newly capitalised projects.

- In the item Impairment of intangible assets, property, plant and equipment and real estate investments, as already indicated, it has been registered the net impairment losses recognized at 30 June 2020.

- Other results include, among others, the expenses incurred on the support measures for heath checks of the Foreign Health sub-directorate of the Ministry of Health that Aena implemented during the month of June, for an amount of €2.7 million. In relation to these health and safety costs deriving from the COVID-19 pandemic, it should be noted that Royal Decree-Law 21/2020 of 9 June establishes that Aena will have the right to recover them within the framework of the Airport Regulation Document (DORA) in the terms indicated in section 3.1 (Airports Segment) when commenting on the main aspects of aeronautical activity for the period.

  Additionally, this item reflects €2.7 million corresponding to the work carried out at Alicante airport following the fire that took place there on 15 January.

EBITDA (earnings before interest, tax, depreciation and amortisation) for the period came to €211.4 million, reflecting the negative trend in activity, as well as the impact of the net impairments recognised at 30 June for an amount of €119.6 million, recognised under "'Impairment of intangible assets, property, plant and equipment and investment property".

Excluding the effect of the net amount of impairment, EBITDA for the period amounts to €331.0 million.

For its part, Net finance income/(expense) reflects a decrease in net expense of €2.4 million, mainly due to the recognition in 2019 of the fair value (€10.9 million) of the exchange rate hedging instrument contracted to hedge the risk of exposure to fluctuations in the Brazilian real/euro exchange rate, to face the payments corresponding to the ANB concession.

This lower expense in 2020 was partly offset by the exchange differences (€6.7 million) on ADI's participative loan to Luton, Aena's loan to ADI and the valuation of AMP's fee; and by the net finance expense of ANB (€1.2 million).

Profit/(loss) and impairment of equity-accounted investees, €2.3 million in the six months to 30 June, includes the impairment amounting to €3.5 million corresponding to the valuation of the activity of minority-held equity-accounted investees SACSA and Aerocali. On the plus side, it also includes a €1.1 million contribution to results by minority investees.

The Result before tax was a loss of €259.0 million, compared with a profit of €739.8 million in the first half of 2019.

For the six months to 30 June 2020 is was affected to the extent of €123.0 million by the net impairments recognised in the Income Statement.

Excluding this impact, the pre-tax loss would be €136.0 million

Regarding Income Tax, income of €67.0 million has been recognised, mainly as a consequence of the result for the period.

It should be noted that an adjustment of €5.9 million relating to Luton has also been incorporated, as a consequence of the elimination of the reduction of the tax rate foreseen in Corporation Tax (with effect from 1 April, a reduction of the tax rate to 17% had been approved, but in the end the rate will continue to be 19%), which made it necessary to revalue deferred tax assets and liabilities.

The consolidated result for the period fell by €751.1 million. It reflects a loss of €192.0 million affected by the impairments in the period.

The loss for the period attributable to non-controlling interests came to -€21.3 million, corresponding to 49% of Luton's net result, bringing the loss for the period attributable to shareholders of the parent company to €170.7 million, as against the net profit of €559.0 million for the half year to 30 June 2019.

5. Investments

The total amount of capital expenditure paid during the period (property, plant and equipment, intangible assets and real estate investments) came to €299.6 million, including €7.8 million at Luton and €1.1 million of ANB. At the end of the first quarter, the amount stood at €217.3 million, including €5.5 million from Luton and €0.8 million from ANB.

In the Spanish network, the total amount of investment paid in the period was €290.7 million (including €0.3 million at Murcia Region International Airport), representing a year-on-year increase of €28.9 million (11.0%).

The amount for the half-year was mainly used to pay for investments in the field of security.

After the partial stoppage of investments in March, April and May, due to the limitations on the execution of the works deriving from the State of Alarm, the 2020 investment plan began its total reactivation progressively from 1 June, although various actions in progress, and especially those recently started, could suffer some variation in their planning due to the temporary stoppage. As a consequence of the modification of the execution schedule, the investment amount estimated to be executed in 2020 is €352.0 million, of which €107.6 million have been executed at 30 June 2020.

It should also be pointed out that the temporary halt to the investment programme entailed a monthly reduction in average cash outflows of approximately €52 million. The real savings amounted to €175 million during the second quarter of 2020.

Regarding the actions completed during the period, we would highlight on the one hand, in the area of capacity, the expansion of the commercial aircraft apron in Zaragoza and the connection of the apron to the parallel taxiway in Ibiza. In the field of maintenance, the general adaptation of the apron in Tenerife South stands out, consisting of revising the design of the stands to meet the current needs of the airport, as does the resurfacing of the runway in Seville.

Regarding the investments in execution, whose duration will extend to the next few months, it should be noted that the majority correspond to the area of security of people and facilities, such as the installation of more modern explosives detection systems at various airports.

The actions in the terminal area include: the remodelling and expansion of the South Pier building at Barcelona airport, consisting of expanding the building on two floors and installing 6 pre-gangways and 14 gangways; functional improvements in the Tenerife South terminal building; and the adaptation of the terminal building to functional design in Reus.

Also, the replacement of boarding bridges in Madrid and Barcelona, and the actions in aircraft assistance facilities are noteworthy.

Likewise, the expansion of accesses to the 03R and 03L runway ends at Gran Canaria airport is noteworthy; it includes the construction of three taxiways with access to the 03L runway end.

Likewise, it is worth noting the construction of the new power station at Madrid Airport.

