

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number 001-38354

CORPORACIÓN AMÉRICA AIRPORTS S.A.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Grand Duchy of Luxembourg

(Jurisdiction of incorporation or organization)

Raúl Guillermo Francos, Chief Financial Officer

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4, rue de la Grève, L-1643, Luxembourg, Grand Duchy of Luxembourg

(Name, Telephone, E-mail and or Facsimile number and Address Company Contact Person)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange in which registered
Common Shares, U.S.\$1.00 nominal value per share	CAAP	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

163,222,707 Common Shares, as of December 31, 2020

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

TABLE OF CONTENTS

<u>CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS</u>	<u>2</u>
<u>CERTAIN CONVENTIONS</u>	<u>3</u>
<u>CURRENCY PRESENTATION</u>	<u>3</u>
<u>PRESENTATION OF FINANCIAL INFORMATION</u>	<u>3</u>
<u>PRESENTATION OF INDUSTRY AND MARKET DATA</u>	<u>6</u>
<u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	<u>7</u>
<u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u>	<u>7</u>
<u>ITEM 3. KEY INFORMATION</u>	<u>7</u>
<u>RECONCILIATION OF NON-IFRS DATA</u>	<u>9</u>
<u>ITEM 4. COMPANY INFORMATION</u>	<u>42</u>
<u>ITEM 4A. UNRESOLVED SEC STAFF COMMENTS</u>	<u>137</u>
<u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	<u>138</u>
<u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	<u>180</u>
<u>ITEM 7. MAJOR SHAREHOLDERS AND RELATED-PARTY TRANSACTIONS</u>	<u>188</u>
<u>ITEM 8. FINANCIAL INFORMATION</u>	<u>191</u>
<u>ITEM 9. THE OFFER AND LISTING</u>	<u>198</u>
<u>ITEM 10. ADDITIONAL INFORMATION</u>	<u>199</u>
<u>ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES REGARDING MARKET RISK</u>	<u>213</u>
<u>ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	<u>215</u>
<u>ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	<u>216</u>
<u>ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	<u>216</u>
<u>ITEM 15. CONTROLS AND PROCEDURES</u>	<u>216</u>
<u>ITEM 16. RESERVED</u>	<u>217</u>
<u>ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT</u>	<u>217</u>
<u>ITEM 16B. CODE OF ETHICS</u>	<u>217</u>
<u>ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	<u>217</u>

ITEM 16D.	EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	218
ITEM 16E.	PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	218
ITEM 16F.	CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT.	219
ITEM 16G.	CORPORATE GOVERNANCE	219
ITEM 16H.	MINE SAFETY DISCLOSURE	221
ITEM 17.	FINANCIAL STATEMENTS	221
ITEM 18.	FINANCIAL STATEMENTS	221
ITEM 19.	EXHIBITS	221
SIGNATURES		222

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements about our expectations, beliefs and intentions regarding, among other things, our products and services, development efforts, business, financial condition, results of operations, strategies, plans and prospects. Forward-looking statements can be identified by the use of forward-looking words such as “believe,” “expect,” “intend,” “plan,” “may,” “should,” “could,” “might,” “seek,” “target,” “will,” “project,” “forecast,” “continue” or “anticipate” or their negatives or variations of these words or other comparable words or by the fact that these statements do not relate strictly to historical matters. Forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including, but not limited to, the factors listed below:

- our business strengths and future results of operation;
- delays or unexpected casualties related to construction under our investment plan and master plans;
- our ability to generate or obtain the requisite capital to fully develop and operate our airports;
- the COVID-19 pandemic impact, as well as other epidemics, pandemics and public health crises;
- general economic, political, demographic and business conditions in the geographic markets we serve;
- decreases in passenger traffic;
- changes in the fees we may charge under our concession agreements;
- inflation and hyperinflation, depreciation and devaluation of the AR\$, EUR, BRL, UYU, AMD or the PEN against the U.S. dollar;
- the early termination, revocation or failure to renew or extend any of our concession agreements;
- the right of the Argentine Government to buy out the AA2000 Concession Agreement (as defined herein);
- changes in our investment commitments or our ability to meet our obligations thereunder;
- existing and future governmental regulations;
- natural disaster-related losses which may not be fully insurable; and
- cyberterrorism in the international markets we serve.

We believe these forward-looking statements are reasonable; however, these statements speak only as of the date of this annual report and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. We discuss these risks in this annual report in greater detail under the heading “Risk Factors.” Given these uncertainties, you should not rely upon forward-looking statements as predictions of future events.

Unless required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise.

CERTAIN CONVENTIONS

Corporación América Airports S.A. (“CAAP”) was incorporated under the laws of the Grand Duchy of Luxembourg (“Luxembourg”) on December 14, 2012. The Company owns no material assets other than its direct and indirect ownership of the issued share capital of other intermediate holding companies for all of our operating subsidiaries. Except where the context otherwise requires or where otherwise indicated, all references to the “Company,” “CAAP,” “we,” “us” and “our” refer to Corporación América Airports S.A. and its consolidated subsidiaries, as well as those businesses we account for using the equity method.

CURRENCY PRESENTATION

In this annual report, unless otherwise specified or the context otherwise requires:

- “U.S.\$” and “U.S. dollar” each refers to the United States dollar;
- “ARS” refers to the Argentine peso;
- “€,” “EUR” or “euro” each refers to the euro, the single currency established for members of the European Economic and Monetary Union since January 1, 1999;
- “R\$” or “BRL” each refers to the Brazilian real;
- “\$U” or “UYU” each refers to the Uruguayan peso;
- “AMD” refers to the Armenian dram; and
- “PEN” or “S/” refers to the Peruvian sol.

We have translated some of the local currency amounts contained in this annual report into U.S. dollars for convenience purposes only. The U.S. dollar-equivalent information presented in this annual report is provided solely for convenience and should not be construed as implying that the amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate. See “Item 3. Risk Factors— Depreciation or fluctuation of the currencies of the countries where we operate could adversely affect our results of operations and financial condition.”

Certain numbers and percentages included in this annual report have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in various tables or other sections of this annual report may vary slightly, and figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them.

PRESENTATION OF FINANCIAL INFORMATION

This annual report contains our audited consolidated financial statements as of December 31, 2020 and 2019 and for our fiscal years ended December 31, 2020, 2019 and 2018 (our “Audited Consolidated Financial Statements”).

We prepare our Audited Consolidated Financial Statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). We have applied all IFRS issued by the IASB effective at the time of preparing our Audited Consolidated Financial Statements. Our Audited Consolidated Financial Statements have been audited by Price Waterhouse & Co. S.R.L., a member firm of the PricewaterhouseCoopers global network, an independent registered public accounting firm, whose report dated March 30, 2021, is also included in this annual report.

Our Audited Consolidated Financial Statements are presented in U.S. dollars. Our fiscal year ends on December 31 of each year. Accordingly, all references to a particular year are to the year ended December 31 of that year.

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 and “—Adjusted Segment EBITDA and Adjusted Segment EBITDA excluding Construction Services.”

Our Reorganization

In order to facilitate our initial public offering in February 2018, during the fiscal year ended December 31, 2015, our ultimate controlling shareholder, Southern Cone Foundation, a foundation organized under the laws of Liechtenstein (“SCF” or our “Controlling Shareholder”), completed a reorganization of A.C.I. Airports International S.à r.l. and various other entities and businesses under the common control of SCF in order to organize all of our airports business activities under A.C.I. Airports International S.à r.l., and to transfer all business activities not related to the airport business to other affiliates (the “Reorganization”).

The Reorganization was completed on December 22, 2016, with the contribution of the shares of American International Airports, LLC, the holding company which directly and indirectly controls the operations of the airports in Armenia and Argentina, to A.C.I. Airports International S.à r.l.

A.C.I. Airports International S.à r.l. was formed as a private limited liability company (*société à responsabilité limitée*) under the laws of Luxembourg on December 14, 2012.

On September 14, 2017, A.C.I. Airports International S.à r.l. was converted from a Luxembourg private limited liability company into a Luxembourg public limited liability company (*société anonyme*) (the “Conversion”) and changed its name to Corporación América Airports S.A. CAAP is indirectly wholly owned by SCF. In connection with the Conversion, all of A.C.I. Airports International S.à r.l.’s outstanding equity interests were converted into common shares of CAAP.

The Reorganization was accounted for as a reorganization of the common control and common management of our Controlling Shareholder for all periods for which financial statements are presented. As such, we applied the “predecessor accounting approach” in accordance with the rules on accounting for business combinations under common control in consolidated financial statements to the entities under the common control of our Controlling Shareholder that were the subject of the Reorganization. This means that the assets and liabilities of the entities and businesses contributed as part of the Reorganization included in our Audited Consolidated Financial Statements correspond to the historical amounts in the individual financial statements of combined entities (i.e., predecessor values).

Factors Affecting Comparability of Prior Periods

During 2018, particularly in the third and fourth quarters of 2018, Argentina experienced a devaluation of its currency against the U.S. dollar of 102.2%, which exceeded the inflation rate by 47.6% for the same period. This factor, compounded with the application of IAS 29 as from January 1, 2018, which changed the mechanism for translating the financial information into U.S. dollars that we have been applying up to December 31, 2017, affected the comparability of the figures reported for the year ended December 31, 2018 with the corresponding period in 2017. While still significantly high, the variation of the devaluation (58.9%) of the Argentine peso vis-à-vis the inflation rate (53.8%) during 2019, and the variation of the devaluation (40.5%) of the Argentine peso vis-à-vis the inflation rate (36.1%) during 2020, did not have such an impact in our results of operations as in 2018. Therefore, comparability of the figures reported for the year ended December 31, 2019 with the corresponding period in 2018 was significantly affected. 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 the COVID-19 pandemic affected the comparability of the figures reported for the year ended December 31, 2020 with the corresponding period in 2019.

Adjusted Segment EBITDA and Adjusted Segment EBITDA excluding Construction Services

Adjusted Segment EBITDA is defined, with respect to each segment, as income from continuing operations before financial income, financial loss, income tax expense, depreciation and amortization for such segment. Adjusted Segment EBITDA excludes certain items that are not considered part of our core operating results. Specifically, we do not allocate financial income, financial loss, income tax expense, depreciation and amortization to our reportable segments. Effective as of April 1, 2018, our chief of operating decision maker revised our reporting segments in order to include an additional metric of performance, denominated “Adjusted Segment EBITDA excluding Construction Services,” which only differs with the Adjusted Segment EBITDA measure by excluding the Construction Services margin.

Although Adjusted EBITDA, and consequently, Adjusted EBITDA excluding Construction Services, are commonly viewed as non-IFRS measure in other contexts, pursuant to IFRS 8, “*Segment Information*,” these are treated as IFRS measures in the manner in which we utilize them. We use Adjusted EBITDA and Adjusted EBITDA excluding Construction Services for purposes of making decisions about allocating resources to our segments and to internally evaluate their financial performance because we believe they reflect current core operating performance and provide an indicator of the segment’s ability to generate cash.

Non-IFRS Information

Adjusted EBITDA and Adjusted EBITDA excluding Construction Services

“Adjusted EBITDA” is a non-IFRS financial measure defined as net income from continuing operations before financial income, financial loss, income tax expense, depreciation and amortization. “Adjusted EBITDA excluding Construction Services” only differs with the previously mentioned measure by excluding Construction Services margin.

Adjusted EBITDA and Adjusted EBITDA excluding Construction Services are not defined under IFRS and have important limitations as analytical tools. You should not consider them in isolation or as a substitute for analysis of our results as reported under IFRS. For example, Adjusted EBITDA and Adjusted EBITDA excluding Construction Services have the following limitations:

- exclude certain tax payments that may represent a reduction in cash available to us;
- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs; and
- do not reflect the significant interest expense, or the cash requirements, necessary to service our debt.

We believe that the presentation of Adjusted EBITDA and Adjusted EBITDA excluding Construction Services enhances investors’ understanding of our performance. We believe these measures are useful metrics for investors to assess our operating performance from period to period by excluding certain items that we believe are not representative of our core business. We present Adjusted EBITDA and Adjusted EBITDA excluding Construction Services in order to provide supplemental information that we consider relevant for the readers of our Audited Consolidated Financial Statements included elsewhere in this annual report, and such information is not meant to replace or supersede IFRS measures.

In addition, our management believes Adjusted EBITDA and Adjusted EBITDA excluding Construction Services are useful because they allow us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods, capital structure or income taxes. We exclude the items listed above from income for the year in arriving at Adjusted EBITDA and Adjusted EBITDA excluding Construction Services because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired.

Adjusted EBITDA and Adjusted EBITDA excluding Construction Services should not be considered as alternatives to, or more meaningful than, consolidated net income for the year as determined in accordance with IFRS or as indicators of our operating performance from continuing operations.

Adjusted EBITDA and Adjusted EBITDA excluding Construction Services may not be the same as similarly titled measures used by other companies.

We have included the reconciliation of Adjusted EBITDA and Adjusted EBITDA excluding Construction Services to consolidated net income from continuing operations for all the periods presented. For reconciliation of both Adjusted EBITDA and Adjusted EBITDA excluding Construction Services to consolidated net income from continuing operations, see “Selected Financial Data—Reconciliation of non-IFRS data.”

Reverse Stock Split

On January 19, 2018, the Selling Shareholder approved and completed a 1-to-10.12709504 reverse stock split of its common shares, consequently decreasing the outstanding common shares from 1,500,000,000 common shares to 148,117,500 common shares (the “Reverse Stock Split”). The Reverse Stock Split was implemented through a share capital reduction and a concurrent allocation of the reduced share capital amount to a non-distributable reserve account. The nominal value of U.S.\$1.00 of each common share did not change as a result of the Reverse Stock Split.

Capital Increase

On February 5, 2018, the Company completed its initial public offering of common shares whereby 11,904,762 new common shares were issued, thus bringing the Company’s share capital from U.S.\$148,117,500, represented by 148,117,500 shares having a nominal value of U.S.\$1.00 each, to the amount of U.S.\$160,022,262.

As part of the management share compensation plan (see “—Compensation — “Management Compensation Plan”), on October 9, 2020, the board of directors of the Company increased the Company’s share capital by the amount of U.S.\$3,200,445 through the issuance of 3,200,445 new shares having a nominal value of U.S.\$1.00 each. As a result of the issuance of these new shares, the outstanding share capital of the Company increased from 160,022,262 shares to 163,222,707 shares. These new shares were subscribed by A.C.I. Airports S.à r.l., the Company’s controlling shareholder, for a total subscription price of U.S.\$6,144,854.40 (*i.e.*, a subscription price of U.S.\$1.92 per new share, being the market price per share as of October 8, 2020), and paid for through the incorporation of the corresponding amount which was allocated to the Company’s free distributable reserves. The new shares were, subsequently and on the same date, transferred by the controlling shareholder to the Company to be held in treasury until their allocation to key employees in accordance with the management share compensation plan. As of the date of this annual report, 590,000 shares have been allocated for distribution to key employees under the management share compensation plan and the remaining outstanding 2,610,445 shares are still held in treasury.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this annual report, we rely on, and refer to, information regarding our business and the markets in which we operate and compete. The market data and certain economic and industry data and forecasts used in this annual report were obtained from internal surveys, market research, governmental and other publicly available information and independent industry publications. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness.

Certain market share information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflects our best estimates. We have based these estimates upon information obtained from publicly available information from our competitors in the industry in which we operate.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following selected consolidated financial information and other data of the Company should be read in conjunction with, and are qualified by reference to, “Operating and Financial Review and Prospects” and our Audited Consolidated Financial Statements and the notes thereto included elsewhere in this annual report. Our financial information is presented in millions of U.S. dollars unless otherwise noted.

The selected consolidated statement of financial position data as of December 31, 2020 and 2019 and the selected consolidated statement of income, comprehensive income and cash flow data for the years ended December 31, 2020, 2019 and 2018 have been derived from our Audited Consolidated Financial Statements included elsewhere in this annual report. Our selected consolidated financial data as of December 31, 2017 and 2016 and for the years ended December 31, 2017 and 2016 has derived from our audited consolidated financial statements not included in this annual report.

We prepare our Audited Consolidated Financial Statements in accordance with IFRS as issued by the IASB. We have applied all IFRS issued by the IASB effective at the time of preparing our Audited Consolidated Financial Statements. We applied IFRS for the first time for our fiscal year initiated January 1, 2015.

Consolidated Statement of Income

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
Continuing Operations					
Revenue	607.4	1,558.6	1,426.1	1,575.2	1,366.3
Cost of services	(653.6)	(1,138.4)	(971.4)	(1,030.0)	(859.1)
Gross (loss) / Profit	(46.2)	420.2	454.7	545.2	507.3
Selling, general and administrative expenses	(101.8)	(168.3)	(171.9)	(194.2)	(170.9)
(Impairment loss)/ Reversal of previous impairment	(62.3)	(42.8)	—	3.1	(16.6)
Other operating income	54.1	17.3	20.2	20.0	16.9
Other operating expense	(7.5)	(2.7)	(4.1)	(4.8)	(4.9)
Operating (loss) / Income	(163.7)	223.6	299.0	369.1	331.8
Share of loss in associates	(6.2)	(5.4)	(4.1)	(15.8)	(1.3)
(Loss) / Income before financial results and income tax	(169.9)	218.3	294.8	353.3	330.5
Financial income	35.7	51.9	76.3	62.6	37.5
Financial loss	(215.5)	(233.5)	(331.1)	(302.0)	(273.0)
Inflation adjustment	(26.5)	(25.4)	(36.5)	—	—
(Loss) / Income before income tax	(376.2)	11.3	3.5	113.8	95.1
Income tax	14.3	(17.1)	(14.1)	(46.9)	(56.4)

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
(Loss)/Income from continuing operations	(361.9)	(5.8)	(10.6)	66.9	38.7
(Loss)/Income from discontinued operations	-	-	-	-	(9.5)
(Loss)/ Income for the Year	(361.9)	(5.8)	(10.6)	66.9	29.2
Attributable to:					
Owners of the parent	(253.1)	9.1	7.1	63.5	33.8
Non-controlling interest	(108.8)	(14.9)	(17.7)	3.4	(4.5)
	(361.9)	(5.8)	(10.6)	66.9	29.2

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
Earnings per share attributable to owner of the parent					
Weighted average number of ordinary shares (in thousands) ⁽¹⁾	160,022	160,022	158,848	148,118	148,118
Continuing Operations					
Basic and diluted earnings per share ⁽¹⁾	(1.58)	0.06	0.04	0.43	0.29
Discontinued Operations					
Basic and diluted earnings per share ⁽¹⁾	-	-	-	-	(0.06)
Continuing and Discontinued Operations					
Basic and diluted earnings per share ⁽¹⁾	(1.58)	0.06	0.04	0.43	0.23

(1) Years ended December 31, 2018, 2017 and 2016, include the effect of the retroactive application of the 1-to-10.12709504 Reverse Stock Split. See “Reverse Stock Split” for more information.

Consolidated Statement of Comprehensive Income

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
(Loss)/Income for the year	(361.9)	(5.8)	(10.6)	66.9	29.2
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	(0.2)	(0.2)	0.3	-(1)	(0.3)
Items that may be subsequently reclassified to profit or loss					
Shares of other comprehensive income/(loss) from associates	(0.5)	-(1)	(1.2)	0.4	-(1)
Currency translation adjustment	(32.7)	(24.8)	(247.7)	(25.6)	(48.6)
Other comprehensive loss of continuing operations for the year, net of income tax	(33.3)	(25.0)	(248.6)	(25.1)	(48.9)
Currency translation adjustment from discontinued operations	-	-	-	-	4.3
Other comprehensive income of discontinued operations for the year, net of income tax	-	-	-	-	4.3
Total other comprehensive loss for the year	(33.3)	(25.0)	(248.6)	(25.1)	(44.6)
Total comprehensive (loss)/income for the year	(395.2)	(30.8)	(259.2)	41.8	(15.4)
Attributable to:					
Owners of the parent	(278.3)	(4.3)	(154.2)	34.9	1.5
Non-controlling interest	(116.9)	(26.5)	(105.0)	6.8	(16.9)
	(395.2)	(30.8)	(259.2)	41.8	(15.4)

(1) Amount not shown due to rounding.

Consolidated Statement of Financial Position

	As of December 31,				
	2020	2019	2018	2017	2016
Assets					
Non-current assets	2,885.7	3,374.6	3,312.5	3,221.7	3,120.2
Current assets	520.0	507.6	532.7	579.5	507.1
Total assets	3,405.7	3,882.2	3,845.3	3,801.2	3,627.3
Total equity	805.3	1,198.6	1,222.7	797.1	803.3
Liabilities					
Non-current liabilities	2,047.8	2,121.3	2,172.0	2,272.1	2,161.2
Current liabilities	552.6	562.3	450.6	732.0	662.8
Total liabilities	2,600.4	2,683.6	2,622.6	3,004.1	2,824.0
Total equity and liabilities	3,405.7	3,882.2	3,845.3	3,801.2	3,627.3
Equity					
Weighted average number of ordinary shares (in thousands) ⁽¹⁾	160,022	160,022	158,848	148,118	148,118
Declared dividends per share	—	—	—	—	—

(1) Years ended December 31, 2018, 2017 and 2016, include the effect of the retroactive application of the 1-to-10.12709504 Reverse Stock Split. See “Reverse Stock Split” for more information.

Consolidated Statement of Cash Flows

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
Net cash provided by/(used in) operating activities	0.8	(19.7)	191.7	(49.4)	172.8
Net cash used in discontinued operating activities	-	-	-	-	(8.2)
Net cash provided by/(used in) investing activities	1.6	(12.1)	(59.2)	(45.2)	35.8
Net cash used in discontinued investing activities	-	-	-	-	(8.1)
Net cash provided by/(used in) financing activities	90.5	24.6	(65.7)	129.0	(159.4)
Net cash provided by discontinued financing activities	-	-	-	-	-
Increase/ (Decrease) in cash and cash equivalents from continuing operations	93.0	(7.3)	66.8	34.4	49.2
(Decrease)/ Increase in cash and cash equivalents from discontinued operations	-	-	-	-	(16.2)

RECONCILIATION OF NON-IFRS DATA

Adjusted Segment EBITDA and Adjusted Segment EBITDA excluding Construction Services

For the definition of “Adjusted EBITDA” and “Adjusted EBITDA excluding Construction Services” please see “Presentation of Financial Information.”

Adjusted EBITDA and Adjusted EBITDA excluding Construction Services are reconciled to consolidated income from continuing operations below:

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
(Loss)/Income from continuing operations	(361.9)	(5.8)	(10.6)	66.9	38.7
Financial income	(35.7)	(51.9)	(76.3)	(62.6)	(37.5)
Financial loss	215.5	233.5	331.1	302.0	273.0
Inflation adjustment	26.5	25.4	36.5	-	-
Income tax	(14.3)	17.1	14.1	46.9	56.4
Amortization and depreciation ⁽¹⁾	183.4	162.4	151.0	108.3	96.7
Adjusted EBITDA	13.6	380.7	445.9	461.6	427.2
Construction services revenue	(125.8)	(350.3)	(198.4)	(250.1)	(165.1)
Construction services costs	124.4	348.0	196.3	248.6	163.7
Adjusted EBITDA excluding Construction Services	12.3	378.5	443.8	460.1	425.9

(1) Amortization and depreciation used for reconciling income from continuing operations to Adjusted EBITDA and Adjusted EBITDA excluding Construction Services exclude U.S.\$16.9 million, U.S.\$19.7 million, U.S.\$24.8 million, U.S.\$29.8 million and U.S.\$26.2 million related to the Brazil concession assets for the years ended December 31, 2020, 2019, 2018, 2017 and 2016, respectively, which is included in Amortization and depreciation in the Consolidated Statement of Cash Flows.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

You should carefully consider the risks and uncertainties described below, together with the other information contained in this annual report, before making any investment decision. Any of the following risks and uncertainties could have a material adverse effect on our business, prospects, results of operations and financial condition. The market price of our common shares could decline due to any of these risks and uncertainties, and you could lose all or part of your investment. The risks described below are those that we currently believe may materially affect us.

Summary of Risk Factors

Risks Related to Our Business and Industry

- Our concessions may be terminated under various circumstances, some of which are beyond our control
- We may be subject to monetary penalties or early termination if we fail to comply with the terms of our concession agreements.
- Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions in the countries where we operate our airports.

- The COVID-19 virus (nCoV), as well as any other public health crises that may arise in the future, is having and will likely continue to have a negative impact on passenger traffic levels, air traffic operations and our results of operations, financial position and cash flows.
- We are dependent on information and communication technologies, and our systems and infrastructures face certain risks, including cybersecurity risks.

Risks Related to Argentina and the AA2000 Concession Agreement

- We may not be able to comply with the commitments agreed under the AA2000 Concession Agreement extension.
- Lack of financing alternatives may adversely impact AA2000's ability to comply with the commitments under the Technical Conditions of the Extension to the AA2000 Concession Agreement.
- Pursuant to the AA2000 Concession Agreement, since February 2018, the Argentine Government may buy out our concession, which would materially affect our revenues and operations.

Risks Related to Our Other Principal Operations and Other Principal Markets in Which We Operate

- Italy. If the approval process from local and national authorities of the master plan for the Florence Airport is further delayed, our financial results from the operation of such airport will be negatively impacted.
- Brazil. We expect to incur losses in our Brazilian operations for the next several years due to the accretion of the financial liability recognized as a result of the committed fixed concession fee.
- Uruguay. Our revenue derived from the operation of the airports in Uruguay could be adversely affected by the deterioration in neighboring markets.
- Ecuador. The impact of the recent presidential elections on the future economic and political environment of Ecuador is uncertain.

Risks Related to Our Common Shares

- We issued, and may further issue, options, restricted shares and other forms of share-based compensation, which have the potential to dilute shareholder value and cause the price of our common shares to decline.
- A significant portion of our common shares may be sold into the public market, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Risks Related to Our Business and Industry

Our concessions may be terminated under various circumstances, some of which are beyond our control.

Our business consists of acquiring, developing and operating airport concessions. These concessions are granted by governmental authorities for a limited period of time and subject to several conditions and obligations.

Our concessions may be terminated under various circumstances, some of which are beyond our control. In general, our concession agreements may be terminated at any time by the relevant governments or agencies for public interest reasons. For example, in 2017 the Peruvian Government unilaterally terminated the concession it had awarded to us for the construction and operation of the new Chinchero – Cusco International Airport in Peru (“Cusco Airport”). Concession agreements may also be terminated due to our material and repeated breach of the concession terms. The termination of one or more of our concessions could have a material adverse effect on our business, financial condition, and results of operations.

If an applicable governmental authority terminates any of our concessions, with or without cause, we may be entitled to seek claims for compensation from such terminating governmental authority. Although termination payments vary by concession, they usually include a claim for indemnification equal to the value of the non-amortized investments made by us for purposes of operating the airports and rendering the services agreed under the concession agreements. If the applicable governmental authority terminates one of our concessions due to our material and repeated breach or failure to make the committed investments, we may assert claims for indemnification equal to those non-amortized investments we made for purposes of operating the relevant airports and rendering of the services agreed under the relevant concession agreements. If the concession is terminated by the relevant government or agency for public interest reasons or without cause, we may assert claims for indemnification equal to the non-amortized investments plus loss of profits. Collecting on such claims may be difficult and time-consuming, and any amounts collected in respect of such claims may not provide us with the expected level of returns, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, since February 2018, the Argentine Government has the right to buy out the AA2000 Concession Agreement upon prior notification to us and indemnify us for certain investments we incurred for purposes of operating the airports and rendering the services agreed thereunder. See “—Risks Related to Argentina and the AA2000 Concession Agreement—Pursuant to the AA2000 Concession Agreement, since February 2018, the Argentine Government may buy out our concession, which would significantly affect our revenues and operations.”

We may be subject to monetary penalties or early termination if we fail to comply with the terms of our concession agreements.

We may be subject to monetary penalties if we violate or otherwise fail to comply with the terms of our concessions. Some violations of a concession agreement may provide for cure periods or other remedial action, while other violations, whenever they are substantial and repeated, can result in the immediate termination of the relevant concession. If we experience difficulties, we may encounter problems in satisfying our obligations under our concession agreements and the relevant governmental authorities may impose sanctions on us. For a description of the consequences that may result from the violation of various terms of our concessions, or local laws and regulations related to such concessions, see “Business—Regulatory Section.” Monetary penalties could negatively affect our results of operations.

In addition, under all of our concession agreements, we are required to establish and comply with an investment plan for the airports covered under such concession agreements. If we do not fulfill our investment commitments on a timely basis or obtain financing necessary to complete such projects, such failures could lead to a breach of the relevant concession agreement.

Our revenue and profitability may be affected if we fail to win new concession agreements, acquire companies with existing concession agreements, or otherwise improve or expand our current operations.

Our growth strategy relies upon identifying and winning new concession agreements, acquiring companies with existing concession agreements or improving and expanding our current operations. Our future growth may also depend on new (greenfield) development projects, which may require significant time and upfront financial commitments for construction and development. While we anticipate having opportunities to bid for concession agreements or purchase existing concessionaires in the future, we cannot predict the frequency of such opportunities. We must also strategically identify which concession agreements and existing concessionaires to target based on numerous factors such as number of passengers, size of the relevant airport(s), type, location and quality of the available airports and subconcession space, rental structure, financial return, regulatory requirements and the competitive landscape within such market. We may not be able to successfully expand, as we may not correctly analyze the suitability of airport locations, anticipate all of the challenges imposed by expanding our operations or succeed in executing our growth plan efficiently. We also may fail to expand within budget or on a timely basis, or expand at all. In addition, to win a particular concession contract, we may be required to make investments or incur other expenses that would render such concession less economically attractive.

Our growth strategy and the substantial investment associated with the acquisition of each new concession agreement, existing concessions or expansion of existing concessions may cause our operating results to fluctuate and be unpredictable.

