



# Management Report Corporación América Airports S.A.

The board of directors of Corporación América Airports S.A. (the "Company") submits the Consolidated Financial Statements for the fiscal year ended December 31, 2020 in accordance with Luxembourg applicable laws and regulations.

## General Overview

Corporación América Airports S.A. was incorporated under the laws of the Grand Duchy of Luxembourg ("Luxembourg") on December 14, 2012. The Company owns no assets other than its direct and indirect ownership of the issued share capital of other intermediate holding companies for all of our operating subsidiaries.

Prior to our initial public offering, the Company was 100% controlled by ACI Airports S.à r.l., a holding company incorporated in Luxembourg (the "Majority Shareholder"), which is 100% owned by ACI Holding S.à r.l., a holding company also incorporated in Luxembourg ("ACI Holding"). The Majority Shareholder currently controls 80.53% of our common shares.

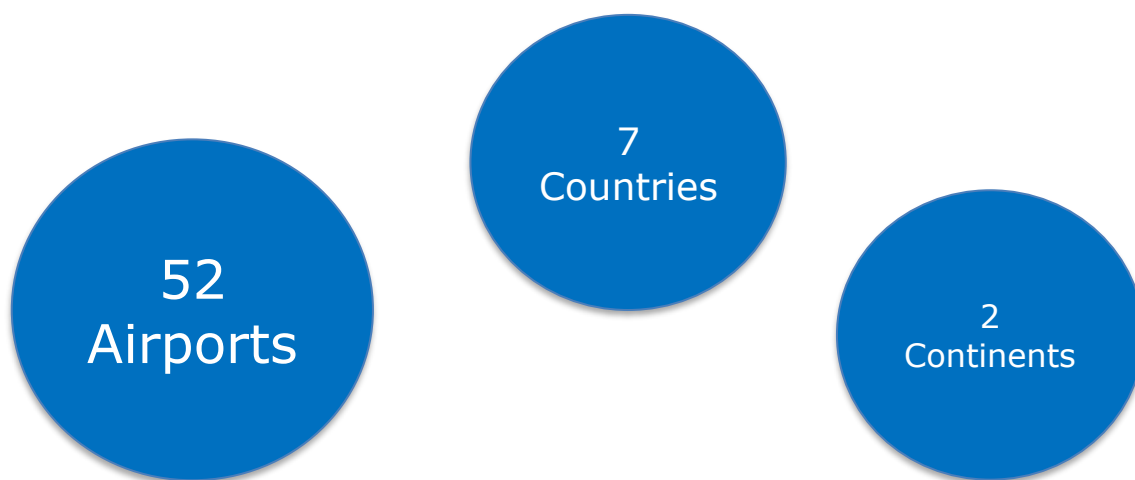
## WHO WE ARE - CORPORATE PROFILE

We are the largest private sector airport concession operator in the world based on the number of airports under management. From our beginnings in 1998 when we acquired the concession rights to operate 33 airports in Argentina, we have expanded geographically and currently operate 52 airports globally; in Latin America, our largest market, as well as in Europe and Eurasia. We operate some of the largest and most important airports in the countries where we are conduct operations; including large international airports, such as Ezeiza Airport in Argentina, domestic airports, such as Brasilia Airport in Brazil, airports in tourist destinations, such as Galapagos Ecological Airport in Ecuador and Florence Airport in Italy, as well as mid-sized domestic airports. We acquired most of our airport concessions through a public tender process and we, generally, improved the infrastructure significantly through large capital investments.

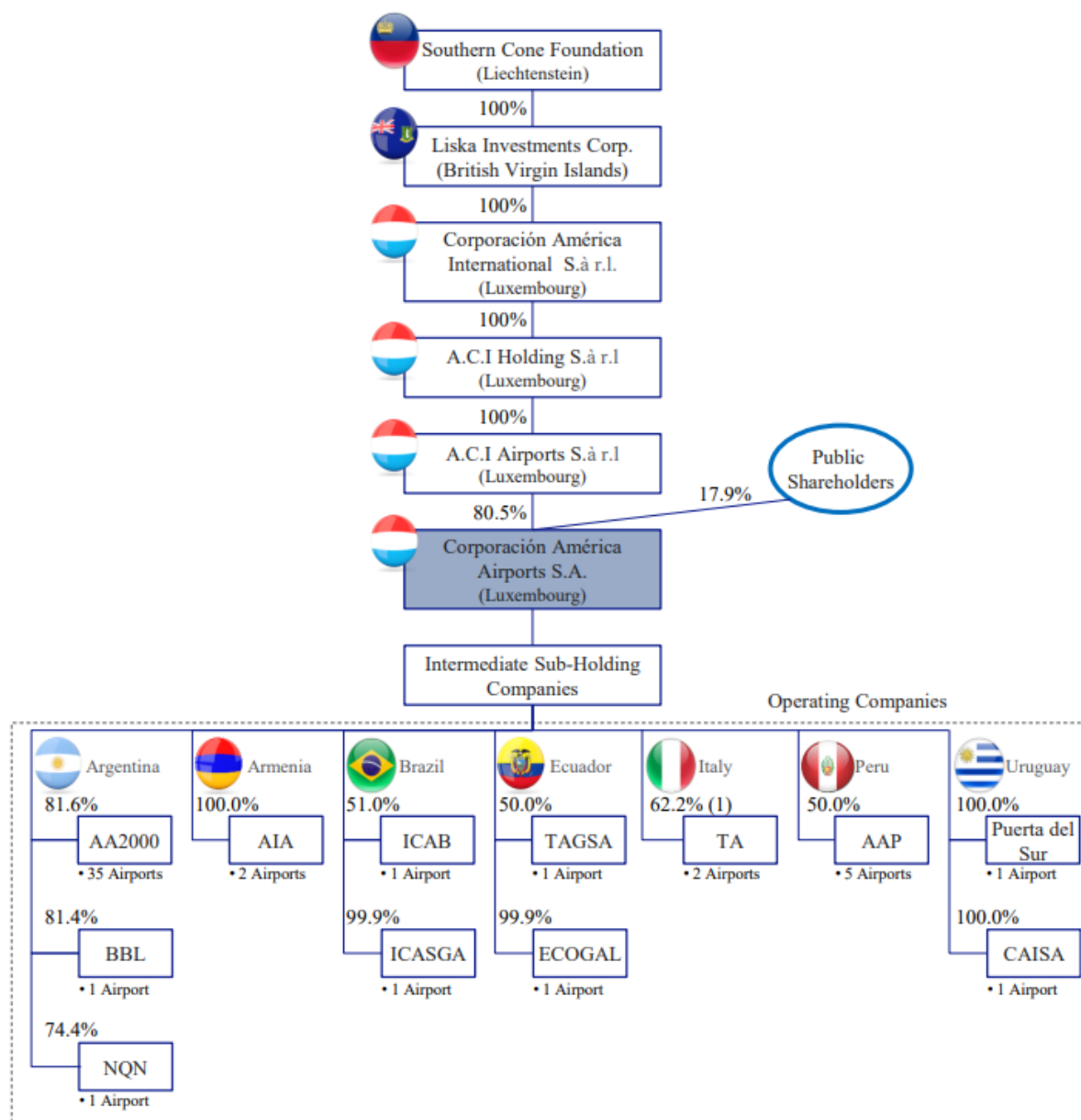
We derive revenue from aeronautical and commercial services. The key driver of revenue is passenger traffic, as increased passenger traffic allows us to generate both aeronautical and commercial revenue. We derive the majority of our revenue from fees charged to departing passengers and landing and parking fees charged to aircraft operators for the use of our premises and for certain aeronautical services. We also earn revenue from commercial services, including warehouse usage, duty free, retail and food and beverage shops, advertising and parking fees.

In 2020, our airports served 25.2 million passengers (2019: 84.2 million) of which approximately 28.2% (2019: 33.5%) were international, approximately 57.1% (2019: 56.5%) were domestic and approximately 14.7% (2019: 9.9%) were transit passengers. The airports we operate are located in countries with compelling macro-economic trends and in key cities within those countries. From 2019 to 2020, air traffic decreased 70% in terms of number of passengers. Passenger traffic level and air traffic operations have already been and will continue to be adversely affected in 2021, and for so long as the health crisis and the virus impact continues, by the outbreak of the Covid-19 virus and the measures that governments are taking to combat it (See: Covid-19 Virus Impact section).

We have created a global platform with operational expertise and resources to support our organic growth plan and our global expansion strategy.



The following diagram reflects a simplified summary of our current organizational structure:



(1) We Own 75% of our Italian intermediate holding company Corporacion America Italia S.p.A.

# History and development of the Company's business

We have been operating since 1998 and have become a leading global airport concession operator.

- In 1998, as part of the AA2000 consortium, we were awarded the national and international public bid conducted by the Argentine Government for the concession rights related to the operation of 33 airports in Argentina, including the two largest airports, the Ministro Pistarini International Airport ("Ezeiza Airport"), located at Ezeiza, Buenos Aires, and the Jorge Newbery Aeroparque Airport ("Aeroparque Airport"), located in Buenos Aires.
- In 2001, as part of the Aeropuertos del Neuquén S.A. ("NQN") consortium, we were awarded the concession to operate Aeropuerto de Neuquén ("Neuquén Airport"), our 34th airport in Argentina.
- In 2002, our subsidiary Armenia International Airports CJSC ("AIA") was awarded the concession to operate the Zvartnots International Airport ("Zvartnots Airport"), located 12 kilometers from downtown Yerevan, Armenia's capital.
- In 2003, in a public auction conducted by the Uruguayan Government, we purchased the shares of Puerta del Sur S.A. ("Puerta del Sur"), owner of the concession that operates the General Cesáreo Berisso International Airport ("Carrasco Airport") in Carrasco, Uruguay, located 19 kilometers from downtown Montevideo, Uruguay's capital.
- In 2004, as part of the Terminal Aeroportuaria de Guayaquil S.A. ("TAGSA") consortium, we were awarded the concession to operate the José Joaquín de Olmedo International Airport ("Guayaquil Airport"), located five kilometers from downtown Guayaquil, Ecuador.
- In 2007, we executed an amendment to the Zvartnots Airport concession agreement to include Shirak Airport in Gyumri ("Shirak Airport"), the second largest civil airport in Armenia.
- In 2008, in a private transaction, we acquired all of the equity interests of Consorcio Aeropuertos Internacionales S.A. ("CAISA"), which owns the concession that operates the Carlos A. Curbelo Airport ("Punta del Este Airport") located in Maldonado, by Punta del Este, Uruguay.
- In 2008, as part of the consortium Aeropuerto de Bahía Blanca S.A. ("BBL"), we were awarded the concession to operate Aeropuerto de Bahía Blanca ("Bahía Blanca Airport"), our 35th airport in Argentina.
- In 2011, as part of the consortium Aeropuertos Andinos del Perú S.A. ("AAP"), we were awarded the concession to operate six principal airports in southern Peru (the "AAP Airports"). Currently, we operate five of the six airports that are part of the AAP concession agreement.

- In 2011, as part of the consortium Aeropuertos Ecológicos de Galápagos S.A. ("ECOGAL"), we were awarded the concession to operate the Seymour Airport ("Galapagos Airport"), located in Baltra Island, Galapagos Archipelago, our second airport in Ecuador.
- In 2011, as part of the consortium ICASGA, we were awarded the concession to operate the International Airport of São Gonçalo do Amarante ("Natal Airport"), located in Natal, Brazil.
- In 2012, pursuant to an agreement between AA2000 and the Argentine province of Santiago del Estero, we began operating the Termas de Río Hondo Airport, our 36th airport in Argentina.
- In 2012, as part of the consortium ICAB, we were awarded the concession to operate the Presidente Juscelino Kubitschek International Airport ("Brasilia Airport"), located 11 kilometers from downtown Brasilia, Brazil's capital.
- In 2012, we formed A.C.I. Airports International S.à r.l. to hold, either directly or indirectly, our interests in various companies that own our airport concessions.
- In 2014, we acquired controlling interests in the companies that own the Aeroporto Galileo Galilei di Pisa ("Pisa Airport") located in Pisa, Italy, and the Aeroporto di Firenze ("Florence Airport," and together with Pisa Airport, the "Italian Airports") located in Florence, Italy, through a number of private acquisitions with former shareholders as well as the consummation of two public tender offers. In 2015, we merged the two companies that operated the Italian Airports to form Toscana Aeroporti S.p.A. ("TA"), a company publicly listed on the Milan Stock Exchange (Borsa Italiana) and of which we own 51.1% of the issued and outstanding common stock. The concessions for the Pisa Airport and the Florence Airport have been transferred to TA.
- In 2014, we executed an amendment to the concession agreement of the Carrasco Airport extending the term by 10 years to 2033.
- In 2015, we completed the corporate consolidation through which we acquired direct interest in ICASGA and indirect interest in ICAB through Inframerica.
- In 2017, as part of the AA2000 consortium, we were awarded the concession rights related to the operation of the El Palomar Airport ("El Palomar Airport"), located in the province of Buenos Aires, our 37th airport in Argentina.
- On February 1, 2018, we completed our initial public offering, in which we and the controlling shareholder sold an aggregate of 28,571,429 common shares to the public.
- In 2018 we acquired an additional 11.08% in TA, increasing our ownership to 62.28% of its issued and outstanding common stock.

- In 2018 we sold and transferred 25% of CA Italy's issued and outstanding common stock to Investment Corporation of Dubai, reducing our ownership in CA Italy to 75%.
- In 2018 we executed an amendment to the Guayaquil Concession Agreement extending the concession term for additional five years. Thus, the current expiration date is set to be in 2029.
- In June 2019, we executed an amendment to the Punta del Este Concession Agreement extending the concession term for additional 14 years, until March 31, 2033.
- In July 2020, the Italian Government passed a law in relation with Covid-19 emergency measures, granting a two-year concession extension for airport operators.
- In November 2020, we executed irrevocable amendment for the termination of the Natal Airport concession.
- In December 2020 we executed an amendment to the AA2000 Concession Agreement extending the concession term for additional ten years. Thus, the current expiration date is set to be in February 13, 2038.
- In 2020, the terms of under the Italian Concessions Agreements were extended by two additional years pursuant to Law No. 77, dated July 17, 2020, which amends Article 202 paragraph 1-bis of Decree-Law No. 34 of May 19, 2020.

The following table lists our concessions by country, together with their commencement date and extension details (if any):

<b>Country</b>	<b>Concession</b>	<b>CAAP Effective Ownership</b>	<b>Number of Airports</b>	<b>Concession Start Date</b>	<b>Current Concession End Date</b>	<b>Extension Details</b>
Argentina	AA2000	81.6%	35 <sup>(1)</sup>	1998	2038	-
	NQN	74.4%	1	2001	2021	Extendable for 5 years <sup>(2)</sup>
	BBL	81.4%	1	2008	2033	Extendable for 10 years <sup>(2)</sup>
Italy	TA (SAT)	46.7%	1	2014	2048	—
	TA (ADF)	46.7%	1	2014	2045	—
Brazil	ICASGA	99.9%	1	2012	2040	5 years <sup>(3)</sup>
	ICAB	51.0%	1	2012	2037	5 years
Uruguay	Puerta del Sur	100%	1	2003	2033	—
	CAISA	100%	1	2008	2033	—
Ecuador	TAGSA	50.0%	1	2004	2029	—
	ECOGAL	99.9%	1	2011	2026	—
Armenia	AIA	100%	2	2002	2032	Option to renew every 5 years <sup>(4)</sup>
Peru	AAP <sup>(5)</sup>	50.0%	5	2011	2036	Extendable until 2071
Total			52			

(1) Includes Termas de Rio Hondo Airport, which is operated by AA2000 but is pending certain regulatory approvals to be included in the AA2000 Concession Agreement.