As regards recently initiated actions, the remote apron on the T4 satellite at Madrid airport (intended for autonomous aircraft positions and located south of the satellite building) is noteworthy in the flight field, as well as the taxiway that will run parallel to A and M roads and, two taxi lanes for entry and exit to and from stands.

In terms of capacity, the new bus zone at T4 in Madrid and the construction of the new technical block in Bilbao (a new building for Aena offices independent of the terminal, in order to free up space for new boarding gates and expand departure lounges).
In people safety, the supply and installation of the new explosive detection machine system at various airports stands out.

Finally, we would note the actions on the electrical system of Palma de Mallorca, which will serve the increase in installed power expected at the airport.

At Murcia Region International Airport, investments are being made in accordance with the economic offer presented by Aena. The most notable action in the first half of the year was the paving of the second field area for rental cars.

At Luton Airport, investments in the first half of 2020 continued to focus on the maintenance and renovation of equipment, as well as, to a lesser extent, on secondary actions of the Curium Project, the main works of which have already been carried out and which aim to provide the airport with a capacity of 18 million passengers a year and an investment of approximately £160 million.

The connection works between the terminal building and the Luton Airport Parkway train station are also being carried out, financed and executed by the Luton Borough Council, with the successful completion of the placement of the DART (Direct Air-Rail Transit) bridge with minimal impact on the airport's operation.

Given the significant drop in activity and in line with what has been done in the Spanish network, a contingency plan has been defined in Luton with the aim of ensuring liquidity and avoiding the consequences of non-compliance with the financial covenants, which includes actions implemented to protect cash and the postponement of non-essential CAPEX, reducing it by £4.5 million in the period April-June.

At Aeroportos do Nordeste do Brasil S.A., engineering activities have been carried out to execute works required by the concession contract:

- Improvement works at the six airports, consisting mainly of the renovation of public toilets and improvement actions in the signalling, lighting and accessibility of terminal buildings.

- Capacity expansion works and improvement of physical and operational security equipment at Recife airport.

The amount recognized for these investments amounted to R$4.3 million in the period and the total CAPEX to R$5.3 million, of which only engineering activities in the concession were recognised in the second quarter for R$1.1 million and other CAPEX for R$0.3 million.

As part of the contingency plan implemented by the company to reduce the impacts of COVID-19, ANB has asked the regulator, ANAC, to extend the deadlines for the submission of projects and execution of investments required by the concession contract. On 13 May 2020 ANAC responded by suspending the deadlines for the execution of these contractual obligations, and indicating that the new deadlines would be defined at a later time, once the most critical period of the pandemic was behind, and reliable planning of the restart of operations was possible.

Regarding non-majority investees, we would highlight that, at Cartagena Airport, minor works are being finalised to improve the airport's operations. (These works began before the COVID-19 pandemic.)

There are no new investments planned for Cali and Cartagena Airports, the contracts for which expire in September 2020, except for those necessary to comply with the provisions of the contracts regarding reversion.

In the GAP airports, the investments planned for 2020 have begun, in compliance with the approved Master Development Programme 2020-2024, the most important of which are detailed below.

- At the Guadalajara and Puerto Vallarta airports, the architectural and executive projects of the new terminal buildings.

- In Tijuana and La Paz, actions on the flight field, apron, taxiways and runway rehabilitation.

- Finally, at San José del Cabo Airport, the integration of the T2-T3 terminal buildings.

As a consequence of COVID-19, GAP has asked the regulatory authorities for permission to postpone the committed investments for this year and is carrying out a deferral of non-mandatory capital investments.

5.1 Analysis of capital expenditure by area of action

Information on the breakdown of capital expenditure payments in the Spanish airports network in the period is shown hereunder together with a comparison with the same period of 2019:

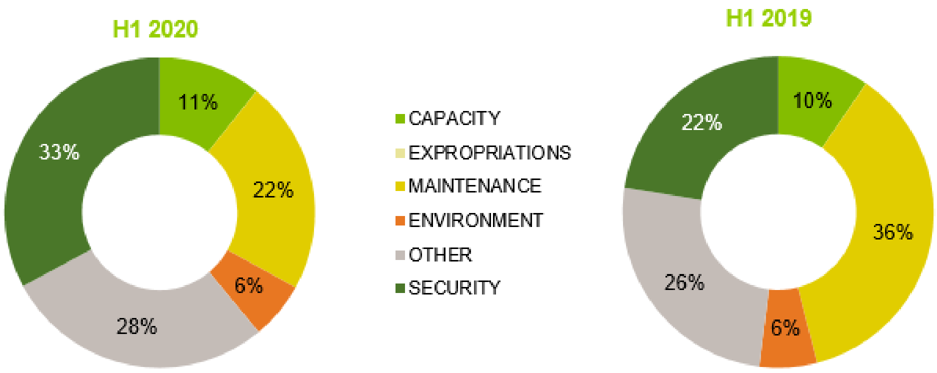

Figure 3. Analysis of capital expenditure by category

- In the area of security, investments amounted to €95.4 million (€58.9 million in the same period of 2019), representing an increase of 62.0%.
  Among the actions carried out in operational safety, those aimed at improving surfaces in various areas of the flight field at Seville, Madrid and Palma de Mallorca airports stand out, as do those aimed at improving taxiway verges in Ibiza and Palma de Mallorca and the acquisition of self-extinguishing vehicles for several airports.

  In the area of security of people and facilities, actions have focused on equipping the terminals with the new explosives detection system, as well as on the adaptation of the automatic baggage transport system and the in-hold baggage inspection system, for the replacement of explosive detection machines.

