Consolidated interim management report

for the six-month period ended 30 June 2020

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

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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.

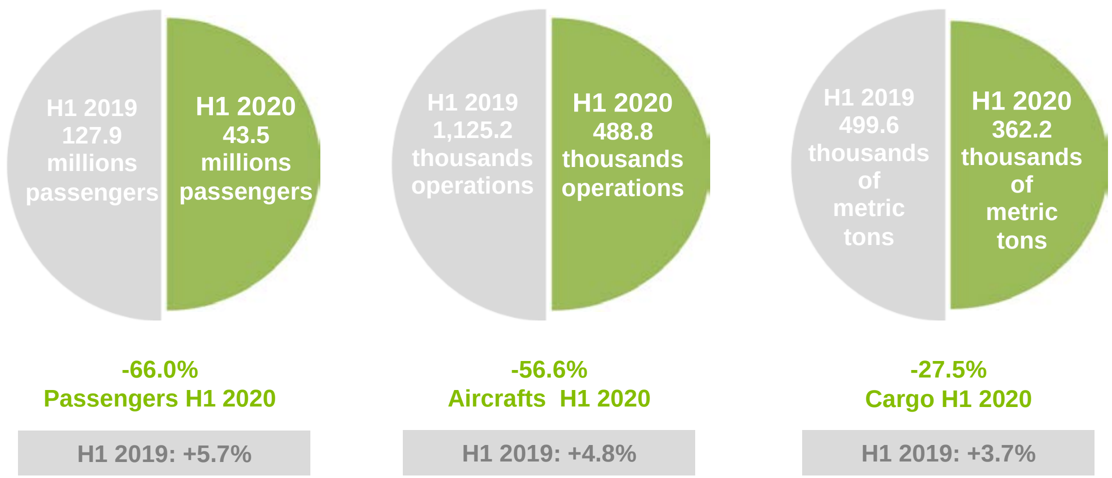

Figure 1. Traffic in the Aena airport network

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:

Airports and airport Groups	Passengers			Aircraft			Cargo		
	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):

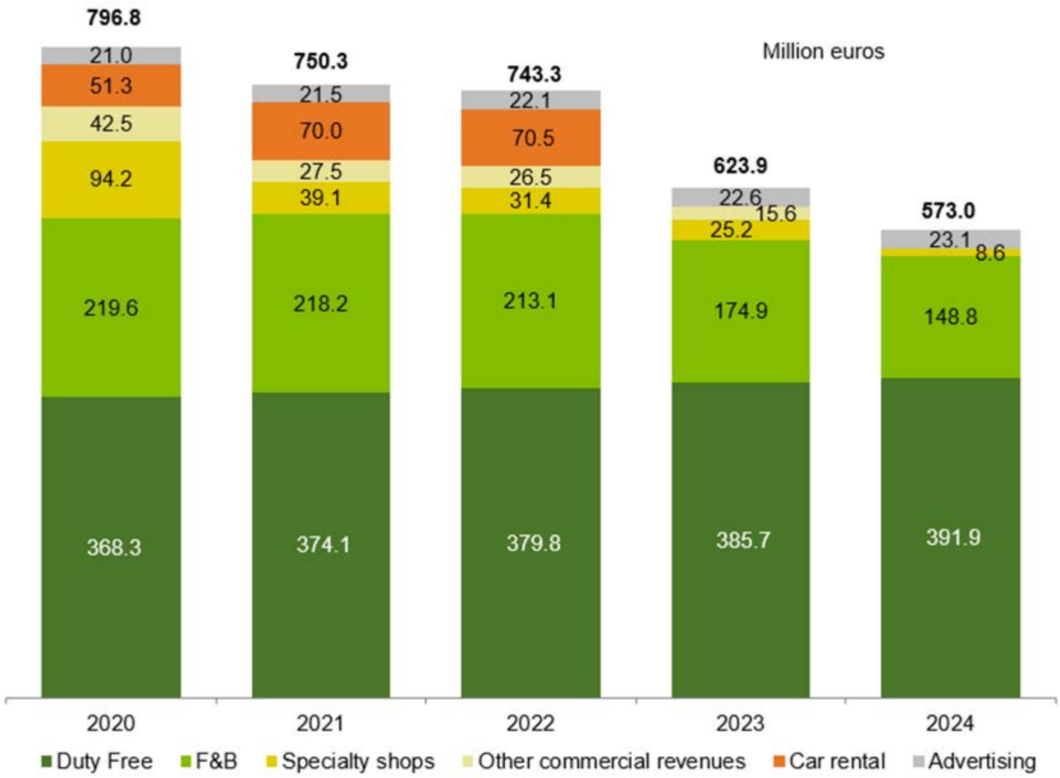

Figure 2. Minimum annual guaranteed rents (MAG) by lines of business and car rental fixed rents

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:

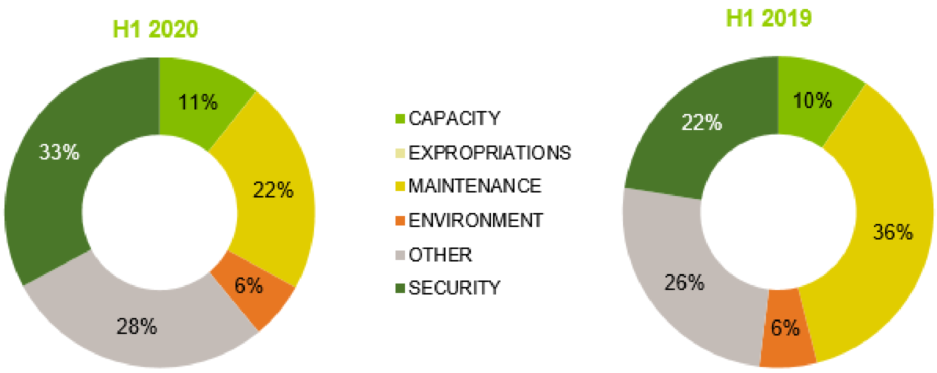

Figure 3. Analysis of capital expenditure by category

- 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