(2) Subject to certain terms and conditions, including governmental approval.

(3) In November 2020, we executed irrevocable amendment for the termination Natal Airport concession.

(4) Renewable at our sole discretion for an indefinite number of 5-year extension periods.

(5) AAP's concession comprises six airports; however, we currently only operate five.

## Business overview

We acquire, develop and operate airport concessions. We are the largest private sector airport concession operator in the world based on the number of airports under management and the tenth largest private sector airport operator in the world based on passenger traffic. Currently, we operate 52 airports globally in Latin America, Europe and Eurasia. Since 1998, when we acquired the AA2000 Concession Agreement, we have expanded the environments and geographies in which we operate airports by acquiring concessions in Armenia, Uruguay, Ecuador, Peru, Brazil, Italy and additional concessions in Argentina.

We operate some of the largest and most important airports in the countries where we conduct operations, including a large international airport, such as Ezeiza Airport in Argentina, domestic airports, such as Brasilia Airport in Brazil and Aeroparque Airport in Argentina, airports in tourist destinations, such as Bariloche and Iguazu in Argentina, Galapagos Ecological Airport in Ecuador and Florence Airport in Italy, as well as mid-sized domestic and tourist destination airports.

Argentina is our largest and longest established market where we operate and manage 37 of the 56 airports in Argentina's national airport system, including the Argentina's two largest airports, Ezeiza and Aeroparque. In each year since we acquired the rights under the AA2000 Concession Agreement, our airports in Argentina have handled over 90.0% of Argentina's total passenger traffic.

For the year ended December 31, 2020, we had total consolidated revenue of USD 0.6 billion, consolidated loss of USD (361.9) million, Adjusted EBITDA of USD 13.6 million and Adjusted EBITDA excluding Construction Services of USD 12.3 million, and our airports handled 352,905 total aircraft movements and served 25.2 million total passengers (of which approximately 28.0% were international, approximately 57.3% were domestic and approximately 14.7% were transit passengers). During 2020, the Company's operations were significantly affected due to the impact of the Covid-19 pandemic and the measures that affected and continue to affect passenger traffic. The significant decrease in our results of operations due to Covid-19 pandemic, affected the comparability of the figures reports for the year ended December 31, 2020 with the corresponding period in 2019. For the year ended December 31, 2019, we had total consolidated revenue of USD 1.6 billion, consolidated loss of USD (5.8) million, Adjusted EBITDA of USD 380.7 million, and Adjusted EBITDA excluding Construction Services of USD 378.5 million and our airports handled 857,913 total aircraft movements and served 84.2 million total passengers (of which approximately 33.5% were international, approximately 56.5% were domestic and approximately 9.9% were transit passengers). For the year ended December 31, 2018, we had total consolidated revenue of USD 1.4 billion, consolidated loss of USD (10.6) million, Adjusted EBITDA of USD 445.9 million, and Adjusted EBITDA excluding Construction Services of USD 443.8 million and our airports handled 880,579 total aircraft movements and served 81.8 million total passengers (of which approximately 34.2% were international, approximately 54.8% were domestic and approximately 11.0% were transit passengers).



## Covid-19 Impact

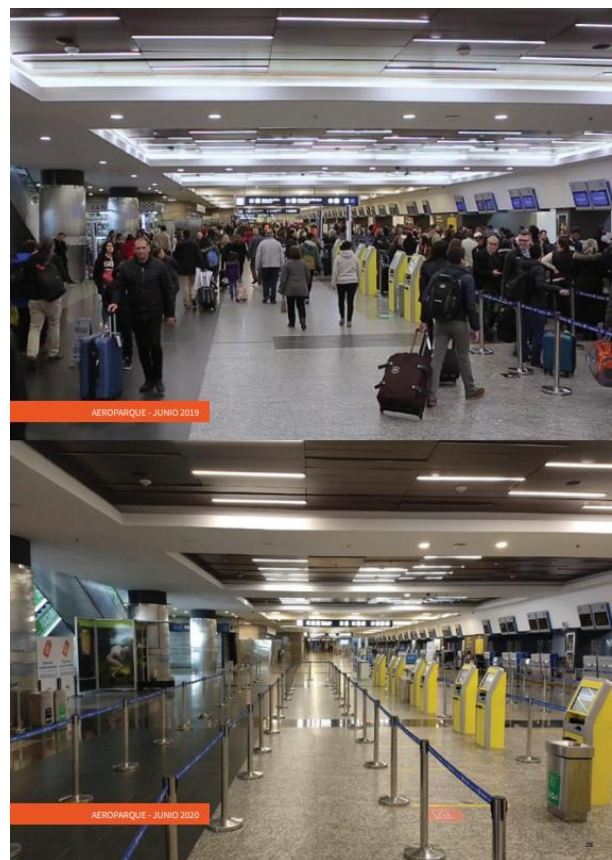
In March 2020, the World Health Organization classified the outbreak of Covid-19 as a pandemic. The nature of Covid-19 led to worldwide shutdowns and halting of commercial and interpersonal activity and several governments around the world, including Latin American governments, rapidly implemented drastic measures to contain the spread, including but not limited to the closing of borders and prohibition of travel to and from certain parts of the world for a time period. Specifically, the governments and transportation authorities in the majority of the CAAP's countries of operations have issued flight restrictions some of which were still in force as of December 31, 2020.

The Covid-19 virus outbreak has generated a disruption in the global economy, and in particular, the aviation industry resulting in drastic reductions in passenger traffic. The current health crisis is having and will likely continue to have, a negative impact on passenger traffic levels and air traffic operations.

In 2020, our passenger traffic was down 70% compared to the same period in 2019 with 25.2 million passengers served (84.2 passengers served in 2019).

The decrease in activity has significant impacts on our Consolidated Financial Statements as of December 31, 2020. The main impacts are disclosed in Note 1.2.2. of our Consolidated Financial Statements.

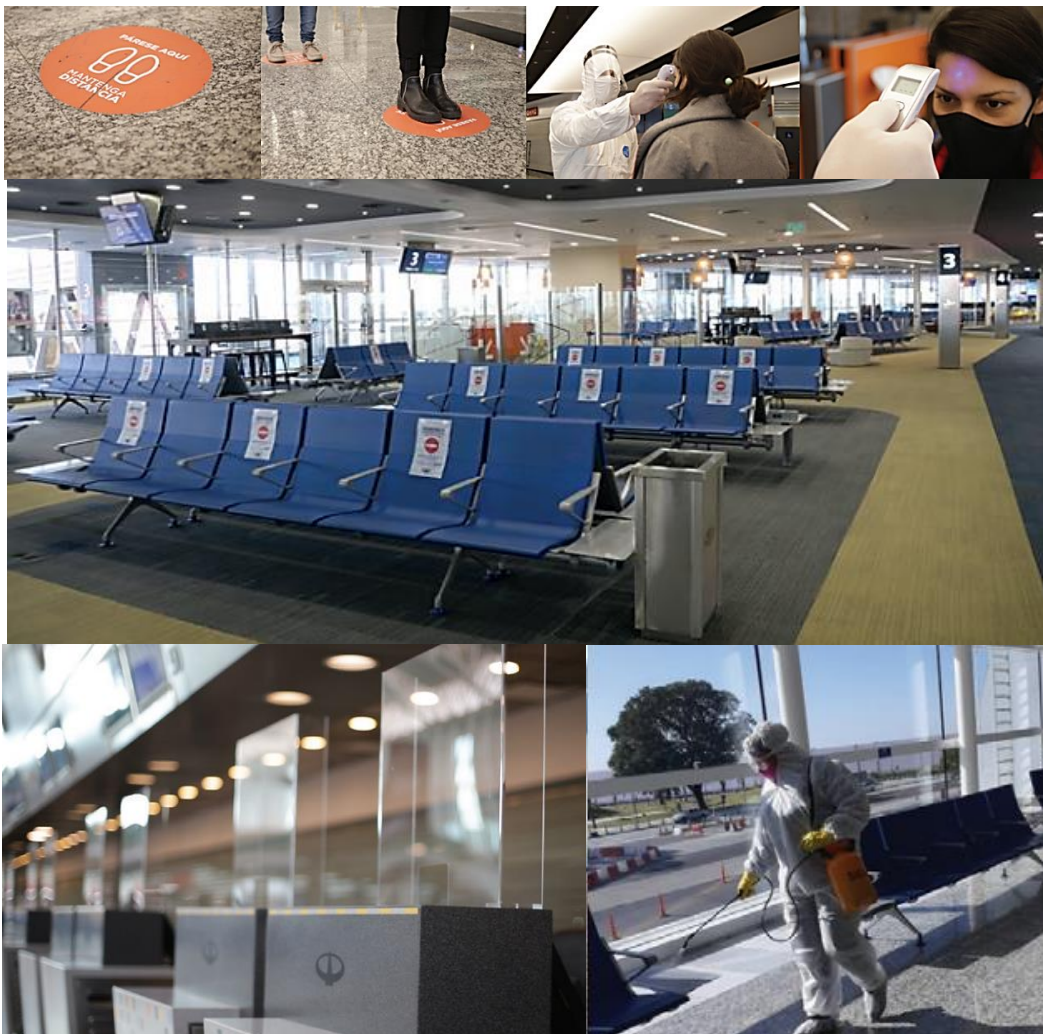
We formed a crisis committee composed of the Company's CEO and operating CEOs of each subsidiary to assess its operations, including reductions in operating costs while maintaining quality and safety standards. The Company maintains conversations with the relevant regulatory agencies and aviation and transportation authorities, in each of its countries of operations, to review mitigation measures as it navigates this unprecedented environment.



## Our actions taken and response to Covid-19 crisis

### Employees and Passengers

We have further enhanced safety and hygiene protocols across our airports to protect the well-being of passengers and operating personnel. As travel bans are lifted and commercial flights resume across all countries, we developed and established customized protocols to ensure the maximum health standards across the Company's airport network. These protocols were approved by the respective regulatory agencies and health authorities. These include sanitization and social distance measures, screening and biocontrol procedures for all passengers travelling through our airports. Ezeiza airport in Argentina, along with Brasilia, Guayaquil, Carrasco, Arequipa and Galapagos airports obtained ACI's "Airport Health Accreditation". In addition, Pisa and Florence airports were the first in Italy to receive independent certification of health protocols in July 2020.



### Cost Controls and Cash Preservation Measures

We introduced reductions in operating costs by:

- Reducing personnel expenses including salary reductions, suspension of salary increases and freezing new hiring, mandatory use of pending vacations and/or advancing vacations to employees when possible, placing operating employees on furlough in certain geographies and personnel layoffs due to downsizing of operations. Reducing personnel expenses in Brazil, Uruguay, Italy and Armenia, including lay-off, salary reductions, placing operating employees on furlough and/or reduction of working hours. In Argentina, the Company received government assistance to cover a portion of salaries since April to December 2020.
- Reducing maintenance and other operating expenses while maintaining the quality and safety standards, required to support the minimum level of operations.

### Negotiations with Regulatory Bodies and Government Support

We have started discussions with regulatory agencies to renegotiate concession fees payments to align to the current environment. In Brazil, in March 2020 the regulator approved the deferral to December 2020 of the variable and fixed concession fee payments that were due May and July, respectively. Also, in November 2020 we obtained the refinancing of 50% of this 2020 annual concession fee payment due December 2020, which was deferred to the six final years of the concession. In Italy, the Company obtained regulatory approval to defer until January 2021 the semi-annual concession fee payment originally due July 2020. On December 17, 2020 AA2000 reached an agreement with Organismo Regulador del Sistema Nacional de Aeropuertos ("ORSNA") in relation with past due payments of concession fees and development trusts suspended during 2020, for approximately USD 38 million that will be paid in installments between October 2021 and September 2022.

### Concession Agreements compensations

Under the concession contracts framework, the amounts and mechanisms for compensation have been negotiated with authorities and include generally a reduction in the concession fee amount and/or mandatory capex, increasing tariffs, extending the tenor of the concession or a combination thereof. We are engaged in these processes that require going through administrative regulatory channels. Please refer to Note 8 and 26.b) of our Consolidated Financial Statements for additional information.

Financial position and liquidity:

We are taking the following measures:

- Cancelled all non-mandatory capital investments and deferred non-priority projects.
- Implemented a set of cost control measures to reduce operating expenses and negotiate payment terms with our suppliers to limit additional cash outflows.
- Suspending dividends to be disbursed in 2020 on concessions in Italy and Ecuador.
- Obtaining a deferral of principal and interest payments of debt and obtaining additional funding.

As a result of the above and considering that the Covid-19 pandemic is complex and its evolution is uncertain, the full extent to which the Coronavirus will impact our business, results of operations, financial position and liquidity is unknown.

Despite the unknown impact, management monitors our performance through passengers' evolution, cost monitoring, liquidity projections and scenario planning and, therefore, continues to implement its four-pronged strategy as suitable. These processes require the use of various internal and external reference points for its projections including estimates from industry associations such as the Airport Council International ("ACI") and the International Air Transport Association ("IATA"), which expect to see signs of recovery towards the second half of 2021 following Covid-19 vaccination campaigns.

## Our airports by country in which we operate

### Argentina

Our largest operations are in Argentina, where we operate a total of 37 of the 56 airports in the Argentine national airport system, including the two largest airports in Argentina, Ezeiza Airport and Aeroparque Airport.

Our airports are located in 22 of the 23 Argentine provinces and in the City of Buenos Aires and currently serve major metropolitan areas in several Argentine provinces (such as Buenos Aires, Córdoba and Mendoza) and the City of Buenos Aires, tourist destinations (such as Bariloche, Mar del Plata and Iguazú), regional centers (such as Córdoba, Santa Rosa, San Luis, San Juan, La Rioja, Santiago del Estero and Catamarca) and border province cities (such as Mendoza, Iguazú, Salta and Bariloche).

Of the 37 airports we operate in Argentina, 19 have been designated as “international airports” under applicable local law, meaning that they are or may potentially be equipped to receive international flights.