The COVID-19 virus (nCoV), as well as any other public health crises that may arise in the future, is having and will likely continue to have a negative impact on passenger traffic levels, air traffic operations and our results of operations, financial position and cash flows.

In late December 2019, a notice of pneumonia of unknown cause originating from Wuhan, Hubei province of China was reported to the World Health Organization. A novel COVID-19 virus (nCoV) was identified, with cases soon confirmed in multiple provinces in China, as well as in several other countries. The Chinese government placed Wuhan and multiple other cities in Hubei province under quarantine, with approximately 60 million people affected. On March 11, 2020, the World Health Organization declared the coronavirus outbreak a pandemic. The ongoing COVID-19 pandemic has resulted in several cities being placed under quarantine, increased travel restrictions from and to several countries, such as the U.S., China, Italy, Argentina, Spain, Uruguay and Peru which had forced airlines to cancel flights and extended shutdowns of certain businesses in certain regions.

The COVID-19 pandemic continues to impact worldwide economic activity and pose the risk that we or our employees, contractors, suppliers, customers and other business partners may be prevented from conducting certain business activities for an indefinite period of time, including due to shutdowns that may be mandated or reinstated by governmental authorities or otherwise elected by companies as a preventive measure. In addition, mandated government authority measures or other measures elected by companies as preventive measures may lead to our consumers being unable to complete purchases or other activities. Furthermore, its impact on the global and local economies has also adversely impacted and will likely continue to impact consumer discretionary spending. The COVID-19 pandemic has disrupted operations of most of the airlines around the world as well as all of the airports we operate, decreased passenger traffic and increased costs to the air travel industry.

Although we believe that the failure to comply with the obligations under the concessions due to the COVID-19 pandemic would qualify as a force majeure event derived from the impact of the pandemic, we cannot assure the approach that the governments of the jurisdictions in which we operate will have in such situation. According to our concession agreements, failure to comply with our obligations under the concession agreements are subject to sanctions which could range from the imposition of fines to the revocation of the concession, depending on the materiality of the breach.

Based on assumptions regarding the impact of the COVID-19 pandemic, we believe that our current financial resources, coupled with cash generation from operations, are sufficient to fund our liquidity requirements for the next 12 months, subject to a number of factors including, but not limited to, the evolution of the pandemic in the world, and more specifically its impact in our business in the countries we operate. However, the COVID-19 pandemic is having and will likely continue to have, for so long as the health crisis and the virus impact continue, a material adverse effect on passenger traffic levels, air traffic operations and our results of operations, financial position and cash flows.

We are dependent on information and communication technologies, and our systems and infrastructures face certain risks, including cybersecurity risks.

The operation of complex infrastructures, such as airports, and the coordination of the many actors involved in its operation require the use of several highly specialized information systems, including both our own information technology systems and those of third-party service providers, such as systems that monitor our operations or the status of our facilities, communication systems to inform the public, access control systems and closed circuit television security systems, infrastructure monitoring systems, passenger ticketing and boarding, automated baggage handling, points of sale, terminals and radio and voice communication systems used by our personnel. In addition, our accounting and fixed assets, payroll, budgeting, human resources, supplier and commercial, hiring, payments and billing systems and our websites are key to the functioning of our airports. The proper functioning of these systems is critical to our operations and business management. These systems may, from time to time, require modifications or improvements as a result of changes in technology, the growth of our business and the functioning of each of these systems.

In order to face these issues, the Company created a global information security department and implemented, among others, contingency procedures, backup systems, information and communication redundant systems, testing procedures, information technology auditing systems and network protection systems. However, these information technology systems cannot be completely protected against certain events such as natural disasters, fraud, computer viruses, hacking, communication failures, equipment breakdown, software errors and other technical problems. The occurrence of any of these events could disrupt our operations, resulting in increased costs, a decline in revenue and damage to our business in general, including, but not limited to harm to our public image.

During 2020, we encountered an increased number of non-material phishing attacks attempts which consisted on fake e-mails requesting minor payments and/or confidential information. We did not comply or followed any of these requests, and thus, none of these isolated events had any consequence for the Company nor our passengers. In response to these attacks, the Company implemented security measures to improve protection of information, increase endpoint protection and improve phishing alerts, particularly for employees working remotely. Additionally, an awareness campaign was deployed globally for all CAAP end users during 2020.

The risk of cyber-crime has been increasing, especially as infiltrating technology is becoming increasingly sophisticated. If we are unable to prevent a significant cyber-attack, such attack could materially affect the number of passengers at our airports, cause the loss of passenger information, damage our reputation and lead to regulatory penalties and financial losses.

In addition, our business operations routine involves gathering personal information about vendors, customers and employees among others, through the use of information technologies. Breaches of our systems or those of our third-party contractors, or other failures to protect such information, could expose such people's personal information to unauthorized use. Any such event could give rise to a significant potential liability and reputational harm.

The loss or impairment of our relationship with governments and their agencies in the markets in which we operate could adversely affect our business, future revenues and growth prospects.

Our principal assets are concession rights granted by governments in the countries in which we operate. Our business depends to a large extent on our

ability to manage relationships with such governments and their agencies. During the term of our concessions, we are in continuous communications with the relevant governments and their agencies regarding, among other things, the terms and conditions of the concession, compliance with the concession agreement, the applicable master plan and works to be performed at the airports, including works not specifically required by the terms of the relevant concession, and the establishment of tariffs. Our business, prospects, financial condition or operating results could be materially harmed if we were suspended or debarred from contracting with any such government or government agency or if our reputation or relationship with any such government or agency is impaired.

Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions in the countries where we operate our airports.

Our revenue is closely linked to passenger and cargo traffic volumes and the number of air traffic movements at our airports. These factors directly determine our aeronautical revenue and indirectly determine our commercial revenue. Passenger and cargo traffic volumes and air traffic movements depend, in part, on many factors beyond our control. Such factors include economic conditions and the political situation in the countries where we operate our airports, epidemics, pandemics such as the COVID-19 virus and other public health crises, terrorism, fluctuations in petroleum prices (which can have a negative impact on traffic as a result of fuel surcharges or other measures adopted by airlines in response to increased fuel costs), currency exchange rate fluctuations, hyperinflation, geopolitical considerations and changes in regulatory policies applicable to the aviation industry. The occurrence of any of these risks may result in a reduction of passenger air traffic levels and air traffic movements globally and in the regions in which we operate. A significant decline in passenger and cargo traffic volumes and the number of air traffic movements at our airports would have a material adverse effect on our business, financial condition and results of operations.

Outbreaks of disease and health epidemics could have a negative impact on international air travel.

In addition to the COVID-19 pandemic, other public health crises such as the outbreak of Severe Acute Respiratory Syndrome (known as SARS) between 2002 and 2003, the outbreak of the A/H1N1 virus in 2009, the Ebola pandemic in 2014 and 2015 and the outbreak of the Zika virus in 2018 and 2019, have disrupted the frequency and pattern of air travel worldwide in recent years. Future outbreaks of disease and health pandemics are uncertain. Because our revenue is largely dependent on the level of passenger traffic in our airports, any outbreaks of health epidemics, such as the H1N1 virus and the Zika virus, could result in decreased passenger traffic and increased cost to the air travel industry and, as a result, could have a material adverse effect on our business revenues and results of operations.

We face risks related to our dependence on the revenue from Ezeiza Airport.

During the years ended December 31, 2020, 2019 and 2018, Ezeiza Airport generated U.S.\$135.9 million in revenue, or 22.3%, U.S.\$639.9 million in revenue, or 41.1%, and U.S.\$549.0 million in revenue, or 37.5%, respectively, of our consolidated revenue for such periods. As a result of the substantial contribution to our revenue from the Ezeiza Airport, any event or condition affecting this airport (in addition to any potential termination or buyout of the AA2000 Concession Agreement) could materially adversely affect our business, financial condition and results of operations. For example, an economic recession in Argentina, a reduction in the operations of Ezeiza Airport, competition from other airports or a decrease in the number of passengers traveling to Buenos Aires as tourists could cause a decrease in our revenue at this airport which, in turn, could materially adversely affect our business, financial condition and results of operations.

Increases in international fuel prices could reduce demand for air travel.

International prices of fuel have experienced significant volatility in the past. The price of fuel may be subject to further fluctuations resulting from a reduction or increase in output of petroleum, voluntary or otherwise, by oil producing countries, other market forces, a general increase in international hostilities, or any future terrorist attacks. In the past, increased fuel costs were among the factors leading to cancellations of routes, decreases in frequencies of flights and, in some cases, even contributed to filings for bankruptcy by some airlines. Although fuel is a widely-traded global commodity, in the event of a significant increase in fuel prices in one or more of the countries in which we operate, or in one or more countries that provide significant numbers of international air passengers to the countries in which we operate, the effects of a localized price increase may be more significant than a general, worldwide increase in fuel prices. Significant fluctuations may result in higher airline ticket prices and in a decrease in demand for air travel generally, both of which could have an adverse effect on our revenues and results of operations.

Extended interruptions or disruptions at the airports where we operate due to natural disasters, prolonged weather conditions and other adverse incidents could affect our business and results of operations.

A significant extended interruption or disruption in service at the airports where we operate could have a material adverse impact on our business, financial condition and results of operations. Our results of operations could be impacted by flight cancellations and airport closures caused by weather and natural disasters. Severe weather conditions, particularly heavy snowfall, increases in the frequency, severity and duration of natural disasters such as hurricanes, tornadoes, volcanic activity, earthquakes and tsunamis, can significantly disrupt service, cause cancellation of flights and negatively affect passenger traffic at airports, which may result in decreased revenues and increased costs.

The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business.

We could be subject to acts of terrorism or war, which could have a negative impact on air travel and result in increased security requirements.

Our airports operate within a stringent and complex security regime, as required by the relevant governmental authorities, which may impose additional security measures from time to time, including as a result of a terrorist attack. The consequences of any future terrorist action or threat may include the cancellation or delay of flights, fewer airlines and passengers using our airports, liability for damage or loss and the costs of repairing damage. If a terrorist attack affected one of the airports we operate, the airport in question would be closed, in whole or in part, for the time needed to care for victims, investigate the circumstances of the attack, rebuild any damaged areas or otherwise, with a subsequent decrease in the revenue and increase in costs for the reconstruction of the affected areas (to the extent these are not covered by insurance policies).

Moreover, if an accident, act of terrorism or threat affects the safety standard perception on customers thereof or were to occur in a country in which we operate, even if not at our airports, the perception of safety by airport users could decrease, and, consequently, there could be a reduction in passenger air traffic for an indefinite period of time, which could adversely affect our business, financial condition and results of operations.

Furthermore, the implementation of additional security measures at our airports in the future could lead to additional limitations on airport capacity or retail space, overcrowding, increases in operating costs and delays to passenger movement through the airport, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our business may also be affected by the outbreak of wars or armed conflicts in any region of the world. Among other things, wars can lead to increased prices of fuel, supplies and interest rates for aircraft leases, which could, in turn, lead to increased prices of airline tickets and a decline in demand for air transportation in general. Likewise, the occurrence of armed conflicts could result in increased security measures, thereby increasing security costs.

Competition from other destinations could adversely affect our business.

The principal factor affecting our business is the number of passengers that use our airports. Our passenger traffic volume may be adversely affected by the attractiveness, affordability and accessibility of competing destinations. In addition, our passenger traffic volume may be adversely affected by the level of business activity in each destination or the likelihood of airlines using any of those destinations as a hub or base for their operations. If business activity and tourism levels, and therefore, the number of passengers using our airports, is negatively impacted by competing airports and hubs in the geographic regions in which we operate, such development could have an adverse effect on our business, financial condition or results of operations.

We are subject to the risk of union disputes and work stoppages at our locations, which could have a material adverse effect on our business.

Some of our employees are members of labor unions. For example, as of December 31, 2020, approximately 66.1% and 51.3% (65.2% and 49.4%, respectively, as of December 31, 2019) of our employees in Argentina and Italy, respectively, were members of labor unions. Negotiating labor contracts, either for new locations or to replace expiring contracts, is time consuming or may not be accomplished on a timely basis. In addition, we negotiate some of our collective bargaining agreements on an annual basis. If we are unable to satisfactorily negotiate those labor contracts with the labor unions on terms acceptable to us or without a strike or work stoppage, the effects on our business could be materially adverse. Any strike or work stoppage could disrupt our business, adversely affecting our results of operations and our public image could be materially adversely affected by such labor disputes. In addition, existing labor contracts may not prevent a strike or work stoppage, and any such work stoppage could have a material adverse effect on our business.

The operations of our airports may be affected by actions or inactions of third parties that are beyond our control.

In most of our airports, our operations are largely dependent on the services provided by governments and other third parties who render services to passengers and airlines, such as meteorology, air traffic control, security, electricity, and immigration and customs services. In addition, in some of our airports we are dependent on third-party providers of certain complementary services such as baggage handling, fuel services, catering and aircraft maintenance and repair. While we are responsible for adopting security measures at some of our airports, we do not control the management or operation of security, which is controlled by government agencies or third parties. We are not responsible for, and cannot control, any of these services. Any disruption in, or adverse consequence resulting from, such services, including work strikes or other similar events, could cause the cancellation of flights and negatively affect passenger traffic at our airports, which may ultimately result in decreased revenues and have an adverse effect on our business, financial condition or results of operations.

The loss of one or more of our aeronautical customers or the interruption of their operations could result in a loss of a significant amount of our passenger traffic.

None of our agreements with our aeronautical customers obligates them to provide service at or to our airports. If any of our aeronautical customers were to reduce their use of our airports or cease to operate at them for any reason, including merger, bankruptcy or due to regulatory restrictions or the impact of the COVID-19 pandemic, among other factors, the remaining airlines may not increase their flight frequency to replace the flights that our aeronautical customers could no longer operate. Our business and revenue, and our ability to recover receivables, could be adversely affected if we are unable to replace the business of our main aeronautical customers.

Additionally, we have a significant concentration of aeronautical customers, which may expose us to a material adverse effect if one or more of our large aeronautical customers were to significantly suspend or interrupt payments to us for any reason. Furthermore, a delay in payment or non-payment by a major aeronautical customer could materially and adversely affect our results of operations.

For instance, Aerolíneas Argentinas S.A. and Austral Líneas Aéreas (Cielos del Sur S.A) (both state-owned entities) have suspended payments and currently owe AA2000 approximately AR\$308 million and U.S.\$49 million. These debts were registered as an allowance (*provisión*) in the financial statements of AA2000 corresponding to the fiscal year ended December 31, 2020.

Our main aeronautical customers are LATAM Airlines Group and Grupo Aerolíneas Argentinas. For the year ended December 31, 2020, LATAM Airlines Group and Grupo Aerolíneas Argentinas accounted for 18.9% and 13.4% of our consolidated aeronautical revenue, respectively. For the year ended December 31, 2019, LATAM Airlines Group and Grupo Aerolíneas Argentinas accounted for 20.3% and 13.3% of our consolidated aeronautical revenue, respectively. For the year ended December 31, 2018, LATAM Airlines Group and Grupo Aerolíneas Argentinas accounted for 20.5% and 13.2% of our consolidated aeronautical revenue, respectively. On May 26, 2020, LATAM filed for Chapter 11 bankruptcy protections and sought emergency reorganization. LATAM Argentina ceased its operations in June, while LATAM Brazil filed for bankruptcy in early July 2020. The routes covered by these companies will be absorbed by the remaining airlines.

An aircraft accident or other material factors beyond our control may affect the operation of our runways.

Our runways may require unscheduled repair due to natural disasters, aircraft accidents and other factors beyond our control. The closure of any runway for a significant period of time could have a material adverse effect on the number of passengers that use our airports, and therefore, a material effect on our operations and financial results.

Ongoing and proposed construction, renovation or repair work at our airports could have a negative impact on our revenues.

At any time, we may be in the process of constructing, renovating and/or repairing a number of our airports. These works may sometimes affect the passenger experience, which may ultimately adversely affect our commercial revenue. The operations of our other airports may decrease or be adversely affected by future construction, renovations or repairs, and this could have an adverse effect on our business, financial condition or results of operations.

We are exposed to certain risks in connection with the use of certain spaces by subconcessionaires at our airports.

We are exposed to risks related to the spaces subconcessioned to third parties, such as non-payment by subconcessionaires of certain fees and other lease arrangements or a weakening demand for the use of the spaces allocated to subconcessionaires. For example, many of our subconcessionaires' locations are situated beyond the security checkpoints at airports, and they rely heavily on their customers spending a significant amount of time in the terminal and waiting areas of the airport terminals in which they have subconcessioned space. Changes in customers' travel habits prior to departure, including an increase in the availability or popularity of airline business and first-class lounges, or an increase in the efficiency of ticketing, transportation safety procedures and air traffic control systems could reduce the amount of time that customers spend at such subconcessioned locations, which could materially reduce the revenue they are able to generate and which, in turn, could reduce the amount of fees and rent we can collect from our subconcessionaires. Any material reduction in the fees and lease payments that we are able to charge to our subconcessionaires could adversely affect our business, results of operations and financial condition.

Our insurance policies may not provide sufficient coverage against all liabilities.

We are required to maintain insurance under all of our concession agreements and we seek to insure all risks for which insurance coverage is available on commercially reasonable terms. We can offer no assurance that our insurance policies will cover all of our liabilities in the event of an accident, natural disaster, terrorist attack or other incident. The insurance market for airport liability coverage generally, and for airport construction in particular, is limited, and a change in the coverage policy by the insurance companies involved could reduce our ability to obtain and maintain adequate or cost-effective coverage. For some of our airports, we do not currently carry business interruption insurance or property insurance against terrorism and related risks. Consequently, any substantial interruption of our business or terrorist attacks could have a material adverse effect in our results of operations and our financial condition.

We are exposed to liability to third parties for injuries or damages.

We are obligated to protect the public and to reduce the risk of accidents at our airports. As with any company dealing with the security of individuals, we must implement measures for the protection of the public, such as hiring private security services, maintaining our airports' infrastructure and fire safety in public spaces, and providing emergency medical services. These obligations could expose us to liability to third parties for personal injury or property damage and, to the extent not adequately covered by insurance, could adversely affect our financial condition and results of operations.

Most of our operations are in emerging markets.

Our existing concessions are mostly in countries with emerging economies, and investing in developing economies generally involves risks. These risks include political, social and economic events, any of which could impact our operations or the market value of our common shares and have a material adverse effect on our business, financial condition and results of operations. These risks and instability are caused by many different factors, including the following:

- adverse external economic factors;
- inconsistent fiscal and monetary policies (including currency devaluation);
- dependence on external financing;
- changes in governmental economic and tax policies and regulations;
- high levels of inflation;
- fluctuations in currency values;
- high interest rates;
- wage increases and price controls;
- limitation on imports;
- exchange rates and capital controls;
- political and social tensions;
- fluctuations in central bank reserves; and
- trade barriers.

Emerging markets have historically experienced uneven periods of economic growth, as well as recession, periods of high inflation and economic instability. Adverse economic conditions in any of these countries could have a material adverse effect on our business, financial condition and results of operations.

Some of the countries in which we operate have experienced, or are currently experiencing, high rates of inflation. In an effort to control inflation, governments of these countries often maintain a tight monetary policy with high interest rates, thereby restricting the availability of credit and retarding economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have also contributed significantly to economic uncertainty in many of these countries and to heightened volatility in their securities markets. Periods of higher inflation may also slow the growth rate of local economies. Inflation is also likely to increase some of our costs and expenses, which we may not be able to fully transfer to our clients, which could adversely affect our operating margins and operating income in some of the emerging markets in which we operate.

Depreciation or fluctuation of the currencies of the countries where we operate could adversely affect our results of operations and financial condition.

Many of the countries where we operate have experienced volatility in the exchange rate of their currency against the U.S. dollar. Because we present our financial statements in U.S. dollars, this volatility may reduce the revenues we report or increase the expenses we report in any given period. These effects may in turn have an adverse effect on the market of our common shares. In addition, because we have a substantial amount of dollar-denominated indebtedness, exchange rate volatility may result in increased debt service costs. Finally, in some instances we receive revenues in a currency different from that in which we pay expenses, in which case currency volatility can affect the profitability of our operations.

We are subject to various environmental laws, regulations and authorizations that affect our operations and may expose us to significant costs, liabilities, obligations or restrictions.

We, our subconcessionaires and our aeronautical customers are subject to various environmental laws, regulations and authorizations governing, among other things, the generation, use, transportation, management and disposal of hazardous materials, the emission and discharge of hazardous materials into the ground, air or water, and human health and safety. Failure to comply with these environmental requirements, including the terms of our concession agreements, could result in our being subject to litigation, fines or other sanctions. We could also incur significant capital or other compliance costs relating to such requirements. We could also be held responsible for contamination, human exposure to hazardous materials or other environmental damage at our airports or otherwise related to our operations. Environmental claims have been asserted against us, and additional claims may be asserted against us in the future. See “Business—Legal Proceedings—Argentine Proceedings—Environmental Proceedings.” We are unable to determine our potential liability under these pending or possible future claims. We only have environmental insurance coverage for environmental damages at a limited number of our airports.

These environmental requirements, and the enforcement and interpretation thereof, change frequently and have tended to become more stringent over time. Future environmental laws, regulations and authorizations may require us to incur additional costs in order to bring our airports into, and maintain, compliance. Our costs, liabilities, obligations and restrictions relating to environmental matters could have a material adverse effect on our business, results of operations and financial condition.

We are subject to review by taxing authorities, and an incorrect interpretation by us of tax laws and regulations may have a material adverse effect on us.

Taxes payable by companies in many of the countries in which we operate are substantial and include value-added tax, excise duties, profit taxes, payroll related taxes, property taxes, and other taxes. In certain countries in which we operate, such as Brazil or Argentina, the tax system is highly complex and the interpretation of the tax laws and regulations is commonly controversial, leading to disputes which are sometimes subject to prolonged evaluation periods until a final resolution is reached. In addition, there may be changes that result from enactment of additional tax reforms or changes to the manner in which current tax laws are applied that cannot be quantified and there can be no assurance that any such reforms or changes would not have an adverse effect upon our revenues. For instance, most jurisdictions in which we operate have recently adopted new transfer pricing measures. If tax authorities impose significant additional tax liabilities as a result of transfer pricing adjustments, it could have an adverse effect on us. Over the past few years, tax administrations around the world have put in place a number of initiatives to facilitate communication and information exchange among each other, become more rigid in exercising any discretion they may have, and increased their scrutiny of company tax filings. As part of this, the Organization for Economic Co-operation and Development (OECD) has proposed a number of tax law changes under its Base Erosion and Profit Shifting (BEPS) Action Plans to address issues of transparency, exchange of information, coherence and substance. At the EU level, the European Commission has adopted a number of Directives (namely, the Anti Tax Avoidance Directive, or ATAD), which seek to prevent tax avoidance by companies and to ensure that companies pay appropriate taxes in the markets where profits are effectively made and business is effectively performed.

In establishing a provision for income tax expense and filing returns, we must make judgments and interpretations about the application of these inherently complex tax laws. In some jurisdictions where we operate, the interpretations of tax laws by the taxing authorities are sometimes unpredictable and frequently involve litigation, introducing further uncertainty and risk as to our tax liability. It is also possible that tax authorities in the countries in which we operate will introduce additional revenue raising measures. If the judgment, estimates and assumptions we use in preparing our tax returns are subsequently determined to be incorrect, there could be a material adverse effect on us, which may ultimately affect our revenues. See “*Legal Proceedings*” and “*Tax Proceedings Related to Technical Assistance Agreements*.”

Our acquisition strategy could involve additional risks to us, many of which could have an adverse effect on our business, financial condition and results of operations.

We continue to examine opportunities to acquire or invest in existing or new concessions that complement or expand our business. These opportunities may involve government-owned entities as well as private sector companies. Any future acquisitions may result in a dilutive issuance of equity securities, incurrence of additional debt, reduction of existing cash balances, amortization of expenses related to goodwill and other intangible assets or other charges to operations. Additional leverage could require us to dedicate cash flow to fund debt service requirements, thus decreasing the funds available to us to finance working capital and business operations generally. All of the foregoing factors could have an adverse effect on our business, financial condition, results of operations or prospects.

Future concession or acquisitions could involve numerous risks, including that we may recognize lower relative operating margins associated with such acquisitions, and we may recognize impairment charges with respect to future acquired assets due to the performance of such assets. Our results of operations may also be affected by the timing of acquisitions, the timing and amount of integration costs related to such acquisitions and the degree to and the rate at which the economic benefits of integration are realized.

Future growth may also place additional demands on our personnel and other resources, including an increased level of responsibility for management. Our ability to manage growth effectively will require us to continue to improve our operational, management and financial systems and controls and to successfully train, motivate and manage our employees. If our management is unable to manage growth effectively, our business could be adversely affected.

Our inability to raise additional financing may limit our operations.

We may have limited ability to incur additional financing for some of our concession agreements, which may entail important consequences for investors, among them (i) limiting our capacity to satisfy our future investment obligations with respect to the airports we operate pursuant to the terms and conditions of our concession agreements, or other capital expenditures required for the operation of such airports; and (ii) limiting our flexibility to take advantage of opportunities for new business within the markets we operate or potential new markets. Any of these situations may ultimately affect our operations and financial results.

Many of our most significant subsidiaries have substantial minority interests outstanding.

We indirectly own 81.6%, and 51.0% of our principal Argentina and Brazil operating subsidiaries, respectively, which are namely Aeropuertos Argentina 2000 S.A. (“AA2000”) and ICAB. Likewise, we indirectly own 75% of Corporación América Italia S.p.A. (“CA Italy”) who owns 62.28% of our principal Italy operating subsidiary, Toscana Aeroporti S.p.A. (“TA”). Because we control these entities, we record all their revenues and expenses and then allocate net income between controlling and non-controlling interest. The other shareholders—including, in the case of Italy, public shareholders—of these entities may have interests different from ours, and any substantial conflict with minority shareholders may have an adverse effect on our business, financial condition or results of operations.

We may have conflicts of interest with ACI Airports S.à r.l., our majority shareholder, and we may not be able to resolve such conflicts on terms favorable to us.

We are currently controlled by ACI Airports S.à r.l., a holding company incorporated in Luxembourg (the “Majority Shareholder”). Conflicts of interest may arise between our Majority Shareholder and us in a number of areas relating to our past and ongoing relationships. Potential conflicts of interest that we have identified include, among others, allocation of business and investment opportunities and/or the acquisition of airport assets outside of our existing corporate structure. Generally, the Majority Shareholder may from time to time make strategic decisions that it believes are in the best interest of the business as a whole, including its ownership interest in our business. These decisions may be different from the decisions that we would have made on our own and may not be aligned with your interests. We may not be able to resolve any potential conflicts and, even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated party.

We have been advised by SCF, our ultimate controlling shareholder, that it does not intend to participate in any significant future acquisitions of airport concession assets or airport-related companies, except through us.

The U.S. Federal Aviation Administration or another regulatory agency could downgrade the aviation safety rating of any of the countries in which we operate, which could have a negative impact on passenger traffic.

Under the U.S. Federal Aviation Administration regulations, the aviation safety rating of any of the countries in which we operate could be downgraded. Airlines from such countries could be prevented from expanding or changing their current operations to and from the United States, except under certain limited circumstances, code-sharing arrangements between such airlines and U.S. airlines could be suspended, and operations by such airlines flying to the United States could be subjected to greater administrative oversight. Any such additional regulatory requirements could result in reduced passenger traffic originating in or departing to the United States by non-U.S. airlines operating at our airports or, in some cases, in an increase in that cost of service, which could result in decrease in demand for travel. The Federal Aviation Administration may downgrade the air safety rating of any of the countries in which we operate in the future. The European Aviation Safety Agency and other regulatory agencies may take similar actions, either independently or in response to any such action by the U.S. Federal Aviation Administration. Such actions might reduce our revenues and have a negative impact on passenger traffic.

We are subject to anti-corruption laws in the jurisdictions in which we operate.

We are subject to and bound by U.S. and foreign anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the Argentine Anticorruption Law of 2018 (Law No. 27,401), the Italian Corruption Law of 2012 (Law No. 190), the Brazil Clean Company Act of 2014 (Law No. 12,846) and the Armenia Law on the Committee for Preventing Corruption (Law No. HO-96-N). These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and/or other benefits. Many jurisdictions have recently implemented new anti-corruption laws (such as in the case of Argentina and Brazil) or have broadened the scope of existing anti-corruption laws (such as in the case of Italy).

On January 1, 2018, Peruvian Law No. 30,424 went into effect which introduced corporate liability for criminal offenses related to corruption, money laundering and terrorist financing.

On February 17, 2021, Ecuadorian Organic Law Reformation of the Comprehensive Organic Criminal Code on Anti-Corruption was published, incorporating regulatory compliance and good corporate governance systems as well as new criminal figures related to corruption in the private sector.

The Brazilian Clean Company Act holds companies strictly liable for the corrupt acts of their employees and intermediaries, which means that a company may be held liable for such acts, without a finding of fault on the part of the company. See “—Risks Related to Our Other Principal Operations and Other Principal Markets in Which We Operate—Brazil—The ongoing economic uncertainty and political instability in Brazil may adversely affect our economic and financial condition” and “—Risks Related to Our Other Principal Operations and Other Principal Markets in Which We Operate—Brazil— We have identified payments made by ICAB that may not have had any proper purpose and that could expose us to fines and sanctions as well as reputational harm and other adverse effects.” Our business requires that we maintain continuous contact with governments and agencies from the initial bid process for any concession and throughout the entire term of any concession we are awarded. Despite the existence of our compliance program together with our ongoing efforts to ensure compliance with anti-corruption laws, there can be no assurance that our employees, agents, and the companies to which we outsource certain of our business operations, will not take actions in violation of our policies, for which we may be ultimately held responsible. If we are not in compliance with anti-corruption laws and other laws governing the conduct of business with government entities (including local laws), we may be subject to criminal and civil penalties and other remedial measures, which could harm our reputation and have a material adverse impact on our business, financial condition, results of operations and prospects. Any investigation of any actual or alleged violations of such laws could also harm our reputation or have an adverse impact on our business, financial condition and results of operations.