- Investments in capacity amounted to €31.1 million in the period (€25.0 million in the first half of 2019), increasing by 24.7%.
  Prominent among those in flight fields were: the expansion of the commercial apron and the rapid exit taxiways at Ibiza airport and the expansion of the commercial aircraft apron in Zaragoza.
  In the terminal buildings, the following stand out: the remodelling and expansion of the South Pier building in Barcelona, the adaptation of the terminal building to functional design at Reus airport and the adaptation of the T2 building to boarding processes in Tenerife-Sur.

- In the environment category, investment went from €15.6 million in the first half of 2019 to €17.3 million in the same period of 2020, increasing by 10.7%.

  These investments correspond mainly to: the installation and commissioning of photovoltaic solar plants for self-consumption at various airports; the replacement of air conditioning production technology at Alicante-Elche; the acoustic insulation works of houses in adjoining areas to several airports; and the installation of lighting systems with efficient technologies at several airports.

- In the field of service maintenance, investment was €64.8 million (€95.4 million in the same period of 2019). This category includes various actions at all airports in the network for the preservation of infrastructure. Also noteworthy are the supply with the installation of boarding bridges in Madrid, the partial renovation of the TETRA network (terrestrial broadcasting) in Barcelona and the upgrading of the surface of the apron and runway heads in Ibiza.

- In the other investments section, actions amounted to €81.7 million in the first half of 2020 (€66.9 million in the same period of 2019), increasing by 22.1%. Corresponds to investments in information technology, such as those aimed at acquiring hyper-convergent equipment at several airports and service centres (infrastructure that reduces the complexity of the data centre), at improving the communication infrastructures at several airports and at developing and maintaining applications at several airports.

  Likewise, those destined for commercial activities are notable, such as the adaptation of VIP lounges in Barcelona and Gran Canaria, the new commercial area in Menorca, as well as the various improvements carried out in the Asturias and Madrid car parks. Also noteworthy are those for activities that improve the quality of the terminals in Tenerife South, Palma de Mallorca, Seville and Malaga-Costa del Sol.

6. Statement of financial position

6.1 Net assets and capital structure

Thousands of euros	H1 2020	2019	Variation	% Variation
ASSETS				
Non-current assets	13,621,266	14,137,801	-516,535	-3.7%
Current assets	2,570,392	752,742	1,817,650	241.5%
Total assets	16,191,658	14,890,543	1,301,115	8.7%
EQUITY AND LIABILITIES				
Equity	6,030,218	6,381,876	-351,658	-5.5%
Non-current liabilities	7,673,367	6,428,152	1,245,215	19.4%
Current liabilities	2,488,073	2,080,515	407,558	19.6%
Total equity and liabilities	16,191,658	14,890,543	1,301,115	8.7%

Table 15. Summary of the consolidated financial position

Impacts of the crisis caused by the spread of COVID-19 on the Statement of Financial Position

The spread of the coronavirus has led to an extraordinary reduction in activities, revenues and results in all the companies of the Aena Group, as reflected in practically all the items in the Consolidated Statement of Financial Position, as explained below.

Main changes

Non-current assets decreased by €516.5 million, mainly due to the effect of the following changes:

- A fall of €283.9 million in "Property, plant and equipment", explained by trends in capital expenditure in the Spanish network, as a result of which additions for the period were less than the depreciation recognised. This effect was intensified by the temporary stoppage of the investment programme, a measure adopted to mitigate the effects of the crisis caused by COVID-19 in order to protect cash.

- For their part, "Intangible Assets" decreased by €296.4 million, mainly as a result of a double effect:
    - Negative conversion differences amounting to €153.1 million, associated with the adverse movements of the Brazilian real (€130.4 million) and pound sterling (€22.7 million) in the valuation of the ANB and Luton airport concessions.
    - As reported in Note 7 to the Consolidated Interim Financial Statements at 30 June 2020, the Group has carried out the appropriate impairment tests on all its assets, recognising impairments for a net amount of €120.6 million in its intangible assets.

- "Deferred tax assets" increased by €67.0 million due to the recognition of tax credits, tax loss carryforwards, deductions not applied and temporary differences associated with the impairment losses on non-current assets referred to above.

- "Other financial assets" increased by €14.3 million due to the net constitution of deposits consigned by legal mandate with various public institutions of Autonomous Regions, corresponding to deposits in guarantee previously received from lessees of Aena S.M.E., S.A.'s commercial spaces, in compliance with Law 29/1994 of 24 November on Urban Leases.

Current assets increased by €1,817.7 million as a result of the following contrasting effects:

- The decrease in the balance of "Trade and other receivables" by €126.1 million associated with the decrease in activity, which has meant less invoicing and revenues during the half-year, even including €198.6 million corresponding to the MAG accrued during the State of Alarm period, as detailed in section 2.5 of this report (Commercial activity).

  It should also be noted that, among the measures implemented by Aena to mitigate the impacts of COVID-19 on its clients, the exceptional deferment of payments was approved for a period of six months, subject to certain conditions, in respect of amounts invoiced from the date of the decree of the State of Alarm, 14 March 2020, until 14 June 2020. The total amount deferred under various headings amounted to €83.6 million, from which commercial operators benefited to the extent of €18.6 million and airlines €65.0 million.

  At the end of the half-year, practically all the MAG for 2019, invoiced in December and amounting to approximately €140 million, had been collected. The amount of MAG recognised in the first half of 2020 was €250.0 million.

- Increase in the balance of “Cash and cash equivalents” by €1,943.6 million, as detailed in section 7 of this report (Cash flow).