Airport	Passenger traffic			
	International or national designation	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
		(In Thousands)		
Aeroparque Internacional, "Jorge Newbery"	International	2,293.0	12,311.3	13,474.0
Aeropuerto Internacional de Ezeiza, "Ministro Pistarini	International	3,474.4	12,484.9	10,844.1 <sup>(1)</sup>
Aeropuerto Internacional de Córdoba, "Ing. A. Taravella"	International	739.3	3,529.0	3,398.8
Aeropuerto de San Carlos de Bariloche "Teniente Luis Candelaria"	International	474.0	1,857.7	1,576.7
Aeropuerto Internacional de Mendoza, "El Plumerillo"	International	471.5	2,311.4	2,023.7
Aeropuerto Internacional de Salta, "Martín Miguel de Güemes"	International	356.1	1,478.6	1,122.3
Aeropuerto de Misiones, "Cataratas del Iguazú"	International	357.6	1,575.5	1,112.0
Aeropuerto de Neuquén, "Presidente Peron"	International	251.6	1,217.3	1,036.4
Aeropuerto de Tucumán, "General Benjamin Matienzo"	International	199.6	969.5	957.2
Aeropuerto de Comodoro Rivadavia, "Geral. Enrique Mosconi"	International	137.5	649.5	680.0
Aeropuerto de San Juan, "Domingo Faustino Sarmiento"	National	37.4	148.9	209.8
Aeropuerto de Bahía Blanca, "Comandante Espora"	National	64.0	354.6	431.4
Aeropuerto de Río Gallegos, "Piloto Civil Norberto Fernández"	International	69.1	263.0	241.7
Aeropuerto de Jujuy, Gobernador Horacio Guzmán	International	92.8	397.9	406.4
Aeropuerto de Resistencia, "José de San Martín"	International	59.5	310.3	299.3
Aeropuerto Internacional de Mar del Plata, "Astor Piazzolla"	International	117.7	399.5	472.8
Aeropuerto de Posadas, "Libertador General José de San Martín"	International	65.9	325.7	296.0
Aeropuerto de Río Grande "Gobernador Ramon Trejo Noel"	International	35.3	147.8	151.4
Aeropuerto Internacional de Formosa, "El Pucu"	International	18.8	105.3	109.5
Aeropuerto de San Luis, "Brigadier Mayor César R Ojeda"	National	14.3	73.2	91.4
Aeropuerto de Santiago del Estero, "Vcom. Angel de la Paz Aragones"	National	30.1	149.4	124.9
Aeropuerto de La Rioja, "Capitán Vicente Almandos Almonacid"	National	12.7	65.7	71.1
Aeropuerto de San Rafael, "S.A. Santiago Germano"	National	13.4	54.6	54.0
Aeropuerto de Puerto Madryn, "El Tehuelche"	National	13.00	80.2	104.2
Aeropuerto de Catamarca, "Coronel Felipe Varela"	National	14.6	63.3	66.8
Aeropuerto de Esquel "Brigadier General Antonio Parodi"	National	13.9	53.5	51.7
Aeropuerto de Entre Ríos, "General Justo José de Urquiza"	National	8.8	60.2	74.5
Aeropuerto de Santa Rosa	National	8.5	49.4	49.2
Aeropuerto de San Fernando	International	19.3	26.4	44.1
Aeropuerto de Viedma, "Gobernador Castello"	National	10.5	39.8	34.1
Aeropuerto Termas de Río Hondo	National	0.5	13.8	23.6
Aeropuerto de Río Cuarto, "Área de Material"	National	4.6	37.3	38.6
Aeropuerto de General Pico	National	0.5	2.1	3.4
Aeropuerto de Reconquista "Teniente Daniel Jukic"	National	0.2	4.3	10.4
Aeropuerto de Malargüe, "Comodoro D Ricardo Salomon"	National	0.1	0.8	1.0
Aeropuerto de Villa Reynolds	National	0.5	0.4	0.4
Aeropuerto El Palomar	International	480.0	1,793.6	676.1

(1) Note that preliminary passenger traffic figures for January 2019 for Ezeiza Airport, in Argentina, were adjusted to include additional inbound passengers not accounted for in the initial count, for an average of approximately 5% of total passenger traffic at Ezeiza Airport and 1% of total traffic at CAAP, during that period. Importantly, inbound traffic does not affect revenues as tariffs are applicable on departure passengers.

In Argentina, our main concession is the AA2000 Concession, which accounted for approximately 9.6 million passengers, or 96.8% of the total 10.0 million total passengers we served during the year ended December 31, 2020. Approximately 3.5 million of our passengers were at Ezeiza Airport and 2.3 million at Aeroparque Airport. The airports under the AA2000 Concession Agreement accounted 41.8 million passengers, or 96.4% of the total 43.4 million total passengers we served during the year ended December 31, 2019. Approximately 12.5 million of our passengers were at Ezeiza Airport and 12.3 million at Aeroparque Airport. For the year ended December 31, 2018, the airports under the AA2000 Concession Agreement accounted 38.9 million passengers, or 96.4% of the total 40.4 million total passengers we served during the year ended December 31, 2018. Approximately 10.8 million of our passengers were at Ezeiza Airport and 13.5 million at Aeroparque Airport.

In our Argentina segment, AA2000 represented over 99.7% of our total revenues, 96.8% of our passengers and 95.9% of our air traffic movements in each of these periods. In a consolidated basis, AA2000 represented over 57.4% of our consolidated revenues, 38.2% of our total passengers and 42.3% of our air traffic movements during the year ended December 31, 2020.

In 2011, Cedikor, the controlling shareholder of CASA, acquired 9.35% of AA2000's ordinary capital and voting stock. As of September 22, 2020, the ORSNA approved the aforementioned transaction.

The Argentine Government owns 15.0% of AA2000's ordinary share capital and voting stock through its ownership of AA2000's common shares. In addition, the Argentine Government owns all of AA2000's preferred shares. Beginning in 2020, the Argentine Government may convert each year preferred shares into common shares up to a maximum of 12.5% of the total initial amount of preferred shares issued to the Argentine Government. In order to exercise its conversion right, the Argentine Government must notify AA2000 of its intention to convert preferred shares and AA2000 will have 30 days from delivery of such notification to redeem those preferred shares before conversion occurs. In addition, AA2000 has the option, but not the obligation, to redeem the preferred shares held by the Argentine Government at any time. The conversion ratio will be based on the price of the common shares at the time of conversion compared to the nominal value of each preferred share, which is AR\$1. If AA2000's common shares are listed on the Buenos Aires Stock Exchange, then the price will be established based on the average traded value of such common shares on the Buenos Aires Stock Exchange during the five trading days prior to the notice of conversion delivered by the Argentine Government to AA2000. If AA2000's shares are not listed on the Buenos Aires Stock Exchange, the price of such common shares will be established by a third party appointed by the Argentine Government but paid by AA2000. AA2000 has no current plan to list its common shares on the Buenos Aires Stock Exchange. As of December 31, 2020, there were 910,978,625 preferred shares of AA2000 outstanding.

In addition, according to the agreement for AA2000 Concession extension, AA2000 has the option to redeem the preferred shares during 2022. We currently expect that AA2000 will exercise its options to redeem such preferred shares held by the Argentine Government during 2022, so that we may maintain our ownership percentage in AA2000. However, if AA2000 does not exercise such right and the Argentine Government exercises the conversion right, our proportional ownership of the common shares of AA2000 will be decreased. The actual impact on our proportional ownership of common shares of AA2000 upon any such conversion will depend upon the price of AA2000 common shares at the time of the conversion.

The following table provides summary data for our operations in Argentina for the periods indicated:

	<b>For the Year Ended December 31,<sup>(1)</sup></b>					
	<b>2020</b>		<b>2019</b>		<b>2018</b>	
		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Revenue (in millions of USD)	350.0	57.6%	934.8	60.0%	822.7	57.7%
Number of passengers (in millions)	10.0	39.5%	43.4	51.6%	40.4	49.3%
Air traffic movements (in thousands)	155.6	44.1%	447.2	52.1%	450.2	51.1%

(1) We have included information for our three concessions in Argentina: AA2000, Bahía Blanca and Neuquén. We currently own 81.6% of the share capital of AA2000, 81.4% of the share capital of Bahía Blanca, and 74.4% of the share capital of Neuquén.

Our Argentina segment had Adjusted EBITDA of USD 50.7 million, USD 241.4 million and USD 274.4 million, for the years ended December 31, 2020, 2019 and 2018, respectively, and had Adjusted EBITDA excluding Construction Service of USD 50.6 million, USD 241.1 million and USD 274.6 million, for the years ended December 31, 2020, 2019 and 2018, respectively.



## Italy

In Italy, we operate and manage the Florence Airport and the Pisa Airport through our indirect 46.71% share ownership of TA. TA is the result of the merger of Società Aeroporto Toscano ("SAT"), Galileo Galilei S.p.A. and Aeroporto di Firenze S.p.A. ("ADF") on June 1, 2015, and is headquartered in Florence. As a result of the merger, CA Italy had a controlling stake of 55.7% of TA. In 2018, by means of two separate transactions, we acquired an additional 4.5% and 6.58%, respectively, in TA, increasing CA Italy's ownership to 62.28% of its issued and outstanding common stock. Later in 2018, we sold and transferred 25% of CA Italy's issued and outstanding common stock to Investment Corporation of Dubai, reducing our ownership in CA Italy to 75% and, consequently, our indirect ownership in TA to 46.71%.

The following table provides summary data for our operations in Italy for the periods indicated:

	<b>For the Year Ended December 31,</b>					
	<b>2020</b>		<b>2019</b>		<b>2018</b>	
		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Revenue (in millions of USD)	58.4	9.6%	145.6	9.3%	822.7	10.9%
Number of passengers (in millions)	2.0	7.8%	8.2	9.8%	8.2	10.0%
Air traffic movements (in thousands)	30.2	8.5%	79.0	9.2%	77.3	8.8%

Of the approximately 2.0 million total passengers in the TA airports during the year ended December 31, 2020, approximately 1.3 million were in Pisa Airport and 0.7 million were in the Florence Airport. Our Italy segment had Adjusted Segment EBITDA of USD (4.3) million and Adjusted EBITDA excluding Construction Services of USD (5.5) million for the year ended December 31, 2020. Of the approximately 8.2 million total passengers in the TA airports during the year ended December 31, 2019, approximately 5.4 million were in Pisa Airport and 2.9 million were in the Florence Airport. Our Italy segment had Adjusted Segment EBITDA of USD 38.5 million and Adjusted EBITDA excluding Construction Services of USD 36.8 million for the year ended December 31, 2019. For the year ended December 31, 2018, of the approximately 8.2 million total passengers in the TA airports, approximately 5.5 million were in Pisa Airport and 2.7 million in the Florence Airport. Our Italy segment had Adjusted EBITDA of USD 38.8 million and Adjusted EBITDA excluding Construction Services of USD 37.1 million for the year ended December 31, 2018.

## Brazil

In Brazil, we operate the Brasilia Airport through our 50.98% indirect ownership of ICAB, a subsidiary of Inframerica. Inframerica was originally owned by Infravix and CASA. In 2015, we and the Majority Shareholder acquired Infravix's shareholding in Inframerica. In 2015, pursuant to our Reorganization, CAAP acquired CASA's stake in Inframerica. As of the date of this annual report, we own 99.97% of the equity interests of Inframerica, which in turn holds 51.0% of the equity interests of ICAB. Empresa Brasileira de Infraestrutura Aeroportuaria ("Infraero") is the owner of the remaining 49.0% interest in ICAB.

We also operate the Natal Airport through our 99.98% ownership of ICASGA. ICASGA was originally owned by Infravix (50.0%) and CASA (50.0%). In 2015, we acquired from Infravix a 49.95% interest in ICASGA and the Majority Shareholder acquired the remaining 0.05% interest in ICASGA. As of the date of this annual report, we own 99.98% of ICASGA and the Majority Shareholder owns the remaining 0.02%.

In relation with Natal Airport, in November 2020, we executed an irrevocable amendment for the termination of the Natal Concession Agreement. Upon transfer to a new operator, an indemnification payment will be made to ICASGA, which will be determined by authorities, primarily based on non-amortized capital expenditure investments.

The following table provides summary data for our operations in Brazil for the periods indicated:

	For the Year Ended December 31,					
	2020		2019		2018	
		% of Total		% of Total		% of Total
Revenue (in millions of USD)	51.4	8.5%	116.6	7.5%	123.2	8.6%
Number of passengers (in millions)	9.1	36.1%	19.1	22.6%	20.3	24.8%
Air traffic movements (in thousands)	89.4	25.3%	161.8	18.9%	184.2	20.9%

For the year ended December 31, 2020, of the approximately 9.1 million total passengers in Brazil, approximately 7.9 million were in the Brasilia Airport and 1.2 million were in the Natal Airport. For the year ended December 31, 2020, our Brazil segment had Adjusted EBITDA of USD (6.5) million and Adjusted EBITDA excluding Construction Services of USD (6.5) million. For the year ended December 31, 2019, of the approximately 19.1 million total passengers in Brazil, approximately 16.7 million were in the Brasilia Airport and 2.3 million were in the Natal Airport. For the year ended December 31, 2019, our Brazil segment had Adjusted EBITDA of USD (22.3) million and Adjusted EBITDA excluding Construction Services of USD (22.3) million. For the year ended December 31, 2018, of the approximately 20.3 million total passengers in Brazil, approximately 17.9 million were in the Brasilia Airport and 2.4 million were in the Natal Airport. For the year ended December 31, 2018, our Brazil segment had Adjusted EBITDA of USD 14.8 million and Adjusted EBITDA excluding Construction Services of USD 14.8 million. For the year ended December 31, 2017, of the approximately 19.4 million total passengers in Brazil, approximately 17.0 million were in the Brasilia Airport and 2.4 million were in the Natal Airport.

## Uruguay

Our operations in Uruguay consist of the operation and maintenance of the two main Uruguayan airports that receive commercial flights. We own 100% of Puerta del Sur S.A. ("PDS"), the holder of the concession agreement through the execution of a comprehensive management agreement with the Uruguayan Ministry of Defense ("Carrasco Concession Agreement") to operate the Carrasco Airport and 100% of Consorcio Aeropuertos Internacionales S.A. ("CAISA") the holder of the concession agreement ("Punta del Este Concession Agreement," and together with the Carrasco Concession Agreement, the "Uruguayan Concession Agreements") with the Uruguayan Ministry of Defense to operate the Punta del Este Airport. The Carrasco Airport, located near Montevideo, is Uruguay's largest airport in terms of passenger traffic and serves as the country's primary gateway for international travel. We also own TCU S.A. ("TCU") through which we operate the cargo terminal at the Carrasco Airport.

The following table provides summary data for our operations in Uruguay for the periods indicated:

	For the Year Ended December 31,					
	2020 <sup>(1)</sup>		2019 <sup>(2)</sup>		2018 <sup>(3)</sup>	
		% of Total		% of Total		% of Total
Revenue (in millions of USD)	58.3	9.6%	117.8	7.6%	116.3	8.2%
Number of passengers (in millions)	0.6	2.4%	2.2	2.6%	2.3	2.8%
Air traffic movements (in thousands)	13.1	3.7%	29.7	3.5%	33.5	3.8%

(1) Includes revenues for TCU and reflects intersegment adjustments of USD 6.1 million.

(2) Includes revenues for TCU and reflects intersegment adjustments of USD 6.8 million.