The transition away from the London Interbank Offered Rate (LIBOR) could affect the value of certain short borrowings, as well as our ability to seek additional debt financing

In 2017, the United Kingdom’s Financial Conduct Authority announced that after 2021 it would no longer compel banks to submit the rates required to calculate the London Interbank Offered Rate (“LIBOR”). Further, on November 30, 2020, ICE Benchmark Administration (“IBA”) announced that it planned to consult on its intention to cease the publication of one-week and two-month LIBOR on December 31, 2021, and the overnight, one-month, three-month, six-month and 12-month LIBOR tenors on June 30, 2023. That same day, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency jointly responded to IBA’s announcement by encouraging banks to stop writing contracts referencing LIBOR as soon as possible (and in any event by the end of 2021, subject to certain limited exceptions), stating that entering into new contracts that use LIBOR as a reference rate after December 31, 2021, and failing to prepare for disruptions to LIBOR (including operating without robust fallback language that includes a clearly defined alternative reference rate), could cause significant issues if not addressed. These announcements indicate that the continuation of LIBOR on the current basis cannot and will likely not be guaranteed after June 2023 and may be subject to significant disruption after December 2021. Consequently, at this time, it is not possible to predict whether and to what extent banks will provide financial products referencing rates other than LIBOR during the course of 2021 and beyond. Similarly, it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark or may be considered not representative, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may be on the markets for LIBOR-indexed financial instruments.

The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in reductions in the value of certain instruments or the effectiveness of related transactions such as hedges, increased borrowing costs, uncertainty under applicable documentation, or difficult and costly consent processes. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, may result in losses or increases in financing costs with respect to our indebtedness, expenses, difficulties, complications or delays in connection with future financing efforts, all of which could have a material adverse impact on our business, financial condition and results of operations.

The outstanding loan balance due on our finance lease and debt-financed contracts linked to LIBOR amounted to U.S.\$66.8 million as of December 31, 2020, which represents 5.0% of our total indebtedness as of such date.

Risks Related to Argentina and the AA2000 Concession Agreement

The Argentine Government extended the term of the AA2000 Concession Agreement until 2038 subject to our compliance with certain commitments.

Pursuant to the Technical Conditions of the Extension approved by Decree No. 1009/2020 (“Technical Conditions of the Extension”), AA2000 is obliged to comply with the following commitments: (i) allocate an amount equal to U.S.\$132 million (VAT included) as direct investment to complete 2020 and 2021 ongoing works (outstanding amounts from prior works and VAT for works with development trusts, of which around U.S.\$55 million were already paid by December 31, 2020); (ii) to use its best efforts to obtain the greatest leverage possible, before December 31, 2021, to have an early inflow of up to (a) U.S.\$85 million in the “Trust Fund for Works of Group A of Airports of the National Airport System” and (b) U.S.\$124 million in the “Additional Fund for Substantial Investments in Group A of Airports” (iii) to secure, before March 31, 2022, or, provided that there are justified reasons and subject to ORSNA’s approval, before December 2022, certain level of funds available in an aggregate amount of U.S.\$406.5 million (VAT included), which shall be applied to: (a) works considered as direct investment, to be carried out preferably during 2022/2023 and (b) the redemption of preferred shares of the Argentine Government to be performed by AA2000 before March 31, 2022; and (iv) to make direct investments for U.S.\$200 million (VAT included), between the years 2024 and 2027, at an annual average of U.S.\$50 million (VAT included), in addition to any direct investment balance carried forward from the 2021/2023 period. The financial projection of income and expenses attached to the Technical Conditions of the Extension include the estimated dates in which the referred commitments and capital expenditures would need to be performed.

Failure to comply with these commitments could result in the imposition of fines or the termination or revocation of the AA2000 Concession Agreement. In addition, we cannot assure you that we will be able to fully comply with AA2000’s obligations under the Technical Conditions of the Extension in case we are not able to obtain the financing we need to achieve these commitments. See “—Lack of financing alternatives may adversely impact AA2000’s ability to comply with the commitments provided by the Technical Conditions of the Extension.”

Lack of financing alternatives may adversely impact AA2000’s ability to comply with the commitments under the Technical Conditions of the Extension to the AA2000 Concession Agreement.

Pursuant to the Technical Conditions of the Extension of the AA2000 Concession Agreement, AA2000 must comply with certain commitments which include the obligation to secure certain level of funds available and the redemption of the preferred shares held by the Argentine Government. If we are unable to gain access to domestic or international financing at reasonable costs or under adequate conditions, AA2000’s ability to comply with the investment commitments provided by Decree No. 1009/2020 may be adversely affected which, in turn, could result in the imposition of fines or the termination or revocation of the Concession. See “—The Argentine Government extended the term of the AA2000 Concession Agreement until 2038 subject to our compliance with certain commitments.”

In addition, the country of Argentina has limited ability to obtain credit in international markets. This could have a direct impact on our own and AA2000's ability to access international credit markets to finance AA2000's capital expenditures.

Pursuant to the AA2000 Concession Agreement, since February 2018, the Argentine Government may buy out our concession, which would materially affect our revenues and operations.

Pursuant to the AA2000 Concession Agreement, since February 13, 2018, the Argentine Government has the right to "buy-out" ("rescatar") the AA2000 Concession Agreement for public interest reasons and upon prior notification to us. In the event the Argentine Government were to exercise this option, it would be required to indemnify us in an amount equal to the value of the non-amortized aeronautical investments we have made as of the time of the buy-out, multiplied by 1.10, plus the value of all other investments we made that have not been amortized. The Argentine Government would not be required to indemnify us for investments that were not included in our investment plan or that were not approved by the ORSNA. The Argentine Government would be required to assume in full any debts incurred by us to acquire goods or services for purposes of providing airport services, except for debts incurred in connection with the investment plan for which we would be compensated as part of the payment made to us by the Argentine Government. Subsequent to such buy-out, we may have other claims against the Argentine Government or the ORSNA, but we may not prevail on these claims.

Furthermore, the buy-out of the AA2000 Concession Agreement would constitute an event of default under (i) our 6.875% senior secured notes due 2027 and our 6.875 / 9.375% PIK Series I 2020 senior secured notes due 2027 (collectively, the "Argentine Notes"), (ii) the onshore credit facility agreement (as amended) and the offshore credit facility, both dated August 9, 2019 (as amended), entered by and among AA2000, Citibank N.A., as administrative agent, the branch of Citibank N.A. established in the Republic of Argentina, as collateral and disbursement agent, Industrial and Commercial Bank of China (Argentina) S.A., Banco de Galicia y Buenos Aires S.A.U. and Banco Santander Río S.A., as lenders (the "2019 Credit Facilities"); and (iii) the bilateral Pesos credit facilities granted by Industrial and Commercial Bank of China (Argentina) S.A., Banco de Galicia y Buenos Aires S.A.U. and Banco Santander Río S.A. for the refinancing of the 2019 Credit Facilities (the "Bilateral Credit Facilities" and jointly with the 2019 Credit Facilities, the "Credit Facilities"), which will result in automatic acceleration of the Argentine Notes and the Credit Facilities. As of the date of this annual report, the total amount outstanding under the Argentine Notes, the 2019 Credit Facilities and the Bilateral Credit Facilities is U.S.\$357.4 million, U.S.\$95 million and U.S.\$22.8 million, respectively. The Argentine Government's indemnification obligations in combination with the collateral structure under the Argentine Notes and the 2019 Credit Facilities may not be adequate to repay the holders of such notes. See "Indebtedness."

During the years ended December 31, 2020, 2019 and 2018, the revenue derived from our operation of the airports under the AA2000 Concession Agreement represented 57.4%, 59.3% and 57.0%, respectively, of our total consolidated revenue. If the Argentine Government exercises its right to buy-out the AA2000 Concession Agreement, such buy-out would have a material adverse effect on our business, financial condition and results of operations.

The ORSNA may adjust the fees we charge for aeronautical services, the payments we are required to make to the Argentine Government and our investment plan in a way that is detrimental to us, or fail to adjust them to restore the AA2000 Concession Agreement's economic equilibrium.

Under the AA2000 Concession Agreement, the ORSNA is required to review annually AA2000's financial projections and, if necessary, to re-establish economic equilibrium by making adjustments to (i) the fees we charge airlines and passengers for aeronautical services, (ii) certain payments we make to the Argentine Government pursuant to the AA2000 Concession Agreement, and/or (iii) our investment obligations. Since the renegotiation of the AA2000 Concession in 2007, the Argentine Government has reviewed the financial projections nine times. Effective January 1, 2020, the ORSNA, through Resolution No. 93/2019, increased the fees we may charge international passengers from U.S.\$49.00 to U.S.\$51.00 and the fees we may charge domestic passengers from AR\$74.33 to AR\$195.00. On January 13, 2021, the ORSNA issued Resolution No. 4/2021 which established: (i) an increase of U.S.\$6 to U.S.\$7 in the international passenger fee for travelers departing from AA2000 airports, in line with the provisions of Decree No. 1009/2020 which approved the extension of AA2000 Concession Agreement. This tariff increase became effective on January 14, 2021, for flights as of March 15, 2021; (ii) domestic passenger fees remain unchanged until the end of 2021; and (iii) aircraft fees remain unchanged for both domestic and international air operators.

If the ORSNA adjusts the fees we may charge or that we must pay under the AA2000 Concession Agreement in a way that is detrimental to us, if the ORSNA fails to adjust such fees in order to restore the AA2000 Concession Agreement's economic equilibrium, if the ORSNA seeks to modify our rights under the AA2000 Concession Agreement or if the criteria for the calculation of the dividends paid to holders of preferred shares, adjusted by inflation, is confirmed, it may have a material adverse effect on our business, financial condition and results of operations.

If the ORSNA does not approve the capital expenditures already made under the AA2000 Concession Agreement, we would be required to make additional capital expenditures, which may affect our cash flows and financial condition.

The ORSNA reviews our capital expenditures to monitor our compliance with the investment plan under the AA2000 Concession Agreement, and to record such expenditures in the registry maintained by the ORSNA. If a capital expenditure is approved by the ORSNA, it is then entered into its registry.

Accordingly, we may record capital expenditures during a period that has not yet been (and may never be) approved by the ORSNA. If the ORSNA does not approve our capital expenditures under the investment plan of the AA2000 Concession Agreement, we will be required to make additional capital expenditures. This may require us to obtain additional financing, which we may not be able to obtain on terms favorable to us, or at all. Our capital expenditures for the years ended December 31, 2019 and 2018, are currently under review by the ORSNA, while the capital expenditures for the year ended December 31, 2020, have not been finalized as of the date of this annual report due to the COVID-19 pandemic and, thus the impact on our operations will be performed during 2021 in accordance with the Technical Conditions of the Extension.

Measures enacted by the current administration pursuant to the Public Emergency Law may impact economic conditions in Argentina and adversely affect our business, financial condition and results of operations.

The current administration assumed office on December 10, 2019 amidst challenging macroeconomic conditions and quickly enacted the "Law of Social Solidarity and Productive Reactivation in the Framework of Public Emergency" (the "Public Emergency Law") on December 23, 2019. Pursuant to the Public Emergency Law, the Government declared a public emergency in terms of economic, financial, fiscal, administrative, pensions, tariffs, energy, health and social matters and the executive branch was given broad legislative powers to address the economic crisis. As a result, the Government began the process of renegotiating its sovereign debt and in September 2020 successfully completed exchanges of both its local and foreign-law governed bonds.

Political uncertainty in Argentina relating to the measures to be taken by the current administration in respect of the Argentine economy could lead to volatility in the market prices of securities of Argentine companies.

We can offer no assurances that the policies that may be implemented by the current administration, or political developments in Argentina, will not materially and adversely affect our financial condition and results of operations.

The upcoming Argentine midterm elections generate uncertainty in the Argentine economic and political landscape, and consequently, on our business.

Argentina's mid-term legislative elections will take place in October 2021 with the objective of renewing 127 of the 257 seats in the Chamber of Deputies, as well as 24 of the 72 seats in the Senate.

Other relevant provincial midterm elections will also take place during 2021. The impact of such electoral processes and the effect they could have on the Argentine economic policies are uncertain, and include uncertainty as to whether the results of the election would trigger changes in policies or regulations or if it will maintain the current policies or regulations. We cannot assure you that economic, regulatory, social and political developments in Argentina following the elections will not impair our business, financial condition or results of operations, or cause the market value of our common shares to decline.

Our operations in Argentina depend on macroeconomic conditions in Argentina.

Our business and financial results in Argentina depend to a significant degree on macroeconomic, political, regulatory and social conditions therein, generally, and in the City of Buenos Aires, specifically. The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation, and may experience further volatility in the future.

Over the last years, Argentina experienced a period of severe political, economic and social crises, which caused a significant economic contraction and led to radical changes in government policies. Among other things, the crises resulted in Argentina defaulting on its sovereign foreign debt obligations, a significant devaluation of the Argentine peso and ensuing inflation, and the introduction of emergency measures that affected many sectors of the economy. Likewise, the decline in international demand for Argentine products, the lack of stability and competitiveness of the Argentine peso against other currencies, the decline in confidence among consumers and foreign and domestic investors, and the higher rate of inflation and future political uncertainties, among other factors, have affected the development of the Argentine economy. More recently the economy has shown signs of a slowdown, primarily due to the outbreak of the COVID-19 pandemic.

The evolution of the Argentine economy is largely dependent on a successful restructuring of the public debt, including that held by the IMF.

During 2018, the IMF approved a three-year stand-by agreement for Argentina for an amount exceeding of U.S.\$50 billion.

On February 12, 2020, the Argentine Congress enacted Law No. 27,544 for the Sustainable Restoration of Foreign-Law Governed Public Debt which granted the Ministry of Economy the power to restructure the Argentine government's external public debt. On March 9, 2020, the Executive Branch issued Decree No. 250/2020 authorizing the Ministry of Economy to restructure U.S.\$68.842 million in debt. However, due to the COVID-19 pandemic, the timeline initially published by the Ministry of Economy for the restructuring of the public external debt which provided, among other steps, the launch of an exchange offer of such public securities issued under foreign law, was postponed.

On April 6, 2020, Decree No. 346/2020 ("Decree 346") issued by the Argentine Government was published in the official gazette, setting forth: i) the deferral of interest payments and amortizations of principal of the public securities denominated in U.S. Dollars issued under the Argentine law, until December 31, 2020, or until another date to be determined by the Ministry of Economy, accounting for the level of progress of the sustainable restoration of the foreign-law governed public debt; ii) that the Ministry of Economy is authorized to carry out liability management transactions and/or exchanges and/or restructurings for the instruments for which payments are being deferred as provided by this decree, with the purpose of recovering and ensuring the sustainability of the public debt, which must be compatible with the recovering of the productive economy and with the improvement of the basic social indexes, in accordance with the provisions of Subsection a), Section 2 of the Public Emergency Law; and iii) that the Ministry of Economy will issue the clarifying and complementary regulations necessary to implement the provisions set forth in Decree 346.

Furthermore, by means of Section 2 of Decree 346, certain intra-public sector public debt instruments issued under Argentine law and denominated in U.S. Dollars, were excluded from the deferral of payments. Decree 346 also provided that the payments under certain public debt instruments (mainly instruments held by the Central Bank and the Fondo de Garantía de Sustentabilidad, or "FGS") will be replaced, at their date of maturity, by new public debt instruments with terms to be defined by the Secretariat of Finance and the Secretariat of Treasury, both under the guidance of the Ministry of Economy.

On April 21, 2020, Argentina launched an offer to exchange bonds issued under Argentina's indentures dated as of June 2, 2005 and April 22, 2016 for certain new bonds with the aim of achieving a sustainable debt profile for the country. Additionally, the exchange offer contemplated the use of collective action clauses included in such indentures, whereby the decision by certain majorities will be conclusive and binding on those bondholders that do not enter into the exchange offer. The eligible bonds under the exchange offer include 21 global notes denominated in U.S. Dollars, Euros and Swiss-Francs for approximately U.S.\$66.5 billion, most of which were issued in the last four years. In short, the purpose of said exchange offer was to (i) extend maturity dates and (ii) reduce principal and interest.

After several months of negotiations, on August 4, 2020, the Argentine Government communicated that it had reached an agreement with the Ad Hoc Group of Argentine Bondholders, the Argentina Creditor Committee and the Exchange Bondholder Group and certain other significant holders. Pursuant to such agreement, Argentina adjusted certain payment dates contemplated in the new bonds set forth in its July 6, 2020 invitation (the "Invitation"), without increasing the aggregate amount of principal payments or interest payments that Argentina commits to make while enhancing the value of the proposal for the creditor community. To give effect to the agreement the Argentine Government extended the expiration date of the Invitation to August 24, 2020, and finally, on August 31, 2020, the Argentine Government announced that it had received consents and offers representing 99.01% of the outstanding principal amount for the securities being exchanged.

Additionally, on March 13, 2020, the Minister of Economy of the Nation asked the members of the Paris Club to postpone for a year the payment of U.S.\$2,100 million, the maturity of which operated on May 5, 2020. Although the Paris Club has been receptive to reschedule the payment requested by the Argentine government, the acceptance of said request is contingent to the outcome of negotiations with the IMF.

Finally, the Argentine Government presented before the Argentine Congress a bill in order to restructure Argentina's local law U.S. Dollar-denominated debt for an amount of approximately U.S.\$46.0 billion, which was approved on August 4, 2020. Pursuant to such approval, on August 16, 2020 the Argentine Government launched an offer to exchange such debt securities, and on September 4, 2020, the Argentine Government announced that by the closing date of said exchange offer it had received offers representing 98.80% of the outstanding principal amount.

We cannot assure whether the Argentine Government will succeed in its negotiations with both the IMF, the Paris Club and private holders of public debt, all of which could affect its ability to implement reforms and public policies in order to boost economic growth, nor the impact that the result of this renegotiation will have on Argentina's ability to access to the international capital markets (and indirectly on our ability to access such markets), on the Argentine economy, or on our economic and financial condition, or our ability to make payments or other conditions that could affect our results of operations or businesses.

Exchange controls and restrictions on transfers abroad and capital inflows may prevent or limit AA2000 from servicing its foreign currency debt obligations and pay dividends abroad.

On September 1, 2019, the Argentine Government issued Executive Decree No. 609/2019 (as amended) which, other things, reinstated certain foreign currency exchange restrictions, most of which had been progressively repealed since 2015. Decree No. 609 was further amended and complemented by several regulations issued by the Argentine Central Bank.

In line with the restrictions that were in place in the past, the new Argentine Central Bank regulations set forth certain limitations on the flow of foreign currency into and from the Argentine Foreign Exchange Market, aimed both at generating the country's economic stability and supporting the country's economic recovery.

Even though the access to the Argentine Foreign Exchange Market is currently permitted for debtors in order to purchase foreign currency for the payment of principal or interest of debt payable to non-resident creditors, we cannot assure that restrictions on such purchases or transfers will not be established in the future. If the Argentine Central Bank will cease to authorize these operations it would impair AA2000's ability to serve its foreign currency denominated debt obligations.

In addition, access to the Argentine Foreign Exchange Market for the payment of dividends abroad is subject to the prior approval from the Argentine Central Bank, provided that certain conditions are met. See “Liquidity and Capital Resources—Argentina Foreign Exchange Regulations.” Therefore, these restrictions and controls could interfere with AA2000’s ability to transfer dividends distributions abroad.

If the Argentine Central Bank imposes stricter restrictions, AA2000 may not be able to make payments of principal and/or interest of the Argentine Notes and the Credit Facilities, as well as it could be prevented from transferring dividends distributions abroad. Other, more costly, alternative methods of obtaining foreign currency would be available AA2000 (termed “Blue Chip Swap Transactions”) in order to make payments abroad (such as dividends distributions) but such methods could have an adverse impact on the ability of AA2000 to access the Argentine Foreign Exchange Market to make payments abroad in connection with other accounts payable, as well as on the subsidized rates of the financial assistance facilities granted by the Argentine Government in the context of the COVID-19 pandemic.

AA2000’s foreign financial indebtedness and debt denominated in foreign currency with access to the Argentine Foreign Exchange Market was affected by the provisions of Communication “A” 7106 of the Central Bank.

Pursuant to Communication “A” 7106 issued on September 15, 2020, the Argentine Central Bank established additional requirements regarding access to the Argentine Foreign Exchange market for the payment of financial debts abroad, in particular, for the payment of principal on loans and securities issued with principal payments scheduled between October 15, 2020 and March 31, 2021 greater than U.S.\$1 million by the non-financial private sector and financial entities.

In September 2020, AA2000 filed a request with the Argentine Central Bank requesting access to the Argentine Foreign Exchange Market in connection with the principal maturities of 2019 offshore credit facility and the Argentine Notes falling under the temporal scope of Communication “A” 7106. AA2000 sustained that, as a result of the exchange that took place in May 2020, AA2000 complied (on a consolidated basis) with the requirements of Communication “A” 7106 before said regulation entered into force. In November 2020, the Argentine Central Bank ratified the interpretation of AA2000 and granted access to the Argentine Foreign Exchange Market to perform payments with respect to the holdouts, but not with respect to the 2019 offshore credit facility, which had to be restructured according to the provisions of Communication “A” 7106.

As of the date of this annual report, AA2000 has access to the Argentine Foreign Exchange Market to make payments to the holders of the Argentine Notes who did not exchange their notes under the exchange offer completed in 2020 (see “Indebtedness—Exchange Offer to Argentine Notes”) and the 2019 offshore credit facility. However, given the extension of the term of Communication “A” 7106, AA2000 will be required to refinance the remaining principal installments of the 2019 offshore credit facility as required by Communication “A” 7106 (as amended). We cannot assure you if that term will not be subject to new extensions in the future by the Argentine Central Bank or that other regulations with similar effects will be issued. In such a case, we cannot assure you if a new refinancing of the obligations of AA2000 would be required and the impact that such refinancing may have on AA2000’s financial situation.

Government measures, as well as pressure from labor unions, could require salary increases or additional employee benefits, all of which could increase companies’ operating costs.

Most industrial and commercial activities in Argentina are regulated by specific collective bargaining agreements that group together companies according to industry sectors and trade unions. Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to the high levels of inflation, employees and labor organizations are demanding wage increases. In the past, the Argentine Government passed laws, regulations and decrees requiring companies in the private sector to maintain minimum wage levels and to provide specified benefits to employees. As of the date of this annual report, the minimum monthly salary of private employees is AR\$21,600.

As per Decree No. 34/2019 (as amended and extended), the Argentine Government declared the public emergency on labor matters, temporally establishing doubled compensation in the event an employer dismisses an employee without just cause. The situation worsened even more within the context of the COVID-19 pandemic, thus the Government reacted by enacting Decree No. 329/2020 (as renewed), through which it temporally suspended all layoffs provided they lack just cause, and suspensions due to a decrease in work or connected to force majeure.

In the future, the Argentine Government could take new measures requiring salary increases or additional employee benefits, and the labor force and labor unions may pressure employers to implement those measures. Increases in wages or employee benefits could result in added costs and adversely affect our results of operations in Argentina.

Increased public expenditures could result in long-lasting adverse consequences for the Argentine economy.

In recent years, the Argentine Government has substantially increased public expenditures. In 2020, public sector expenditures increased by 3.5% as compared to 2019, the Argentine Government reported a primary fiscal deficit of 8.5% of the Gross Domestic Product (GDP), according to the Argentine Ministry of Treasury. Future fiscal deficits could negatively affect the Argentine Government's ability to access the long-term financial markets and could, in turn, result in more limited access to such markets by Argentine companies, including us.

The Argentine economy could be adversely affected by economic developments in other global markets and by more general "contagion" effects.

Argentina's economy is vulnerable to external shocks that could be caused by adverse developments affecting its principal trading partners. A significant decline in the economic growth of any of Argentina's major trading partners (including Brazil, the European Union, China and the United States) could have a material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth. The current effects of the COVID-19 pandemic which has had significant impacts on Argentina's main trading partners is likely to further affect economic conditions in Argentina. Declining demand for Argentine exports could have a material adverse effect on Argentina's economic growth.

In addition, financial and securities markets in Argentina have been influenced by economic and market conditions in other markets worldwide, such as in 2008, when the global economic crisis led to a sudden economic decline in Argentina in 2009, accompanied by inflationary pressures, depreciation of the Argentine Peso and a drop in consumer and investor confidence. Although economic conditions vary from country to country, investors' perception of the events occurring in one country may substantially affect capital flows into other countries. International investors' reactions to events occurring in one market sometimes demonstrate a "contagion" effect in which an entire region or class of investment is disfavored by international investors.

Changes in social, political, regulatory and economic conditions in Argentina's major trading partners or in their laws and policies governing foreign trade could create uncertainty in the international markets and could have a negative impact on emerging market economies, including the Argentine economy, which in turn could have a negative impact on our operations.

Significant fluctuation in the value of the Argentine peso may adversely affect the Argentine economy as well as our financial condition and results of operations.

The Argentine peso has suffered significant declines against the U.S. dollar and has continued to decline against the U.S. dollar. Despite the positive effects of the decline of the Argentine peso on the competitiveness of certain sectors of the Argentine economy, it can also have far-reaching negative impacts on the Argentine economy and on businesses' and individuals' financial condition.

After several years of relatively moderate variations in the nominal exchange, the Argentine peso depreciated 101.4% against the U.S. dollar in 2018, 58.4% in 2019 and 40.5% in 2020. After the preliminary presidential elections in which former president Macri was defeated by current president, Fernandez, a significant depreciation of the peso against the U.S. dollar took place. In order to stabilize the local currency, the prior administration reestablished the foreign exchange restrictions on September 2019. See "Liquidity and Capital Resources—Argentina Foreign Exchange Regulations." The current administration has maintained and issued additional regulations in order to discourage the acquisition of foreign currency by local residents and companies. As of March 31, 2021, the official exchange rate was AR\$92 to U.S.\$1.00. If the peso continues to depreciate, all of the negative effects on the Argentine economy related to such depreciation could resurface. Moreover, it could result in a material adverse effect on our financial condition and results of operations due to our financial commitments in U.S. dollars.

International and regional passenger use fees are denominated in U.S. dollars and are payable in both U.S. dollars and Argentine pesos. Currency exchange rate volatility directly affects conversions of U.S. dollars into Argentine pesos. Any appreciation in the value of the Argentine peso against the U.S. dollar may reduce our cash flows expressed in U.S. dollars. Conversely, any depreciation in the value of the Argentine peso against the U.S. dollar may increase our cash flows.

The overall cost increase of international travel as a result of fluctuations in currency exchange rates could potentially lead to decreased passenger traffic volume as a result of increases in travel costs. A large decrease in the value of a particular foreign currency relative to the value of the Argentine peso or the U.S. dollar, as applicable, could have an adverse effect on the number of international air passengers originating from nations that use such devalued currency.

Continuing high inflation may impact the Argentine economy and adversely affect our results of operations.

Inflation has and continues to materially undermine the Argentine economy and the Argentine Government's ability to foster conditions that would permit stable economic growth. In recent years, Argentina has confronted inflationary pressures, evidenced by a significant increase in fuel, energy and food prices, among other factors. According to the most recent publicly available information, the inflation rate was 47.6% for 2018, 53.8% for 2019 and 36.1% for 2020.

Since Mr. Fernandez assumed the presidency, the Argentine Government, through the Ministry of Economy and the Argentine Central Bank, has adopted several measures in order to deaccelerate inflation and control the devaluation of the peso against the U.S. dollar. These measures include, among others: (i) restrictions on the access of individuals and entities to the Foreign Exchange Market, (ii) taxation to certain operations which imply acquisition of foreign currency, and (iii) negotiations with creditors in order to restructure the Argentine external debt.

High inflation could undermine Argentina's foreign competitiveness by diluting the effects of the depreciation of the Argentine peso, negatively affecting the level of economic activity and employment, and undermining confidence in Argentina's banking system, which could further limit the availability of domestic and international financing to businesses. Furthermore, a portion of Argentina's sovereign debt is subject to adjustment by the Stabilization Coefficient (*Coeficiente de Estabilización de Referencia*), a currency index that is strongly related to inflation. Therefore, any further significant increase in inflation could cause an increase in Argentina's external debt and, consequently, in Argentina's financial obligations, which could aggravate the pressure on the Argentine economy. If inflation remains high or continues to increase, Argentina's economy may be negatively affected and our results of operations could be materially affected.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina's economy and financial condition and, consequently, our business.

A lack of a solid and transparent institutional framework for contracts with the Argentine Government and its agencies and corruption allegations have affected and continue to affect Argentina. Argentina ranked 85 of 180 in Transparency International's 2019 Corruption Perceptions Index, and 126 of 190 in the World Bank's Doing Business 2020 Report.

The failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment. The Argentine Government's ability to implement initiatives to strengthen Argentina's institutions and to reduce corruption is uncertain as it would be subject to independent review by the judicial branch, as well as legislative support from opposition parties.

We cannot give any assurance that the Argentine Government will implement any of these initiatives nor if implemented, that any of such initiatives would be successful in halting institutional deterioration and corruption.

Risks Related to Our Other Principal Operations and Other Principal Markets in Which We Operate

Italy

If the approval process from local and national authorities of the master plan for the Florence Airport is further delayed, our financial results from the operation of such airport will be negatively impacted.

Under the current master plan for the Florence Airport, we are planning to complete certain construction and renovation works. Prior to commencement of such works, we require technical, environmental impact study and urban planning approvals, among others, to be granted by local and national authorities. The approval process is taking longer than initially anticipated and therefore, completion of the projects is also being delayed.