As can be seen in the “Statement of changes in Equity” of the Consolidated Interim Financial Statements for the period ended 30 June 2020, the reduction of €500.6 million in Equity derives mainly from:

- The consolidated loss for the period of €192.0 million.
- The losses of €143.5 million in conversion differences due to movements in the exchange rates of the group's currencies, as previously commented when explaining the variation of the period in the caption “Intangible assets”.

The increase in Non-current Liabilities of €1,245.2 million is essentially due to the increase in the “Financial Debt” heading by €1,248.1 million, due to obtaining long-term financing with the objective of reinforcing the liquidity of the Company, as explained in section 6.2 of this report (6.2 Changes in net financial debt) and, is detailed in Notes 3 and 10 to the consolidated interim financial statements at 30 June 2020.

The increase of €407.6 million in Current liabilities derives mainly from the increase in "Financial Debt" by €684.4 million, the detailed movement of which is reflected in Note 10 to the Consolidated Interim Financial Statements at 30 June 2020.

During the period, the Luton subsidiary’s long-term financial debt, amounting to €425.3 million, was transferred to short-term in application of IAS 1 due to the fact that it does not comply with the limits of the Net Debt/EBITDA ratio included as a covenant in its financing contracts.

The balance also increases as a result of new financing obtained for an amount of €316 million. Additionally, the payment of principal of the mirror debt with ENAIRE was made for an amount of €362.3 million, which led to a transfer of debt from non-current to current of €347.6 million.

This increase was partly offset by the decrease in the balance of “Trade and other payables” by €242.7 million, as a result of the following changes:

- Decrease in the balance of “Fixed asset suppliers” of Aena by €194.5 million, due mainly to the fact that the payment to construction contractors amounted to €290 million, an amount much higher than additions to fixed assets for the period, which amounted to €100 million, as a result of the temporary freezing of the investment programme in order to mitigate the effects of the crisis caused by COVID-19.
- The balance of the “Creditors for the provision of services” account decreased by €164.0 million at Aena, also due to the expense reduction plans implemented.
- The balance of the “Customer advances” account, which contains advance payments from customers, decreased by €39.8 million as a result of the impact that the crisis caused by COVID-19 has had on activity and on the drastic reduction in revenues.
- The aforementioned effects are partially offset by the accrual of the IBI land value tax (local taxes) at 1 January for the entire year (of which €105.3 million remained unpaid at 30 June).

Working capital, calculated as the difference between current assets and current liabilities, which is generally negative in the Company as a result of its operational and financing structure, stood at €82.3 million at the end of the period (-€1,327.8 million at 31 December 2019), due to the changes in current assets and liabilities referred to above.

6.2 Changes in net financial debt

The Aena Group’s consolidated net financial debt (calculated as Current financial debt plus Non-current financial debt less Cash and cash equivalents), stood at €6,661.7 million at 30 June 2020 (including €484.0 million from the consolidation of Luton Airport’s borrowings and €41.4 million from Murcia Region International Airport), compared with €6,672.8 million at 31 December 2019 (including €491.5 million from the consolidation of Luton Airport’s borrowings and €41.4 million from Murcia Region International Airport), the associated ratio increasing:

Thousands of euros	H1 2020	2019
Gross financial debt	8,845,878	6,913,438
Cash and cash equivalents	2,184,196	240,596
Net financial debt	6,661,681	6,672,842
Net financial debt / EBITDA[1]	3.6x	2.4x

[1] *Earnings before interest, tax, depreciation and amortisation.*

Table 16. Net financial debt of the Group for accounting purposes

During the first half of 2020, Aena amortised long term debt in the amount of €362.3 million, corresponding to the payment schedule established under the contract. The company drew down €150 million of a loan signed in December 2019.

At 30 June, Aena had a line of €800 million corresponding to a sustainable syndicated credit line ("ESG-linked RCF"), which remained entirely undrawn. Luton Airport has drawn all its credit lines for an amount of €87.7 million.

Commercial paper issued under the European Commercial Paper programme amounts to €375 million, leaving a balance of €525 million available.

At 31 December 2019 the balance of ECP issued was €159 million. In February 2020, a net issue of €320 million was carried out and in March a net redemption of €74 million, bringing the balance issued at 30 June to €375 million.

With the aim of reinforcing the liquidity of the company, in view of the situation caused by COVID-19, in April and May Aena signed loans with several financial institutions for a net amount of €2,325.6 million.

With these transactions and the RCF line, the Aena Group has increased its liquidity availability to a total figure of €2,984 million, to which is added the possibility of issuing through the Euro Commercial Paper (ECP) programme for an available amount of €525 million.

The average interest rate of the Group's debt was 1.25% in the first half of 2020 (1.45% in 2019).

We would highlight the rating reports published by Moody’s and Fitch rating agencies:

- Fitch confirmed the "A" rating with a stable outlook and the "F1" short-term rating, on 3 April.
- On 24 June, Moody's confirmed the Long Term Issuer Default Rating “A3” and the outlook, revised on 31 March from stable to negative, reflecting the risks surrounding the uncertainty of the recovery of traffic.

Finally, it should be noted that, as indicated in section 6.1 of this report (Net assets and capital structure), at 30 June, the long-term financial debt of the Luton subsidiary, for a net amount of €425.3 million, was transferred to current in application of IAS 1 due to the fact that it does not comply with the limits of the Net Debt/EBITDA ratio included as a covenant in the subsidiary's financing contracts. However, the Company expects to obtain a waiver from the financial institutions in the next few days.