(3) Includes revenues for TCU and reflects intersegment adjustments of USD 7.1 million.

For the year ended December 31, 2020, of the approximately 0.6 million total passengers in Uruguay, approximately 0.5 million were in the Carrasco Airport and 0.1 million were in the Punta del Este Airport. Our Uruguay segment had Adjusted EBITDA of USD 16.3 million and Adjusted EBITDA excluding Construction Services of USD 16.3 million for the year ended December 31, 2020. For the year ended December 31, 2019, of the approximately 2.2 million total passengers in Uruguay, approximately 2.0 million were in the Carrasco Airport and 0.2 million were in the Punta del Este Airport. Our Uruguay segment had Adjusted EBITDA of USD 56.4 million and Adjusted EBITDA excluding Construction Services of USD 56.4 million for the year ended December 31, 2019. For the year ended December 31, 2018, of the approximately 2.3 million total passengers in Uruguay, approximately 2.1 million were in the Carrasco Airport and 0.2 million were in the Punta del Este Airport. Our Uruguay segment had Adjusted EBITDA of USD 57.8 million and Adjusted EBITDA excluding Construction Services of USD 57.7 million for the year ended December 31, 2018.

## Ecuador

Our operations in Ecuador consist of the operation and maintenance of the Guayaquil Airport and the Galapagos Airport.

We indirectly own 49.9% of TAGSA, which operates and maintains the Guayaquil Airport in the City of Guayaquil, pursuant to the terms and conditions of a concession agreement ("Guayaquil Concession Agreement") among TAGSA, Autoridad Aeroportuaria de Guayaquil ("AAG"), and the *M.I. Municipalidad de Guayaquil* ("Municipality of Guayaquil"). The Guayaquil Concession Agreement was originally scheduled to expire in July 2024, however, the expiration term was extended until 2029 as agreed in the fourth amendment to the Guayaquil Concession Agreement.

We own 99.9% of ECOGAL, which operates and maintains the Galapagos Airport located at the Galapagos Islands which is an Ecuadorian province located 605 miles west of the Ecuadorian coast, and which were declared a National Park in 1959. The Galapagos Airport is located in the Baltra Island, within a short distance from Santa Cruz Island, which holds the most populous city of the province and the city with the best tourist infrastructure in the province (the city of Puerto Ayora). The duration of the Galapagos Concession Agreement is 15 years as from the compliance of the conditions precedent set forth therein; such conditions were satisfied on July 15, 2011.

The following table provides summary data for our operations in Ecuador for the periods indicated:

	For the Year Ended December 31, <sup>(1)</sup>					
	2020		2019		2018	
		% of Total		% of Total		% of Total
Revenue (in millions of USD)	49.7	8.2%	109.6	7.0%	89.2	6.3%
Number of passengers (in millions)	1.5	6.1%	4.5	5.3%	4.4	5.4%
Air traffic movements (in thousands)	41.6	11.8%	82.4	9.6%	79.6	9.0%

(1) We have included 100% of operational information of ECOGAL, with respect to number of passengers and air traffic movements, for the years ended December 31, 2020, 2019 and 2018. The revenue information for the years ended December 31, 2020, 2019 and 2018 includes only the consolidated revenue of TAGSA, our other concession in the Ecuador segment.

For the years ended December 31, 2020, 2019 and 2018, our Ecuador segment had Adjusted EBITDA of USD 1.3 million, USD 25.3 million and USD 24.7 million, respectively and Adjusted EBITDA excluding Construction Services of USD 1.3 million, USD 25.3 million and USD 24.7 million, respectively.

The Galapagos Airport has been recognized as the first ecological and sustainable airport in the world by the U.S. Green Building Council. The airport terminal was entirely planned, designed and built taking into account its relationship with the surrounding environment to reduce its environmental impact. The terminal also received Leadership in Energy and Environmental Design (LEED) certification, GOLD level.

Additionally, on June 23, 2015, the Galapagos Airport received the Carbon Footprint Reduction accreditation from the Airport Carbon Accreditation program. The program, implemented by Airports Council International Europe, is aimed at evaluating and recognizing airports that make outstanding efforts to reduce and compensate for greenhouse gas emissions. The Galapagos Airport is the first airport in South America and the second one in Latin America to receive a carbon footprint reduction accreditation. Currently, we are in level 3+, "Compensation" and we are working towards moving to the next level, "Reduction."

## Armenia

We own 100% of Armenia International Airport C.J.S.C ("AIA"), which owns the concession from the Armenian Government (the "Armenian Concession Agreement") to operate and maintain the only two operating airports for scheduled commercial flights in Armenia: Zvartnots Airport and Shirak Airport.

The following table provides summary data for our operations in Armenia for the periods indicated:

	<b>For the Year Ended December 31,</b>					
	<b>2020</b>		<b>2019</b>		<b>2018</b>	
		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Revenue (in millions of USD)	39.4	6.5%	133.5	8.6%	118.4	8.3%
Number of passengers (in millions)	0.8	3.3%	3.2	3.8%	2.9	3.5%
Air traffic movements (in thousands)	10.2	2.9%	27.4	3.2%	24.1	2.7%

For the years ended December 31, 2020, 2019 and 2018, our Armenia segment had Adjusted EBITDA of USD 5.5 million, USD 51.8 million and USD 48.8 million, respectively, and Adjusted EBITDA excluding Construction Services of USD 5.5 million, USD 51.5 million and USD 48.7 million, respectively.

For the year ended December 31, 2020, of the approximately 0.8 million total passengers in Armenia, approximately 0.8 million were in Zvartnots Airport and 0.04 million were in Shirak Airport. For the year ended December 31, 2019, of the approximately 3.2 million total passengers in Armenia, approximately 3.0 million were in Zvartnots Airport and 0.1 million were in Shirak Airport. For the year ended December 31, 2018, of the approximately 2.9 million total passengers in Armenia, approximately 2.7 million were in Zvartnots Airport and 0.2 million were in Shirak Airport.

## Peru

Our operations in Peru consist of the operation, use and maintenance of five airports in southern Peru, including the Arequipa Airport, which is the third largest airport in Peru in terms of passenger traffic, through our 50.0% participation in AAP. AAP was incorporated by public deed dated November 22, 2010, for the sole purpose of acting as the concessionaire of the AAP Concession Agreement. We account for the results of operations of AAP using the equity method and therefore, such results are not included in the total revenue for our operations.

AAP is an associate corporation which was incorporated in 2010, 50.0% owned by CAAP and 50.0% owned by Andino Investment Holding (a private Peruvian logistics conglomerate). Pursuant to the by-laws of AAP, major corporate decisions, including the amendment of its by-laws, approval of corporate reorganizations and any increase or reduction of share capital, may be made only with the consent of all shareholders. The AAP Concession Agreement grants AAP the rights for the management and operation of the following six airports in southern Peru for a period of 25 years:

- Rodríguez Ballón International Airport—Arequipa
- Coronel FAP Alfredo Mendiivil Duarte Airport—Ayacucho
- Inca Manco Capac International Airport—Juliaca
- Padre Almadiz International Airport—Puerto Maldonado
- Coronel FAP Carlos Ciriani Santa Rosa International Airport—Tacna
- Andahuaylas Airport—Apurimac

Although included under the AAP Concession Agreement, the Andahuaylas Airport has not ever been operated by AAP, as the Peruvian Government does not own the land, which is a condition for the Peruvian Government to deliver such airport to AAP for operation under the AAP Concession Agreement.

Our airports currently serve major metropolitan areas in five southern Peruvian provinces: Arequipa, Puno, Ayacucho, Tacna and Puerto Maldonado. Of the five airports that we currently operate under the AAP Concession Agreement, four have been designated as international airports under Peruvian law, which means that they are or may potentially be equipped to receive international flights, although they mostly receive domestic flights.

The following table provides summary data for our operations in Peru for the periods indicated:

<b>For the Year Ended December 31,<sup>(1)</sup></b>						
	<b>2020</b>		<b>2019</b>		<b>2018</b>	
		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Revenue (in millions of USD)	N/A	N/A	N/A	N/A	N/A	N/A
Number of passengers (in millions)	1.2	4.8%	3.6	4.3%	3.4	4.2%
Air traffic movements (in thousands)	12.9	3.7%	30.5	3.6%	31.6	3.6%

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(1) Although for the years ended December 31, 2020, 2019 and 2018, the results of operations of the our associate AAP are not consolidated, we have included 100% of operational information of AAP with respect to number of passengers and air traffic movements for the years ended December 31, 2020, 2019 and 2018.

For the years ended December 31, 2020, 2019 and 2018, our Peru segment had a negative Adjusted EBITDA and Adjusted EBITDA excluding Construction Services of USD (6.6) million, USD (5.1) million and USD (5.3) million, respectively. Our Peru segment includes Aeropuertos Andinos del Peru S.A. and Sociedad Aeroportuaria KunturWasi S.A.



## Our Airports - Our strategically most important airports

### Ezeiza Airport (EZE)



Ezeiza Airport is our largest airport in terms of contribution to revenue and Argentina's second largest airport in terms of passenger traffic. During the year ended December 31, 2020, Ezeiza Airport served 3.5 million total passengers, representing approximately 13.9% of our total passenger traffic. During the year ended December 31, 2019, Ezeiza Airport served 12.5 million total passengers, representing approximately 14.8% of our total passenger traffic. During the year ended December 31, 2018, Ezeiza Airport served 10.8 million total passengers, representing approximately 13.2% of our total passenger traffic.

Ezeiza Airport operates 24 hours a day. The total area of the airport's premises is approximately 3,475 hectares (374.0 million square feet). The airport has two operating runways, one with a length of 3,300 meters (10,824 feet) and the other with a length of 3,105 meters (10,170 feet). The airport's approximate runway capacity is 60 air traffic movements per hour.



## Aeroparque Airport (AEP)



Aeroparque Airport is Argentina's largest airport in terms of passenger traffic. During the year ended December 31, 2020, Aeroparque Airport served a total of 2.3 million passengers, which accounted for approximately 9.1% of all passengers served by our airports. During the year ended December 31, 2019, Aeroparque Airport served a total of 12.3 million passengers, which accounted for approximately 14.6% of all passengers served by our airports. During the year ended December 31, 2018, Aeroparque Airport served a total of 13.5 million passengers, which accounted for approximately 16.5% of all passengers served by our airports.

During 2020 we made some improvements in the Aeroparque terminal which mainly include the readjustment of International Arrivals, outside improvements such as sidewalks, landscaping; coastal filling and underground parking, new beacon substations and control systems.

## Florence Airport (FLR)



During the year ended December 31, 2020, Florence Airport served a total of 0.7 million passengers, which accounted for approximately 2.8% of all passengers served by our airports. During the year ended December 31, 2019, Florence Airport served a total of 2.9 million passengers, which accounted for approximately 3.4% of all passengers served by our airports. During the year ended December 31, 2018, Florence Airport served a total of 2.7 million passengers, which accounted for approximately 3.3% of all passengers served by our airports.

Florence Airport cannot service long-haul flights given the short length of its runway. Additionally, since the runway was built in the direction of the prevailing wind, Florence Airport has a relatively high number of flight cancellations due to adverse weather conditions that are rerouted to Pisa Airport when possible to avoid passenger loss. Passengers can also be rerouted to Bologna Airport, if needed. Plans are underway to build a new terminal and runway. The new infrastructure should allow Florence Airport to reach its full potential and complement Pisa Airport's offerings.

On November 3, 2015, we received the technical approval by ENAC of our 2014-2029 master plan for Florence Airport. However, on May 27, 2019, upon request of the Environmental Association (Associazione VAS Vita Ambiente) and other authorities, such approval was repealed through judgment No. 793. On July 25, 2019, TA, jointly with the Ministry of Environment, ENAC and other authorities, appealed such judgement. On February 14, 2020, TA has been notified by the Council of State that the appeal has been rejected. Therefore, we must undertake a new procedure regarding the environmental compliance of the works performed.

## Pisa Airport (PSA)



During the year ended December 31, 2020, Pisa Airport served a total of 1.3 million passengers, which accounted for approximately 5.2% of all passengers served by our airports. During the year ended December 31, 2019, Pisa Airport served a total of 5.4 million passengers, which accounted for approximately 6.4% of all passengers served by our airports. During the year ended December 31, 2018, Pisa Airport served a total of 5.5 million passengers, which accounted for approximately 6.7% of all passengers served by our airports.

Low-cost carriers dominate in terms of passengers and aircraft movements at the Pisa Airport.

On October 24, 2017, ENAC approved and signed our 2015-2028 master plan for Pisa Airport. Further investments in capex will allow the airport to reach six million passengers capacity in the short term.



## Brasilia Airport (BSB)



During the year ended December 31, 2020, the Brasilia Airport served a total of 7.9 million passengers, which accounted for approximately 31.3% of all passengers served by our airports. During the year ended December 31, 2019, the Brasilia Airport served a total of 16.7 million passengers, which accounted for approximately 19.9% of all passengers served by our airports. During the year ended December 31, 2018, the Brasilia Airport served a total of 17.9 million passengers, which accounted for approximately 21.9% of all passengers served by our airports.

The Brasilia Airport is located in the Brazilian capital city of Brasilia. The concession for the Brasilia Airport is owned by ICAB, a subsidiary of Inframerica. As of the date of this annual report, we own 99.9% of the equity interests of Inframerica, which holds 51.0% of the equity interests of ICAB. Infraero is the owner of the remaining 49.0% interest in ICAB. Infraero is a state-owned company affiliated with the Civil Aviation Secretariat of Brazil and it currently operates 59 airports in Brazil and owns a 49.1% stake in 5 other airports (including Brasilia) that it does not directly operate. The Brasilia Airport is Brazil's third largest airport in terms of passenger traffic. Because of its geographic location in the central region of the country and its location in the federal capital of Brazil, the Brasilia Airport is one of the only airports with direct and daily flights to all 26 Brazilian state capitals.

The Brasilia Airport is the only airport in South America capable of operating two runways simultaneously, which provides the largest runway capacity in Brazil.

The Brasilia Airport is located 12 kilometers (8.5 miles) from downtown Brasilia. The Brasilia Airport operates twenty-four hours a day. The total area of the airport premises is approximately 4.4 hectares (473,612 square feet). The two runways have a length of 3,300 meters (approximately 10,826 feet). The airport's terminal covers approximately 110,000 square meters (1,184,300 square feet), of which 14,290 square meters (approximately 153,816 square feet) is commercial area. The parking lot is 100,000 square meters (1,076,931 square feet), with the capacity to accommodate 3,216 vehicles.

## Carrasco (MVD) and Punta del Este (PDP)



Carrasco Airport, located near Montevideo, is Uruguay's largest airport in terms of passenger traffic and serves as the country's primary gateway for international travel. Carrasco Airport has the capacity to handle up to 4.5 million passengers annually. It currently serves regional centers, tourist destinations and certain major cities throughout the Americas and Europe.