On February 6, 2019, we obtained a favorable opinion regarding the compliance of the works performed in connection with the urban planning. Upon this opinion, the administrative procedure (Conference of Services) related to the Master Plan 2014-2029 of the Florence airport was closed. On April 16, 2019, the Italian Ministry of Infrastructures and Transport issued a decree whereby the administrative procedure was closed. However, upon request of certain institutions, associations and companies, the Italian Ministry of Infrastructures and Transport suspended the effects of such decree. Likewise, some other institutions, associations and companies requested local courts to cancel the VIA decree dated December 28, 2017, which included the favorable opinion vis-à-vis the environmental compliance of the works. The court also granted such request on May 27, 2019.

On February 14, 2020, TA was notified by the Council of State that the appeals interposed to cancel the VIA decree were denied. Therefore, we must undertake a new procedure regarding the environmental compliance of the works performed which, as of the date of this annual report, has not yet been initiated.

Our ability to increase revenues and profits derived from the operation of the Florence Airport may be adversely affected due to the approval process rejection.

The exercise of the special powers of the Italian Government may restrict our ability to take certain corporate actions or restrict the ability of investors to acquire a significant stake in our share capital.

Certain regulations concerning legal restrictions on transfer of assets of strategic national importance to persons or entities that are not residents of the European Union may apply to us, as controlling shareholder of TA, the operator of our Italian Airports.

Provisions of Law Decree No. 21 of March 15, 2012 (“Law Decree 21/2012”), as converted with amendments into Law No. 56 of May 11, 2012, which granted the Italian Government special powers (the “Golden Powers”), could be triggered as a result of our initial public offering in the event that: (i) we attempt to transfer our shareholding in TA and/or the Italian Airports; or (ii) a controlling stake of TA’s share capital is transferred to a third party in the future. Below is a description of the procedure that would apply in such a case. As of the date of this annual report, we are not aware that our initial public offering has indeed triggered any procedures pursuant to Law Decree 21/2012.

Pursuant to current laws and regulations, (i) the approval of specific corporate resolutions by companies operating in the energy, transport, and communications sectors, which are understood to be of strategic importance to the nation, and (ii) the acquisition of significant shareholdings in such companies by investors, are subject to the Golden Powers. Article 2 of Law Decree 21/2012 specifically regulates the special powers of the Italian Government over the strategic assets of companies operating in the transport sector. In particular, these provisions state that, in relation to companies that own one or more of such strategic assets, the Italian Government may:

- veto any resolutions, acts and transactions that would (i) result in a change of ownership, control, or purpose of such assets, (ii) result in an exceptional situation not regulated by national or European laws applicable to the sector, or (iii) constitute a threat of a serious prejudice to the interest of public safety (Article 2, paragraph 3);
- impose conditions requiring certain buyers outside the European Union to provide guarantees in any purchase, (Article 2, paragraph 5), if such a purchase poses a serious threat to public interest (Article 2, paragraph 6); and
- oppose to the purchase, if such a purchase entails exceptional risks to the protection of public interest, which cannot be mitigated by the buyer providing the guarantee (Article 2, paragraph 6).

Article 2 of the Decree of the President of the Italian Republic No. 85 of March 25, 2014 has identified airports as “strategic assets.” Therefore, the Italian Airports are subject to these Decrees.

As a result, our ability to enter into certain commercial transactions may be further restricted by the Italian Government’s decision to exercise its Golden Powers with respect to the management of strategic transport assets in Italy. This may limit our ability, as TA’s shareholder, to benefit from the proceeds of certain proposed asset sales or acquisitions or business combinations, and may limit our shareholder’s ability to benefit from possible premiums connected to a proposed change in control transaction or tender offer.

If the Italian Government exercises these Golden Powers in the future with respect to any transaction involving, directly or indirectly, TA and/or the Italian Airports, such exercise could have a material adverse effect on our business, financial condition, results of operations or prospects in the future.

Coordinating compliance with regulatory obligations may strain our resources and divert management’s attention.

TA is listed on the Milan Stock Exchange. As a public company, TA is subject to the reporting requirements of local regulations in Italy and other applicable securities rules and regulations. Compliance with these rules and regulations involves legal and financial compliance costs, makes some activities more difficult, time-consuming or costly and increases demand on TA’s systems and resources. Coordination between TA and us to comply with our respective regulatory and filings procedures can be burdensome, divert management’s attention and affect our daily operations and business.

In addition, the interests of TA’s public shareholders may not be the same as the interest of our Majority Shareholder. This conflict of interest may affect our operations and business.

Brazil

Officials of the entity that controls Infravix Participações S.A., a former shareholder of ICASGA and ICAB, were found guilty of corruption, money laundering and criminal organization in connection with the Car Wash Affair.

In recent years, the Office of the Brazilian Federal Prosecutor has been conducting various ongoing investigations into allegations of money laundering and corruption in Brazil, including the largest investigation, known as Lava Jato (the “Car Wash Affair”).

In 2014, Engevix (the entity that controlled Infravix Participações S.A. (“Infravix”), a former shareholder of Inframerica Concessionaria do Aeroporto de São Gonçalo do Amarante S.A. (“ICASGA”) and Inframerica Concessionaria do Aeroporto do Brasilia S.A. (“ICAB”) was the subject of investigations and allegations related to the Car Wash Affair. In 2015, Engevix’s executive officers were found guilty and required to pay penalties for corruption, money laundering and criminal organization in connection with Engevix’s engineering and construction companies unrelated to their airport business. According to public sources, these penalties are still under review by local courts in Brazil.

As part of the corporate consolidation we completed in Brazil, we acquired all of the interests owned by Infravix in ICASGA and in ICAB and, as a result, Infravix is no longer a shareholder in either ICASGA or ICAB. Neither ICAB nor ICASGA have been notified of any investigation against them and, to our knowledge, the investigations of Engevix are related solely to its engineering and construction businesses and not to their investments in either ICAB or ICASGA. However, to the extent any of Engevix's executive officers are found to have acted illegally in connection with business directly involving ICAB or ICASGA, we could be subject to penalties or reputational harm which, in either case, could have a material adverse effect on our business.

We have identified payments made by ICAB that may not have had any proper purpose and that could expose us to fines and sanctions as well as reputational harm and other adverse effects.

We have identified three payments totaling approximately R\$0.8 million made by ICAB during 2014, when Infravix was still an indirect shareholder of ICAB, to individuals or entities that the press has suggested made illegal payments to government officials on behalf of corporate clients. We have been unable to identify a proper purpose for some of these payments. The case reported by the press has been under investigation by the Supreme Court for approximately three years, but neither of ICAB's current executives nor ICAB has been subject of any criminal investigations.

Moreover, on September 14, 2019, Receita Federal (Brazilian Income Tax authority) identified the mentioned payments and considered those did not have a proper purpose, therefore, imposed a R\$1.3 million fine on ICAB. ICAB is contesting the fine through an administrative procedure. The outcome of this procedure is still uncertain.

We could be exposed to reputational harm and other adverse effects in connection with these payments. If these payments are ultimately found to have been improper, we could be subject to additional fines and sanctions, as well as other penalties. Any of the foregoing effects could have a material adverse effect on our business.

We expect to incur losses in our Brazilian operations for the next several years due to the accretion of the financial liability recognized as a result of the fixed concession fee committed.

Under the Brazilian Concession Agreements for the operation of the Brasilia Airport and the Natal Airport (as defined below), we are obligated to pay an annual fixed concession fee which is adjusted by inflation. Initially, we recognized this contractual obligation as a financial liability at fair value in acquisition accounting. Following a revision of the interest rate of discount, we now measure the liability at an amortized cost utilizing a discount rate of 6.81% (real), which is the regulatory WACC applicable at the time we entered into the Brazilian Concession Agreements. Any change in the current discount rate used to discount the estimated cash outflows, as well as an increase in the liability that reflects the passage of time (also referred to as the unwinding of a discount or accretion) is recognized as expense, period over period. During the years ended December 31, 2020, 2019 and 2018, we recognized losses of U.S.\$69.7, U.S.\$88.4 million and U.S.\$86.3 million, respectively, relating to these effects. See Note 23 to our Audited Consolidated Financial Statements. We expect the accretion described above to occur in a similar magnitude in the next several years.

The commercial area at the Brasilia Airport may not attract the numbers of customers we anticipate, which would ultimately affect our results of operations.

A key part of our strategy to expand and increase our commercial revenues in the Brasilia Airport is the development of an area with commercial offerings within the airport.

On December 13, 2019, ICAB entered into a lease agreement with a leading Brazilian real estate group pursuant to which such group agreed to build and develop, with its own capital, a new shopping center of approximately 350,000 square feet of gross leasable areas. Additionally, ICAB is building a new pick-up area attached to the airport terminal to concentrate all car hailing pick-ups and certain car rental companies. This pick-up area will offer several commercial services and other spaces. We expect that both projects will generate additional revenue to ICAB. If these projects fail to attract the number of customers that we anticipate, our business, financial condition and results of operations could be adversely affected.

The ongoing economic uncertainty and political instability in Brazil may adversely affect our economic and financial condition.

Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened volatility in the securities issued by Brazilian companies.

The recent economic instability in Brazil has contributed to a decline in market confidence in the Brazilian economy as well as to a deteriorating political environment. In addition, various ongoing investigations into allegations of money laundering and corruption being conducted by the Office of the Brazilian Federal Prosecutor, including the Car Wash Affair, have negatively affected the Brazilian economy and political environment. Members of the Brazilian Government as well as senior officers of large state-owned companies have faced or are currently facing allegations of corruption and money laundering as a result of the Car Wash Affair. These individuals are alleged to have accepted and/or offered bribes by means of kickbacks on contracts granted by the Brazilian Government to several infrastructures, oil and gas and construction companies. These kickbacks allegedly financed the political campaigns of political parties forming the previous government's coalition that was led by former President Dilma Rousseff, which funds were unaccounted for or not publicly disclosed.

Although the initial private sector response to the election has been positive, these economic initiatives may not be implemented by the new administration, and further negative political developments in Brazil may adversely affect our financial condition and results of operations.

Exchange rate instability may have adverse effects on the Brazilian economy and our results of operations.

The Brazilian currency has been historically volatile and has been devalued frequently over the past three decades. Throughout this period, the Brazilian Government has implemented various economic plans and used various exchange rate policies, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange rate markets and a floating exchange rate system. Although long-term depreciation of the Brazilian real is generally linked to the rate of inflation in Brazil, depreciation of the Brazilian real occurring over shorter periods of time has resulted in significant variations in the exchange rate between the Brazilian real, the U.S. dollar and other currencies. The Brazilian real/U.S. dollar exchange rate reported by the Brazilian Central Bank was R\$3.8745 per U.S. dollar on December 31, 2018, R\$4.0301 per U.S. dollar on December 31, 2019 and R\$5.1961 per U.S. dollar on December 31, 2020, but there can be no assurance that the Brazilian real will not again depreciate against the U.S. dollar or other currencies in the future, which could lead to fluctuations in our consolidated earnings and cash flow as measured in U.S. dollars.

Uruguay

Our revenue derived from the operation of the airports in Uruguay could be adversely affected by the deterioration of neighboring markets.

The number of passengers and cargo volume at the airports in Uruguay is linked to the number of passengers coming from and to Brazil and Argentina, as well as the economic situation of these two neighbor countries. The situation in Argentina, not only in terms of the expectation of economic situation, but also with respect to the foreign exchange restrictions, could negatively impact the number of passengers and consequently affect our operation and financial results mostly at Punta del Este Airport.

As the number of passengers that use the airports we operate in Uruguay remains highly linked to the numbers of passengers using the airports in Uruguay's main trading partners, such as Brazil and Argentina, any deterioration of a neighboring market could have a material impact on the number of passenger at our Uruguayan airports which, in turn, could adversely affect our business, results of operations and financial condition.

The COVID-19 vaccine program could have a reputational impact on our business.

On January 23, 2021, President Lacalle Pou announced at a press conference that the government purchased COVID-19 vaccines from Pfizer and Sinovac, while negotiating with a third supplier, and that the vaccines will be received at the Carrasco Airport and stored by TCU as the operator of the cargo terminal of the Carrasco Airport. Given the public exposure of the COVID-19 vaccine program and its relevance, any press related to the performance of such program and the participation of TCU and the Carrasco Airport could have a reputational impact on our business.

Unsuccessful restructuring of Puerta del Sur's outstanding debt in connection with the concession fee may affect its ability to pay dividends which could ultimately, have a negative impact on our financial condition.

Puerta del Sur is currently negotiating with the Uruguayan Government a restructuring of its outstanding debt with respect to concession fee due under the Carrasco Concession Agreement. If Puerta del Sur is not able to successfully negotiate a restructuring of its outstanding debt, it may not distribute dividends to its parent company, ACI Airport Sudamérica, which could ultimately impair ACI Airport Sudamérica's ability to pay the installments due under the Puerta del Sur Notes. This would have a have a material adverse effect on our financial condition.

Ecuador

The impact of the recent presidential elections on the future economic and political environment of Ecuador is uncertain.

In February 2021, presidential and parliamentary elections took place in Ecuador resulting in Mr. Guillermo Lasso and Mr. Andrés Arauz going for a second instance ballotage voting.

The impact of such electoral processes and the effect they could have on the Ecuadorian economic policies are uncertain, and include uncertainty as to whether the results of the election would trigger changes in policies or regulations or if it will maintain the current policies or regulations. We cannot assure you that economic, regulatory, social and political developments in Ecuador following the elections will not impair our business, financial condition or results of operations, or cause the market value of our shares to decline.

Armenia

The political instability in Armenia can affect our results of operation.

Political, economic and military conditions in Armenia may directly affect our business. Over the last years, a number of armed conflicts have taken place between Armenia and groups in its neighboring countries, such as the war with Azerbaijan.

Any escalation of hostile situations may have a significant negative impact on the Armenian economy, including reduction of air traffic to the region and increase of defense expenditures, and on the international diplomatic and trade relations of the country, which in turn, could affect our operations and financial results

Peru

Construction and improvement works performed at our AAP Airports have not been approved by the Peruvian Government and thus we may not be reimbursed for the investment and expenditures made under the AAP Concession Agreement.

We are currently completing the mandatory construction works necessary for our requesting of reimbursement from the Peruvian Government for the investments we made at the AAP Airports for the construction, improvement, operation and maintenance of such airports. The Peruvian Government has not yet agreed to reimburse us for such investments because the mandatory construction works have not yet been completed. Upon completion of such mandatory construction works and determination of final construction metrics, we will be able to determine the final settlement value of such works and request reimbursement from the Peruvian Government. As of December 31, 2020, there was approximately U.S.\$8.2 million in construction works for which we anticipate requesting reimbursement. AAP also registered an intangible asset for U.S.\$18.4 million related to these mandatory construction works. However, we may never be reimbursed by the Peruvian Government for the total investment amount, which could affect our results of operation and financial condition.

The political instability may affect our results of operations

A new legislative took office in March 2020 for the remainder of the 2016–2021 congressional period, but it failed to improve the political environment. In 2020, President Mr. Vizcarra was impeached and removed from his position for alleged links to irregular contracts and other corruption allegations. The head of Congress, Mr. Manuel Merino, replaced him as temporarily president and will remain in office until the end of July 2021, when Vizcarra’s term was due to expire.

The impact of such electoral processes and the effect they could have on the Peruvian economic policies are uncertain, and include uncertainty as to whether the results of the election would trigger changes in policies or regulations or if it will maintain the current policies or regulations. We cannot assure you that economic, regulatory, social and political developments in Peru following the elections will not impair our business, financial condition or results of operations, or cause the market value of our shares to decline.

Risks Related to Our Common Shares

The price of our common shares may be highly volatile.

We cannot predict the extent to which investor interest in our common shares will create or be able to maintain an active trading market, or how liquid that market will be in the future. The market price of our common shares may be volatile and may be influenced by many factors, some of which are beyond our control, including:

- the failure of financial analysts to cover our common shares or changes in financial estimates by analysts;
- actual or anticipated variations in our operating results;
- changes in financial estimates by financial analysts, or any failure by us to meet or exceed any of these estimates, or changes in the recommendations of any financial analysts that elect to follow our common shares or the shares of our competitors;
- announcements by us or our competitors of significant contracts or acquisitions;
- future sales of our common shares; and
- investor perceptions of us and the industries in which we operate.

In addition, the equity markets in general have experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our common shares, regardless of our operating performance. In the past, following periods of volatility in the market price of certain companies’ securities, securities class action litigation has been instituted against these companies. This litigation, if instituted against us, could adversely affect our financial condition or results of operations.

We issued, and may further issue, options, restricted shares and other forms of share-based compensation, which have the potential to dilute shareholder value and cause the price of our common shares to decline.

In 2020, we implemented a long-term management share compensation plan. See “Management Compensation Plan.” We may offer additional share options, restricted shares and other forms of share-based compensation to our directors, officers and employees in the future. If any options that we issue are exercised, or any shares that we may issue vest, and those shares are sold into the public market, the market price of our common shares may be adversely affected.

A significant portion of our common shares may be sold into the public market, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Our officers, directors, and the Majority Shareholder are able to sell our common shares in the public market. In addition, pursuant to a registration rights and indemnification agreement, the Majority Shareholder and any affiliate transferees have the right, subject to certain conditions, to require us to register the sale of their common shares under the Securities Act. By exercising their registration rights and selling a large number of shares, our existing owners could cause the prevailing market price of our common shares to decline. The common shares covered by registration rights would represent approximately 80.5% of our outstanding capital stock. Registration of any of these outstanding common shares would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement. Sales of a substantial number of such common shares or the perception that such sales may occur could cause our market price to fall or make it more difficult for you to sell your common shares at a time and price that you deem appropriate.

On May 22, 2019, the shareholders of the Company authorized the board of directors to repurchase common shares of the Company for a period of up to five years following the date of the 2020 shareholder’s annual general meeting. The aggregate nominal amount which may be repurchased shall not exceed 5% of the aggregate nominal amount of the issued share capital of the Company from time to time. As of the date of this report, no common shares have been repurchased by the Company.

We may need additional capital and we may not be able to obtain it.

We believe that our existing cash and cash equivalents, cash flows from operations and ability to raise financing are and will be sufficient to meet our anticipated cash needs for the foreseeable future. We may, however, require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain other sources of financing. The sale of additional equity securities could result in dilution to our shareholders. The incurrence of indebtedness could result in increased debt service obligations and could require us to agree to operating and financing covenants that would restrict our operations.

Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, including:

- conditions of the U.S. capital markets and other capital markets in which we may seek to raise funds;
- our future results of operations and financial condition;
- government regulation of foreign investment in the United States, Europe and Latin America; and
- global economic, political and other conditions in jurisdictions in which we do business.

Our business and results of operations may be adversely affected by the increased strain on our resources from complying with the reporting, disclosure and other requirements applicable to public companies in the United States promulgated by the U.S. Government, New York Stock Exchange or other relevant regulatory authorities.

Compliance with existing, new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance. Changing laws, regulations and standards include those relating to accounting, corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Sarbanes-Oxley Act of 2002, new U.S. Securities and Exchange Commission (“SEC”) regulations and the New York Stock Exchange (“NYSE”) listing guidelines. In particular, compliance with Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”) and related regulations regarding required assessment of internal controls over financial reporting and our external auditor’s audit of internal controls over financial reporting, requires the commitment of significant financial and managerial resources.

Our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses. Further, our board members and senior management could face an increased risk of personal liability in connection with their performance of duties. As a result, we may face difficulties attracting and retaining qualified board members and senior management, which could harm our business. If we fail to comply with new or changed laws or regulations and standards differ, our business and reputation may be harmed.

If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

As a public company in the United States, we are subject to reporting obligations under the U.S. securities laws. The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company’s internal control over financial reporting in its annual report, which contains management’s assessment of the effectiveness of our internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. We became subject to these requirements for the fiscal year ended December 31, 2019.

Our management has concluded that our internal control over financial reporting is effective as of December 31, 2020. Our independent registered public accounting firm has issued an attestation report, which has concluded that our internal control over financial reporting was effective as of December 31, 2020. See “Item 15. Controls and Procedures.” However, if we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in loss of investor confidence in the reliability of our financial statements and negatively impact the trading price of our common shares. Furthermore, we are committed to invest considerable costs, management time and other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act.

Our exemption as a “foreign private issuer” from certain rules under the U.S. securities laws will result in less information about us being available to investors than for U.S. companies, which may result in our common shares being less attractive to investors.

As a “foreign private issuer” in the United States, we are exempt from certain rules under the U.S. securities laws and are permitted to file less information with the SEC than U.S. companies. As a “foreign private issuer,” we are exempt from certain rules under the Exchange Act, that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our common shares. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as companies that are not “foreign private issuers” whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD promulgated by the SEC under the Exchange Act, which restricts the selective disclosure of material information. As a result, our shareholders may not have access to information they deem important, which may result in our common shares being less attractive to investors.

Our ability to pay dividends is restricted under Luxembourg law.

Our articles of association and the Luxembourg law of August 10, 1915, on commercial companies as amended from time to time (*loi du 10 août 1915 sur les sociétés commerciales telle que modifiée*), require a general shareholders meeting to approve any dividend distribution, except as set forth below.

Our ability to declare dividends under Luxembourg corporate law is subject to the availability of distributable earnings or available reserves, including share premium. Moreover, we may not be able to declare and pay dividends more frequently than annually. As permitted by Luxembourg corporate law, our articles of association authorize the declaration of dividends more frequently than annually by the board of directors in the form of interim dividends so long as the amount of such interim dividends does not exceed total net profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less the aggregate of the prior financial year's accumulated losses, the amounts to be set aside for the reserves required by Luxembourg law or by our articles of association for the prior financial year, and the estimated tax due on such earnings.

We are a holding company and depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments, which they may not be able to do.

We are a holding company and our subsidiaries conduct all of our operations. We own no material assets other than the equity interests in our subsidiaries. As a result, our ability to make dividend payments depends on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by covenants included in most of the concession agreements in which we act as concessionaires, such as the AA2000 Concession Agreement, the Uruguayan Concession Agreements, the Armenian Concession Agreement, the Italian Concession Agreements and the Brazilian Concession Agreements, or by the financing agreements we have entered into, or by the law of their respective jurisdictions of incorporation. See "Indebtedness." If we are unable to obtain funds from our subsidiaries, we will be unable to distribute dividends. We do not intend to seek to obtain funds from other sources to pay dividends.

Our shareholders may have more difficulty protecting their interests than they would as shareholders of a U.S. corporation, which could adversely impact trading in our common shares and our ability to conduct equity financings.

Our corporate affairs are governed by our articles of association and the laws of Luxembourg, including the laws governing public limited liability companies (*sociétés anonymes*). The rights of our shareholders and the responsibilities of our directors and officers under Luxembourg law are different from those applicable to a corporation incorporated in the United States. In addition, Luxembourg law governing the securities of Luxembourg companies may not be as extensive as those in effect in the United States, and Luxembourg law and regulations in respect of corporate governance matters may not be as protective of minority shareholders as state corporation laws in the United States. Therefore, our shareholders may have more difficulty in protecting their interests in connection with actions taken by our directors and officers or our principal shareholders than they would as shareholders of a corporation incorporated in the United States.

Neither our articles of association nor Luxembourg law provide for appraisal rights for dissenting shareholders in certain extraordinary corporate transactions that may otherwise be available to shareholders under certain U.S. state laws. As a result of these differences, our shareholders may have more difficulty protecting their interests than they would as shareholders of a U.S. issuer.

Holders of our common shares may not be able to exercise their pre-emptive subscription rights and may suffer dilution of their shareholding in the event of future common share issuances.

Under Luxembourg law, our shareholders benefit from a pre-emptive subscription right on the issuance of common shares for cash consideration. However, shareholders may, at a general shareholders' meeting and in accordance with Luxembourg law and our articles of association, waive or suppress and authorize the board to waive, suppress or limit any shareholders' pre-emptive subscription rights provided by Luxembourg law to the extent the board deems such waiver, suppression or limitation advisable for any issuance or issuances of common shares within the scope of our authorized share capital prior to the pricing for a period of up to five years following the publication of the deed granting such authorization on the Luxembourg Official Gazette (*Recueil Electronique des Sociétés et Associations*) ("RESA") which period may be renewed for one or several periods of up to five years. Such common shares may be issued above, at or below market value as well as by way of incorporation of available reserves (including premium). In addition, a shareholder may not be able to exercise the shareholder's pre-emptive right on a timely basis or at all, unless the shareholder complies with the requirements set forth under Luxembourg corporate law and applicable laws in the jurisdiction in which the shareholder is resident, particularly in the United States. As a result, the shareholding of such shareholders may be materially diluted in the event common shares are issued in the future. Moreover, in the case of an increase in capital by a contribution in kind, no pre-emptive rights of the existing shareholders exist.

We are organized under the laws of Luxembourg and it may be difficult for you to obtain or enforce judgments or bring original actions against us or our executive officers and directors in the United States.

We are organized under the laws of Luxembourg. The majority of our assets are located outside the United States. Furthermore, the majority of our directors and officers and some experts named in this annual report reside outside the United States and a substantial portion of their assets are located outside the United States. Investors may not be able to effect service of process within the United States upon us or these persons or to enforce judgments obtained against us or these persons in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against us or these persons in courts located in jurisdictions outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws. It may also be difficult for an investor to bring an original action in a Luxembourg court predicated upon the civil liability provisions of the U.S. federal securities laws against us or these persons. Furthermore, Luxembourg law does not recognize a shareholder's right to bring a derivative action on behalf of the company, except in limited cases. Minority shareholders holding securities entitled to vote at the general meeting and holding at least 10.0% of the voting rights of the company may bring an action against the directors on behalf of the company. Minority shareholders holding at least 10.0% of the voting rights of the company may also ask the directors questions in writing concerning acts of management of the company or one of its subsidiaries, and if the company fails to answer these questions within one month, these shareholders may apply to the Luxembourg courts to appoint one or more experts instructed to submit a report on these acts of management.

As there is no treaty in force on the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a U.S. court. A valid judgment in civil or commercial matters obtained from a court of competent jurisdiction in the United States may be entered and enforced through a court of competent jurisdiction in Luxembourg, subject to compliance with the enforcement procedures (*exequatur*). The enforceability in Luxembourg courts of judgments rendered by U.S. courts will be subject prior any enforcement in Luxembourg to the procedure and the conditions set forth in the Luxembourg procedural code, which conditions may include the following as of the date of this annual report (which may change):

- the judgment of the U.S. court is final and enforceable (*exécutoire*) in the United States;
- the U.S. court had jurisdiction over the subject matter leading to the judgment (that is, its jurisdiction was in compliance both with Luxembourg private international law rules and with the applicable domestic U.S. federal or state jurisdictional rules);
- the U.S. court has applied to the dispute the substantive law that would have been applied by Luxembourg courts;
- the judgment was granted following proceedings where the counterparty had the opportunity to appear and, if it appeared, to present a defense, and the decision of the foreign court must not have been obtained by fraud, but in compliance with the rights of the defendant;

- the U.S. court has acted in accordance with its own procedural laws;
- the judgment of the U.S. court does not contravene Luxembourg international public policy; and
- the U.S. court proceedings were not of a criminal or tax nature.

We have amended our articles of association and have entered into separate indemnification agreements to indemnify our directors for and hold them harmless against all claims, actions, suits or proceedings brought against them, subject to limited exceptions. The rights and obligations among or between us and any of our current or former directors and officers will be generally governed by the laws of Luxembourg and subject to the jurisdiction of the Luxembourg courts, unless such rights or obligations do not relate to or arise out of their capacities listed above. Although there is doubt as to whether U.S. courts would enforce such provision in an action brought in the United States under U.S. federal or state securities laws, such provision could make enforcing judgments obtained outside Luxembourg more difficult to enforce against our assets in Luxembourg or jurisdictions that would apply Luxembourg law.

Luxembourg insolvency laws may offer our shareholders less protection than they would have under U.S. insolvency laws.

As a company organized under the laws of Luxembourg and with its registered office in Luxembourg, we are subject to Luxembourg insolvency laws in the event any insolvency proceedings are initiated against us including, among other things, Council Regulation (EC) No. 2015/848 of May 20, 2015, on insolvency proceedings (recast), as amended. Should courts in another European country determine that the insolvency laws of that country apply to us in accordance with and subject to such EU regulations, the courts in that country could have jurisdiction over the insolvency proceedings initiated against us. Insolvency laws in Luxembourg or the relevant other European country, if any, may offer our shareholders less protection than they would have under U.S. insolvency laws and make it more difficult for them to recover the amount they could expect to recover in a liquidation under U.S. insolvency laws.

Holders generally will be subject to a 15.0% withholding tax on payment of dividend distributions made on the common shares under current Luxembourg tax law.

Under current Luxembourg tax law, payments of dividends made on the common shares generally are subject to a 15.0% Luxembourg withholding tax. Certain exemptions or reductions in the withholding tax may apply, but it will be up to the holders to claim any available refunds from the Luxembourg tax authority. For more information on the taxation implications, see “Taxation—Luxembourg Tax Considerations.”

We are subject to complex tax rules in various jurisdictions, and our interpretation and application of these rules may differ from those of relevant tax authorities, which could result in a liability to material additional taxes, interest and penalties.

We operate in a number of territories, and will accordingly be subject to tax in several jurisdictions. The tax rules to which the Company and its subsidiaries are subject are complex, and we must make judgement (including based on external advice) as to the interpretation and application of these rules. Our tax affairs will in the ordinary course be reviewed by tax authorities. Those tax authorities may disagree with our interpretation and/or application of relevant tax rules. A challenge by a tax authority in these circumstances might require us to incur costs in connection with litigation against the relevant tax authority or reaching a settlement with the tax authority and, if the tax authority’s challenge is successful, could result in additional taxes (perhaps together with interest and penalties) being assessed on us, and as a result an increase in the amount of tax payable by us.