6.3 Information on average payment terms

At 30 June the payment ratios to suppliers of Aena S.M.E., S.A. and Aena Desarrollo Internacional, S.M.E., S.A. were:

Days	H1 2020
Average term of payment to suppliers	51
Ratio of transactions paid	50
Ratio of transactions pending payment	54

Table 17. Average term of payment to suppliers

These parameters have been calculated in accordance with the provisions of Article 5 of the Resolution *of 29 January 2016 of the Accounting and Auditing Institute regarding the information to be included in the notes to the financial statements with regard to the average period of payment to trade suppliers*, based on the balance of suppliers who, by their nature, are suppliers of goods and services, so that it includes the data pertaining to the items of trade payables in the statement of financial position.

Thousands of euros	H1 2020
Total payments made	403,799
Total payments pending	83,276

Table 18. Balance concerning suppliers

For the period as a whole the average payment terms were in accordance with those established by Law 15/2010. The cases in which a payment has been made outside of the legally binding period are due mainly to reasons not attributable to the Company: invoices not received on time, expired AEAT certificates, lack of certificates of proof of supplier bank accounts, among others.

7. Cash flow

Thousands of euros	H1 2020	H1 2019	Variation	% Variation
Net cash flows from operating activities	301,070	1,111,587	-810,517	-72.9%
Net cash flows from/(used in) investing activities	-313,353	-270,384	-42,969	-15.9%
Net cash from/(used in) financing activities	1,965,074	-1,316,556	3,281,630	249.3%
Cash and cash equivalents at the beginning of the period	240,597	651,380	-410,783	-63.1%
Effect of exchange rate fluctuations	-9,192	13	-9,205	70807.7%
Cash and cash equivalents at the end of the period	2,184,196	176,040	2,008,156	1140.7%

Table 19. Summary of the consolidated statement of cash flows

In the first half of 2020, the Group's cash flow movements were conditioned by the effects of the spread of COVID-19, which caused a sharp decrease in cash flows from operating activities (-72.9%) and forced the Group to focus on the objective of strengthening liquidity by obtaining external financing, generating an increase in the balance of “Cash and cash equivalents” during the period of €1,943.6 million.

Net cash from operating activities

The decrease in cash generated by operating activities in the first half of 2020 compared with the same period of the previous year, reflects the impact that the crisis caused by the spread of COVID-19 has had on the Group's operations.

- Cash generated by operating activities before changes in working capital and other cash generated by operations (interest and income tax paid and collected), was €318.9 million, a decrease of 73.3% (€873.8 million) compared with that obtained in the same period of the previous year (€1,192.7 million).
- The increase in working capital of €23.2 million derives from the increase of €199.1 million in the “Trade and other receivables” and the decrease of €187.8 million in “Trade and other payables”.

  The positive variation of €199.1 million in “Trade and other receivables” (from -€76 million in the first half of 2019 to €123.1 million in the first half of 2020) is mainly due to the balance of customers at 30 June 2020 being reduced by the lower revenues generated during 2020 compared with the same period of 2019, as well as by the effect of the measure to defer payments by aeronautical and commercial operators for the amounts invoiced from the date of the decree of the State of Alarm, 14 March 2020, until 14 June 2020. The total amount deferred under various heads amounted to €83.6 million at 30 June.

  For its part, the negative variation of €187.7 million in “Trade and other payables” (from €121.3 million in the first half of 2019 to -€66.5 million in the first half of 2020) derives from the decrease in the balance of Rena's “Creditors for provision of services” account by €164.0 million, discussed in section 6.1 of this report (Net assets and capital structure) when explaining the variations under the heading “Current Liabilities” of the Statement of Financial Position, and the lower advance payments received from customers, generating a lower balance in the liability account of “Advance payments from customers”.

Net cash used in investing activities

Net cash used in investing activities in this period amounted to €313.4 million, compared with €270.4 million in the same period of 2019, and mainly consisted of payments for acquisition and replacement of non-financial fixed assets relating to airport infrastructure for an amount of €299.6 million, as detail din section 5 of this report (Investments) compared with €276.0 million in the first half of 2019.

During the first quarter the investment programme mainly focused on improvements to facilities and operational security of the airports in the network, the expansion project for London Luton Airport in the UK and the airports in Brazil. In the second quarter, they were affected by the temporary stoppage of the program, a measure adopted to mitigate the effects of the crisis caused by COVID-19 in order to protect cash.

Additionally, investing activities include payments for acquisitions of other financial assets in the amount of €14.6 million (€6.1 million in the same period of 2019) reflecting deposits consigned by legal mandate with various public institutions of Autonomous Regions, corresponding to deposits in guarantee previously received from tenants of the commercial spaces of Aena S.M.E., S.A., in compliance with Law 29/1994 of November 24 on Urban Leases.

Cash from/(used in) financing activities

The main variations in the financing flows correspond to changes in debt explained in section 6.2 of this report (Changes in net financial debt). This information is completed with that detailed in Notes 3 and 10 to the Consolidated Interim Financial Statements at 30 June 2020.

8. Risks

The main risks to which Aena is exposed in its operational and financial activity, described in Note 3 to the consolidated financial statements for the year ended 31 December 2019 ("Management of operational and financial risks") remain unchanged at 30 June 2020.