During the year ended December 31, 2020, the Carrasco Airport served a total of 0.5 million passengers, which accounted for approximately 2.0% of all passengers served by our airports. During the year ended December 31, 2019, the Carrasco Airport served a total of 2.0 million passengers, which accounted for approximately 2.4% of all passengers served by our airports. During the year ended December 31, 2018, the Carrasco Airport served a total of 2.1 million passengers, which accounted for approximately 2.6% of all passengers served by our airports.

In 2003, our wholly-owned subsidiary Cerealsur S.A. acquired 100% of the outstanding shares of Puerta del Sur S.A., the holder of the Carrasco Concession Agreement. The original concession agreement was for a period of 20 years ending in November 2023, which term has recently been extended for an additional period of 10 years, until 2033.

In the year ended December 31, 2020, we spent USD 9.7 million on capital expenditures at the Punta del Este Airport, primarily for the works performed in the runways, construction of perimeter fence, the lightning of commercial and general aviation platforms.





# Regulatory and concessions framework

## Introduction

We hold concessions in Argentina, Italy, Brazil, Uruguay, Ecuador, Armenia and Peru and are subject to regulations in each one of these countries.

The following table sets out aspects of our concession agreements, along with their respective term and extension provisions, and the corresponding regulatory governmental authority.

	<b>Concession agreement</b>	<b>Governmental authority</b>	<b>Term and extension provisions</b>
Argentina	AA2000 Concession Agreement	Argentine Government; ORSNA	30-year original term. It was extended for additional 10 years on December 17, 2020 (ending February 13, 2038).
	NQN Concession Agreement	Government of the Province of Neuquén; ORSNA	20-year term (ending October 24, 2021). Concession may be extended for 5 years upon governmental approval.
	BBL Concession Agreement	Municipality of Bahía Blanca; ORSNA	25-year term (ending May 22, 2033). Concession may be extended for 10 years upon governmental approval.
Italy	Pisa Concession Agreement	ENAC	40-year term (ending December 7, 2046). A two-year extension was granted by the Government in July 2020 (ending December 7, 2048).
	Florence Concession Agreement	ENAC	40-year term (ending February 10, 2043). A two-year extension was granted by the Government in July 2020 (ending February 10, 2045).
Brazil	Natal Concession Agreement	Brazilian ANAC	28-year term (ending January 24, 2040). An amendment to terminate the Natal Concession Agreement was executed in November 2020.
	Brasilia Concession Agreement	Brazilian ANAC	25-year term (ending July 24, 2037); may be extended for an additional 5 years if necessary to reestablish economic equilibrium.
Uruguay	Carrasco Concession Agreement	Defense Ministry	20-year term with 10-year extension already approved (30-year total, ending November 20, 2033).
	Punta del Este Concession Agreement	Defense Ministry	40-year term (ending March 31, 2033).
Ecuador	Guayaquil Concession Agreement	AAG; Municipality of Guayaquil	25-year and 5-month term (ending July 27, 2029).
	Galapagos Concession Agreement	DGAC; STAC	15-year term (ending July 6, 2026).
Armenia	Armenian Concession Agreement	Armenian Government; GDCA	30-year term (ending June 8, 2032), with option to extend the term of the agreement by 5-year periods if in good standing.
Peru	AAP Concession Agreement	MTC	25-year term (ending January 5, 2036); may be extended at request of AAP at least 3 years prior to the termination date; the term of the concession cannot exceed 60 years.

# OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*Our discussion and analysis of our results of operations and financial condition are based upon our Audited Consolidated Financial Statements, which have been prepared in accordance with IFRS. Our operating and financial review and prospects should be read in conjunction with our Audited Consolidated Financial Statements, the accompanying notes thereto and other financial information appearing elsewhere in this management report*

## Operating results

### Factors affecting our results of operations

A number of factors have a significant impact on our business and results of operations, the most important of which are regulations, passenger traffic levels and air traffic operations, fluctuations in exchange rates in the currencies in which we operate, and our capital investment plans.

#### **Regulations**

Fees for aeronautical services are established under the terms of the relevant concession agreement, and the regulatory framework of the governmental authority in each jurisdiction where we operate. Our concession agreements establish or otherwise regulate the rates that we may charge to aircraft operators and passengers for aeronautical services, including fees for landing and transit of aircraft, departing passenger fees, and fees for aircraft parking. Some of our concession agreements also allow us to charge additional fees to passengers for services such as security and reduced mobility assistance, among others. These fees are invoiced to users of our airport infrastructure, principally airlines using our airports, either from their general revenue or as collected directly from airline passengers.

#### **Passenger traffic levels and air traffic operations**

A significant portion of our revenue depends directly or indirectly on the level of passenger traffic at our airports and the number of aircraft movements (takeoffs and landings) conducted in the airports we operate. Aeronautical revenue within our airports is directly dependent on aircraft movements. In addition, our commercial revenues depend significantly on the number of passengers passing through terminals, as well as on the nature of the traffic. For example, international passenger traffic generates more commercial revenue than domestic traffic.

From 2019 to 2020, air traffic decreased 70% in terms of number of passengers, decreased 58.9% in terms of aircraft movements and decreased 39.8% in terms of cargo volume handled. From 2018 to 2019, air traffic increased 2.7% in terms of number of passengers, decreased 2.6% in terms of aircraft movements and increased 2.9% in terms of cargo volume handled.



Passenger traffic level and air traffic operations have already been and will continue to be adversely affected in 2021, and for so long as the health crisis and the virus impact continues, by the outbreak of the Covid-19 virus and the measures that governments are taking to combat it. The results of operations of our airports have been adversely affected by the number of flights that have been canceled due to the virus and closure of borders in many countries in which we operate. We expect to see signs of recovery towards the second half of 2021 following Covid-19 vaccination campaigns.

### ***Fluctuations in exchange rates in the currencies in which we operate***

Our primary foreign currency exposure gives rise to market risks associated with exchange rate movements of the Argentine peso, the Brazilian real, the euro, the Uruguayan peso and the Armenian dram against the U.S. dollar; and the Euro against the Armenian dram. We have liabilities in U.S. dollars that are exposed to foreign currency exchange rate risk. Because we borrow in the international markets to support our operations and investments, we are exposed to market risks from changes in foreign exchange rates.

### ***Our capital investment plans***

Our capital investments plans have been affected by the Covid-19-pandemic, to mitigate the impact of such pandemic, beginning in April 2020, the Company has reduced its capital expenditure programs under our concession agreements.

### **Our segments**

We have identified seven reportable segments: Argentina, Italy, Brazil, Uruguay, Ecuador, Armenia and Peru. See Note 4 to our Audited Consolidated Financial Statements.

### **Our associates**

AAP is an associate which was incorporated in 2010, 50.0% owned by CAAP and 50.0% owned by Andino Investment Holding (a private Peruvian logistics conglomerate). We record our 50.0% ownership interest in the shareholders' equity of AAP in "Investments in associates" and we account for the results of operations of AAP using the equity method as "share of loss in associates."

Under the terms of the concession agreement for the operation of the Galapagos Airport (the "Galapagos Concession Agreement"), the net profits generated by ECOGAL must be transferred entirely to the Dirección General de Aviación Civil. Because we are not entitled to receive dividends from the operations of ECOGAL, we record our percentage ownership interest in the shareholders' equity of ECOGAL in "Investments in associates" and we account for our results of operations for ECOGAL under the equity method as "share of loss in associates."

Certain of the operational information provided below with respect to passenger composition, cargo volume and aircraft movements includes results of AAP and ECOGAL. Revenue and expense information on a per segment basis for Ecuador includes the results of TAGSA, but does not include the results of ECOGAL.

## Our passenger traffic, cargo volume and aircraft movements

Our revenue is highly dependent on levels of air traffic. Passenger traffic in our airports is composed of international, domestic and transit passengers. During the years ended December 31, 2020, 2019 and 2018, approximately 57.3%, 56.5% and 54.8%, respectively, of the passengers were domestic passengers, approximately 28.0%, 33.5% and 34.2%, respectively, of our passengers were international passengers, and approximately 14.7%, 9.9% and 11.0%, respectively, of our passengers were transit passengers. The majority of our aircraft movements consist of commercial airline traffic, which drives a substantial portion of our passenger traffic. General aviation, which includes private jets, is the second largest category of aircraft movements, but does not significantly contribute to passenger traffic. Cargo is generally transported through commercial aircraft movements, and to a lesser extent, through cargo flights. The principal factor affecting our cargo volume is macroeconomic conditions in the local and regional markets.

The following table sets forth certain statistical data relating to our total passenger traffic, cargo volume and aircraft movements for the periods indicated:

	<b>For the Year Ended December 31,</b>					
	<b>2020</b>	<b>% change against prior year</b>	<b>2019</b>	<b>% change against prior year<sup>1</sup></b>	<b>2018</b>	<b>% change against prior year<sup>1</sup></b>
Domestic Passengers (in millions)	14.4	(69.6)%	47.6	6.1%	44.8	8.6%
International Passengers (in millions)	7.1	(74.9)%	28.2	0.8%	28.0	4.0%
Transit passengers (in millions)	3.7	(55.7)%	8.4	(7.4)%	9.0	7.3%
Total passengers (in millions)	25.2	(70.0)%	84.2	2.8%	81.8	6.8%
Cargo volumes (in thousands of tons)	255.6	(39.8)%	424.8	3.6%	410.1	5.2%
Total aircraft movements (in thousands)	352.9	(58.9)%	857.9	(2.6)%	880.6	3.4%

***Our passenger traffic, cargo volume and aircraft movements, per segment***

Set forth below is a summary (including our unconsolidated operations) of the passenger composition, cargo volume and aircraft movements for each of our segments:

	For the Year Ended December 31,							
	2020	% of Total	% Change Against Prior Year	2019	% of Total)	% Change Against Prior Year	2018	% of Total
<b>Argentina</b>								
Domestic Passengers (in millions)	6.3	43.5%	(77.8)%	28.3	59.5%	12.8%	25.1	56.0%
International Passengers (in millions)	3.3	46.8%	(75.6)%	13.6	48.1%	(2.7)%	13.9 <sup>(1)</sup>	49.8%
Transit passengers (in millions)	0.4	9.9%	(75.6)%	1.5	18.0%	15.5%	1.3	14.4%
Total passengers (in millions)	10.0	39.5%	(77.1)%	43.4	51.6%	7.5%	40.4 <sup>(1)</sup>	49.3%
Cargo volume (in thousands of tons)	143.9	56.3%	(36.9)%	228.0	53.7%	(5.2)%	240.4	58.6%
Aircraft movements (in thousands)	155.6	44.1%	(65.2)%	447.2	52.1%	(0.7)%	450.2	51.1%
<b>Italy</b>								
Domestic Passengers (in millions)	0.7	4.6%	(63.0)%	1.8	3.8%	(1.5)%	1.8	4.1%
International Passengers (in millions)	1.3	18.5%	(79.7)%	6.4	22.8%	1.6%	6.3	22.6%
Transit passengers (in millions)	0.0	0.0%	(92.2)%	0.0	0.1%	43.6%	0.0	0.0%
Total passengers (in millions)	2.0	7.8%	(76.0)%	8.2	9.8%	1.0%	8.2	10.0%
Cargo volume (in thousands of tons)	13.3	5.2%	0.5%	13.2	3.1%	12.2%	11.8	2.9%
Aircraft movements (in thousands)	30.2	8.5%	(61.8)%	79.0	9.2%	2.1%	77.3	8.8%
<b>Brazil</b>								
Domestic Passengers (in millions)	5.6	38.8%	(51.7)%	11.6	24.4%	(4.1)%	12.1	26.9%
International Passengers (in millions)	0.2	2.8%	(72.1)%	0.7	2.5%	16.2%	0.6	2.2%
Transit passengers (in millions)	3.3	89.0%	(51.3)%	6.8	81.0%	(11.4)%	7.6	84.6%
Total passengers (in millions)	9.1	36.1%	(52.3)%	19.1	22.6%	(6.2)%	20.3	24.8%
Cargo volume (in thousands of tons)	34.9	13.6%	(61.8)%	91.2	21.5%	38.4%	65.9	16.1%
Aircraft movements (in thousands)	89.4	25.3%	(44.7)%	161.8	18.9%	(12.2)%	184.2	20.9%
<b>Uruguay</b>								
Domestic Passengers (in millions)	0.0	0.0%	(35.4)%	0.0	0.0%	(17.6)%	0.0	0.0%
International Passengers (in millions)	0.6	8.6%	(72.0)%	2.2	7.7%	(4.7)%	2.3	8.1%
Transit passengers (in millions)	0.0	0.1%	(79.4)%	0.0	0.1%	(17.4)%	0.0	0.1%
Total passengers (in millions)	0.6	2.4%	(72.1)%	2.2	2.6%	(4.8)%	2.3	2.8%
Cargo volume (in thousands of tons)	28.9	11.3%	(0.7)%	29.1 <sup>(2)</sup>	6.9%	5.8	27.5	6.7%
Aircraft movements (in thousands)	13.0	3.7%	(56.0)%	29.7	3.5%	(11.4)%	33.5	3.8%

**For the Year Ended December 31,**

	<b>2020</b>	<b>% of Total</b>	<b>% Change Against Prior Year</b>	<b>2019</b>	<b>% of Total)</b>	<b>% Change Against Prior Year</b>	<b>2018</b>	<b>% of Total</b>
<b>Armenia</b>								
Domestic Passengers (in millions)	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0%
International Passengers (in millions)	0.8	11.7%	(74.1)%	3.2	11.3%	11.9%	2.9	10.2%
Transit passengers (in millions)	0.0	0.0%	0.0%	—	0.0%	0.0%	—	0.0%
Total passengers (in millions)	0.8	3.3%	(74.1)%	3.2	3.8%	11.9%	2.9	3.5%
Cargo volume (in thousands of tons)	15.7	6.2%	(21.6)%	20.1	4.7%	12.4%	17.9	4.4%
Aircraft movements (in thousands)	10.2	2.9%	(62.9)%	27.4	3.2%	13.6%	24.1	2.7%
<b>Ecuador<sup>(3)</sup></b>								
Domestic Passengers (in millions)	0.7	4.8%	(69.9)%	2.3	4.9%	(3.0)%	2.4	5.3%
International Passengers (in millions)	0.8	11.5%	(61.5)%	2.1	7.5%	8.0%	2.0	7.0%
Transit passengers (in millions)	0.0	1.1%	(47.3)%	0.1	0.9%	3.5%	0.1	0.8%
Total passengers (in millions)	1.5	6.1%	(65.6)%	4.5	5.3%	2.0%	4.4	5.4%
Cargo volume (in thousands of tons)	16.8	6.6%	(55.7)%	38.0	8.9%	(9.0)%	41.8	10.2%
Aircraft movements (in thousands)	41.6	11.8%	(49.5)%	82.4	9.6%	3.5%	79.6	9.0%
<b>Peru<sup>(4)</sup></b>								
Domestic Passengers (in millions)	1.2	8.3%	(66.3)%	3.6	7.5%	3.4%	3.4	7.7%
International Passengers (in millions)	0.0	0.1%	(56.6)%	0.0	0.1%	1,112.8%	0.0	0.0%
Transit passengers (in millions)	—	0.0%	0.0%	—	0.0%	0.0%	—	0.0%
Total passengers (in millions)	1.2	4.8%	(66.3)%	3.6	4.3%	3.9%	3.4	4.2%
Cargo volume (in thousands of tons)	2.1	0.8%	(59.7)%	5.2	1.2%	6.1%	4.9	1.2%
Aircraft movements (in thousands)	12.9	3.7%	(57.6)%	30.5	3.6%	(3.6)%	31.6	3.6%

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- (1) Note that preliminary passenger traffic figures for 2018 for Ezeiza Airport, in Argentina, were adjusted to include additional inbound passengers not accounted for in the initial count, for an average of approximately 5% of total passenger traffic at Ezeiza Airport and 1% of total traffic at CAAP, during that period. Importantly, inbound traffic does not affect revenues as tariffs are applicable on departure passengers.
  - (2) Cargo volumes in Uruguay were rectified from January 2019 to June 2020, to reflect all cargo passing through the cargo terminal, instead of air cargo only.
  - (3) We have included ECOGAL's operational data, although its results of operations are not consolidated.
  - (4) We have included AAP's operational data, although its results of operations are not consolidated

## Our revenue

We classify our revenue in the following categories: aeronautical revenue, commercial revenue, construction service revenue and other revenue. Our consolidated revenue does not include revenue of our AAP (AAP Airports) or ECOGAL (Galapagos Airport) operations for the years ended December 31, 2020, 2019 and 2018, as they were accounted for under the equity method.