Additionally, dividends and other intra-group payments made by our subsidiaries may be subject to withholding taxes imposed by the jurisdiction in which the entity making the payment is organized or tax resident. Unless such taxes are fully creditable or refundable, dividends and other intra-group payments may increase the amount of tax paid by us. Although the Company and its subsidiaries arrange themselves and their affairs with a view to minimizing the incurrence of such taxes, there can be no assurance that we will succeed.

Holders of our common shares who sell or transfer common shares acquired after January 1, 2018 representing 10% or more of our equity may be subject to Argentine capital gains tax under the new Argentine tax law.

Under Argentine tax law, non-Argentine residents who sell or transfer shares or other participations in foreign entities, which shares were acquired after January 1, 2018, may be subject to capital gains tax in Argentina if 30% or more of the value of the foreign entity is derived from assets located in Argentina and the shares being sold or transferred represent 10% or more of the equity interests of such foreign entity. Therefore, any non-Argentine resident holders of our common shares who sell or transfer common shares acquired after January 1, 2018 and which shares being sold or transferred represent 10% or more of our equity interests, may be subject to the Argentine capital gains tax. See “Taxation—Argentine Tax Considerations.”

ITEM 4. COMPANY INFORMATION

The Company makes its filings in electronic form under the EDGAR filing system of the SEC. Its filings are available through the EDGAR system at www.sec.gov. The Company’s filings are also available to the public through the Internet at CAAP’s website at www.caap.aero.com.

A. HISTORY AND DEVELOPMENT OF THE COMPANY

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.a.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 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 by means of two separate transactions, we acquired an additional 11.08% interest 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 the COVID-19 pandemic emergency measures, granting a two-year concession extension for airport operators.
- In November 2020, we executed irrevocable amendment for the termination Natal Airport concession.
- In December 2020 we executed an amendment to the AA2000 Concession Agreement extending the concession term for additional ten years, until February 13, 2038. Thus, the current expiration date is set to be in February 13, 2038.

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

Country	Concession	CAAP Effective Ownership	Number of Airports	Concession Start Date	Current Concession End Date	Extension Details
Argentina	AA2000	81.6%	35 ⁽¹⁾	1998	2038	—
	NQN	74.4%	1	2001	2021	Extendable for 5 years ⁽²⁾
	BBL	81.4%	1	2008	2033	Extendable for 10 years ⁽²⁾
Italy	TA (SAT) ⁽³⁾	46.7%	1	2006 (2014) ⁽⁴⁾	2048	—
	TA (ADF) ⁽³⁾	46.7%	1	2003 (2014) ⁽⁵⁾	2045	—
Brazil	ICASGA	99.9% ⁽⁶⁾	1	2012 ⁽⁷⁾	2040	5 years ⁽⁸⁾
	ICAB	51.0%	1	2012	2037	5 year, extendable for additional 5 years if required to reestablish economic equilibrium
Uruguay	Puerta del Sur	100%	1	2003	2033	—
	CAISA	100%	1	1993 (2008)	2033 ⁽⁹⁾ (10) (11)	—
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
Peru	AAP ⁽¹²⁾	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) Both SAT and ADF have been merged into TA, of which CA Italy currently owns a 62.28% equity interest. We own 75% of CA Italy's equity interest.

(4) We began operating the Pisa Airport in 2014.

(5) We began operating the Florence Airport in 2014.

(6) Our effective ownership is 99.98%.

(7) The concession for the Natal Airport was awarded in August 2011, which became effective in January 2012. The Natal Airport began operating in June 2014.

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

(9) We acquired the shares of CAISA in 2008.

(10) We began operating the Punta del Este Airport in 2008., the amendment to the concession agreement approving the extension of the Punta del Este Concession Agreement was executed on June 28, 2019.

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

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

B. 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. 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 by acquiring airport 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 55 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 commercial passenger traffic.

Our Revenue Sources

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. We classify our revenue in the following categories: aeronautical revenue, commercial revenue, construction service revenue and other revenue.

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. 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 Concession Agreements

Our business consists of acquiring, developing and operating airport concessions, which are granted by governmental authorities for a limited period of time. There are three different concession models within our portfolio: single till model in Argentina (AA2000) and Armenia, dual till model in our Italian airports and inflation based model in our Ecuador, Uruguay, Brazil and Peru airports.

- Single till model: a certain return shall be achieved over the life of the concession, and for the calculation, all revenues (aeronautical and commercial) as well as opex and capex are considered. In order to achieve economic equilibrium, the regulator can adjust passenger and aircraft tariffs, reduce concession fees, reduce capital investment commitments, or a combination thereof.
- Dual till model: which provides a guaranteed return in connection with its aeronautical activities. Only aeronautical revenues are considered to cover aeronautical opex and capex. There is an established WACC for the regulated part of the business.
- Inflation based model: there is no guaranteed return for the concession, and tariffs adjust on an annual basis, considering domestic inflation or a combination between domestic and US inflation

Main Operations and Financial Consolidated Metrics

For the year ended December 31, 2020, we had total consolidated revenue of U.S.\$0.6 billion, consolidated loss from continuing operations of U.S.\$361.9 million, Adjusted EBITDA of U.S.\$13.6 million and Adjusted EBITDA excluding Construction Services of U.S.\$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). For the year ended December 31, 2019, we had total consolidated revenue of U.S.\$1.6 billion, consolidated loss from continuing operations of U.S.\$(5.8) million, Adjusted EBITDA of U.S.\$380.7 million and Adjusted EBITDA excluding Construction Services of U.S.\$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 U.S.\$1.4 billion, consolidated income from continuing operations of U.S.\$(10.6) million, Adjusted EBITDA of U.S.\$445.9 million, and Adjusted EBITDA excluding Construction Services of U.S.\$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).

Our Airports by Country in Which We Operate

Argentina

Our largest operations are in Argentina, where we operate a total of 37 of the 55 airports in the Argentine national airport system, including the two largest airports in the country, Ezeiza Airport and Aeroparque Airport. Ezeiza Airport is our largest airport in terms of contribution to revenue and Argentina's second largest airport in terms of passenger traffic, while Aeroparque Airport is Argentina's largest airport in terms of passenger traffic.

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 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(1)
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 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 Cataratas del Iguazú, "Mayor D. Carlos Eduardo Krauze"	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, "Gral. 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

Airport	Passenger traffic			
	International or national designation	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
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	13.0	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 Paraná, "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 Mercedes	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

Main Operating and Financial Metrics

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. For the year ended December 31, 2019, the airports under the AA2000 Concession Agreement served 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 served 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.

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

	For the Year Ended December 31, ⁽¹⁾					
	2020		2019		2018	
		% of Total		% of Total		% of Total
Revenue (in millions of U.S.\$)	\$ 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 indirectly 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 U.S.\$50.7 million, U.S.\$241.4 million and U.S.\$274.8 million, for the years ended December 31, 2020, 2019 and 2018, respectively, and had Adjusted EBITDA excluding Construction Service of U.S.\$50.6 million, U.S.\$241.1 million and U.S.\$274.6 million, for the years ended December 31, 2020, 2019 and 2018, respectively.

AA2000 Concession Agreement Key Terms

Key terms are described below, for a full description of the concession terms, see *“Regulatory and Concessions Framework – Argentina - The AA2000 Concession Agreement”*

- Term: The AA2000 concession agreement started in 1998 and expires in 2038, considering the new concession term after the extension granted by the Argentine Government in December 2020.
- Concession fee: AA2000 must pay a 15% of total revenues excluding construction service to the Argentine State.
- Capex commitments: under the extension, AA2000 committed to do a capex program for expansion projects of approx. \$500 million, in two phases: (i) under phase 1, approximately \$336 million to occur preferably in 2022 and 2023, and (ii) under phase 2, annual investments of approx. \$41 million between 2024 and 2027, for a total of approx. \$164 million. Investments between 2028 and 2038 will be determined based on the operational needs of the airport system and will take into consideration the economic equilibrium of the concession.
- Redemption of preferred shares: As established in the agreement for the extension, AA2000 has the option to redeem the preferred shares during 2022 and credit the amount redeemed towards the reduction of the phase 1 capex program.
- Economic equilibrium: The concession operates under a single-till model, which sets the economic equilibrium that needs to be achieved by the end of the concession. The economic equilibrium is based on the IRR that is derived from the Financial Projection of Income and Expenses, which considers actual numbers for previous years and ORSNA’s projections for future years. The ORSNA must verify the economic equilibrium on a yearly-basis and adjust the variables in case the IRR is below the target IRR. The adjustments could be made through increasing tariffs, reducing the concession fee or reducing the capex commitments.

AA2000 Ownership Structure

We currently indirectly own 81.6% of the share capital of AA2000's ordinary share capital. The Argentine Government owns 15.0% of AA2000's ordinary share capital and voting stock. 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 910,978,514 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.

Italy

In Italy, we operate and manage the Florence Airport and the Pisa Airport, the leading airports in the Tuscany region, one of Italy's most touristic regions. Florence Airport is an important world-class touristic destination serving full-cost carriers, while Pisa Airport has a proven low-cost carriers business model.

Main Operating and Financial Metrics

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. 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. Of the approximately 8.2 million total passengers in the TA airports during the year ended December 31, 2018, approximately 5.5 million were in Pisa Airport and 2.7 million were in the Florence Airport.

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

	For the Year Ended December 31,								
	2020		2019		2018				
		% of Total		% of Total		% of Total			
Revenue (in millions of U.S.\$)	\$	58.3	9.6%	\$	145.6	9.3%	\$	155.5	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%

Our Italy segment had Adjusted Segment EBITDA of U.S.\$(4.3) million, U.S.\$38.5 million and U.S.\$38.8 million for the year ended December 31, 2020, 2019 and 2018, respectively, and Adjusted EBITDA excluding Construction Services of U.S.\$(5.5) million, U.S.\$36.8 million and U.S.\$37.1 million, for the year ended December 31, 2020, 2019 and 2018, respectively.

Italian Concession Agreements Key Terms

Key terms are described below, for a full description of the concession terms, see “*Regulatory and Concessions Framework – Italy – The Pisa Concession Agreement*”, and “*Regulatory and Concessions Framework – Italy – The Florence Concession Agreement*”

Term: The Florence airport concession started in 2003 and expires in 2045, while the Pisa concession agreement started in 2006 and expires in 2048. Both concession terms include the two-year extension granted by the Italian Government in July 2020, following a law in relation with the COVID-19 pandemic emergency measures.

Concession fee: TA is required to pay annual fees, based on a workload unit criterion, where each unit corresponds to one passenger or 100 kg of goods or post. The canon is to be made in two separate semi-annual installments, due July and January each year. The value of the minimum canon is adjusted on an annual basis according to inflation. For the year ended December 31, 2020, TA paid an annual canon of €1.7 million under the Pisa concession and €0.8 million under the Florence concession (for both concessions the other deadlines have been extended to 2021), and for the year ended December 31, 2019, TA paid an annual canon of €3.4 million under the Pisa concession and €1.5 million under the Florence concession.

Operating agreement: In 2015, ENAC and TA entered into an operating agreement (*contratto di programma*) which states TA’s obligations regarding Pisa and Florence airports’ following items, among others: airport traffic level forecasts, new construction and extraordinary maintenance works and TA’s performance of the obligations under the four-year intervention plan, as well as its quality and environmental protection plan.

Master plan: Florence Airport

Currently, this 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. On December 28, 2017, the Ministry of Environment approved the environmental impact assessment under the master plan. 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. In relation with 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.

Economic equilibrium: our Italian airports operate under a dual-till model, that establishes a guaranteed return for the aeronautical activities, based on an established WACC. Therefore, aeronautical tariffs are adjusted in order to cover for aeronautical opex as well as the allowed remuneration on capex.

TA Ownership Structure

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%.

TA is listed on the Italian Stock Exchange under the ticker TYA. The year-end price for 2020 was €13.7 per share, representing a market cap of €255.0 million. Corporate capital amounted to €30.7 million, which is comprised of €30.7 million ordinary shares with no nominal value.

Brazil

In Brazil, we operate the Brasilia Airport and the Natal Airport. The Brasilia Airport is located 12 kilometers (8.5 miles) from downtown Brasilia, Brazil's capital city. It 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 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 also offers some international routes.

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.

Main Operating and Financial Metrics

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, 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, 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.

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 U.S.\$)	\$ 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%

Our Brazil segment had Adjusted EBITDA of U.S.\$(6.5) million, U.S.\$(22.3) million, U.S.\$14.8 million, for the year ended December 31, 2020, 2019 and 2018, respectively, and had Adjusted EBITDA excluding Construction Services of U.S.\$(6.5) million, U.S.\$(22.3) million and U.S.\$14.8 million for the year ended December 31, 2020, 2019 and 2018, respectively.

Inframerica, concessionaire of Natal airport, has filed a request for concession termination, as set forth in law 13.448/2017. The request was filed in March 2020, before World Health Organization declared COVID-19 a world pandemic.

Several factors give origin to the decision to terminate the concession granted by the government. First factor relates to passenger traffic, as such has been negatively impacted. Compared to valuation studies (EVTEA) from the time where concession was originally granted, the results obtained are not close to what was projected, and it does not even result in half of the value expectancies. Secondly, aeronautical tariffs have decreased 35% compared with other airports that have been delivered for operation to private companies. Lastly, tower control tariff is 301% lower than other tariff from tower controls in general.

During the period that the government has to analyze the returning request and until they proceed with a new concessionaire, Inframerica will keep the airport operating with the same quality and preserving its safety, honoring the commercial deals, and keeping its employees' salaries and benefits. The return request is related only to Natal Airport.

Brazilian Concession Agreements Key Terms

Key terms are described below, for a full description of the concession terms, see “*Regulatory and Concessions Framework – Brazil –Brasilia Concession Agreement*”, and “*Regulatory and Concessions Framework – Brazil –Natal Concession Agreement*”

Term: The Natal Airport concession was awarded in August 2011 to ICASGA and expires in 2040. On March 5, 2020, however, the Company made public that ICASGA filed a non-binding request to the Brazilian Federal Government to commence the termination process of the Natal Airport, and on November 19, 2020, CAAP announced the execution of the amendment. Upon a completion of successful bidding process, the operation of the Natal Airport will be transferred to a different operator and ICASGA will be entitled to an indemnification to be determined by authorities, which will be primarily based on non-amortized capital expenditure investments. In the interim, ICASGA will remain as the airport operator. The Brasilia Concession Agreement started in 2012 and expires in 2037, which may be extended for an additional 5 years if necessary to reestablish economic equilibrium.

Concession fees: Brasilia and Natal airports are required to pay the ANAC an annual fixed payment. In the case of Brasilia airport, the amount is R\$180.0 million for the years 2019 to 2033, and R\$243.4 million for the years 2034 to 2037, adjusted by IPCA. Natal airport payment amounts to R\$6.8 million for the years 2020 to 2032, and R\$9.7 million for the years 2033 to 2040, adjusted based on the base interest rate of the Central Bank of Brazil. Brasilia airport is also subject to an annual variable payment, equal to: (i) 2% of the perceived annual gross revenues, for annual gross revenue of up to R\$363.2 million for the year ended December 31, 2019; plus (ii) 4.5% of the annual gross revenues, including the gross revenue of its wholly-owned subsidiaries, for annual gross revenues above R\$363.2 million for the year ended December 31, 2019, if any.

Tariff Adjustment: The Brazilian concessions operate under an inflation-based model. Tariffs shall be adjusted annually by IPCA, upon the application of a specific formula that considers the IPCA and the effects of the Q and X Factors, as defined in the Brazilian Concession Agreements. The Brazilian ANAC adopted Factor X as a mechanism to measure positive and negative productivity and efficiency variations and Factor Q as a mechanism to verify compliance with service levels. Adjustment of tariffs under Natal Concession Agreement also considers an additional Factor M, which allows the increase of tariffs when non-tariffs correspond to more than 35% of revenues.

Extraordinary review: an extraordinary review is intended to restore the economic and financial equilibrium of the Brazilian Concession Agreements when costs, revenues or gains of ICASGA or ICAB are unbalanced as a result of events with respect to which the Brazilian ANAC is required to bear the risk. We may request an extraordinary review of the Brazilian Concession Agreement to re-establish the economic and financial equilibrium of the concession if one or more events occurs (i.e. changes in any law or rule related to (a) the services that the concessionaire must provide or (b) any security procedure; operational restrictions resulting from any act (or omission thereof) by any governmental body; mandatory changes in tariffs or granting of tariff benefits; changes in the tax regime that causes additional costs for the concessionaire (excluding income tax); and a *Force Majeure* event). The review will be based, among others, on the marginal cash flow related to every event generating economic and financial disequilibrium. We requested and were granted an economic re-equilibrium as a result of the COVID-19 pandemic impact in 2020, considered a force majeure event. See “Operating and Financial Review and Prospects - Liquidity and Capital Resources - COVID-19 Virus Impact”.

Brazilian airports Ownership Structure

The concession for the Brasilia Airport is owned by ICAB, a subsidiary of Inframerica. As of the date of this annual report, we own 99.97% of the equity interests of Inframerica, which holds 51.0% of the equity interests of ICAB. Infraero, a state-owned company affiliated with the Civil Aviation Secretariat of Brazil, is the owner of the remaining 49.0% interest in ICAB.

Inframerica was originally owned by Infravix and CASA. In 2015, we and the Majority Shareholder (A.C.I. Airports S.à.r.l.) acquired Infravix’s shareholding in Inframerica. In 2015, pursuant to our Reorganization, CAAP acquired CASA’s stake in Inframerica.

We 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%.

Uruguay

Our operations in Uruguay consist of the operation and maintenance of the two main Uruguayan airports that receive commercial flights. 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. 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 Europe and the Americas. The Punta del Este Airport is not material to our business.

We also own TCU S.A. ("TCU") through which we operate the cargo terminal at the Carrasco Airport.

We own 100% of Puerta del Sur, 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.

In 2003, our wholly-owned subsidiary Cerealsur S.A. acquired 100% of the outstanding shares of Puerta del Sur, 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.

Main Operating and Financial Metrics

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. 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. 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.

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

	For the Year Ended December 31,					
	2020⁽¹⁾		2019⁽²⁾		2018⁽³⁾	
		% of Total		% of Total		% of Total
Revenue (in millions of U.S.\$)	\$ 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)	13.0	3.7%	29.7	3.5%	33.5	3.8%

(1) Includes revenues for TCU and reflects intersegment adjustments of U.S.\$6.1 million.

(2) Includes revenues for TCU and reflects intersegment adjustments of U.S.\$6.8 million.

(3) Includes revenues for TCU and reflects intersegment adjustments of U.S.\$7.1 million.

Our Uruguay segment had Adjusted EBITDA of U.S.\$16.3 million, U.S.\$56.4 million, U.S.\$57.8 million for the year ended December 31, 2020, 2019 and 2018, respectively, and had Adjusted EBITDA excluding Construction Services of U.S.\$16.3 million, U.S.\$56.4 million, U.S.\$57.7 million for the year ended December 31, 2020, 2019 and 2018, respectively.

Uruguayan Concession Agreements Key Terms

Key terms are described below, for a full description of the concession terms, see “*Regulatory and Concessions Framework – Uruguay – The Carrasco Concession Agreement*”, and “*Regulatory and Concessions Framework – Uruguay – The Punta del Este Concession Agreement*”

Term: The initial term of the Carrasco Concession Agreement was for 20 years commencing in November 2003, which in August 2014 was extended for an additional 10-year period, until 2033. The Punta del Este Concession Agreement was executed in 1993 and was extended in 2019 for an additional 14-year period, until 2033.

Concession fee: Puerta del Sur is required to pay annual concession fees, consisting of (a) basic fees, equal to the higher of (i) a fixed annual amount of U.S.\$4.6 million and (ii) U.S.\$4.19 per total annual passengers (some limits and exceptions apply), plus applicable cargo fees, and (b) additional fees, as long as the number of passengers exceed 1.5 million passengers per year, which is are calculated by multiplying the number of passengers by a fix coefficient, depending on the volume of passengers. The concession fee is to be made in two separate semi-annual installments, due July and December each year.

Tariff adjustment: The Uruguayan concessions operate under an inflation-based model. The tariffs charged to the airlines per aircraft movements and passenger use tariffs are adjusted pursuant to the formula described in the Carrasco Concession Agreement, considering a combination between domestic and US inflation rate.

PdS and CAISA Ownership Structure

We own 100% of Puerta del Sur, the holder of the Carrasco Concession Agreement, and 100% of Consorcio Aeropuertos Internacionales S.A. (“CAISA”) the holder of Punta del Este Concession Agreement.

Ecuador

Our operations in Ecuador consist of the operation and maintenance of the Guayaquil Airport, in the City of Guayaquil, the second largest airport in the country, and the Galapagos Airport, located in Baltra Island, Galapagos Archipelago.

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 in Latin America and the Caribbean 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.”

Main Operating and Financial Metrics

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

	For the Year Ended December 31, ⁽¹⁾								
	2020		2019		2018				
		% of Total		% of Total		% of Total			
Revenue (in millions of U.S.\$)	\$	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 U.S.\$1.3 million, U.S.\$25.3 million and U.S.\$24.7 million, respectively and Adjusted EBITDA excluding Construction Services of U.S.\$1.3 million, U.S.\$25.3 million and U.S.\$24.7 million, respectively.

Ecuadorian Concession Agreements Key Terms

Key terms are described below, for a full description of the concession terms, see “*Regulatory and Concessions Framework – Ecuador – The Guayaquil Concession Agreement*”, and “*Regulatory and Concessions Framework – Uruguay – The Galápagos Concession Agreement*”

Term: The Guayaquil Concession Agreement was executed in 2004 and expires in 2029, after the term was extended for an additional 5-year period in an amendment signed in July 2018. The Galápagos Concession Agreement expires in 2026.

Concession fee: TAGSA is required to pay an annual concession amount equal to 55.25% of the aggregate gross revenue from tariffs and charges, and certain other commercial revenues (e.g., fuel, parking spaces and use of convention center) derived from the operation of the Guayaquil Airport.

Tariff adjustment: The Ecuadorian concessions operate under an inflation-based model. The tariffs charged to the airlines per aircraft movements and passenger use tariffs are adjusted pursuant to the formula described in the Guayaquil Concession Agreement, considering a combination between domestic and US inflation rate.

Capex commitments: as a result of the concession extension, the Guayaquil Concession Agreement includes an obligation to execute new works and investments that will culminate in the year 2024, for a total reference amount of U.S.\$32.2 million, of which U.S.\$23.5 million were already invested as of December 31, 2020.

TAGSA and ECOGAL Ownership Structure

We own 50.0% of TAGSA, which operates and maintains the Guayaquil Airport, and 99.9% of ECOGAL, which operates and maintains the Galapagos Airport.

Armenia

In Armenia we operate the only two airports for scheduled commercial flights in Armenia: the Zvartnots Airport, located in the capital city of the country, and the Shirak Airport.

Main Operating and Financial Metrics

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

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

	For the Year Ended December 31,								
	2020		2019		2018				
		% of Total		% of Total		% of Total		% of Total	
Revenue (in millions of U.S.\$)	\$	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 U.S.\$5.5 million, U.S.\$51.8 million and U.S.\$48.8 million, respectively, and Adjusted EBITDA excluding Construction Services of U.S.\$5.4 million, U.S.\$51.5 million and U.S.\$48.7 million, respectively.

Armenian Concession Agreement Key Terms

Key terms are described below, for a full description of the concession terms, see “*Regulatory and Concessions Framework – Armenia – Armenian Concession Agreement*”.

Term: The Armenian Concession Agreement was executed in 2002 and expires in 2032, with the option at our sole discretion, to indefinitely extend the term for additional periods of five years.

Concession fee: no concession fee is required to pay under the Armenian Concession Agreement.

Master Plan: The Master Plan contains the works to be executed for each five-year period, and must be updated every five years and extended to cover the 30-year term of the concession.

Internal Rate of Return: The concession operates under a single-till model, which sets the economic equilibrium that needs to be achieved by the end of the concession. Under the concession agreement, we have the right to receive an annual Internal Rate of Return of 20%. The internal rate of return and is calculated as the annual net after tax internal rate of return on the actual capital investments valued in US dollars, including equity, equity equivalents, subordinate loans and/or convertible loans and any other capital contribution.

AIA Ownership Structure

We own 100% of AIA which owns the concession to operate and maintain the Zvartnots Airport and the 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.

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 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:

- Rodriguez Ballón International Airport—Arequipa
- Coronel FAP Alfredo Mendivil 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—Aurimac

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.

Main Operating and Financial Metrics

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

	For the Year Ended December 31, ⁽¹⁾					
	2020		2019		2018	
		% of Total		% of Total		% of Total
Revenue (in millions of U.S.\$)	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%

(1) Although for the years ended December 31, 2020, 2019 and 2018, the results of operations of 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 an Adjusted EBITDA and Adjusted EBITDA excluding Construction Services of U.S.\$(6.6) million, U.S.\$(5.1) million and U.S.\$(5.3) million, respectively. Our Peru segment includes Aeropuertos Andinos del Peru S.A. and Sociedad Aeroportuaria KunturWasi S.A.

AAP Ownership Structure

AAP is an associate corporation 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

Main Customers

Main Aeronautical Customers

For the year ended December 31, 2020 our main aeronautical customers were LATAM Airlines Group, Grupo Aerolíneas Argentinas, VRG Linhas Aereas S.A. (operating as Gol Transportes Aereos), American Airlines, Copa, Grupo Avianca, Ryanair Ltd., Iberia and Lufthansa. In the years ended December 31, 2020, 2019 and 2018 aeronautical revenue received from LATAM Airlines Group totaled U.S.\$41.5 million, U.S.\$147.2 million and U.S.\$146.6 million, respectively representing 18.9%, 20.3% and 20.5%, respectively, of our total consolidated aeronautical revenue. For the years ended December 31, 2020, 2019 and 2018, the aeronautical revenue received from Grupo Aerolíneas Argentinas totaled U.S.\$29.5 million, U.S.\$96.0 million and U.S.\$94.3 million, respectively, representing 13.4%, 13.3% and 13.2%, respectively, of our total consolidated aeronautical revenue.

The following table sets forth our main aeronautical customers for the years ended December 31, 2020, 2019 and 2018, based on the total amount of aeronautical revenue.

Main Aeronautical Customers	For the Year Ended December 31,					
	2020		2019		2018	
	(in millions of U.S.\$)	% of Total Aeronautical Revenue	(in millions of U.S.\$)	% of Total Aeronautical Revenue	(in millions of U.S.\$)	% of Total Aeronautical Revenue
LATAM Airlines Group	41.5	18.9%	147.2	20.3%	146.6	20.5%
Grupo Aerolíneas Argentinas	29.5	13.4%	96.0	13.3%	94.3	13.2%
Gol Transportes Aéreos	15.4	7.0%	54.9	7.6%	47.2	6.6%
American Airlines	12.4	5.6%	37.0	5.1%	30.8	4.3%
Copa	8.9	4.0%	30.5	4.2%	27.6	3.9%
Grupo Avianca	8.4	3.8%	32.4	4.5%	39.7	5.5%
Ryanair Ltd	8.1	3.7%	19.2	2.6%	22.0	3.1%
Iberia	7.3	3.3%	25.4	3.5%	20.0	2.8%
Lufthansa	6.3	2.9%	21.1	2.9%	20.1	2.8%
Others	82.2	37.4%	260.3	36.0%	267.9	37.3%
Total	220.0	100.0%	724.0	100.0%	716.2	100.0%

Main Commercial Customers

For the year ended December 31, 2020, our main commercial customers were Dufry and Grupo Aerolíneas Argentinas. In the year ended December 31, 2020, amounts invoiced by us to Dufry totaled U.S.\$17.7 million and amounts invoiced by us to Grupo Aerolíneas Argentinas totaled U.S.\$9.5 million, representing 6.8% and 3.7%, respectively, of our total consolidated commercial revenue.

For the year ended December 31, 2019, our main commercial customers were Dufry and Aeroflot Russian Airlines. In the year ended December 31, 2019, amounts invoiced by us to Dufry totaled U.S.\$52.7 million and amounts invoiced by us to Aeroflot Russian Airlines totaled U.S.\$12.1 million, representing 10.9% and 2.5%, respectively, of our total consolidated commercial revenues.

For the year ended December 31, 2018, our main commercial customers were Dufry and Aeroflot Russian Airlines. In the year ended December 31, 2018, amounts invoiced by us to Dufry totaled U.S.\$58.6 million and amounts invoiced by us to Aeroflot Russian Airlines totaled U.S.\$9.7 million, representing 11.6% and 1.9%, respectively, of our total consolidated commercial revenues.

In 2011, we sold our duty-free operations in Argentina, Uruguay, Ecuador and Armenia to Dufry Group. Dufry Group, therefore, became the exclusive duty-free operator at these airports. In Brazil and Italy, countries in which we acquired the concessions agreements after 2011, we have separate duty-free concession agreements with Dufry Group. Dufry Group does not operate at our AAP Airports in Peru.

Our duty-free concession agreements are primarily long-term contracts and include a variable payment, as well as a required minimum fee. Variable payments are calculated as a percent of revenues. New contracts may include an upfront payment once executed. We also charge a separate fee for use of retail and warehouse space. The terms of each agreement with Dufry vary, depending on the jurisdiction and size of the airport where it operates.