In the operational area, this section covers, on one hand, the risks associated with Brexit, following the result of the referendum in the UK in favour of its exit from the European Union (Brexit), and its completion from 31 January 2020, the final conclusion of which is subject to the negotiation process that the British government has to start during the transition period (until 31 December 2020) with the European Union to determine the final conditions of its departure, as well as the regulatory developments that the UK and the EU can make in the event of an exit without an agreement from 1 January 2021; the regulatory risks associated with the regulated sector in which Aena carries out its activity and which governs the determination of airport charges for the first Airport Regulation Document (DORA), as well as future changes or developments in applicable regulations, national and international, as regards the operational security, the safety of people, goods and the environment, which could limit the activities or growth of Aena airports, and/or require significant disbursements.

We also detail the operating risks deriving from various factors that could affect the Group's activity as they are directly related to the levels of passenger traffic and aircraft operations at its airports.

With respect to the financial risks to which Aena Group's operations are exposed, the main risks are indicated in the content of the aforementioned Note 3 to the consolidated financial statements: market risk (including exchange rate risk and interest rate risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

This information is completed with the measures that the Group Management has adopted to face the consequences of the COVID-19 pandemic, which are largely unpredictable in this unprecedented situation, in order to cover the most significant risks that have been identified, which are detailed in Note 3 to the Consolidated Interim Financial Statements at 30 June 2020 ("Impact of the COVID-19 pandemic). This Note describes the impacts due to operational and business risk, liquidity risk and health risk.

9. Legal proceedings

At 30 June, 2020, there were no significant legal proceedings to highlight.

10. Stock market performance

During the first half of 2020, the share price fluctuated between a minimum of €91.90 and a maximum of €174.50, ending the period at €118.70, representing a fall in the share price of 30.4%, more than the fall in the IBEX 35, which lost 24.3% in the same period.

Figure 4. Stock market performance

The main figures of performance of Aena's share price on the continuous market of the Madrid Stock Exchange are summarised as follows:

30/06/2020	AENA.MC
Total volume traded (no. shares)	40,059,851
Daily average volume traded in the period (No. of shares)	317,935
Capitalisation (€)	17,805,000,000
Closing price (€)	118.70
Number of shares	150,000,000
Free Float (%)	49%
Free Float (shares)	73,500,000

Table 20. Main data on Aena's share trading

As regards the acquisition and disposal of treasury shares, at 30 June 2020, Aena did not hold treasury shares, so there was no impact on the yield obtained by the shareholders or on the value of the shares.

11. Events after the reporting period

Since the closing date of the six-month period ended 30 June 2020 and up until the date of approval of the consolidated interim financial statement, no significant events have occurred that might affect the condensed consolidated interim financial statements or the consolidated equity position of the Group other than those commented upon in this report.

APPENDICES:

I. Consolidated interim financial statements
II. Summary of communications to the National Securities Market Commission (CNMV)

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of financial position at 30 June 2020 and 31 December 2019

Thousands of euros	**30 June 2020**	**31 December 2019**
ASSETS		
Non-current assets		
Property, plant and equipment	12,386,792	12,670,706
Intangible assets	712,852	1,009,244
Investment properties	141,680	140,928
Right-of-use assets	54,803	61,725
Investments in associates and joint ventures	51,941	63,783
Other financial assets	94,433	80,123
Deferred tax assets	173,956	106,929
Other receivables	4,809	4,363
	13,621,266	**14,137,801**
Current assets		
Inventories	6,990	6,841
Trade and other receivables	379,206	505,304
Cash and cash equivalents	2,184,196	240,597
	2,570,392	**752,742**
Total assets	**16,191,658**	**14,890,543**
Share capital	1,500,000	1,500,000
Share premium	1,100,868	1,100,868
Retained earnings/(accumulated losses)	3,767,471	3,938,336
Cumulative conversion differences	-167,779	-21,575
Other reserves	-123,289	-111,827
Non-controlling interests	-47,053	-23,926
	6,030,218	**6,381,876**
Liabilities		
Non-current liabilities		
Financial debt	6,923,100	5,675,036
Derivative financial instruments	109,112	95,672
Grants	444,620	461,690
Provisions for employee benefit obligations	50,868	44,639
Provision for other liabilities and expenses	75,690	77,267
Deferred tax liabilities	54,803	58,386
Other non-current liabilities	15,174	15,462
	7,673,367	**6,428,152**
Current liabilities		
Financial debt	1,922,778	1,238,403
Derivative financial instruments	30,371	31,662
Trade and other payables	437,227	679,879
Current tax liabilities	-	10,165
Grants	34,226	35,652
Provision for other liabilities and expenses	63,471	84,754
	2,488,073	**2,080,515**
Total liabilities	**10,161,440**	**8,508,667**
Total equity and liabilities	**16,191,658**	**14,890,543**

APPENDIX I: Consolidated interim financial statements

Consolidated interim income statement for the six-month periods ended 30 June 2020 and 2019

Thousands of euros	30 June 2020	30 June 2019
Continuing operations		
Ordinary revenues	1,085,153	2,073,507
Other operating revenues	6,208	4,575
Work carried out by the Company for its assets	2,383	2,636
Supplies	-79,532	-85,581
Staff costs	-237,907	-229,042
Losses, impairment and change in trading provisions	-8,083	-3,060
Other operating expenses	-447,611	-589,916
Depreciation and amortisation	-403,497	-393,464
Capital grants taken to income	18,527	18,536
Surplus provisions	175	1,491
Net gains/(losses) on disposal of fixed assets	-1,448	-4,699
Impairment of intangible assets, property, plant and equipment and real estate investments	-119,574	-
Other net gains/(losses)	-6,911	867
Operating profit/(loss)	**-192,117**	**795,850**
Finance income	1,562	3,070
Finance expenses	-59,302	-70,426
Other net finance income/(expenses)	-6,878	338
Net financial income/(expenses)	**-64,618**	**-67,018**
Profit/(loss) and impairment of equity-accounted investees	-2,277	10,945
Profit/(loss) before tax	**-259,012**	**739,777**
Corporate Income tax	67,014	-180,699
Consolidated profit/(loss) for the period	**-191,998**	**559,078**
Profit/(loss) for the period attributable to non-controlling interests	**-21,261**	**87**
Profit/(loss) for the period attributable to shareholders of the parent company	**-170,737**	**558,991**
Earnings per share (euros per share)		
Basic earnings per share for the period	-1.14	3.73
Diluted earnings per share for the period	-1.14	3.73