Our total consolidated revenue for the years ended December 31, 2020, 2019 and 2018 is summarized below:

	For the Year Ended December 31					
	2020		2019		2018	
	(in millions of USD)	% of Total Revenue	(in millions of USD)	% of Total Revenue	(in millions of USD)	% of Total Revenue
Aeronautical revenue	220.0	36.2%	724.0	46.5%	716.2	50.2%
Non-aeronautical Revenue						
Commercial revenue	259.7	42.8%	481.9	30.9%	507.0	35.6%
Construction service revenue	125.8	20.7%	350.3	22.5%	198.4	13.9%
Other Revenue	1.9	0.3%	2.5	0.2%	4.5	0.3%
<b>Total consolidated revenue</b>	<b>607.4</b>	<b>100.0%</b>	<b>1,558.6</b>	<b>100.0%</b>	<b>1,426.1</b>	<b>100.0%</b>

### *Aeronautical revenue*

Aeronautical revenue is derived from the use of our airport facilities by aircrafts and passengers.

Our concession agreements establish or otherwise regulate the rates that we may charge to aircraft operators and passengers for aeronautical services. We charge each departing passenger a fee for the use of our airports which varies depending upon whether the passenger's flight is an international, regional or domestic flight, and whether the passenger is in transit. Some of our concession agreements also allow us to charge additional fees to passengers for services such as security and reduced mobility assistance, among others. We charge our aeronautical customers fees for aircraft landing and parking, which depend on whether the flight is international or domestic, the maximum take-off weight of the aircraft, the time slot and take-off time, among other factors. International fees are generally higher than domestic or transit fees.

### *Non-aeronautical revenue*

Our Non-Aeronautical Revenue is comprised of commercial revenue, construction service revenue and other revenue.

### ***Commercial revenue***

The majority of our commercial revenue is derived from fees resulting from warehouse usage (which includes cargo storage, storage and warehouse services and related international cargo services), services and retail stores, duty free shops, car parking facilities, catering, hangar services, food and beverage services, retail stores, including royalties collected from retailers' revenue, and rent of space, advertising, fuel, airport counters, VIP lounges and fees collected from other miscellaneous sources, such as telecommunications, car rentals and passenger services.

### ***Construction service revenue***

We treat our investments related to improvements and upgrades to be performed in connection with our concession agreements under the intangible asset model established by IFRIC 12. As a result, we define all expenditures associated with investments required by the concession agreements as revenue generating activities given that they ultimately provide future benefits, and subsequent improvements and upgrades made to the concession are recognized as intangible assets based on the principles of IFRIC 12.

Therefore, we recognize revenue and the associated costs of improvements to concession assets in relation with the concessions' obligations to perform improvements as established in the respective concession agreements. Revenue represents the value of the exchange between ourselves and the respective governmental authorities with respect to the improvements, given that we construct or provide improvements to the airports as obligated under the respective concession agreements, and in exchange, the governmental authorities grant us the right to obtain benefits for services provided using those assets, which are recognized as intangible assets. We recognize the revenue and expense in profit or loss when the expenditures are performed. The cost for such additions and improvements to concession assets is based on actual costs incurred by us in the execution of the additions or improvements, considering the investment requirements in the concession agreements. Through bidding processes, we contract third parties to carry out such construction or improvement services. The amount of revenues for these services is equal to the amount of costs incurred plus a reasonable margin, which is estimated at an average of 3.0% to 5.0%. The amounts paid are set at market value.

### ***Other revenue***

Other revenue includes revenue that is not otherwise classified as aeronautical revenue, commercial revenue or construction service revenue.

## Our revenue by segment

Set forth below is a summary of the revenue for each of our reportable segments:

For the Year Ended December 31						
	2020		2019		2018	
	(in millions of USD)	% of Total Revenue	(in millions of USD)	% of Total Revenue <sup>1</sup>	(in millions of USD)	% of Total Revenue
Argentina	350.0	57.6%	934.8	60.0%	822.7	57.7%
Italy	58.3	9.6%	145.6	9.3%	155.5	10.9%
Brazil	51.4	8.5%	116.6	7.5%	123.2	8.6%
Uruguay	58.3	9.6%	117.8	7.6%	116.3	8.2%
Armenia	39.4	6.5%	133.5	8.6%	118.4	8.3%
Ecuador <sup>(1)</sup>	49.7	8.2%	109.6	7.0%	89.2	6.3%
Unallocated	0.2	0.0%	0.7	0.0%	0.8	0.1%
<b>Total consolidated revenue<sup>(1)(2)</sup></b>	<b>607.4</b>	<b>100.0%</b>	<b>1,558.6</b>	<b>100%</b>	<b>1,426.1</b>	<b>100%</b>

(1) We account for the results of operations of ECOGAL using the equity method.

(2) We account for the result of operations of AAP using the equity method.

## Our expenses

Our expenses are cost of services, selling, general and administrative expenses, financial loss, other operating expenses and income tax expense. Other expenses consist of impairment loss and other operating expenses.

For the Year Ended December 31,						
	2020		2019		2018	
	(in millions of USD)	% of Total Expenses	(in millions of USD)	% of Total Expenses	(in millions of USD)	% of Total Expenses
Cost of services	653.6	62.1%	1,138.4	71.8%	971.4	63.5%
Selling, general and administrative expenses	101.8	9.7%	168.3	10.6%	171.9	11.2%
Financial loss	215.5	20.5%	233.5	14.7%	331.1	21.7%
Inflation adjustment	26.5	2.5%	25.4	1.6%	36.5	2.4%
Other expense	69.8	6.6%	45.5	2.8%	4.1	0.3%
Income tax expense	(14.3)	(1.4)%	17.1	1.1%	14.1	0.9%
<b>Total expenses</b>	<b>1,052.9</b>	<b>100%</b>	<b>1,628.3</b>	<b>100.0%</b>	<b>1,529.1</b>	<b>100.0%</b>

## Cost of services

Our cost of services is composed primarily of salaries and social security contributions, construction service cost, maintenance, airport concession fees, the amortization of intangible assets, service fees, cost of fuel, royalties, fees and easements, airport operation costs and other miscellaneous items.

## Selling, general and administrative expenses

Our selling, general and administrative expenses consist primarily of taxes, salaries and social contributions, amortization and depreciation, utility services, office expenses, repair and replacement provisions, maintenance costs, advertising expenses, insurance costs, aircraft charter service costs, costs related to security, healthcare and firefighters, bad debt charges and other miscellaneous items.

## Financial loss

Our financial loss consists primarily of interest expense, net foreign exchange loss, adjustments with respect to our Brazilian operations and other expenses.

## Our expenses by segment

Set forth below is a summary of our expenses by segment:

	For the Year Ended December 31,					
	2020		2019		2018	
	(in millions of USD)	% of Total Expenses (1)	(in millions of USD)	% of Total Expenses (1)	(in millions of USD)	% of Total Expenses (1)
Argentina	420.9	55.2%	800.1	61.1%	639.0	55.7%
Italy	86.6	11.3%	119.7	9.1%	128.7	11.2%
Brazil	75.5	9.9%	109.2	8.3%	125.6	10.9%
Uruguay	54.1	7.1%	72.6	5.5%	70.5	6.1%
Armenia	49.0	6.4%	95.5	7.3%	81.8	7.1%
Ecuador	52.5	6.9%	86.2	6.6%	69.2	6.0%
Unallocated	24.3	3.2%	26.2	2.0%	32.5	2.8%
<b>Total segment expenses</b>	<b>762.9</b>	<b>100%</b>	<b>1,309.5</b>	<b>100.0%</b>	<b>1,147.4</b>	<b>100.0%</b>

(1) Excludes income tax, financial loss, impairment loss.



## Summary consolidated results of operations

The following table sets forth a summary of our consolidated results of operations, as well as the percentage change of each category from the prior year for the periods indicated:

For the Year Ended December 31,						
	2020		2019		2018	
	(in millions of USD )	% of Change against prior year	(in millions of USD )	% of Change against prior year	(in millions of USD )	% of Change against prior year
Aeronautical revenue	220.0	(69.6)%	724.0	1.1%	716.2	(6.6)%
Non-aeronautical Revenue						
Commercial revenue	259.7	(46.1)%	481.9	(5.0)%	507.0	(8.7)%
Construction service revenue	125.8	(64.1)%	350.3	76.5%	198.4	(20.7)%
Other Revenue	1.9	(23.5)%	2.5	(45.4)%	4.5	80.7%
<b>Total consolidated revenue</b>	<b>607.4</b>	<b>(61.0)%</b>	<b>1,558.6</b>	<b>9.3%</b>	<b>1,426.1</b>	<b>(9.5)%</b>

For the Year Ended December 31,						
	2020		2019		2018	
	(in millions of USD)	% of Change against prior year	(in millions of USD)	% of Change against prior year	(in millions of USD)	% of Change against prior year
<b>Cost of Services</b>						
Concession fees	76.2	(53.5)%	163.9	(4.4)%	171.4	(10.7)%
Amortization and depreciation	174.0	(14.1)%	152.5	7.5%	141.8	40.9%
Cost of fuel	13.1	(69.9)%	43.5	11.9%	38.9	39.9%
Salaries and social security contributions	124.5	(34.9)%	191	0.0%	191.1	(9.4)%
Taxes	5.9	(65.4)%	17	(4.0)%	17.7	(9.2)%
Maintenance expenses	82.1	(36.3)%	128.9	(1.6)%	131	(10.2)%
Construction service costs	124.4	(64.2)%	348	77.2%	196.3	(21.0)%
Services and fees	40.5	(38.2)%	65.5	11.3%	58.8	8.0%
Provision for maintenance cost	1.8	(17.6)%	2.2	3.9%	2.1	(9.6)%
Office expense	3.7	(73.6)%	14.1	22.2%	11.6	(32.8)%
Others	7.5	(36.2)%	11.8	10.5%	10.7	(1.2)%
<b>Total Cost of Services</b>	<b>653.6</b>	<b>(42.6)%</b>	<b>1,138.4</b>	<b>17.2%</b>	<b>971.5</b>	<b>(5.70)%</b>

**For the Year Ended December 31,**

	<b>2020</b>		<b>2019</b>		<b>2018</b>	
	<b>(in millions of USD)</b>	<b>% of Change against prior year</b>	<b>(in millions of USD)</b>	<b>% of Change against prior year</b>	<b>(in millions of USD)</b>	<b>% of Change against prior year</b>
<b>Selling, general and administrative expenses</b>						
Salaries and Social Security contributions	20.4	(29.5)%	28.9	(11.0)%	32.4	(9.4)%
Amortization and depreciation	9.5	(4.2)%	9.9	(7.7)%	9.2	(20.7)%
Services and fees	28.2	(25.7)%	37.9	(14.1)%	44.1	(24.6)%
Taxes	18.9	(51.6)%	39	(14.4)%	45.5	(17.0)%
Maintenance expenses	1.1	(32.4)%	1.7	(44.6)%	3.1	(26.6)%
Advertising	1.6	(54.0)%	3.4	(28.7)%	4.7	55.1%
Office expenses	1.2	(76.5)%	5.2	(49.2)%	10.2	(12.6)%
Insurances	2.0	19.2%	1.7	(17.1)%	2	(11.0)%
Charter service	0.1	(83.2)%	0.8	(3.7)%	0.8	0.0%
Bad debts recovery	(2.9)	0.7%	(2.9)	8.8%	(3.2)	1091.9%
Bad debts	16.4	(51.6)%	33.9	165.7%	12.7	66.2%
Others	5.3	(40.6)%	8.9	(12.2)%	10.1	27.1%
<b>Total selling, general and administrative expenses</b>	<b>101.8</b>	<b>(39.5)%</b>	<b>168.3</b>	<b>(2.1)%</b>	<b>171.9</b>	<b>(11.5)%</b>

**For the Year Ended December 31,**

	<b>2020</b>		<b>2019</b>		<b>2018</b>	
	<b>(in millions of USD)</b>	<b>% of Change against prior year</b>	<b>(in millions of USD)</b>	<b>% of Change against prior year</b>	<b>(in millions of USD)</b>	<b>% of Change against prior year</b>
(Impairment loss)/Reversal of previous impairment	(62.3)	45.5%	(42.8)	100.00%	—	—
Other operating income	54.1	213.5%	17.3	(14.6)%	20.2	1.3%
Other operating expense	(7.5)	174.3%	(2.7)	(32.2)%	(4.1)	(16.2)%
<b>Operating income</b>	<b>(163.7)</b>	<b>(173.2)%</b>	<b>223.6</b>	<b>(25.2)%</b>	<b>299</b>	<b>(19.0)%</b>
Share of loss in associates	(6.2)	(15.1)%	(5.4)	29.1%	(4.1)	(73.8)%
<b>Income before financial results and income tax</b>	<b>(169.9)</b>	<b>(177.8)%</b>	<b>218.3</b>	<b>(26.0)%</b>	<b>294.8</b>	<b>(16.5)%</b>
Financial income	35.7	(31.2)%	51.9	(32.0)%	76.3	21.9%
Financial loss	(215.5)	(7.7)%	(233.5)	(29.5)%	(331.1)	9.6%
Inflation adjustment	(26.5)	4.5%	(25.4)	(30.4)%	(36.5)	100%
<b>Income before income tax expense</b>	<b>(376.2)</b>	<b>(3440.8)%</b>	<b>11.3</b>	<b>221.40%</b>	<b>3.5</b>	<b>(96.9)%</b>
Income tax expense	14.3	(183.7)%	(17.1)	21.10%	(14.1)	(69.9)%
<b>(Loss)/income</b>	<b>(361.9)</b>	<b>6115.7%</b>	<b>(5.8)</b>	<b>(45.1)%</b>	<b>(10.6)</b>	<b>(115.8)%</b>
<b>(Loss)/income for the year</b>	<b>(361.9)</b>	<b>6115.7%</b>	<b>(5.8)</b>	<b>(45.1)%</b>	<b>(10.6)</b>	<b>(115.8)%</b>
Attributable to Owners of the parent	(253.1)	(2881.1)%	9.1	27.70%	7.1	88.8%
Non-controlling interest	(108.8)	629.5%	(14.9)	(15.8)%	(17.7)	621.5%

## Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

### **Revenue**

Our revenue was USD 607.4 million for the year ended December 31, 2020, a 61.0% decrease from USD 1,558.6 million for the year ended December 31, 2019. This decrease in revenue of USD 951.3 million was principally due to lower revenues in all segments, reflecting the impacts of the Covid-19 pandemic. As a result of that, revenues decreased USD 584.8 million in Argentina, USD 87.3 million in Italy, USD 65.2 million in Brazil, USD 59.5 million in Uruguay, USD 59.9 million in Ecuador and USD 94.0 million in Armenia.