The following table sets forth our main commercial services providers for the years ended December 31, 2020, 2019 and 2018, based on the percentage of total amounts invoiced by us (net from value added tax) to all commercial services providers during the periods indicated:

	For the Year Ended December 31,					
	2020		2019		2018	
Main Commercial Customers	(in millions of U.S.\$)	% of Total Aeronautical Revenue ⁽¹⁾	(in millions of U.S.\$)	% of Total Aeronautical Revenue ⁽¹⁾	(in millions of U.S.\$)	% of Total Aeronautical Revenue ⁽¹⁾
Dufry	17.7	6.8%	52.7	10.9%	58.6	11.6%
Grupo Aerolineas Argentinas	9.5	3.7%	7.4	1.6%	8.8	1.7%
Losi Javier Ederly	3.4	1.3%	2.5	0.5%	-	0.0%
Aeroflot Group	3.2	1.2%	13.6	2.8%	11.2	2.2%
Minoyetti Federico	3.2	1.2%	3.0	0.6%	-	0.0%
Sita Information Networking	3.1	1.2%	5.7	1.2%	5.2	1.0%
Maxwell Ariel	2.9	1.1%	2.4	0.5%	-	0.0%
Intercargo S.A.C.	2.8	1.1%	4.5	0.9%	4.6	0.9%
Federal Express Corporation	2.7	1.0%	2.4	0.5%	1.2	0.2%
Others	211.2	81.4%	387.7	80.5%	417.4	82.4%
Total	259.7	100.0%	481.9	100.0%	507.0	100.0%

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.

	Concession agreement	Governmental authority	Term and extension provisions
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 original term. A two-year extension was granted by the Government in July 2020 (ending December 7, 2048).
	Florence Concession Agreement	ENAC	40-year original term. 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.

Argentina

Our Airports in Argentina

	Name	Location	International or national status	Category⁽¹⁾
1.	Aeropuerto de San Carlos de Bariloche “Teniente Luis Candelaria”	San Carlos de Bariloche	International	I
2.	Aeropuerto de Catamarca, “Coronel Felipe Varela”	Catamarca	National	I
3.	Aeroparque “Jorge Newbery”	Ciudad A. Buenos Aires	International	I
4.	Aeropuerto de Comodoro Rivadavia, “Gral. Enrique Mosconi”	Comodoro Rivadavia	International	I
5.	Aeropuerto Internacional de Córdoba, “Ing. A. Taravella”	Córdoba	International	I
6.	Aeropuerto de Esquel “Brigadier General Antonio Parodi”	Esquel	National	I
7.	Aeropuerto Internacional de Ezeiza, “Ministro Pistarini”	Ezeiza	International	I
8.	Aeropuerto Internacional de Formosa, “El Pucu”	Formosa	International	I
9.	Aeropuerto de General Pico	General Pico	National	II
10.	Aeropuerto de Cataratas del Iguazú, “Mayor D. Carlos Eduardo Krauze”	Puerto Iguazú	International	I
11.	Aeropuerto de Jujuy, “Gobernador Horacio Guzmán”	Jujuy	International	I
12.	Aeropuerto de La Rioja, “Capitán Vicente Almandos Almonacid”	La Rioja	National	I
13.	Aeropuerto de Malargüe, “Comodoro D Ricardo Salomon”	Malargüe	National	II
14.	Aeropuerto Internacional de Mar del Plata, “Astor Piazzolla”	Mar del Plata	International	I
15.	Aeropuerto de Mendoza, “El Plumerillo”	Mendoza	International	I
16.	Aeropuerto de Paraná, “General Justo José de Urquiza”	Parana	National	I
17.	Aeropuerto de Posadas, “Libertador General José de San Martín”	Posadas	International	I
18.	Aeropuerto de Puerto Madryn, “El Tehuelche”	Puerto Madryn	National	II
19.	Aeropuerto de Reconquista “Teniente Daniel Jukic”	Reconquista	National	II
20.	Aeropuerto de Resistencia, “José de San Martín”	Resistencia	International	I
21.	Aeropuerto de Río Cuarto, “Área de Material”	Río Cuarto	National	II
22.	Aeropuerto de Río Gallegos, “Piloto Civil Norberto Fernández”	Río Gallegos	International	I
23.	Aeropuerto de Río Grande “Gobernador Ramon Trejo Noel”	Río Grande	International	I
24.	Aeropuerto Internacional de Salta, “Martín Miguel de Güemes”	Salta	International	I
25.	Aeropuerto de San Fernando	San Fernando	International	II
26.	Aeropuerto de San Luis, “Brigadier Mayor César R Ojeda”	San Luis	National	I
27.	Aeropuerto de San Rafael, “S.A. Santiago Germano”	San Rafael	National	II
28.	Aeropuerto de San Juan, “Domingo Faustino Sarmiento”	San Juan	National	I
29.	Aeropuerto de Santa Rosa	Santa Rosa	National	I
30.	Aeropuerto de Santiago del Estero, “Vcom. Angel de la Paz Aragonés”	Santiago del Estero	National	I
31.	Aeropuerto de Tucumán, “General Benjamin Matienzo”	San Miguel de Tucuman	International	I
32.	Aeropuerto de Viedma, “Gobernador Castello”	Viedma	National	I
33.	Aeropuerto de Villa Reynolds	Villa Reynolds	National	I
34.	Aeropuerto El Palomar	Buenos Aires	International	I
35.	Aeropuerto de Neuquén, “Presidente Peron”	Neuquén	International	I
36.	Aeropuerto de Bahía Blanca, “Comandante Espora”	Bahía Blanca	National	I
37.	Aeropuerto Termas de Río Hondo	Santiago del Estero	National	I

(1) The category determines the maximum fees we may charge. See “—Passenger Use Fees,” “—Landing Fees” and “Parking Fees.”

Sources of Regulation

We are subject to numerous regulations that govern the AA2000 Concession Agreement, the concession agreements for the Neuquén and the Bahía Blanca Airports, as well as our business and the operation of the airports, issued by the Argentine Congress, the Executive Branch, the Ministry of Transportation, the ORSNA and the Administration of National Civil Aviation (*Administración Nacional de Aviación Civil* or the Argentine ANAC).

Title III of Law No. 17,285, dated May 17, 1967 (the “Argentine Aeronautical Code”), as amended, and Regulation No. 1/2017 of the Airport Infrastructure and Services General Bureau (*Dirección General de Infraestructura y Servicios Aeroportuarios*), set forth the basic framework for the regulation of airports in Argentina. The Argentine Aeronautical Code also provided for the creation of both international and national airports and established concepts such as public and private airports. Decree No. 375/97 created the Argentine National Airport System and established the general framework for regulating the use, operation and management of the Argentine airport facilities that are part of the Argentine National Airport System. Under Decree No. 375/97, the Argentine Government may grant concessions to operate and manage some or all of the airports in the Argentine National Airport System subsequent to a public bidding process that is open to both national and international entities. Decree No. 375/97 provides that the Argentine National Airport System is regulated by the ORSNA, with respect to matters generally involving management and maintenance, and by the Argentine ANAC with respect to matters generally involving airport safety and air travel.

Argentina has a federal government system with 23 provinces and the City of Buenos Aires with local laws. Under the Argentine Constitution, all powers which are not granted to the Argentine Government remain with the provinces and the City of Buenos Aires. Laws related to civil, commercial, criminal, mining, interjurisdictional transportation, labor and social security matters are exclusively regulated by the National Congress. Pursuant to Article 75, Subsection 30) of the Argentine Constitution, national airports are considered “premises of national interest” (*establecimientos de utilidad nacional*), therefore, federal legislation is applicable, with the sole exception for tax and police powers of each of the Argentine Provinces, insofar as they do not interfere with the federal interest.

Governmental Authorities

Role of the ORSNA

The ORSNA is the principal regulator of our airports under Argentine law, and is an agency under the authority of the Ministry of Transportation. The ORSNA is directed by a four-member board. The ORSNA is responsible for establishing the rules and procedures that govern our management and maintenance of the airports we operate and for enforcing our compliance with Argentine laws and the terms of the concession agreements in Argentina, including our fulfillment of our investment plan and master plans. The ORSNA and the Argentine ANAC are jointly responsible for establishing the criteria for our development of airport safety manuals, airport operations manuals, emergency plans and maintenance programs.

All disputes arising in connection with the operation or management of our airports must be submitted to the ORSNA prior to submit them before federal courts. If we challenge any of ORSNA's decisions, we may seek final judgment on the matter from the Ministry of Transportation and subsequently from the Argentine federal court system.

Role of the Argentine ANAC

Under the authority of the Ministry of Transportation, the Argentine ANAC is responsible for providing services relating to aeronautical activities, including air traffic control and flight protection services. Since July 2009, the Argentine ANAC has been exclusively in charge of civil aeronautical functions, which were previously provided by the Argentine Air Force, the ORSNA and the Sub-Secretariat of Aerocommercial Transportation.

The Argentine ANAC has the power to audit and control civil aviation activities, including public and private airports and airdromes, air traffic and communications and air navigation and aeronautical services. In addition, it may develop regulatory projects in connection with such activities.

Under the terms of the AA2000 Concession Agreement, the Argentine ANAC is responsible for providing in our airports, among other functions, operating functions (including air traffic control and communications), supervisory functions (including supervision of airport infrastructure, aviation personnel and flight equipment) and safety functions (including direction and supervision of search and rescue operations) at our airports. The Argentine ANAC charges the airlines and is responsible for the collection of general security, flight route security and aircraft landing support charges.

Additional Argentine Agencies

The Ministry of Interior operates the Argentine Migrations Bureau and, under the Ministry of the Treasury, operates the Argentine General Customs Bureau (*Dirección General de Aduanas*) which performs all immigration and customs functions for all airports in Argentina. The Argentine Migrations Bureau imposes and collects certain charges relating to immigration. In addition, security functions are provided by the Airport Security Police (*Policía de Seguridad Aeroportuaria*), which is under the authority of the Ministry of Security.

The AA2000 Concession Agreement

Pursuant to Administrative Decision No. 60/98, AA2000 was awarded the concession for the operation of 33 of the airports of the Argentine National Airport System set forth and covered by the AA2000 Concession Agreement. The AA2000 Concession Agreement was approved by Decree No. 163/98, dated February 13, 1998.

Because of the period of severe political, economic and social crisis that Argentina experienced during 2001 and 2002, the Congress enacted Law No. 25,561, which was subsequently amended and expanded, which declared a public emergency in social, economic, administrative, financial and exchange matters and provided for, among other things, the renegotiation of public services and works contracts, such as the AA2000 Concession Agreement. Decree No. 311/03 established that the renegotiation of public services and works contracts would be carried out by the Public Service Contract Analysis and Renegotiation Unit (*Unidad de Renegociación y Análisis de Contratos de Servicios Públicos*) and that the renegotiation process would be presided over by the former Ministry of Economy and Production and the Ministry of Planning.

Within the renegotiation framework established by Decree No. 311/03, on July 20, 2005, we executed a memorandum of understanding with the Argentine Government which set forth the guidelines for the renegotiation of the AA2000 Concession Agreement. The renegotiation of the AA2000 Concession Agreement resulted in a preliminary memorandum of agreement, dated June 16, 2006, which was subsequently replaced by a second memorandum of agreement, dated August 23, 2006. The memorandum of agreement, dated August 23, 2006, was then submitted for public hearing by the former Ministry of Economy and Production and the Ministry of Planning. As a result of the comments received at the public hearing, the Public Service Contract Analysis and Renegotiation Unit modified certain provisions of the memorandum of agreement, dated August 23, 2006, and renegotiated the memorandum of agreement with us. The renegotiations resulted in a revised memorandum of agreement, dated December 1, 2006.

The memorandum of agreement, dated December 1, 2006, was approved by the Congress on February 13, 2007, with certain recommendations. The final memorandum of agreement, which was previously approved by the Argentine Congress, was executed by the Argentine Government and us on April 3, 2007, and was confirmed by the Executive Branch by Decree No. 1799, dated December 4, 2007, which approved the renegotiated agreement (“Final Memorandum of Agreement”).

On December 27, 2017, AA2000 was awarded the concession for the operation of the El Palomar Airport, which was brought under the AA2000 Concession Agreement pursuant to Decree No. 1107/2017 and Resolution No. 894/2018 of the Ministry of Transportation. As of the date of this annual report, we operate 34 airports under the AA2000 Concession Agreement. See “Summary—Our History.”

Unless otherwise stated, the term “AA2000 Concession Agreement” refers to the AA2000 Concession Agreement modified by the Final Memorandum of Agreement.

In addition to the regulatory structure set forth under Argentine law and regulations governing the AA2000 Concession Agreement, the majority of our rights and obligations with respect to the concession are regulated by the specific terms of the AA2000 Concession Agreement as set forth below.

Our General Obligations

In general, under the terms of the AA2000 Concession Agreement, we are responsible for the following functions in connection with the airports, among others:

- ensuring equality, freedom of access and nondiscrimination with respect to the use of airport services and facilities on the terms established under the relevant bidding documentation;
- ensuring that the operations of the airports under the AA2000 Concession Agreement comply with community interests, environmental protection, anti-drug trafficking laws and national defense;
- implementing the master plans approved by the ORSNA;
- operating airport services and facilities in a reliable manner, in accordance with applicable national and international standards;
- investing in airport infrastructure in accordance with the applicable investment plan;
- the maintenance of airports under the AA2000 Concession Agreement, except for those facilities used by the Argentine Government in the areas assigned to and/or reserved for it;
- the installation, operation and maintenance of the airport facilities and/or equipment in such manner as to prevent them from constituting a public safety hazard;
- compliance with the relevant environmental protection standards and assessment of the environmental impact that may result from proposed works;
- providing the ORSNA with all documents and information necessary or requested for verifying compliance with the AA2000 Concession Agreement and any applicable laws and regulations;
- providing, in the areas under our control, firefighting services for the airports under the AA2000 Concession Agreement;
- ensuring the ability of the Argentine Government to exercise its relative powers necessary for the operation of the airports under the AA2000 Concession Agreement; and
- controlling and coordinating operations and activities on each apron, under the supervision of the Argentine ANAC.

Term

The concession was for an initial period of 30 years through February 13, 2028. However, in December 2020, the Argentine Government extended the term of the AA2000 Concession Agreement until February 2038 through Decree No. 1009/2020 (see “—Risks Related to Argentina and the AA2000 Concession Agreement— The Argentine Government extended the term of the AA2000 Concession Agreement until 2038 to the extent we comply with certain commitments”). The ORSNA may require us to continue complying with the terms of the AA2000 Concession Agreement for a term of no more than 12 months following the termination of the AA2000 Concession Agreement. In such a case, the ORSNA shall have to expressly notify us of its decision no less than six months prior to the termination of the AA2000 Concession Agreement.

Technical Conditions of the Extension

In December 2020, the Argentine Government extended the term of the AA2000 Concession Agreement until February 13, 2038. Pursuant to the Technical Conditions of the Extension, AA2000 is obliged to comply with the following commitments: (i) assign funds equal to U.S.\$132 million as direct investment to complete works pending for the year 2020 and 2021 ongoing works of which, as of December 31, 2020, approximately U.S.\$53 million were already assigned, (ii) do its best efforts to secure, before December 31, 2021, funding, at the highest leverage available, approximately to enable AA2000 to have an early inflow of up to (a) U.S.\$85 million in the “Trust Fund for Works of Group A of Airports of the National Airport System;” and (b) U.S.\$124 million in the “Additional Fund for Substantial Investments in Group A of Airports,” (iii) secure availability of funds, before March 31, 2022, or, provided that there are justified reasons and subject to ORSNA’s approval, before December 2022, for an aggregate amount of U.S.\$406.5 million (VAT included), which must be applied to: (a) works considered as direct investment, to be carried out, preferably, during the years 2022 and 2023; and (b) the redemption of preferred shares of the Argentine Government to be performed by AA2000 before March 31, 2022, and (iv) make direct investments for U.S.\$200 million (VAT included) between the years 2024 and 2027, at an annual average of U.S.\$50 million (VAT included), provided that this volume of investment shall be complementary to any direct investment balance carried forward from the 2021/2023 period. We have filed the Technical Conditions of the Extension as exhibit to this annual report on Form 20-F. Although this document is available to the public in Argentina, we are filing it in English as an exhibit to this annual report for ease of reference to our investors.

According to the Technical Conditions of the Extension, the financial obligations and the availability of funds commitment established for March 2022 may be extended by the ORSNA to December 2022, provided that there are justified reasons or force majeure events, like the reinstatement of boundary closures due to the COVID-19 pandemic which are detrimental to the air traffic. The amount of capital expenditures for the period comprised between 2028 and 2038 will be established by the ORSNA according to the operating needs of the aeronautical system and the equilibrium of the AA2000 Concession Agreement.

Failure to comply with these commitments could result in the application of fines or the termination or revocation of the AA2000 Concession Agreement. In addition, we cannot assure you that we will be able to comply fully with AA2000’s obligations under the Technical Conditions of the Extension in case we are not able to obtain the financing we need to achieve these commitments. See “—Risks Related to Argentina and the AA2000 Concession Agreement— The Argentine Government extended the term of the AA2000 Concession Agreement until 2038 subject to our compliance with certain commitments” and “—Risks Related to Argentina and the AA2000 Concession Agreement—Lack of financing alternatives may adversely impact AA2000’s ability to comply with the commitments provided by the Technical Conditions of the Extension.”

Property

Pursuant to the AA2000 Concession Agreement, the Argentine Government transferred to us all of its personal property and the right to use real property in connection with the airports under the AA2000 Concession Agreement for the term of the concession. Under the terms of the AA2000 Concession Agreement, we are required to use the real property to satisfy all airport service needs and we are required to provide for the ongoing maintenance of the property. However, we have the right to grant subconcessions or otherwise allow third parties to use the real property, subject to the prior notification to the ORSNA. In the event of the destruction of all or part of the real property, we are responsible for the payment of all expenses related to the repair or replacement of the property except for damages that occur in connection with acts of God or a force majeure event or if the damaged property is not necessary for complying with our obligations under the AA2000 Concession Agreement. If any event occurs during the term of the AA2000 Concession Agreement that makes the continued use of any property impossible, we are required to return such property to the Argentine Government and will have no recourse against the Argentine Government for the damages we suffer. We are also required under the terms of the AA2000 Concession Agreement to grant to the Argentine Air Force free of charge the space necessary at each airport under the AA2000 Concession Agreement to conduct its assigned duties under the AA2000 Concession Agreement and Argentine law. The Argentine ANAC is responsible for all costs and maintenance in connection with the space provided to it. At the end of the AA2000 Concession Agreement, we are required to transfer all personal and real property, together with any improvements thereto, back to the Argentine Government.

Under the AA2000 Concession Agreement, we may suggest the substitution of one or more airports by building new airports during the term of the AA2000 Concession Agreement, when such substitution is beneficial for customers in terms of price and service quality, subject to the ORSNA's prior authorization. In such cases, the airports being substituted shall be returned to the Argentine Government simultaneously with the new airport's commencement of operations. In addition, the ORSNA may add or remove airports from the AA2000 Concession Agreement with our prior consent. Airports may also be removed from AA2000 Concession Agreement when they are no longer in use.

Exclusivity

Under the AA2000 Concession Agreement, the Argentine Government cannot, under any circumstances, affect our exclusive rights or affect the economic equilibrium of the AA2000 Concession Agreement.

Liabilities

Under the AA2000 Concession Agreement, we are liable for all damages caused to the Argentine Government and/or third parties as a consequence of our performance of the AA2000 Concession Agreement and our failure to perform our obligations thereunder.

Penalties

Under the terms of the AA2000 Concession Agreement, the ORSNA is required to approve a regulation regarding penalties applicable to us. On December 13, 2004, the ORSNA issued Resolution No. 88/2004, approving the Rules on Penalties for Infringements of the Concessionaire of the airports under the AA2000 Concession Agreement (*Régimen de Sanciones de Aplicación al Concesionario del Grupo "A" de Aeropuertos del Sistema Nacional de Aeropuertos*). In the event that we breach any of our obligations under the AA2000 Concession Agreement, the ORSNA has the right to impose monetary fines as it deems appropriate. In addition, in accordance with the provisions of the AA2000 Concession Agreement and the Final Memorandum of Agreement, delays in implementing the investment plan according to the schedule would result in the ORSNA's imposition of a penalty equal to 10% of the value of the work that is delayed, which could be collected directly by the ORSNA against the performance guarantee, as discussed further below. Any monetary fines imposed by the ORSNA would only become due and payable after a final administrative decision.

Service Standards

Under the AA2000 Concession Agreement, we have agreed to adopt certain standards for our airports regarding design, construction, operation, administration, maintenance, renewal, improvement, development, equipment and systems as reasonably established by the ORSNA in accordance with guidelines developed by IATA and ICAO using similar airports as a reference based on their type, size and passenger traffic. In connection with monitoring our compliance with these standards, the ORSNA shall have the right to inspect all the airports managed by us. The ORSNA is not required to notify us in advance of its inspection. Such inspections are to be carried out at least annually for each airport with passenger traffic greater than 750,000 per year.

Performance Guarantee and Guarantee for the Performance of the Works Foreseen in the AA2000 Concession Agreement

Under the terms of the AA2000 Concession Agreement, we are required to maintain a performance guarantee in the amount of at least AR\$30 million as security for the timely fulfillment of all of our obligations under the AA2000 Concession Agreement. The amount of the guarantee is to be kept constant during the term of the AA2000 Concession Agreement. In the event that the ORSNA collects part or all of the guarantee, we are required to restore the full amount of the guarantee within 30 days from the date of collection and to pay the Argentine Government interest in an amount equal to LIBOR plus 2.0% from the fifth day following such collection until the date that the guarantee is restored. We may, with the approval of the ORSNA, pledge securities, assets, mortgages and surety bonds to satisfy our guarantee requirement. In this regard, we obtained a surety bond which currently amounts to AR\$1,123.9 million and will be renewed on an annual basis.

In addition, we are required to annually establish, prior to March 31 of each year, a guarantee in the amount of 50% of the annual investment plan required under the AA2000 Concession Agreement in order to guarantee our compliance with the investment plan for such year. We may, with the approval of the ORSNA, pledge securities, assets, mortgages and surety bonds to satisfy our guarantee requirement. We obtained a surety bond in the amount of AR\$1.5 billion to comply with our obligation for 2020.

Technical Expert Requirement

Under the AA2000 Concession Agreement, we are required to have as a shareholder, at all times, a technical expert who has expertise in operating and managing airports. Under the AA2000 Concession Agreement, any shareholder who has held at least 10.0% of our share capital for a minimum of five years is considered a technical expert. Any substitution of a shareholder that qualifies as a technical expert must be previously approved by the ORSNA. Since CASA and CAS have owned at least 45.9% and 29.8% of AA2000's common shares, respectively, for over five years, they are deemed technical experts.

Maintenance of Insurance

The Concession Agreement requires us to maintain a civil insurance policy covering personal and property damages, loss or injury in an amount equal to at least AR\$300.0 million throughout the term of the Argentine Concession. We are also required to maintain worker's compensation insurance in accordance with Argentine law. We have taken out a civil liability insurance policy in our name as well as in the ORSNA's and the Argentine Government's names in the amount of U.S.\$500.0 million covering liabilities that may arise under civil law in connection with the management of our airports and the development of works in our airports.

Collateral Assignment of Revenue

We may collaterally assign revenue derived from the concession, in order to obtain the necessary resources for the fulfillment of our obligations. Such assignment cannot affect the Specific Allocation of Revenue, as defined in the AA2000 Concession Agreement and described in "—Specific Allocation of Revenue," or the resources foreseen for the financing of the investment plan detailed in the Final Memorandum of Agreement. In addition, collateral assignment of revenue that is made into a trust may remain in effect even upon an early termination of the AA2000 Concession Agreement, as long as the application of the funds thereunder is audited by the Argentine Government and/or by a consulting firm hired for such purpose that is satisfactory to the Argentine Government. Such collateral assignment must be previously authorized by a resolution of the ORSNA, which is responsible for the auditing of the application of the funds. On January 17, 2017 and April 24, 2020, the ORSNA issued Resolutions No. 1/2017 and No. 21/2020, pursuant to which it authorized the collateral assignment of proceeds from the Argentine Notes up to an amount equal to U.S.\$400 million as long as, after such assignment, AA2000 would have sufficient funds to cover basic operating costs. On August 8, 2019 and September 18, 2020, the ORSNA issued Resolutions No. 61/2019 and 57/2020, pursuant to which it authorized the collateral assignment of (i) certain collection rights of AA2000 vis-a-vis Terminal de Cargas Argentinas S.A. (business unit of AA2000), excluding 15% of the revenues under the AA2000 Concession Agreement, and (ii) the collection rights of AA2000 as a trustee in accordance with the trust agreement under the Argentine Notes.

Additionally, according to the AA2000 Concession Agreement, a collateral assignment cannot, under any circumstances, decrease the quality of our services or affect the fulfillment of our contractual obligations. Moreover, the collateral assignment must recognize the powers and privileges of the Argentine Government set forth in the AA2000 Concession Agreement and must guarantee that no rights or actions that jeopardize the continuity of the aeronautical public services are exercised. According to the AA2000 Concession Agreement, while a collateral assignment remains in place, we shall have no right to indemnification for the investments secured by the relevant collateral assignment. Once the collateral assignment is terminated, we shall be paid the relevant indemnification amount corresponding to such investments net of the amounts transferred to and applied by the trust.

Assignment of Concession Agreement

The AA2000 Concession Agreement may not be assigned to any third party without the prior consent of the ORSNA and the Argentine Government. We are authorized to grant concessions relating to commercial operation of the airports under the AA2000 Concession Agreement to third parties during the term of the AA2000 Concession Agreement, including the execution of subcontracts with, and the granting of permits to, third parties in order to exploit AA2000's rights emerging from the provision of the commercial services under the AA2000 Concession Agreement. We are required to inform the ORSNA of our intentions prior to the execution of subcontracts or the granting of the permits. The ORSNA may object to any assignment if it considers it to be insufficient or against the best interests of the management, operation or functioning of the airports.

Previous Subconcessions

Pursuant to the bidding documentation for our concessions in Argentina, we were required to maintain in effect certain subconcessions granted by the Argentine Government for the provision of commercial activities within our airports that were in effect at the time we commenced our activities at the airports until the expiration of such agreements' terms. After the expiration of their terms, such subconcessions will belong to us. We may decide to continue such activities ourselves, continue with the existing providers or enter into new agreements with third parties to provide such services. We describe below the most important agreements that are currently in effect.

- *Agreement with Intercargo:* On November 20, 1990, the Argentine Government granted a concession to Intercargo for a period of 20 years for Intercargo to provide assistance with the connection of aircraft to terminals through passenger walkways, for arriving and departing passengers, in 16 of our airports. Intercargo also provides additional services such as ramp services, loading and unloading of luggage, mail and cargo, among other services.

Intercargo had executed an agreement with the Argentine Government providing for the payment of monthly fees of U.S.\$156,000 for ramp services and U.S.\$8,000 for the use of space within our airports. Such agreements were assigned to us when we took over the operations of the airports. As a result of certain negotiations following the Argentina peso devaluation, Intercargo currently pays to us an additional monthly fee of U.S.\$156,740 and, every six (6) months, pays us the difference between such amounts and the amount resulting from the calculation using the current market exchange rate.

In January 2019, the Argentine Government issued Decree No. 49/2019 entitling the ANAC to grant licenses to third parties to provide ramp services and to approve the fees of such services, according to the technical conditions for the extension, Intercargo maintains the concession of ground handling services, and shall thus pay AA2000 the agreed fees and prices. If the Argentine Government decides to terminate, cancel or conclude the concession contract for the service rendered by Intercargo, the concession for such services shall be transferred to AA2000, who shall render the services on its own or through a third party or parties hired for that purpose.

In addition, in accordance with the provisions of the technical conditions for the extension, we waived all the claims we filed against the Argentine ANAC and the ORSNA in connection with the Resolution No. 421/2011, under which the Argentine ANAC approved a new fee structure for the services rendered by Intercargo.

- *Agreement with Interbaires*: On April 24, 1990, the Argentine Government granted a 20-year concession to Interbaires, which may be automatically extended for an additional 10-year term. Interbaires operates the duty free shops at Ezeiza, Aeroparque and the airports of Córdoba, Bariloche, Mendoza, Mar del Plata and Iguazú. AA2000 agreed to extend the concession on May 4, 2010. The additional term under which Interbaires will continue providing services to us consists of an additional 17 years, two months and 29 days, and expires on February 8, 2028. Interbaires pays us a monthly royalty fee equal to 15% of its total gross revenue, net of VAT.
- *Agreement with Gate Gourmet (previously Buenos Aires Catering)*: On June 8, 1989, the Argentine Government granted a concession to Buenos Aires Catering for an indefinite period of time. Such concession was terminated in 2000, when we granted them a commercial use permit. In 2005, we entered into an agreement with Gate Gourmet, which substituted the previous agreement and granted such company an exploitation and commercial use permit for the provision of catering services in aircraft, laundry services, catering for third parties delivered outside the airports and training courses, among other services. Such agreement shall expire on February 29, 2028. Pursuant to such agreement, Gate Gourmet is required to pay us a monthly fee of 10% of the gross amounts invoiced by such company for the provision of catering services, 5% of the gross amounts invoiced for laundry services, 1.5% of the gross amounts invoiced for the renting of space for training courses and 1.5% of the gross amounts invoiced for catering to third parties delivered outside the airports.

Share Transfer Restrictions

AA2000's shares may not be pledged or encumbered without prior authorization from the ORSNA. The pledging or refraining from pledging shares or other assets may not be regarded as a condition precedent for fulfillment of investment commitments, and may not serve as justification for failing to fulfill the commitments assumed under the AA2000 Concession Agreement in a proper and timely manner.

The shareholders of AA2000 can only change their stake ownership or sell their shares upon prior authorization from the ORSNA. AA2000 cannot merge or spin off during the term of the AA2000 Concession Agreement.

Applicable Law and Jurisdiction

The AA2000 Concession Agreement is governed and interpreted in accordance with the laws of Argentina. The parties to the AA2000 Concession Agreement agree to accept the jurisdiction of the competent federal courts of the City of Buenos Aires.