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of cash flows for the six-month periods ended 30 June 2020 and 30 June 2019

Thousands of euros	30 June 2020	30 June 2019
Profit/(loss) before tax	**-259,012**	**739,777**
Adjustments for:	**577,893**	**452,895**
Depreciation and amortisation	403,497	393,464
Impairment adjustments	8,083	3,060
Changes in provisions	-461	14,973
Impairment of fixed assets	119,574	-
Grants taken to income	-18,527	-18,536
(Gains)/losses on disposal of property, plant and equipment	1,448	4,699
Value adjustments for impairment of financial instruments	255	-
Finance income	-1,562	-3,885
Finance expenses	42,708	53,593
Exchange differences	6,623	477
Financial expense on settlement of financial derivatives	16,594	16,833
Other revenues and expenses	-2,616	-838
Share in profit (loss) of equity-accounted investee companies	2,277	-10,945
Changes in working capital:	**40,323**	**17,135**
Inventories	-197	47
Trade and other receivables	123,125	-76,013
Other current assets	-48	-32
Trade and other payables	-66,548	121,257
Other current liabilities	-15,572	-26,972
Other non-current assets and liabilities	-437	-1,152
Other cash generated by operating activities	**-58,134**	**-98,220**
Interest paid	-46,652	-52,437
Interest received	945	53
Taxes paid	-12,166	-45,043
Other collections (payments)	-261	-793
Net cash flows from operating activities	**301,070**	**1,111,587**
Cash from/(used in) investing activities		
Acquisitions of property, plant and equipment	-288,058	-263,032
Acquisitions of intangible assets	-11,522	-9,935
Acquisitions of investment properties	-7	-3,012
Payments for acquisitions of other financial assets	-14,623	-6,141
Proceeds on disposal of/loans to Group companies and associates	-	5,635
Proceeds from property, plant and equipment divestment	-	85
Proceeds from disposals of intangible assets	381	-
Proceeds from other financial assets	59	1,966
Dividends received	417	4,050
Net cash flows from/(used in) investing activities	**-313,353**	**-270,384**

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of cash flows for the six-month periods ended 30 June 2020 and 30 June 2019

Thousands of euros	30 June 2020	30 June 2019
Cash from/(used in) financing activities		
Proceeds from grants	-	1,574
Issue of debt	2,441,790	75,000
Other receipts	6,473	38,291
Repayment of bank borrowings	-100,000	-9,157
Repayment of Group financing	-362,320	-362,320
Lease liability payments	-3,970	-3,798
Dividends paid	-	-1,045,047
Other payments	-16,899	-11,099
Net cash from/(used in) financing activities	**1,965,074**	**-1,316,556**
Effect of exchange rate fluctuations	**-9,192**	**13**
Net (decrease)/increase in cash and cash equivalents	1,943,599	-475,340
Cash and cash equivalents at the beginning of the period	**240,597**	**651,380**
Cash and cash equivalents at the end of the period	**2,184,196**	**176,040**

APPENDIX II: Summary of communications to the National Securities Market Commission (CNMV) in H1 2020

Register	Date		Type of information	Description
165	21/02/2020	ORI	Other relevant information	Announcement of results presentation 2019
271	25/02/2020	ORI	Half-yearly financial reports and audit reports/limited audit review	La sociedad remite información financiera del segundo semestre de 2019
275	25/02/2020	ORI	Other relevant information - On business and financial situation	2019 fiscal year dividend proposal
278	25/02/2020	ORI	Annual corporate governance report	La sociedad remite el Informe Anual de Gobierno Corporativo del ejercicio 2019
280	25/02/2020	ORI	Annual report on directors´ remunerations	La Sociedad remite el Informe Anual sobre remuneraciones de los consejeros del Ejercicio 2019
281	25/02/2020	ORI	Announcement of general shareholders' meeting	The Company announces the approval of the call of the General Shareholders´s Meeting
32	25/02/2020	II	On P&L - On strategic plans and profit forecasts	2019 results presentation and 2020 forecasts
33	25/02/2020	II	On strategic plans and profit forecasts	The Company communicates the review of passenger traffic growth estimate for the year 2020
418	27/02/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the call for the General Shareholder´s Meeting
905	12/03/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the Addendum to the notice calling of the General Shareholder's meeting TCI Luxembourg S.à.r.L y Talos Capital Designated Activity Company
978	13/03/2020	ORI	Other relevant information	Press release on traffic attached
1137	23/03/2020	ORI	Other relevant information	Press release on new organization of airport facilities attached
1159	24/03/2020	ORI	Announcement of general shareholders' meeting	The Company announces that the Board of Directors of AENA has agreed to cancel the General Shareholders's Meeting
118	26/03/2020	II	On business and financial situation	Communication of Covid-19 effects in the Company
133	31/03/2020	II	On credit ratings	The Company announces the credit rating assigned by the rating agency Moody's Investors Service
136	01/04/2020	II	On business and financial situation	Contigency plan. Additional funding Covid 19
137	02/04/2020	II	On business and financial situation	Statement on the non- applicability to AENA of article 49 of the Royal Decree Law 11/2020
148	04/04/2020	II	On credit ratings	The Company announces the credit rating affirmed by the Fitch Ratings agency
1472	09/04/2020	ORI	Other relevant information	Press release on traffic data during March 2020 attached
1660	21/04/2020	ORI	Other relevant information	Aena S.M.E., S.A. announces a conference call to present the Group´s 1Q 2020 Results
1811	28/04/2020	ORI	Interim management report	La sociedad remite declaración intermedia de gestión del primer trimestre de 2020
191	28/04/2020	II	On P&L	Q1 2020 Results Presentation
192	28/04/2020	II	On business and financial situation	Commercial agreements
193	28/04/2020	II	On P&L	Press release regarding Q1 2020 results
1848	29/04/2020	ORI	Interim management report	La sociedad remite una amplicación/modificación de la declaración intermedia de gestión del primer trimestre de 2020 registrada con anterioridad
220	06/05/2020	II	On business and financial situation	Contigency plan. Additional funding Covid 19
298	24/06/2020	II	On credit ratings	Moody's Investors Service has affirmed AENA S.M.E., S.A. Long- Term Issuer Default Rating (IDR)
308	30/06/2020	II	On P&L	The Company communicates the new proposed appropriation of earnings
3089	30/06/2020	ORI	Announcement of general shareholders' meeting	The Company announces the approval of the call of the General Shareholder's Meeting
3091	30/06/2020	ORI	On corporate governance	The company communicates the proposal for the appointment of new directors