The sum of the revenues reported for each of our segments equals the total amount of consolidated revenues as per the statement of income.

### **Argentina**

Revenue from our Argentina segment was USD 350.0 million for the year ended December 31, 2020, a 62.6%, or USD 584.8 million decrease as compared to USD 934.8 million for the year ended December 31, 2019. This decrease in revenues was mainly the outcome of:

- A decrease of USD 280.6 million, or 72.5%, in aeronautical revenue due to a decrease in passenger traffic derived from the impact of the Covid-19 pandemic in the demand for air travel and due to government restrictions to air travel which was partially offset by the increase in tariffs that we charge under the concessions;
- a decrease of USD 91.7 million, or 38.3%, in commercial revenue due to:  
(i) the decrease in revenues related to passenger traffic principally in retail stores, duty free, parking, food and beverage, and VIP lounge, among others. (ii) attenuated by a significantly lower decrease in warehouse use fees as a result of decrease in cargo volumes, (iii) decline in revenues from rental of spaces, due to discounts granted to customers, and (iv) a decrease in revenues recorded in local currency, due to the Argentinian Peso's devaluation against the U.S. dollar; and
- a decrease of USD 212.5 million, or 68.9%, in construction services revenue due to the decrease in capital expenditures primarily for the reduction of non-mandatory capital expenditures in connection with the cost controls and cash preservation measure implemented to mitigate the negative impact of the Covid-19 pandemic and the capital expenditures incurred in 2019 for works for the construction of the new departure terminal building and the refurbishment of the platform at Ezeiza Airport, remodeling Aeroparque Airport, the re-pavement of the Comodoro Rivadavia Airport.

### ***Italy***

Revenue from our Italy segment was USD 58.3 million for the year ended December 31, 2020, a 59.9% or USD 87.3 million decrease as compared to USD 145.6 million for the year ended December 31, 2019. This decrease in revenue was mainly the result of: (i) a decrease of USD 65.3 million, or 69.0%, in aeronautical revenue due to a decrease in passenger traffic derived from the impact of the Covid-19 pandemic and government restrictions to air travel which was partially offset by the increase in tariffs that we charge under the concessions, and (ii) a decrease of USD 22.3 million, or 57.0%, in commercial revenue mainly due to the decrease in revenues related to passenger traffic principally in retail stores, duty free, parking, food and beverage, VIP lounge and car rental.

### ***Brazil***

Revenue from our Brazil segment was USD 51.4 million for the year ended December 31, 2020 a 55.9% or USD 65.2 million decrease as compared to USD 116.6 million for the year ended December 31, 2019. This decrease was mainly due to a decrease of (i) USD 35.2 million, or 62.8%, in aeronautical revenue due to a decrease in passenger traffic derived from the impact of the Covid-19 pandemic and government restrictions to air travel and the depreciation of the Real against the U.S. dollar, which was partially offset by the increase in tariffs that we charge under the concessions, and (ii) a decrease of USD 29.9 million, or 49.5%, in commercial revenue mainly due to the decrease in revenues related to passenger traffic including retail stores, food and beverage, VIP lounge and car rental, a decline in revenues from rental of spaces, due to discounts granted to customers. and the depreciation of the Real against the U.S. dollar.

### ***Uruguay***

Revenue from our Uruguay segment was USD 58.3 million for the year ended December 31, 2020, a 50.5% or USD 59.5 million decreases compared to USD 117.8 million for the year ended December 31, 2019. This decrease was mainly derived from a decrease of (i) USD 42.6 million, or 68.5%, in aeronautical revenue due to a decrease in passenger traffic derived from the impact of the Covid-19 pandemic and government restrictions to air travel, and (ii) a decrease of USD 20.1 million, or 40.7%, in commercial revenue mainly due to the decrease in revenues related to passenger traffic principally in retail stores, parking, food and beverage, VIP lounge and car rental, attenuated by a significantly lower decrease in warehouse use fees as a result of decrease in cargo volumes, partially offset by an increase of USD 3.1 million, or 51.9%, in construction services revenue due to the increase in capital expenditures primarily due to the mandatory works in Punta del Este Airport in connection with the extension of concession.

### ***Ecuador***

Revenue from our Ecuador segment was USD 49.7 million for the year ended December 31, 2020, a 54.6% or USD 59.9 million decrease as compared to USD 109.6 million for the year ended December 31, 2019. This decrease was mainly due to: decrease of (i) USD 42.9 million, or 60.4%, in aeronautical revenue due to a decrease in passenger traffic derived from the impact of the Covid-19 pandemic and government restrictions to air travel which was partially offset by the increase in tariffs that we charge under the concession, and (ii) a decrease of USD 10.7 million, or 45.1%, in commercial revenue mainly due to the decrease in revenues related to passenger traffic principally in retail stores, duty free, food and beverage, and car

rental, and a decline in revenues from rental of spaces, due to discounts granted to customers and (iii) a decrease of USD 6.3 million, or 42.2%, in construction services revenue in connection with decrease in capital expenditures primarily for the reduction of non-mandatory capex in connection with the cost controls and cash preservation measure implemented to mitigate the negative impact of the Covid-19 pandemic and the capital expenditures incurred in 2019 for works in runway, passenger's terminal and a warehouse of TCE logistics center and the reduction of non-mandatory capex in connection with the cost controls and cash preservation measure implemented to mitigate the negative impact of the Covid-19 pandemic.

### ***Armenia***

Revenue from our Armenia segment was USD 39.4 million for the year ended December 31, 2020, a 70.5% or USD 94.0 million decrease as compared to USD 133.5 million for the year ended December 31, 2019. This decrease in revenue was mainly derived from: a decrease of (i) USD 37.3 million, or 70.9%, in aeronautical revenue due to a decrease in passenger traffic derived from the impact of the Covid-19 pandemic and government restrictions to air travel which was partially offset by the appreciation of the Euro against the U.S. dollar, considering that aeronautical revenues are link to euro, and (ii) a decrease of USD 46.9 million, or 67.7%, in commercial revenue mainly due to the decrease in the sale of fuel at our Armenian airports, a decrease in revenues related to passenger traffic principally in duty free and Vip lounge, and a decline in revenues from rental of spaces, due to discounts granted to customers and (iii) a decrease of USD 9.9 million, or 85.1%, in construction services revenue in connection with decrease in capital expenditures primarily for the reduce of non-mandatory capex in connection with the cost controls and cash preservation measure implemented to mitigate the negative impact of the Covid-19 pandemic and the capital expenditures incurred in 2019 primarily for works in runway renovations, vehicles, and the acquisition of Property, Plant and Equipment.

### ***Unallocated***

Our unallocated revenue comprised a non-significant amount of commercial revenue for the years ended December 31, 2020 and 2019.

### ***Cost of services***

Cost of services decrease 42.6% to USD 653.6 million for the year ended December 31, 2020 compared to USD 1,138.4 million for the year ended December 31, 2019. This decrease in cost of services of USD 484.8 million was derived from the decrease in all segment reflecting the reduction in operations due to the Covid-19 pandemic and in connection with the cost controls and cash preservation measure implemented to mitigate the negative impact of the pandemic. As a consequence of that, Cost of Services decrease USD 330.9 million in Argentina, USD 32.4 million in Italy, USD 35.4 million in Brazil, USD 13.8 million in Uruguay, USD 29.2 million in Ecuador and USD 43.0 million in Armenia.

The sum of the cost of services reported for each of our segments equals the total amount of consolidated cost of services as per the statement of income.



### ***Selling, general and administrative expenses***

Selling, general and administrative expenses decreased by 39.5% to USD 101.8 million for the year ended December 31, 2020 compared to USD 168.3 million for the year ended December 31, 2019. This decrease of USD 66.5 million was primarily impacted by the decrease in all segment reflecting the reduction in operations derived from the impact of the Covid-19 pandemic and in connection with the cost controls and cash preservation measure implemented to mitigate the negative impact of the pandemic. As a consequence of that, Cost of Services decreased USD 50.0 million in Argentina, USD 0.6 million in Italy, USD 1.3 million in Brazil, USD 4.5 million in Uruguay, USD 4.8 million in Ecuador and USD 3.7 million in Armenia.

The sum of the selling, general and administrative expenses reported for each of our segments equals the total amount of consolidated selling, general and administrative expenses as per the statement of income.

### ***Impairment loss***

In the year ended December 31, 2020, we recorded an impairment loss of USD 62.3 million, we tested the value of goodwill allocated that led to an impairment loss of USD 35,906 regarding our Brazilian subsidiaries. Additionally, impairment loss recognized in the evolution of concession assets corresponds to Aeroporto de São Gonçalo do Amarante S.A. ("ICASGA") who performed impairment tests based on cash flow projections covering the remaining concession period of 21 years (value in use). In the year ended December 31, 2019, we recorded an impairment loss of USD 42.8 million in Brazil mainly due to the write down of the Natal Concession Agreement Intangible Asset – See also Note 12 to our Audited Consolidated Financial Statements.

### ***Other operating income***

Our other operating income increased by 213.5% or USD 36.8 million to USD 54.1 million for the year ended December 31, 2020 compared to USD 17.3 million for the year ended December 31, 2019. This increase was mainly due to the USD 33.2 million in re-equilibrium requested under the Brazilian Concession Agreements in connection with the Covid-19 pandemic effects. Additionally, our Italian subsidiary, TA, received a grant of USD 12.0 million to compensate damages caused by the Covid-19 pandemic. This variation was partially offset by a decrease in the grants in Argentina subsidiary AA2000 for the development of airport infrastructure derived from the decrease in revenues. See also Note 8 to our Audited Consolidated Financial Statements.

### ***Adjusted segment EBITDA***

We evaluate the performance of each of our segments based on Adjusted EBITDA, defined, with respect to each segment, as net income before financial income, financial loss, inflation adjustment, income tax expense, depreciation and amortization for such segment. The Adjusted EBITDA does not exclude the amortization of the intangible asset related to the fixed fee payable to the corresponding governments for the operation of the airports concessions.

In addition, the CODM considers each reportable segment's Adjusted EBITDA before Construction Services margin as a relevant performance measure.

Adjusted EBITDA excluding Construction Services is defined, with respect to each segment, as net income before construction services revenue, financial income, construction services cost, financial loss, inflation adjustment, income tax expense, depreciation and amortization for such segment. The Adjusted EBITDA excluding construction services revenue and construction services cost does not exclude the amortization of the intangible asset related to the fixed fee payable to the corresponding governments for the operation of airports concessions

The sum of each segment's Adjusted EBITDA and Adjusted EBITDA excluding Construction Services equals the total consolidated Adjusted EBITDA and Adjusted EBITDA excluding Construction Services.

For the Year Ended December 31,						
2020					2019	
	(in millions of USD)	% of Total Adjusted EBITDA	Change against prior year (in millions of USD)	% Change against prior year	(in millions of USD)	% of Total Adjusted EBITDA
Argentina	50.7	373.3%	(190.6)	(79.0)%	241.3	63.4%
Italy	(4.3)	(31.5)%	(42.8)	(111.1)%	38.5	10.1%
Brazil	(6.5)	(48.1)%	15.8	(70.7)%	(22.3)	(5.8)%
Uruguay	16.3	120.3%	(40.1)	(71.0)%	56.4	14.8%
Armenia	5.5	40.2%	(46.3)	(89.5)%	51.8	13.6%
Ecuador	1.3	9.9%	(24.0)	(94.7)%	25.3	6.6%
Unallocated	(42.9)	(315.8)%	(37.6)	709.9%	(5.3)	(1.4)%
Peru	(6.6)	(48.2)%	(1.5)	28.5%	(5.1)	(1.3)%
<b>Total segment EBITDA</b>	<b>13.6</b>	<b>100%</b>	<b>(367.1)</b>	<b>(96.4)%</b>	<b>380.7</b>	<b>100.0%</b>

For the Year Ended December 31,						
2020					2019	
	(in millions of USD)	% of Total Adjusted EBITDA	Change against prior year (in millions of USD)	% Change against prior year	(in millions of USD)	% of Total Adjusted EBITDA
Argentina	50.6	413.2%	(190.5)	(79.0)%	241.1	63.7%
Italy	(5.5)	(44.5)%	(42.3)	(114.8)%	36.8	9.7%
Brazil	(6.5)	(53.3)%	15.7	(70.7)%	(22.3)	(5.9)%
Uruguay	16.3	113.4%	(40.0)	(71.0)%	56.4	14.9%
Armenia	5.4	44.2%	(46.1)	(89.5)%	51.5	13.6%
Ecuador	1.3	11.0%	(24.0)	(94.7)%	25.3	6.7%
Unallocated	(42.9)	(350.3)%	(37.46)	710.6%	(5.3)	(1.4)%
Peru	(6.6)	(53.5)%	(1.5)	28.9%	(5.1)	(4.5)%
<b>Total segment EBITDA excluding Construction Services</b>	<b>12.3</b>	<b>100%</b>	<b>(366.2)</b>	<b>(96.8)%</b>	<b>378.5</b>	<b>100%</b>

### ***Financial income***

Our financial income decreased by 31.2% to USD 35.7 million for the year ended December 31, 2020, compared to financial income of USD 51.9 million for the year ended December 31, 2019. This decrease of USD 16.2 million in financial income was primarily due to a decrease of USD 13.7 million in interest income mainly derived from the decrease in financial investment in our subsidiaries in Argentina.

### ***Financial loss***

Our financial loss decreased by 7.7% to USD 215.5 million for the year ended December 31, 2020, compared to financial loss of USD 233.5 million for the year ended December 31, 2019. This decrease of USD 18.0 million in financial loss was primarily due to a decrease of USD 18.9 million in changes in liabilities of our subsidiaries in Brazil as a result of the Real's depreciation against the U.S. dollar, partially offset by increase in Brazilian index used to adjust the concession fee payable under the Brazilian Concession Agreements. This decrease in our financial loss was also due to a decrease of USD 10.3 million in foreign exchange expenses, mostly incurred by AA2000 due to lower Argentine peso's devaluation against the U.S. dollar during 2020 as compared with 2019, partially offset by an increase in foreign exchange expenses incurred by our Armenia subsidiary impacted by Armenian dram's devaluation against the U.S. dollar. Additionally, the decrease in our financial loss was partially offset by an increase of USD 4.8 million in other financial expenses mainly due to fees related to refinancing of the debt in our Argentina subsidiaries.