Miscellaneous Provisions

Under the terms of the AA2000 Concession Agreement, we and the Argentine Government have additional rights and obligations, including the following:

We are permitted to use and manage airports other than the airports under the AA2000 Concession Agreement with the prior authorization of the Argentine Government;

In order to encourage the performance of new works in the airports, we may stipulate in agreements with third parties aimed at rendering services which require the performance of new works, upon the prior authorization of the ORSNA that these agreements shall continue in effect in the event of an early termination of the AA2000 Concession Agreement. In such a case, the Argentine Government or its assignee shall be subrogated in our rights and obligations under such agreements; and

The Argentine Government, through the Ministry of Transportation, is required to establish a procedure for governing slot allocation at each apron.

Specific Allocation of Revenue

Under the terms of the Final Memorandum of Agreement, we are required to, on a monthly basis, allocate an amount equal to 15% (in Argentine pesos) of the total revenue derived from the AA2000 Concession Agreement (“Specific Allocation of Revenue”), pursuant to the following percentages:

- 11.25% of total revenue to a trust for the development of the Argentine National Airport System to fund capital expenditures for the Argentine National Airport System. ORSNA will determine which construction projects within the Argentine National Airport System shall be implemented with such funds, whether at airports operated by us or not.
- 1.25% of total revenue to a fund to study, control and regulate the AA2000 Concession Agreement, which shall be administered and managed by the ORSNA.
- 2.5% of total revenue to a trust for investment commitments for the airports under the AA2000 Concession Agreement.

The Specific Allocation of Revenue is set forth in a trust agreement for the development of the Argentine National Airport System executed on December 29, 2009, between us and Banco Nación, as trustee (“Development Trust”). See “—Development Trust” below.

However, for the purpose of calculating the Specific Allocation of Revenue, we do not take into account our revenue derived from reimbursement of expenses by our subconcessionaire’s, revenue derived from Construction services under IFRIC 12, and the revenue resulting from our contributions to the Development Trust aimed at investments in our airports equivalent to 2.5% of the total revenue derived from the AA2000 Concession Agreement.

Investment Plan

Investment Commitments

Under the terms of the AA2000 Concession Agreement and the Technical Conditions of the Extension, we are required to make capital expenditures in accordance with our investment plan, which sets forth the amount of our required investment commitments for the period from 2006 through the end of the AA2000 Concession Agreement in 2038.

Prior to the approval of the Technical Conditions of the Extension, our total required investment commitments from January 2006 until 2028 were AR\$2.2 billion (at values corresponding to December 2005). As of December 31, 2019, we have invested AR\$2.9 billion (at values corresponding to December 2005) under our investment plan. Our capital expenditures for the years ended December 31, 2019 and 2018 are currently under review by the ORSNA. See “—Risks Related to Argentina and the AA2000 Concession Agreement— If the ORSNA does not approve the capital expenditures already made under the AA2000 Concession Agreement, we would be required to make additional capital expenditures, which may affect our cash flows and financial condition”. Our investments have thus far been financed by cash generated by our operations, funds from the Development Trust and the net proceeds from our issuance of indebtedness.

Pursuant to the Technical Conditions of the Extension, AA2000 is obliged to comply with the following investment commitments (among other obligations assumed by AA2000, see “—Technical Conditions of the Extension”):

(i) to assign a volume of funds amounting to U.S.\$132 million as direct investment to complete 2020 and 2021 ongoing works, of which around U.S.\$55 million were already paid by December 31, 2020;

(ii) to have, before March 31, 2022, or, provided that there are justified reasons and subject to ORSNA’s approval, before December 2022, availability of funds for an aggregate amount of U.S.\$406.5 million (including VAT), which shall be applied to: (a) works considered as direct investment, to be carried out preferably during 2022/2023 and (b) the redemption of preferred shares of the Argentine Government to be performed by AA2000 before March 31, 2022; and

(iii) to make direct investments for U.S.\$200 million (including VAT) between the years 2024 and 2027, at an average of U.S.\$50 million (including VAT) a year (this volume of investment shall be complementary to any direct investment balance carried forward from the 2021/2023 period).

According to the Technical Conditions of the Extension, the financial obligations and the availability of funds commitment established for March 2022 may be extended by the ORSNA to December 2022, provided that there are justified reasons or force majeure events, like the reinstatement of boundary closures due to the COVID-19 pandemic which are detrimental to the air traffic. The amount of capital expenditures for the period comprised between 2028 and 2038 will be established by the ORSNA according to the operating needs of the aeronautical system and the equilibrium of the Concession. See “—Risks Related to Argentina and the AA2000 Concession Agreement -- Lack of financing alternatives may adversely impact AA2000’s ability to comply with the commitments provided by the Technical Conditions of the Extension.”

In addition, the Technical Conditions of the Extension includes as an exhibit the indicative Financial Projection of Income and Expenses up to the year 2038 (calculated in December 2019 values). The Financial Projection of Income and Expenses includes the detail of the estimated dates in which the commitments and capital expenditures detailed above would be performed.

Compliance with the investment plan

Compliance with the investment plan was evaluated after the first five-year period following the effective date of the Final Memorandum of Agreement. The first five-year period ran from December 13, 2007 until December 31, 2012, while the second five-year period overlapped with the first five-year period and ran from January 1, 2011 to December 31, 2015. For the period from January 1, 2016 through the end of the AA2000 Concession Agreement, the investment plan will be revised and approved by the ORSNA every five years, notwithstanding other adjustments that the ORSNA may apply within its annual review of the economic equilibrium. The investments contemplated in the five-year plans submitted to the ORSNA will be directed, in all cases, to cover operating needs and capacity and demand increases, as well as the fulfillment of international quality and safety standards within our airports. Each successive investment plan will take into account our revenue and expenses as they relate to the financial projections set forth in the AA2000 Concession Agreement. We may not commence works that are not authorized by the ORSNA and included in the applicable investment plan. All works authorized by ORSNA, even in excess of the required amount, are considered for the purposes of the economic equilibrium, as described below. We are required to file, pursuant to the procedures established by the ORSNA, each five-year investment plan to the ORSNA by January 31 of the year prior to the year in which the investment plan will come into effect. If the ORSNA comments on the investment plan, we are required to modify the investment plan in accordance with the comments or we will be deemed to have breached the AA2000 Concession Agreement. In addition, the ORSNA will specify the rules governing the authorization of our related construction.

Under the AA2000 Concession Agreement, the ORSNA may revise the timing of the works contemplated in the applicable investment plan and may also modify the investment plan to require additional works, provided that such modifications may not require investment commitments in excess of those already contemplated for the relevant annual period.

Works performed in accordance with the investment plan are entered in an investment registry maintained by the ORSNA, which catalogues both the physical progress and economic investments made under the investment plan. We are required to provide all the necessary documentation and any other data or reports requested by the ORSNA with respect to the investment registry.

Master Plan

Under the terms of the AA2000 Concession Agreement, we are also required to establish a master plan for each of our airports, which shall be approved and can only be subsequently amended by the ORSNA. Each master plan sets forth the investment commitments to be received by each airport over the term of the AA2000 Concession Agreement, taking into account the expected demand for aeronautical and commercial services.

Economic Equilibrium

The Technical Conditions of the Extension sets forth financial projections (“Financial Projection of Income and Expenses”) of our income, operational expenses, investment obligations and the procedure for paying balances and mutual claims for the period January 1, 2006 through February 13, 2038 (expressed in December 2019 values). The “economic equilibrium” derives from, and is determined in accordance with, the Financial Projection of Income and Expenses which establishes fund flows for each year during the AA2000 Concession Agreement. Under the AA2000 Concession Agreement, the ORSNA must annually review the Financial Projection of Income and Expenses in order to verify and preserve the equilibrium of the variables on which it was originally based. During each annual review, amounts previously included in the Financial Projection of Income and Expenses as projections are replaced with our actual results of operations and investments for each relevant period. Our actual results of operations and investments for any year are adjusted to eliminate the effects of inflation for such year in accordance with a formula set forth in the Final Memorandum of Agreement, in order for the Financial Projection of Income and Expenses to be restated in constant values. The ORSNA then determines a new set of projections through the term of the AA2000 Concession Agreement which, together with our past results of operations, may result in an economic equilibrium. The three principal factors that determine economic equilibrium are the payments we make to the Argentine Government, the fees we charge for aeronautical services (such as passenger use fees and aircraft landing and parking fees) and the investments that we are required to make under the AA2000 Concession Agreement. The ORSNA then determines the adjustments to be made to these three factors that would be needed, if any, to achieve economic equilibrium through the term of the AA2000 Concession Agreement. The only factors that have been adjusted in the past have been the fees that we are permitted to charge for aeronautical services and the additional investment commitments. The AA2000 Concession Agreement contemplates annual revisions to be made during March of each year. All changes to the projections are contemplated to be effective as of April 1 of the same year, although as of the date of this annual report, the yearly adjustments for 2018 were not yet effective.

In addition, we may propose additional charges not included in the AA2000 Concession Agreement whenever such charges are for technical and financial improvements to the rendering of services to users and air operators. In the event we engage in or offer new or additional services not expressly contemplated in the AA2000 Concession Agreement, we may also request the ORSNA to approve such services and set additional fees for such services when the application of such additional fees would result in better service for the airlines and the passengers using our airports.

Since 2009, the ORSNA has reviewed the Financial Projection of Income and Expenses nine times and has issued resolutions in respect of each such revision, the last of which was issued on October 21, 2019. Pursuant to Resolution No. 92/2019, the ORSNA retroactively approved the Financial Projection of Income and Expenses for the period of 2017, according to the following rules:

- to re-balance the variables included in the Financial Projection of Income and Expenses through an increase in aeronautical fees; and
- to maintain the benefit airlines paying on time are entitled to under Resolution No. 10/09, dated January 28, 2009, pursuant to which such airlines pay fees equivalent to 70.0% of the international aeronautical charges set forth in Annex II of the Final Memorandum of Agreement.

By means of Resolution No. 93/2019, also issued on October 21, 2019, the ORSNA approved a new tariff scheme, according to the following detail: (i) a rate for the international passenger use of U.S.\$51.00; and (ii) a rate for the domestic passenger use of AR\$195.00, effective for flights as of January 1st, 2020.

In line with the provisions of the Technical Conditions of the Extension (see "--Technical Conditions of the Extension" above), Resolution No. 4/2021 of the ORSNA was published in the Official Gazette. The referred resolution establishes the following:

- an increase of U.S.\$6 (from U.S.\$51 to U.S.\$57) in the international passenger fee for travelers departing from AA2000 airports. This tariff increase became effective on January 14, 2021, for flights as of March 15, 2021;
- domestic passenger fees remain unchanged until the end of 2021 (being applicable the fees approved by Resolution No. 93/2019), and
- aircraft fees remain unchanged for both domestic and international air operators (being applicable the provisions of Resolución No. 92/2019).

We filed each such resolution, together with the December 30, 2008 resolution containing the Mechanisms for the Revision of the Financial Projection of Income and Expenses and the August 5, 2018 resolution containing the Manual of Regulatory Accounting, as exhibits to the 2018 annual report on Form 20-F. We filed Resolution 72/2019 in relation with the Financial Projection of Income and Expenses for the year 2016 and Resolutions 92/2019 and 93/2019 in relation with the Financial Projection of Income and Expenses for the year 2017 on October 24, 2019. We filed Resolution No. 4/2021 under cover of Form 6-K and we intend to file each future resolution of ORSNA relating to these periodic revisions of Financial Projections of Income and Expenses under the same cover.

Withdrawal and Settlement of Claims

As a result of Argentina's 2001-2002 economic crisis, we and the Argentine Government, among other parties, had several claims against each other for breach of payment obligations under the AA2000 Concession Agreement. As a result of the withdrawal of such claims, we and the Argentine Government agreed that the total amount to be paid by us to the Argentine Government was AR\$849.1 million, which we reflected in AA2000's Audited Consolidated Financial Statements for the year ended December 31, 2006. We also agreed that this amount would be settled as follows:

- 23.0% (AR\$195.0 million), was fully satisfied in 2011;
- 18.6% (AR\$158.0 million) through the issue of convertible notes, which were converted into shares of AA2000 in December 2011; and
- 58.4% (AR\$496.1 million) was capitalized through the delivery to the Argentine Government of 496,161,413 preferred shares which are convertible into common shares of AA2000. Such preferred shares have a nominal value of AR\$1 and have no voting rights. In addition, such shares are redeemable by us at any time at nominal value plus accrued interest. Beginning in 2020, the Argentine Government is able to convert all of the preferred shares into common shares of AA2000 with a nominal value of one peso each, up to a maximum amount of 12.5% per year of the total amount of the initial preferred shares issued to the Argentine Government to the extent we have not previously redeemed such an annual percentage for that year. At the time of exercising any conversion rights, the Argentine Government shall execute an agreement with other shareholders of AA2000 to secure and maintain the Argentine Government's level of participation in common shares as a consequence of the conversion. The preferred shares accrue an annual dividend of 2% of the nominal value of the preferred shares, which shall be paid in kind with delivery of additional preferred shares and will be accumulated in the event we do not have sufficient retained earnings during a given fiscal period. In addition, the preferred shares have a priority over common shares in the event of liquidation.

The decisions to increase AA2000's corporate capital, issue preferred shares and issue the convertible notes were authorized by the ORSNA under Resolution No. 26/2008, dated April 25, 2008. In turn, these were authorized by the Argentine Securities and Exchange Commission (Comisión Nacional de Valores or "CNV") on June 9, 2008, and registered before the Mercantile Registry on June 19, 2008, under No. 12,201, Corporations Book No. 40.

The preferred shares will be considered part of the shareholder's equity of AA2000 so long as they are not redeemed by us. The debts and commitments are reflected in our Audited Combined Consolidated Financial Statements.

In addition, as a condition of effectiveness of the extension of the term of the AA2000 Concession Agreement, AA2000 was required to evidence with the Argentine Government its waiver of all claims, remedies and filed or ongoing lawsuits against the Argentine Government and/or its decentralized entities (i.e. the ORSNA), both in administrative, arbitration or court proceedings, for any cause or, if applicable, it shall demonstrate it has obtained the corresponding judicial approval whenever the parties involved deem it necessary. Such waiver shall not imply an acknowledgment of the situation that originated the claim, remedy or lawsuit. In the specific case of fines imposed to AA2000, in connection to which AA2000 has filed claims and/or legal proceedings, such actions shall be waived for the purpose of granting the extension, and the waiver shall not be understood as an acknowledgment of the legitimacy of such fines. As of the date of this annual report, AA2000 has waived all the ongoing claims against the Argentine Government and the ORSNA.

Regulation of Fees

The AA2000 Concession Agreement establishes the maximum fees that we may charge to aircraft operators and passengers for aeronautical services that principally consist of passenger use fees for the use of the airports, which are charged to each departing passenger and vary depending on whether the passenger's flight is an international, regional or domestic flight, and aircraft fees, which are charged for aircraft landing and aircraft parking and vary depending on whether the flight is international or domestic, among other factors. In accordance with its annual review of our financial projections, the ORSNA may adjust the maximum fees which we may charge, taking into account increases in air traffic, improvements in efficiency, increases in taxes, the level of services provided, as well as projected investment levels under the master plan and the need to preserve the economic equilibrium of the AA2000 Concession Agreement. See "—Economic Equilibrium" above. The implementation of such fees generally occurs over different periods of time following effectiveness of the resolution authorizing such fees. In addition, from time to time as established by the ORSNA, we may set fees for arrangements not contemplated under the AA2000 Concession Agreement when the implementation of such additional charges represents technical and financial improvements in the provision of services to airlines and passengers. Under Argentine law, we have the right to collect all passenger use fees and aircraft fees.

Pursuant to ORSNA Resolutions Nos. 10/09 and 92/2019, airlines that pay aircraft landing fees on time benefit from a discount pursuant to which such airlines pay fees equivalent to 70.0% of the international aeronautical fees set forth in Annex II of the Final Memorandum of Agreement, irrespective of the fees set forth in each of such resolutions. With respect to the fees set forth by ORSNA Resolution No. 93/2019, which are currently in place, the discount entails a 48.42% effective discount on landing fees, and a 42.78% effective discount on parking fees.

Passenger Use Fees

The table below sets forth the maximum fees that, effective as of January 1, 2020 (except for international flights fee which will become effective on January 14, 2021), we may charge for passenger use fees by airport category under the AA2000 Concession Agreement.

Use Fees Per Departing Passenger	Airport Category							
	I		II		III		IV	
International flights	U.S.\$	57.00	U.S.\$	37.97	U.S.\$	33.66	U.S.\$	33.66
Domestic flights	ARS	195.00	ARS	136.00	ARS	119.00	ARS	119.00

Regional passenger use fees are a variation of the international flight passenger use fees and are applied only to international flights which cover a distance of less than 300 kilometers (187.5 miles), including international flights between the City of Buenos Aires and Uruguay. Regional passenger use fees are set at U.S.\$25.16 and correspond to the following airports and destinations: Río Grande Airport and Río Gallegos Airport to all passengers flying to Punta Arenas, Chile; Bariloche to all passengers flying to Puerto Mont, Chile; Mendoza to all passengers flying to Santiago de Chile, Chile; and Resistencia, to all passengers flying to Asuncion, Paraguay.

Passenger use fees on international flights are not charged for: (i) children under the age of 2, (ii) diplomats and (iii) transfer and transit passengers. Passenger use fees on domestic flights are not charged for: (i) children under the age of 3 and (ii) transfer and transit passengers.

Landing Fees

The table below sets forth the maximum amounts that, effective as of January 1, 2020, we may collect from aircraft operators by airport category under the AA2000 Concession Agreement in respect of international and domestic aircraft landing fees.

International Flights

Aircraft weight	Airport Category			
	I	II	III	IV
	(U.S.\$ per ton, except percentages)			
2 – 12 tons	29.32	17.39	9.99	9.99
Minimum fee	184.89	92.38	39.57	39.57
12 – 30 tons	6.27	3.73	2.24	2.24
31 – 80 tons	7.16	4.48	2.62	2.62
81 – 170 tons	8.81	5.37	–	–
> 170 tons	9.76	–	–	–
Minimum fee	81.50	48.51	29.11	29.11
Surcharge for operation out of the normal timetable	352.82	255.12	162.84	162.84
Surcharge for night airfield lightning	30%	30%	30%	30%

Domestic Flights

Aircraft weight	Airport Category			
	I	II	III	IV
	(ARS per ton, except percentages)			
2 – 12 tons	20.37	15.18	8.82	4.54
Minimum fee	142.73	108.34	62.15	31.53
12 – 30 tons	1.05	0.67	0.43	0.26
31 – 80 tons	1.14	0.76	0.52	–
81 – 170 tons	1.26	0.88	–	–
> 170 tons	1.47	–	–	–
Minimum fee	13.65	8.71	5.59	3.38
Surcharge for operation out of the normal timetable	260.00	188.00	120.00	68.00
Surcharge for night airfield lightning	30%	50%	30%	30%

Per ton aircraft fees are charged for international and domestic flights to all commercial and private aircraft, with the exception of aircrafts that weigh less than two tons. Aircraft weighing between two and twelve tons pay the minimum fee set forth in the table above. A rush-hour landing surcharge, equal to 50% of the landing fee applicable to such aircraft, is charged to all domestic and international flights that land at Aeroparque between 6:00 a.m. and 10:00 am, and between 6:30 p.m. and 9:30 p.m., daily.

Parking Fees

The table below sets forth the maximum amounts that, effective as of January 1, 2020, we may collect from aircraft operators, by airport category, under the AA2000 Concession Agreement with respect to international and domestic aircraft parking fees.

International Flights

	Airport Category				
	Ezeiza/ Aeroparque	I	II	III	IV
	(U.S.\$ per ton per hour or fraction)				
Aircraft weight (tons)					
5 – 12 tons	3.84	1.92	1.43	1.12	1.12
Minimum fee	55.46	36.99	13.18	13.18	13.18
12 – 80 tons	0.34	0.17	0.13	0.10	0.10
81 – 170 tons	0.48	0.20	0.14	0.11	–
> 170 tons	0.98	0.22	0.14	–	–
Minimum fee	7.33	4.89	2.44	2.44	2.44

Domestic Flights

	Airport Category				
	Ezeiza/ Aeroparque	I	II	III	IV
	(ARS per ton per hour or fraction)				
Aircraft weight (tons)					
5 – 12 tons	4.45	2.65	2.1	1.6	1.05
Minimum fee	124.44	81.9	51.9	37.8	23.64
12 – 80 tons	0.85	0.50	0.40	0.30	0.20
81 – 170 tons	1.15	0.65	0.50	0.40	–
> 170 tons	1.50	0.85	0.60	–	–
Minimum fee	39.5	26.00	16.50	12.00	7.50

Aircraft parking fees for international flights are charged to all commercial and private aircrafts, with the exception of aircrafts that weigh less than five tons. Aircraft parking fees for domestic flights are charged to all commercial and private aircraft, with the exception of aircraft that weigh less than five tons. Aircrafts that weigh less than five tons pay the minimum fee set forth above, only when parking time is greater than 15 days within a one-month period. Aircraft parking fees for international and domestic flights for Ezeiza Airport and Aeroparque Airport are charged to aircrafts parked in an operative apron; aircraft parking fees for international and domestic flights for aircraft parked in a remote apron are charged the fees corresponding to Category I. Free parking time is not applicable, irrespective of whether the flight is international or domestic, or commercial (whether in regular flight or not) or private.

Commercial Revenue

Fees for commercial services may be freely established by us. However, under the terms of the AA2000 Concession Agreement, we are required to submit to the ORSNA any information it requests in connection with our agreements with third parties for the provision of commercial services within 30 days of the execution of such agreements. If the ORSNA objects to the terms of an agreement, it may request that the agreement be terminated. Either we or the third party may challenge such request in an administrative proceeding to be decided by the ORSNA, which is subject to further administrative proceedings and judicial review.

Termination by the Argentine Government upon breach by AA2000

The Argentine Government may terminate the AA2000 Concession Agreement upon the existence of the following conditions:

- if we repeatedly breach, as determined by the ORSNA, any of our obligations under the AA2000 Concession Agreement and the breach is not cured within the time period specified by the ORSNA in its notice of the breach;
- if the cumulative amount of fines (affirmed by final administrative ruling) imposed on us exceeds 20% of our annual gross revenue, net of taxes and charges, as calculated by the ORSNA at the end of each fiscal year;
- if any of our shareholders encumber or allow to be encumbered in any manner AA2000's shares without the ORSNA's consent, and do not secure the discharge of the encumbrance within a time period specified by the ORSNA;
- if we fail to pay the Specific Allocation of Revenue in due manner and time;
- if AA2000's shareholders approve, without the ORSNA's consent, an amendment to our bylaws or a stock issuance that alters or permits alterations of the shareholdings existing at the time of incorporation, on the terms established under the AA2000 Concession Agreement; or
- if our shares are transferred and no technical expert remains a shareholder without the prior approval from the ORSNA.

If the Argentine Government elects to terminate the AA2000 Concession Agreement (even due to our breach), it is required to pay us the value of the aeronautical investments we have made that have not been amortized as of the time the termination is ordered, after deducting the following percentages as compensation for damages incurred:

- 50.0% during the first 10 years of the AA2000 Concession Agreement;
- 45.0% during the second 10-year period of the AA2000 Concession Agreement; and
- 40.0% during the third 10-year period of the AA2000 Concession Agreement.

Aeronautical investments include those investments that are contemplated under the AA2000 Concession Agreement or that are specifically authorized by the ORSNA as aeronautical investments within our airports' premises, but do not include investments not originally contemplated under the investment plan that are not expressly authorized by the ORSNA. In the event that the Argentine Government elects to terminate the AA2000 Concession Agreement for one of the reasons stated above, the Argentine Government and the ORSNA may also foreclose on and collect the full amount of the performance guarantees.

Termination of the AA2000 Concession Agreement would constitute a default under the Argentine Notes and the Credit Facilities.

Buy-out of the AA2000 Concession Agreement

Under Argentine public law, the Argentine Government has the right to buy out or otherwise terminate concessions, including the AA2000 Concession Agreement, at any time if such buy out or termination is made in the public interest. Under the terms of the AA2000 Concession Agreement, the Argentine Government has agreed not to buy-out our concession rights before February 13, 2018. After February 13, 2018, the Argentine Government has the option to buy out the concession if such buy out is made for public interest reasons. If the Argentine Government elects to buy out the AA2000 Concession Agreement, it is required to indemnify us in an amount equal to the value of the aeronautical investments we have made that have not been amortized as of the time of the buy-out, multiplied by 1.10 plus the value of all other investments made that have not been amortized. The Argentine Government will not indemnify us for investments not foreseen in our investment plan, investments that have not been authorized by the ORSNA or for lost revenue. In addition, the Argentine Government must assume in full any debts incurred by us to acquire goods or services for purposes of providing airport services, except for debts incurred in connection with the investment plan (such as the issuance of the Argentine Notes) for which we would be compensated as part of the indemnification to us by the Argentine Government. However, in accordance with section 30.4 of the Final Memorandum of Agreement, while a collateral assignment of revenue that is made into a trust remains in effect, we will have no right to indemnification for the investments secured by the relevant collateral assignment.

The buy-out of the AA2000 Concession Agreement by the Argentine Government would constitute a default under the Argentine Notes and the Credit Facilities.

In addition, in case the Argentine Government elects to buy out the AA2000 Concession Agreement, it is our understanding that the economic equilibrium of the concession needs to be met since the beginning of the concession until the date of the termination.

Termination by AA2000 upon breach by the Argentine Government

We may demand termination of the AA2000 Concession Agreement if the Argentine Government breaches its obligations in such a manner that prevents us from providing the services required of us under the AA2000 Concession Agreement or which permanently affects the same and if the Argentine Government does not remedy the situation giving rise to such breach within 90 days following notice from us.

Upon our termination of the AA2000 Concession Agreement, we shall be entitled to the following damages from the Argentine Government:

- if terminated during the first 10-year period of the AA2000 Concession Agreement, the amount of our aeronautical investments that have not been amortized as of the time of the termination multiplied by 1.30;
- if terminated during the second 10-year period of the AA2000 Concession Agreement, the amount of our aeronautical investments that have not been amortized as of the time of the termination multiplied by 1.20; and
- if terminated during the third 10-year period of the AA2000 Concession Agreement, the amount of our aeronautical investments that have not been amortized as of the time of the termination multiplied by 1.10.

Additionally, if the Argentine Government's breach of the AA2000 Concession Agreement that gives rise to our termination of the AA2000 Concession Agreement is caused by the negligence, fault or willful misconduct of the individuals acting on behalf of the Argentine Government, we shall have the right to demand compensation for all damages, with the exception of lost profits, that arise in connection with our obligations under the AA2000 Concession Agreement.

Termination of the AA2000 Concession Agreement shall be deemed a default under the Argentine Notes and the 2019 Credit Facilities.

End of Concession

Upon the termination of the AA2000 Concession Agreement, we will be required to (i) turn over the airports under the AA2000 Concession Agreement to the Argentine Government and all property thereof, together with any improvements thereto, at no charge and in good condition, subject to normal wear and tear; (ii) undertake responsibility for payment of all of our debts, which cannot be transferred to the Argentine Government; and (iii) transfer to the Argentine Government or the new grantee of the concession the performance of all services in connection with the AA2000 Concession Agreement, including developments and technological breakthroughs and other services related to the performance of the services under the AA2000 Concession Agreement.

In addition, under the terms of the AA2000 Concession Agreement, no agreement entered into by us and in effect as of such date will be transferred to the Argentine Government upon the end of the AA2000 Concession Agreement. We are required to include provisions in any such agreements whereby the providers of goods or services undertake to continue with the performance of the relevant agreements for at least 180 days following the end of the AA2000 Concession Agreement. Such agreements shall also provide for the Argentine Government's right to terminate the same.

Notwithstanding the foregoing, pursuant to section 30.4 of the Final Memorandum of Agreement, a collateral assignment of revenue that is made into a trust may remain in effect even upon an early termination of the AA2000 Concession Agreement, as long as the application of funds thereunder is audited by the Argentine Government and/or by a consulting firm, hired for such purpose and satisfactory to the Argentine Government. The collateral assignment of revenue must be previously authorized by a resolution of the ORSNA. On January 17, 2017 and April 24, 2020, the ORSNA issued Resolutions No. 1/2017 and 21/2020, pursuant to which it authorized the collateral assignment of proceeds under the Argentine Notes, up to an amount equal to U.S.\$400 million as long as, upon such assignment, AA2000 maintains sufficient funds to ensure basic operations. While such a collateral assignment remains in place, we will have no right to indemnification for the investments secured by the relevant collateral assignment. See “—Collateral Assignment of Revenue.”

Development Trust

On December 29, 2009, we, as trustor, and Banco Nación, as trustee, entered into the Development Trust, aimed at managing and allocating the funds to be transferred by us under the Specific Allocation of Revenue and the Allocated Revenues under the Mutual Claim Settlement Procedure. The Ministry of Transportation and the ORSNA also executed the Development Trust acknowledging and providing their consent with the terms and conditions therein.