IP-Inside Information
OIR-Other relevant information

PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE CONSOLIDATED INTERIM MANAGEMENT REPORT AS AT JUNE 30, 2020

The Board of Directors of Aena, S.M.E., S.A, on July 28, 2020, in accordance with the provisions of current applicable regulations, has prepared the consolidated interim financial statements and consolidated interim management report for the six-month period ended June 30, 2020 which comprise the attached documents that precede this statement and, they consist of, the first in24 pages of common paper, and the second in 25 pages of common paper.

Position	Name	Signature
Chairman:	Mr. Maurici Lucena Betriu	
Director	Mr. Angel Luis Arias Serrano [1]	
Director	Mrs. Pilar Arranz Notario [2]	
Director	Mrs. Marta Bardón Fernández-Pacheco [3]	
Director	Mr. José Luis Bonet Ferrer [4]	
Director	Mr. Juan Ignacio Díaz Bidart [5]	
Director	Mr. Josep Antoni Durán i Lleida [6]	
Director	Mr. Francisco Ferrer Moreno	
Director	Mr. Jordi Hereu Boher [7]	
Director	TCI Advisory Services, LLP, represented by Mr. Christopher Anthony Hohn [8]	
Director	Mrs. Leticia Iglesias Herraiz	
Director	Mr. Amancio López Seijas	
Director	Mr. Francisco Javier Martín Ramiro [9]	
Director	Mrs. Angélica Martínez Ortega	
Director	Mr. Jaime Terceiro Lomba	
Secretary (non-Director):	Mr. Juan Carlos Alfonso Rubio	

[1] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
2 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
3 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mrs. Leticia Iglesias Herraiz
[4] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mrs. Leticia Iglesias Herraiz
[5] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Amancio López Seijas
[6] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
[7] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
[8] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mrs. Leticia Iglesias Herraiz
[9] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba

Statement of responsibility regarding the consolidated interim financial statements and the consolidated interim management report for the half-yearly end 2020 of Aena, S.M.E., S.A.

In compliance with provisions of article 11.1 (b) of Royal Decree 1362/2007, October 19, implementing Law 24/1988, July 28, on the Securities Market, the members of the Board of Directors of Aena, S.M.E., S.A. (the "Company") sign this statement of responsibility regarding the consolidated interim financial statements and the consolidated interim management report of the Company as at 30 June 2020, which state that, to the best of their knowledge, the half-yearly accounts prepared in accordance with the applicable accounting principles give a true and fair view of the net worth, financial position and results of the Company and its consolidated group and that the interim management reports include a faithful analysis of the information required.

Position	Name	Signature
Chairman	Mr. Maurici Lucena Betriu	
Director	Mr. Angel Luis Arias Serrano [1]	
Director	Mrs. Pilar Arranz Notario[2]	
Director	Mrs. Marta Bardón Fernández-Pacheco[3]	
Director	Mr. José Luis Bonet Ferrer[4]	
Director	Mr. Juan Ignacio Díaz Bidart[5]	
Director	Mr. Josep Antoni Durán i Lleida[6]	
Director	Mr. Francisco Ferrer Moreno	
Director	Mr. Jordi Hereu Boher[7]	

1 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
2 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
3 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mrs. Leticia Iglesias Herraiz
4 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mrs. Leticia Iglesias Herraiz
5 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Amancio López Seijas
6 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba
7 Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba

Director	TCI Advisory Services, LLP, represented by Mr. Christopher Anthony Hohn[8]	
Director	Mrs. Leticia Iglesias Herraiz	
Director	Mr. Amancio López Seijas	
Director	Mr. Francisco Javier Martín Ramiro[9]	
Director	Mrs. Angélica Martínez Ortega	
Director	Mr. Jaime Terceiro Lomba	

.

[8] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mrs. Leticia Iglesias Herraiz
[9] Due that the Director has attended the meeting by videoconference, he delegates the signature to Mr. Jaime Terceiro Lomba