### ***Income tax expense***

Income taxes were USD 14.3 million for the year ended December 31, 2020, a 183.7% variation from the income tax expense of USD 17.1 million recorded for the year ended December 31, 2019. This decrease was primarily due to decrease in current income tax expenses as a consequence of the lower results due to the impact of the Covid-19 pandemic. This variation was partially offset by an increase in deferred income tax expense derived from a write-off on deferred tax assets made in 2020 in our Brazilian subsidiaries. See Note 11 "Income Tax Expense" to the Financial Statements.

## Cash Flows

*Years ended December 31, 2020 and 2019*

### ***Operating activities***

The net cash provided by operating activities was USD 0.8 million for the year ended December 31, 2020, a 104.3% or USD 20.6 million increase in net cash from operating activities as compared to USD 19.7 million in net cash used in operating activities for the year ended December 31, 2019, as a result of cash preservation measures, including cost control implemented to mitigate the impact of the Covid-19 pandemic. This increase was principally the result of: (i) the decrease of USD 225.3 million in capital expenditures mainly related to an decrease in infrastructure investments made in Argentina and most of other segments derived from the reduction of non-mandatory capital expenditures in connection with the cash preservation measures implemented to mitigate the negative impact of the Covid-19 pandemic, (ii) the increase of USD 187.5 million net cash provided by changes in working capital mainly related to our subsidiaries in Argentina, and our subsidiaries in Brazil derived from the fact that, in 2020 the concession fee was compensated with the financial re-equilibrium due to Covid-19 pandemic crisis, offset by (iii) the decrease of USD 392.3 million in cash provided by operating activities as a consequence of the impact of the Covid-19 pandemic.

### ***Investing activities***

The net cash provided by investing activities was USD 1.6 million for the year ended December 31, 2020, a 113.4% or USD 13.8 million increase as compared to USD 12.1 million in net cash used in investing activities for the year ended December 31, 2019. The increase in the net cash provided by investing activities was primarily due to the decrease of USD 8.2 million in property, plant and equipment acquisitions derived from the cash preservation measure implemented to mitigate the negative impact of the Covid-19 pandemic.

### ***Financing activities***

The net cash provided by financing activities was USD 90.5 million for the year ended December 31, 2020, a 268.4% or USD 66.0 million increase as compared to USD 24.6 million in net cash provided by financing activities for the year ended December 31, 2019 as a result of cash preservation measures implemented to mitigate the impact of the Covid-19 pandemic, including renegotiations with debt holders and banks. This increase in net cash flows from financing activities was primarily the result of (i) a decrease of USD 19.0 million in loan payments, primarily a decrease of USD 8.7 million in local bond payment in Uruguay due to a deferral of principal and interest payment, a decrease of USD 4.5 million in loans payment made by CAAP, and a decrease of USD 6.5 million derived from the payment made in our subsidiary in Armenia due to a deferral of principal and interest payment and a decrease of USD 8.8 million derived from the payment made in our subsidiary in Italy, (ii) a decrease of USD 37.7 million in interest payments, primarily a decrease of USD 16.8 million derived from the payment made in our subsidiary in Brazil, a decrease of USD 12.0 million in interest payment made by ACI Airport Sudamérica and a decrease of USD 8.0 million derived from the payment made in our subsidiary in Argentina, both as a result of an exchange of the Notes, (iii) an increase of USD 27.3 million in loan obtained, primarily due to the increase in loan obtained of USD 103.7 million in our subsidiary in Italy which were offset by the decrease of USD 68.9

million in our subsidiary in Argentina, (iv) a decrease of USD 22.5 million in dividends distribution, primarily due to the temporarily suspended dividends payments to third parties under the concessions in Italy and Ecuador as a measure of cash preservation due to the impact of the Covid-19 pandemic. These variations in net cash from financing activities were offset by: (i) an increase of USD 15.7 million in debt renegotiation expenses and premium, and (ii) a decrease of USD 27.5 million in proceeds from cash contributions mainly made by Infraero.

## Employees

As of December 31, 2020, 2019 and 2018, we employed 5,822, 6,299 and 6,059, respectively, of which 5,201, 5,591 and 5,356, respectively, worked on activities such as operations, maintenance, security, customer services, parking and fees collection sector; and 621, 707 and 703, respectively, worked in sales and marketing, the finance sector, administration, human resources, legal department and other activities.

The following table provides information regarding the number of our employees as of December 31, 2020, 2019 and 2018:

	<b>Number of Employees</b>		
	<b>As of December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operations and infrastructure	5,201	5,591	5,356
Administration	621	707	703
<b>Total</b>	<b>5,822</b>	<b>6,299</b>	<b>6,059</b>

## Activities of research and development

There were no research and development expenses incurred.

## Existence of branches of the Company

We do not have any branch offices.

## Shares ownership

On August 20, 2020, the Company approved a management share compensation plan for a period beginning on such date and ending on December 31, 2025, extendable thereafter upon approval from the Board of Directors. As part of the aforementioned plan as of December 31, 2020, the Company holds 3,200,445 own shares for a total amount of USD 6,144,854.40.

None of our directors, officers or members of our senior management owns any of our common shares.



## Financial risk management

We are exposed to market risks arising from our normal business activities. These market risks principally involve the possibility that changes in exchange rates will adversely affect the value of our financial assets and liabilities, or future cash flows and earnings. Market risk is the potential loss arising from adverse changes in market rates and prices.

### *Exchange rate risk*

We operates in a number of countries throughout the world and consequently is exposed to foreign exchange rate risk. In addition, we have certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

In order to manage foreign exchange risk, our strategy is based on minimizing net positions of assets and liabilities denominated in foreign currencies together with the use of derivative financial instruments.

The value of our financial assets and liabilities is subject to changes arising out of the variation of foreign currency exchange rates. A significant majority of our business activities is conducted in the respective functional currencies of the subsidiaries. However, we transacts in currencies other than the respective functional currencies of our subsidiaries. There are significant monetary balances held by our companies at each period-end that are denominated in others currencies (non-functional currency).

The following table sets forth a breakdown of our main monetary net assets and liabilities which may impact our profit and loss:

### **Currency exposure/functional currency**

<b>Currency Exposure / Functional currency</b>	<b>As of December 31, 2020</b>	<b>As of December 31, 2019</b>
U.S. dollar / Argentine Peso	(507,684)	(404,260)
Euro / Armenian dram	(16,671)	(9,686)
U.S. dollar / Armenian dram	(18,053)	(24,359)
Euro / Argentine Peso	(5,829)	(6,745)

The relevant exposure by currency pair is set forth below in thousands of U.S. dollars:

U.S. dollar—Argentine peso: As of December 31, 2020 and 2019 consisting primarily of U.S. dollar -denominated net monetary assets and liabilities at certain Argentine subsidiaries which functional currency is the Argentine Peso. A change of 3% in the ARS/ USD exchange rate in real (inflation-adjusted) terms would have generated a pre-tax gain / loss of USD 15,230.5 as of December 31, 2020 (USD 4,042.6 as of December 31, 2019 considering a change in 1% in the ARS/ USD exchange rate).

U.S. dollar —Armenian dram: As of December 31, 2020 and 2019 consisting primarily of U.S. dollar -denominated net monetary assets and liabilities at the Armenian subsidiaries which functional currency is the Armenian Dram. A change of 1% in the Dram/ USD exchange rate would have generated a pre-tax gain / loss of USD 180.5 as of December 31, 2020 (USD 243.6 as of December 31, 2019).

Euro—Armenian dram: As of December 31, 2020 and 2019 consisting primarily of Euro -denominated net monetary assets and liabilities at the Armenian subsidiaries which functional currency is the Armenian Dram. A change of 1% in the Dram / Euro exchange rate would have generated a pre-tax gain / loss of USD 166.7 as of December 31, 2020 (USD 96.9 as of December 31, 2019).

Euro - Argentine Peso: As of December 31, 2020 and 2019 consisting primarily of Euro -denominated net monetary assets and liabilities at the Armenian subsidiaries which functional currency is the Armenian Dram. A change of 1% in the Dram / Euro exchange rate would have generated a pre-tax gain / loss of USD 166.7 as of December 31, 2020 (USD 96.9 as of December 31, 2019).

### **Interest rate risk**

Our interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose us to increases in interest expense when market interest rates increase, while the borrowings issued at a fixed rate expose us to fair value interest rate risk. We manages this risk by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities.

These activities are evaluated regularly to determine that we are not exposed to interest rate movements that could adversely impact its ability to meet our financial obligations and to comply with our borrowing covenants.

Our total borrowings with a variable rate amounted to USD 526.0 million (39.1% of total borrowings) in the aggregate at December 31, 2020 and to USD 460.6 million (38.1% of total borrowings) in the aggregate at December 31, 2019.

We estimate that, other factors being constant, a 10% increase in floating rates at year-end would decrease income before income tax expense for the years ended December 31, 2020 and 2019 by USD 3.4 million and USD 4.2 million. A 10% decrease in the floating interest rate would have an equal and opposite effect.

## Corporate governance

We have adopted a Corporate Governance Code and Code of Conduct and related integrity policies applicable to all of our directors, officers and employees. We have also adopted an additional code of ethics applicable to our Chief Executive Officer, Chief Financial Officer, Controller and other persons performing similar functions. Our articles of association require any director to refrain from voting on or approving of any related-party agreement with such director or party related to such director. Our Corporate Governance Code, Code of Conduct and related integrity policies and Code of Ethics for senior financial officers provide additional procedures for the audit committee and the board of directors to identify, report, review and approve any related-party agreements with directors or senior management (or any affiliate other than us). A copy of these documents is available on our website at <http://www.caap.aero/>. We expect that any significant amendments to such codes, or any waivers of their requirements, will be disclosed on our website

### *Audit Committee*

Each member of the Audit Committee is required to meet the requirements of independence, experience and financial experience. The Audit Committee will perform the duties set forth in our corporate governance code, which is available on our website. The primary responsibilities of the Audit Committee include the following:

- overseeing management's establishment and maintenance of adequate systems of internal accounting, auditing and financial controls;
- reviewing the effectiveness of our legal, regulatory compliance, ethical standards and risk-management programs;
- reviewing certain related-party transactions in accordance with our corporate governance code;
- overseeing our financial reporting process, including the filing of financial reports; and
- selecting our independent auditors, evaluating their independence and performance and approving audit fees and the services provided by them.

### *Executive Committee*

The Executive Committee performs the duties set forth in our corporate governance code. The primary responsibilities of the Executive Committee include the following:

- assessing and proposing business strategies, and implementing strategies and policies approved by the board of directors;
- developing processes for the identification, evaluation, monitoring and mitigation of risks;
- implementing appropriate internal control systems and follow-up of such system's effectiveness, and reporting compliance with its goals to the board of directors;
- analyzing and proposing the full year budget following-up its evolution, and assessing mitigation of internal and market variables;
- identifying and implementing business synergies among Group companies; and
- proposing the delegation of powers to officers and supervising managers, which are consistent with the policies and procedures established by the board of directors.

### *Acquisitions and Business Development Committee*

The Acquisitions and Business Development Committee currently consists of five members: our Chief Executive Officer, our Head of Business Development, our Head of European Business Development, our Head of Accounting and Tax and our Head of Financial and M&A, as the regular members. The Acquisitions and Business Development Committee performs the duties set forth in our corporate governance code. The primary responsibilities of the Acquisitions and Business Development Committee include the following:

- evaluating and reporting on our acquisition and business development plans, in collaboration with the board of directors;
- assisting the board of directors with recommendations on acquisitions and business development agenda of the group;
- evaluating, reporting and recommending to the board of directors specific acquisitions or business opportunities; and
- approving new acquisitions or development opportunities within the powers delegated to the Acquisitions and Business Development Committee by the board of directors.

### *Disclosure Committee*

The Disclosure Committee currently consists of four members: our Chief Executive Officer, our Chief Financial Officer, our Head of Legal, and our Investor Relations Manager. This Committee oversees and reviews all materials for which there is a disclosure requirement. This committee meets at regular intervals in order to review all data.

### *Compensation Committee*

The Compensation Committee currently consists of three members: our Chief Executive Officer, the Chairman of the Board of Directors, and an Independent Director. This Committee oversees and reviews the specific awards to be granted, based on the proposal to be submitted by the plan administrator.



## **Subsequent events**

### *Acquisition of Cemes Aeroporti S.r.l. and formation of Toscana Aeroporti Costruzioni S.r.l.*

Toscana Aeroporti S.p.A. ("TA") signed an agreement to acquire a 51% stake in Cemes Aeroporti S.r.l., a recently-formed company operating in the construction sector, which has concurrently changed its corporate name to Toscana Aeroporti Costruzioni S.r.l. (TAC). The consideration for the transaction, which TA will fund with own resources, amounts to € 4,5 million, with annual deferred payment in five installments until December 31, 2025. The transaction does not entail any assumption of debt or assignment of receivables.

### *Conflict with Aerolíneas Argentina S.A ("ARSA")*

On February 2, 2021, ARSA sent a document to AA2000, which contained a proposal of debt acknowledgment for the amounts owed up to March 31, 2020 (ARS 120.6 million and USD 36.5 million). In the aforementioned document, ARSA proposed a payment plan in 72 monthly, equal and consecutive installments payable as from January 5, 2023. On February 4, 2021, AA2000 accepted the proposal.

AA2000 and ARSA continue in negotiations to reconcile the remaining outstanding debt.

### *AA2000 2019 Credit facilities re-financing*

On February 19, 2021, AA2000 extended 60% of the 2019 Credit Facilities installment corresponding to Citibank N.A. due in February 2021 for a total amount of USD 2.3 million, to be fully repaid on February 19, 2023. For the remaining 40% AA2000 obtained a loan for a total amount of ARS 139 million that accrue quarterly interest at a variable rate equivalent to the corrected BADLAR rate ("BADCOR") plus an applicable margin of 5% nominal per annum and will be paid in four equal and consecutive quarterly installments beginning on March 19, 2022.

Additionally, AA2000 obtained three loans for the total amount of ARS 843 million to pay the installment of the renegotiated 2019 Credit Facilities agreement due in February 2021. These loans accrue quarterly interest at a variable rate equivalent to the corrected BADLAR rate ("BADCOR") plus an applicable margin of 5% nominal per annum and 40% of them will be paid in four equal and consecutive quarterly installments beginning on March 19, 2022 and the remaining 60% will be paid in full on February 19, 2023.

### *Aeropuertos del Neuquén S.A. concession update*

On March 4, 2021, a letter of intent was signed with the government of the province where the commission for the renegotiation of the concession contract agrees on the necessary mechanisms to arrive at a definitive proposal and subscription of the Act of Adequacy and Contractual Renegotiation.

## **Luxembourg, March 30<sup>th</sup>, 2021**