Under the Development Trust, the following trust funds were established:

- “Trust Fund to Study, Control and Regulate the Concession,” consisting of the assignment in trust of 1.25% of AA2000's total revenues, which shall be designated to carry out studies on the control and regulation of the concession as required by the ORSNA;
- “Trust Fund for the Payment of the Unpaid Amounts Arising from Mutual Claims,” consisting of Allocated Revenues under the Mutual Claim Settlement Procedure, which shall be designated to pay the amount of AR\$195.0 million plus interest at a 2% annual rate, owed to the Argentine Government according to the provisions set forth in the Final Memorandum of Agreement. See “—The AA2000 Concession Agreement—Withdrawal and Settlement of Claims.” In turn, such funds shall be used in connection with infrastructure projects at airports of the Argentine National Airport System not operated by us;
- “Trust Fund for Funding Infrastructure works of the Argentine National Airport System,” consisting of the assignment in trust of 11.25% of AA2000's total revenues, 70.0% of which is to be contributed to finance infrastructure airport works and to improve the services provided in airports of the Argentine National Airport System and 30.0% of which is to be contributed directly to ANSES;

- “Trust Fund for Funding Infrastructure Works in airports under the AA2000 Concession Agreement,” consisting of the assignment in trust of 2.5% of AA2000’s total revenues derived from services under the AA2000 Concession Agreement, which shall be designated to finance works included in each five-year investment plan;
- “Trust Fund for Infrastructure Airport Works Derived from Potential Charges and Tariff Increases for Specific Allocations,” consisting of the assignment in trust of 100% of the amounts deriving from specific charges and tariff increases that may be set in the future, net of collection expenses, which shall be designated to finance airport infrastructure works as it shall be detailed in the regulations under which such specific tariff and charges are created. Pursuant to Resolutions No. 118/12, as amended, and 45/14, the ORSNA created two specific trust funds: (a) “Trust Fund for Works of 2012 Project” and (b) “Trust Fund for the Reinforcement of Significant Works in airports under the AA2000 Concession Agreement.” Under these trusts, after giving effect to the Specific Allocation of Revenue detailed above, we must assign: (1) 100% of the difference between the increase of the passenger use fee approved by the ORSNA for the 2011–2012 period, in comparison with the fees in effect as of 2010, for the “Trust Fund for Works of 2012 Project,” until we finished the works under 2012 investment plan or the expiration of a 30-year period, whichever occurs first; and (2) 10.72% of the passenger use fees approved by the ORSNA for the 2011–2012 revision period, for the “Trust Fund for the Reinforcement of Significant Works in airports under the AA2000 Concession Agreement” (which include works that were not previously specified in the AA2000 Concession Agreement, nor in the Final Memorandum of Agreement), until the expiration of the concession or the expiration of a 30-year period, whichever occurs first. The Company transferred all funds to the “Trust Fund for Works of 2012 Project” required to complete the works of the 2012 investment plan. As of December 2018, the Company ceased the transfer of funds to such trust under the understanding that the works corresponding to the underlying investment plan were completed.

The term of the above-mentioned trust funds shall not exceed 30 years and shall be terminated if the concession is terminated for any cause, except for the “Trust Fund for the Payment of the Unpaid Amounts Arising from Mutual Claims,” which terminated in 2011, and the “Trust Fund for Infrastructure Airport Works Derived from Potential Charges and Tariff Increases for Specific Allocations,” which shall have the duration set forth under the regulations pursuant to which such tariff and charges are created.

The ORSNA shall calculate the amounts that we shall transfer on a monthly basis to Banco Nación pursuant to the procedure for Specific Allocation of Revenues approved by ORSNA Resolution No. 64/2008, dated August 7, 2008. The amount calculated shall be communicated to us and to Banco Nación during the first 15 days of each month. We shall deposit the respective amounts during the following 48 business hours after being notified of the amount by the ORSNA. In the event of payment default, the amounts will accrue interest at a rate equal to one and a half times the discount rate for commercial transactions of Banco Nación in pesos.

The Development Trust sets forth that we are not obligated to make any additional capital contributions to the above-mentioned trust funds. In the event such trust funds are insufficient to meet their purpose due to a cause not related to us, the amounts required to fulfill the commitments undertaken shall be paid by the Argentine Government.

Contributions to the Development Trust

Pursuant to the Development Trust, the Specific Allocation of Revenue and the Allocated Revenues under the Mutual Claim Settlement Procedure retroactively accrued from January 1, 2006, through the execution date of the Development Trust would be transferred to the Development Trust pursuant to the conditions and methodologies to be set forth by the ORSNA, with the approval of the Ministry of Transportation.

The Development Trust provides that we may pay the amounts in cash payable to the Development Trust through the assignment of credits owed to us originated in aeronautical services and/or commercial services within the AA2000 Concession Agreement, subject to the ORSNA's prior authorization. In February 2021, AA2000 requested authorization to the ORSNA to implement the agreement reached with Aerolíneas Argentinas under which AA2000 will assign to the Development Trust the credit against Aerolíneas Argentinas and Austral Líneas Aéreas for the aggregate amount of AR\$120 million and U.S.\$36 million corresponding to the debt owed by these companies as of March 31, 2020 (the "Assignment of Aerolíneas Argentinas Credit"). The amounts assigned to the Development Trust will be allocated to cancel (i) the 2020 Specific Allocation of Revenue; and (ii) the amounts owed by AA2000 under the "Trust Fund for Works of 2012 Project". The Assignment of Aerolíneas Argentinas Credit is subject to review by the Ministry of Transportation and authorization by the ORSNA which, as of the date of this annual report, has not been granted. See "—Risks Related to Argentina and the AA2000 Concession Agreement— AA2000 derives a significant portion of its revenues from a limited number of aeronautical customers, and the loss of the business of a significant client could have a material adverse effect in our results of operations."

Other airports we operate in Argentina

In addition to the airports operated under the AA2000 Concession Agreement, we also operate the Neuquén Airport, the Bahía Blanca Airport and the Termas de Rio Hondo Airport.

In 2001, the Government of the Province of Neuquén together with the ORSNA awarded to us the concession agreement to operate the Neuquén Airport for an initial term of 20 years, which is set to expire in 2021. Likewise, in 2008 the Municipality of Bahía Blanca together with the ORSNA awarded to us the concession to operate the Bahía Blanca Airport for an initial term of 26 years, which is set to expire on 2033. Both concession agreements provide the possibility of extension upon approval.

We operate the Termas de Rio Hondo Airport in Argentina, pursuant to an agreement between AA2000 and the Province of Santiago del Estero, but there is no written concession agreement with the Argentine Government. As of the date of this annual report, there are certain regulatory approvals pending to include the Termas de Rio Hondo Airport within the AA2000 Concession Agreement.

The Neuquén Airport, the Bahía Blanca Airport and the Termas de Rio Hondo Airport are not material to our business.

Italy

Headquartered in Florence, TA is the result of the merger of SAT, Galileo Galilei S.p.A. and ADF on June 1, 2015. As a result of the merger, CA Italy, which is 75% owned by CAAP, has a controlling stake of 51.1% of TA. Prior to the merger, SAT and ADF were granted concessions for the management of the Pisa Airport and the Florence Airport, respectively. After the merger, the concessions were transferred to TA. Set forth below is a description of their main terms and conditions, as well as of the relevant regulatory framework.

On February 19, 2018, and June 25, 2018, CA Italy acquired an additional 4.56% and 6.58%, respectively, of the share capital of TA. Following these acquisitions, CA Italy currently holds 62.28% of TA's share capital. In 2018, we sold and transferred 25% of CA Italy's to Investment Corporation of Dubai, reducing our ownership in CA Italy to 75% of its issued and outstanding common stock and our indirect ownership in TA to 46.71% of its issued and outstanding common stock.

Sources of Regulation

Set forth below are the main laws and regulations that govern the concession agreements entered into by ENAC with SAT and ADF, as well as the operation and management of the airport operation and business:

- Law No. 537/1993 and Decree Law No. 251/1995 (converted into law with modifications by Law No. 351/1995, as subsequently supplemented and amended) set forth the regulations that apply to the management of airports and the realization of the relative infrastructure.

- Legislative Decree No. 250/97, as subsequently supplemented and amended, which regulates the responsibilities of ENAC.
- In implementation of Law No. 537/1993, Ministerial Decree No. 521/1997 provided that the granting of full airport management under concession is conditioned upon the execution of a concession agreement.
- Regulation of the Ministry of Transportation and Navigation and the Ministry of the Interior No. 85/1999, implementing Decree Law No. 9/1992, converted with modifications by Law No. 217/1992, as subsequently supplemented and amended, sets forth provisions concerning the granting of concessions relating to security services.
- The Ministry of Transportation and Navigation (currently named “Ministry of Infrastructure and Transport”), in implementation of the abovementioned Ministerial Decree No. 521/1997, issued the Directive No. 141-T/2000 sets forth the guidelines for the granting of concessions, subsequently repealed and replaced by Ministerial Guidelines No. 8736/2003.

On March 16, 2004, ENAC issued certain guidelines for procedures concerning the granting of concessions.

- Law No. 265/2004 provided certain innovations to the applicable framework of rules concerning the granting of airport management concessions.
- Decree Law No. 203/2005, as subsequently supplemented and amended and converted into law by Law No. 248/2005, introduced certain provisions for the rationalization and improvement of the efficiency of the airport management sector.
- Decree Law No. 96/2005, as supplemented and amended, implemented the provisions set forth with Law No. 265/2004 and revised the aviation section of the Italian navigation code.
- Directive 96/67/EC on access to the ground handling market at European Union airports and the relative implementation Legislative Decree No. 18/1999, as subsequently amended and supplemented.
- Article 71, paragraph 2, of Law Decree No. 1/2012, as subsequently supplemented and amended, established the Transport Regulation Authority (*Autorità di Regolazione dei Trasporti*) and granted it with the powers, *inter alia*, of supervision and financial regulation in relation to the airport operation and business.
- Article 71, paragraph 3, of Law Decree No. 1/2012, as subsequently supplemented and amended, established the criteria and models for the determination of the tariffs applicable in relation to the airport business and the relative approval process.
- Article 705 of Italian Navigation Code (Royal Decree No. 327/1942, as subsequently supplemented and amended) sets forth the rules concerning the determination of airport management and the relative responsibilities.
- Law No. 324/1976, as subsequently supplemented and amended, provided the regulations concerning the use of airports open to civil air traffic.
- Law No. 77, enacted on July 17, 2020, extended the term under the Italian Concessions Agreements for two additional years.

Powers Reserved to the Italian Government with Respect to Strategic Transport Assets

Pursuant to current laws and regulations, (i) the approval of specific corporate resolutions by companies operating in the energy, transport, and communications sectors, which are understood to be of strategic importance to the nation, and (ii) the acquisition of significant shareholdings in such companies by investors, are subject to special “Golden Powers” of the Italian Government provided under Law Decree No. 21/2012. Article 2 of Law Decree No. 21/2012 specifically regulates the special powers of the Italian Government concerning the strategic assets of companies operating in the transport sector. In particular, Article 2 of Law Decree No. 21/2012 includes the following regulations for identifying:

- strategic assets in the transport sector, such as ports and airports, including those necessary to ensure the minimum provision and operation of essential public services, the assets and relationships of strategic importance to the national interest in the transport sector;
- the types of acts or transactions within the same group of companies to which the Italian Government’s special powers do not apply; and
- the procedures for exercising the special powers in the transport sector.
- The “*strategic assets*” in the transport sector have been defined by Article 2 of Presidential Decree No. 85 of March 25, 2014 (the “Presidential Decree 85/2014”) as large networks and plants of national interest, intended to ensure the main trans-European corridors and the related conventional reports, including:
 - ports of national interest;
 - airports of national interest; and
 - national railroad networks of relevance for trans-European networks.

Such regulations apply to TA by virtue of its being an entity that operates the Italian Airports of national interest located in Pisa and Florence. In particular, these provisions state that, in relation to companies that own one or more of these strategic assets, the Italian Government, having assessed the relevant transaction and identified a threat concerning said strategic assets, may:

- impose specific conditions on, or (in case the specific conditions are not adequate to protect the essential national interests of defense and national security) veto any resolutions, acts and transactions by any company owning strategic assets that would determine a change in the ownership, control, availability or transferability of those assets themselves or change their use (including merger or demerger, transfer of the registered office to a foreign country, change of the relevant company’s business purpose, winding up, amendments to the company’s articles of association concerning the limits to the voting rights attaching to the company’s interest or the maximum shareholding which each shareholder may own, transfer of the entire business or of a business division which include the strategic assets, assignment of the strategic assets by way of security, and resolutions concerning the sale of subsidiaries which own strategic assets), where such resolutions, acts or transactions result in an exceptional situation not regulated by national or European laws applicable to the sector which constitute a threat of a serious prejudice to the interest of public safety and operation of the networks and installations, and the continued provision of services (Article 2, paragraph 3);
- impose conditions requiring certain buyers outside the European Union to give guarantees in any purchase and for any reason, (Article 2, paragraph 5), of shareholdings in an amount that would give the buyer control of the purchased company, pursuant to Article 2359 of the Italian Civil Code and the Consolidated Financial Services Act, if such a purchase poses a serious threat to public interest in the security and operation of networks and installations and the continued provision of services (Article 2, paragraph 6); and
- oppose the purchase described before, if such a purchase entails exceptional risks to the protection of public interest relating to the security and operation of networks and installations and continued provision of services, which cannot be mitigated by the buyer committing to guarantee the protection of such interests (Article 2, paragraph 6).

To exercise these special powers, Article 2 of Law Decree No. 21/2012 provides that:

- the operator has an obligation to disclose both any resolutions, acts and transactions that could be subject to the actions described before, and any purchases or transactions that could be subject to the actions described before; and
- the Italian Government shall abide by objective and non-discriminatory evaluation criteria in exercising its special powers. The Italian Government is required, in relation to any transaction, to consider the following: (i) in relation to the official position of the European Union, whether there is any reason to believe (a) that connections may exist between the buyer and other countries that do not recognize the principles of democracy or the rule of law, and which may not comply with international law, or that have acted in a way that poses as a threat to the international community, as evidenced by their alliances; or (b) that the buyer has relationships with criminal or terrorist organizations or with persons or entities otherwise related to them; (ii) the suitability of the structure resulting from the legal deed or transaction, considering conditions for financing the acquisition and the economic, financial, technical, and organizational capacity of the buyer to guarantee the security and continuity of provision of services, or provide adequate security and operation of the networks and installations.

Without prejudice to the disclosure obligations set out in Article 2, paragraphs 2 and 5 of Law Decree No. 21/2012, Article 4 of Presidential Decree No. 85/2014 provides that:

- the special powers apply to the extent that protection of the essential national interests, including those relating to adequate infrastructure development, is not guaranteed by the existence of specific sector regulation, either in the form of a convention connected with a specific concession relationship or otherwise;
- certain transactions are excluded from the scope of the special powers, including transactions carried out within the same corporate group, such as mergers, demergers, takeovers, or sales and transfers, including, in certain cases, the sale and transfer of shares; and
- such an exclusion is not available when there is information indicating a threat of serious harm to the public interest in the security and operation of the networks and installations and continued provision of services.

The procedures for exercising such special powers in the transport sector have been established by Presidential Decree No. 86 of March 25, 2014 (the “Presidential Decree 86/2014”).

As discussed above, the Italian Government may exercise its veto power in relation to the adoption of shareholders’ meeting or management body meeting resolutions of companies that own strategic assets in the transport sector in the matters indicated in Article 2, paragraph 2, of Law Decree No. 21/2012. Accordingly, the company that owns these strategic assets must notify the Prime Minister’s Office (*Presidenza del Consiglio dei Ministri*) within ten days of the implementation of any such resolution, and must provide the complete set of information concerning the resolution itself (Article 5, Presidential Decree 86/2014). The Prime Minister’s Office will announce any veto it may issue within 15 business days after being so notified. If additional information is requested by the Prime Minister’s Office, the deadline for giving notice of any veto is postponed once until such requested information is received. The Italian Government’s veto power may also be exercised by imposing specific requirements or conditions if such requirements and conditions are considered to be sufficient to ensure protection of the public interest in the security and operation of the networks and installations and continuous provision of services. If the deadline for announcing any veto expires without any order having been issued, the transaction is deemed approved and can be executed.

Resolutions or acts adopted in violation of the abovementioned veto power are null and void. The Prime Minister's Office may also require the company and any counterparty to unwind any such transaction at its own expense. Unless the act constitutes a criminal offense, anyone who fails to comply with the measures associated with the exercise of the veto power is subject to monetary administrative fine up to twice the value of the transaction, and at any rate not less than 1% of the total revenues realized by the companies involved during the last financial year in which a financial statement has been approved.

The Italian Government has the power to impose conditions or oppose the acquisition of significant shareholdings attributing control of companies that own assets of strategic importance in the transport sector to a party outside the European Union pursuant to Article 2, paragraph 5, of Law Decree No. 21/2012. Accordingly, the person or entity outside the European Union that acquires a significant shareholding constituting control of a company that owns strategic assets in the transport sector (Article 4, paragraph 1, Presidential Decree 86/2014) must disclose such a purchase within ten days after the execution of any such transaction to the Prime Minister's Office, together with all information providing a general description of the merger plan, the buyer, and the scope of its operations. The Prime Minister's Office will notify the buyer of any conditions it deems necessary to impose or exercise its veto power within 15 business days after such disclosure. Until the expiry of this deadline, the voting rights and those rights other than ownership associated with the shares representing the significant shareholding are suspended.

If the Prime Minister's Office exercises its power to impose conditions, in the event of breach or violation of such conditions, the voting rights or rights other than ownership of the shares which represent a significant shareholding are suspended for the entire period that the breach or violation continues. Any resolutions adopted with the deciding vote of such shares and the resolutions and acts adopted in violation or in breach of the imposed conditions, are null and void. A buyer that fails to comply with the imposed conditions, unless the act constitutes a criminal offense, is subject to a monetary administrative fine up to twice the value of the transaction and, in any event, no less than 1% of the total revenues realized in the last financial year for which a financial statement has been approved (Article 8, Presidential Decree 86/2014). If the power to oppose the acquisition of the shareholding is exercised, the buyer may not exercise its voting rights of such shares and must sell these shares within one year. If it fails to comply with this obligation, the courts, on request from the Prime Minister's Office, will order the sale of these shares according to the procedures provided for in Article 2359 of the Italian Civil Code. Any shareholders' meeting resolutions adopted with the deciding vote of such shares are null and void.

On October 2, 2014, the Prime Ministerial Decree (*Decreto del Presidente del Consiglio dei Ministri*) of August 6, 2014 was published in the Official Gazette of the Republic of Italy (General Series No. 229). It contains rules for the coordination of the activities of the Prime Minister's Office necessary to exercise the special powers over company ownership structures in the defense and national security sectors, and over strategic activities in the energy, transport, and telecommunication sectors. These rules specify the Department of the Prime Minister's Office to which these notifications must be sent, as well as the relevant procedures, and also provide a simplified procedure in the case of intercompany transactions.

Firefighting Fund Tax

During 2011, TA filed administrative proceedings, together with other 12 petitioners, against the "*Commissione Tributaria Provinciale di Roma*" to dispute the legality of the Firefighting Fund Tax and seek reimbursement for payments made in connection with such tax.

After the administrative proceeding, the competent court ruled that the purpose tribute of the Firefighting Fund Tax indeed differed from the original legal purpose. TA, through final judgment 2517/19 of the Provincial Tax Commission of Rome, was enabled to request a refund for the tax paid for the year 2014 in the amount of €2.0 million.

Governmental Authorities

Transport Regulatory Authority (Autorità di Regolazione dei Trasporti)

The Transport Regulatory Authority (“TRA”) was established pursuant to Article 37 of Decree-Law No. 6 December 2011, No. 201 (converted into law, with modifications, by Law No 214 of December 22, 2011).

It is responsible for regulation in the transport sector and access to its infrastructure and ancillary services. Among its tasks are also the definition of the quality levels of transport services and the minimum content of the rights that users can claim against the operators. The TRA reports annually to the Parliament and the President of the Council of Ministries indicating the state of the services.

In the airport sector, the TRA undertakes supervisory duties (Article 71 et seq., Decree-Law No. 1/2012), approving the airport regulatory system and the amount of airport charges.

ENAC

ENAC was established on July 25, 1997, under Legislative Decree No. 250/97 as the national authority committed to oversee the technical regulation, oversight and control of civil aviation.

ENAC is responsible for many aspects of the civil aviation regulation including the control and vigilance of the application of the regulatory regimes, and the regulation of the administrative and economic aspects of the air transport system.

Other aspects of the aviation sector that fall within the institutional mandate of ENAC include safety, security control and enforcement of international law, and guaranteeing the quality of the services provided to the user and the protection of the rights of the passenger.

The Pisa Concession Agreement

With the Inter-managerial Decree (*decreto interdirigenziale*) No. 002/2004, the Pisa Airport was assigned to ENAC. On January 11, 1999, SAT filed a request for the granting of the concession for the full management of the Pisa Airport, along with its operations program, which is comprised of the investment plan and business plan for the Pisa Airport. Following the positive results of the assessment, ENAC and SAT executed a concession agreement on December 14, 2001, granting a temporary three-year concession.

On April 14, 2004, ENAC requested that SAT provide an update of the abovementioned program and plans, which SAT filed on January 18, 2005. The submitted documents were reviewed by ENAC in determining the duration of the full management concession, which it determined to be a 40-year duration starting in March 2005. On March 14, 2006, ENAC and SAT entered into a full management concession agreement (“Pisa Concession Agreement”). In light of the changes made to the relevant legal framework under Legislative Decree No. 151/2006, ENAC and SAT executed an updated version of the Pisa Concession Agreement on October 20, 2006.

The concession for Pisa Airport (“Pisa Concession”) was approved on December 7, 2006, with the Inter-Ministerial Decree issued by the Ministry of Transportation, the Ministry of the Economy and the Ministry of Defense.

On October 9, 2015, ENAC and TA entered into an operating agreement (*contratto di programma*) in order to define TA’s obligations with respect to (i) airport traffic level forecasts, (ii) new construction and extraordinary maintenance works, (iii) the quality levels with respect to environmental protection, (iv) the status of TA’s performance of the obligations arising under the relevant operating agreement for TA’s four-year intervention plan, as well as its quality and environmental protection plan and (v) the fines that would apply to TA in the case of delay in carrying out its obligations arising under the operating agreement, or failure to fulfill such obligations.

Obligations Assumed by TA as Concessionaire

Under the terms of the Pisa Concession Agreement, TA is responsible for developing, managing, exploiting, operating and maintaining Pisa Airport, which includes, *inter alia*, the performance of the following obligations and activities:

- paying the annual concession fee;
- performing the works provided by the plan of works (*programma d'intervento*) and the ordinary and extraordinary maintenance works;
- entering into an operating agreement (*contratto di programma*) with ENAC;
- adopting all appropriate measures in favor of the neighboring territorial communities and their security;
- organizing and managing the airport business, ensuring the optimal use of available resources for the purpose of providing an adequate level of services and activities, to be carried out in compliance with the principles of security, efficiency, cost effectiveness and environmental protection;
- providing its services under conditions of continuity and regularity, in compliance with the impartiality principle and in accordance with the applicable non-discrimination rules;
- obtaining prior authorization from ENAC to appoint subconcessionaires to carry out airport activities and to give prior written communication to ENAC of the subconcession of other activities (e.g., commercial activities), in any case ensuring that the relative third-party subconcessionaires obtain insurance policies to cover the risks related to their respective activities;
- providing all of the necessary support for the relevant public administrations to carry out their emergency and health services within the context of the airport business and management;
- adopting all necessary measures to ensure the provision of the fire-fighting service;
- ensuring the carrying out of airport security control services;
- complying with the relevant obligations provided under the applicable framework and periodically communicating data on the quality of offered services to ENAC;
- preparing and presenting to ENAC a report on the implementation status of the operations program and related investment plan; and
- guaranteeing the suitability of the standards of offered services.

Fees

The table below sets forth the maximum amounts that we were permitted to collect as of February 1, 2020, under the Pisa Concession:

Pisa Airport

	<u>2020⁽¹⁾</u> <u>(in Euros)</u>
Takeoff/Landing	
Landing and take offs (< 25 t)	2.41
Landing and take offs (> 25 t (each subsequent ton))	3.32
Parking (per hour or fraction besides the first two hours)	0.31
Cargo embarking/ Disembarking	0.0271
Check-in desks	2.13
Assets for exclusive use/offices	68.06
Fueling	0.0062
Passengers charges (EU adult)	5.86
Passengers charges (EU child)	2.93
Passengers charges (EXTRA EU, adult)	6.71
Passengers charges (EXTRA EU, child)	3.36
Body Check & Hand Baggage Security	2.33
Hold Baggage Security	0.67
Deicing	0.14
Loading bridge (till 1 hour)	84.69
Loading bridge (after the 1st hour)	169.38
Assets for exclusive use-offices	204.18
Assets for exclusive use – technical operating room	68.06
Assets for exclusive use – airside areas	20.42
PRM	0.89

(1) These tariffs are still under review by the Italian Regulatory Transport Authority and, therefore, they are subject to further adjustments

(2) Effective as of February 1, 2020

Concession Fees

As consideration for the airport concession granted by ENAC, TA is required to pay annual fees to be determined pursuant to Law No. 662/1996, which states that the relevant fees shall be the subject of the joint determination of the Ministry of Finance and the Ministry of Infrastructure and Transport.

Canon payments are to be made in two separate installments, the first one to be made each July 31 and the second one each January 31 of each year during the concession agreement. The following year, each payment shall be equivalent to 50% of the annual canon payments. The value of the minimum canon is adjusted on an annual basis according to inflation. For the year ended December 31, 2020, TA paid an annual canon equal to €3.4 million under the Pisa Concession Agreement.

The fees are established by Inter-managerial Decree (*decreto interdirigenziale*) dated June 30, 2003, which provides the adoption of a workload unit criterion, where each unit corresponds to one passenger or 100 kg of goods or post.

Revenue

Under the terms of the Pisa Concession Agreement, TA is entitled to collect, *inter alia*:

- the aeronautical, commercial and cargo revenue related to services rendered at Pisa Airport;
- the embarkation and debarkation charges on transported goods; and
- the fees for security control services.

Investment Plan

Under the terms of our Pisa Concession Agreement, TA is required to present a long-term master plan for each individual airport. The master plan projections (including traffic, operating expenses, investment commitments, etc.) are used by ENAC to determine airport tariffs, and are revised every four years. Once approved by ENAC, the investment commitments in the master plan become binding obligations under the terms of the respective concession. On October 24, 2017, ENAC approved and signed our 2015-2028 master plan for Pisa Airport.

Guarantees

Under the Pisa Concession Agreement and for the purpose of securing its performance obligations, TA is required to provide a bank guarantee (*fideiussione bancaria*) and/or insurance policy for an amount equal to a yearly concession fee (to be updated on the basis of the yearly recalculations of the concession fee). TA currently has an aggregate of €5.0 million in guarantees outstanding for both the Pisa Concession and the Florence Concession.

On the expiration, revocation or termination of the Pisa Concession Agreement, ENAC shall authorize TA to release the security following an assessment concerning the fulfilment of TA's obligations and ascertaining that no legal proceedings are in place due to actions or omissions attributable to TA.

ENAC may proceed, without prior formal notice or filing before the courts, to withdraw the amount of the security should TA fail to pay a yearly concession fee. ENAC may also enforce such guarantee in payment of damages incurred as a result of TA's actions.

Insurance

Under the Pisa Concession Agreement, TA shall obtain an insurance policy, for an amount to be determined in agreement with ENAC, in order to cover a series of risks related to the assets used either directly or indirectly in the airport management business (e.g., fires, aircraft crashes, damages due to transported goods, machinery or natural events). The relevant policy must provide that ENAC shall be named as a loss payee under such policy, and only upon prior authorization from ENAC may the relevant payment be made to TA (in this case, TA being responsible for the reparation of the relevant damages).

Furthermore, TA is also required to obtain an insurance policy to cover the risks connected to the performance of its business and damages that may be incurred by public administrations and entities and/or third parties present in the Pisa Airport.

In order to comply with regulatory and/or security requirements, ENAC may give directions to TA concerning the insurance policy to be obtained, including the extension of the covered risks.

Termination, Revocation and Forfeiture

The Pisa Concession Agreement will expire on December 7, 2048.

Termination upon Breach by TA

If ENAC determines that TA is in breach of the relevant provisions of the Italian Navigation Code or of the Pisa Concession Agreement, TA shall be liable for the payment of a penalty equal to 20% of the annual concession fee (in any case, not less than €50,000). If TA repeats a breach of the same nature within a period of two years, the relative penalty shall be equal to 40.0% of the annual concession fee (in any case, not less than €100,000). In the instance of multiple violations within the period of two years, the penalty shall be equal to 70.0% of the annual concession fee (in any case, to a sum not less than €170,000). The abovementioned penalty shall also be applied should TA fail to deliver the required plans and programs or not achieve the relevant quality objectives within the provided deadlines.

If TA breaches any of the relevant provisions concerning security, the penalty shall be equal to 30% of the annual concession fee (in any case, not less than €75,000 and if a violation of the same nature be repeated within a period of two years, 60.0% of the annual concession fee (in any case, not less than €150,000).

Revocation and Forfeiture

The Pisa Concession Agreement provides that, in the event needs of public interest arise, TA may request that the Pisa Concession be revoked, at which time TA will assume the burden of making all compensatory payments to be determined with the relevant third parties and after consulting ENAC.

The concession granted may be forfeited before its expiration date upon the occurrence of specified events of default, as provided under the Pisa Concession, including: (i) prevailing reasons of public interest; (ii) serious and repeated violations of the Italian navigation code or the Pisa Concession Agreement; (iii) a breach of the security regulations or the loss of requirements for certification as provided under the relevant ENAC regulations for the construction and operation of airports; (iv) a failure to implement the operations program and investment plan; (v) events that indicate that TA is no longer capable of operating the Pisa Airport; (vi) over 12-month delays in payment of the applicable concession fee; or (vii) a TA bankruptcy.

If the Pisa Concession is revoked before its expiration, whether through a forfeiture or termination due to an event of default, ENAC shall regain the rights over the assets which were assigned to TA.

For the projects which it has financed, TA shall have the right to an indemnity which shall not exceed the value of the relevant project at the moment of revocation minus any amortizations. In any case, TA shall be liable for any damages that derive from its actions or omissions and, in the event of forfeiture of the Pisa Concession, TA shall have no right to reimbursement for the completed works or for the costs it may have incurred.

Governing Law

The Pisa Concession Agreement is governed by the laws of Italy.

Dispute Resolution

Under the Pisa Concession Agreement, ENAC and TA may elect to have a dispute concerning the Pisa Concession Agreement be decided by an arbitration panel, without prejudice to their right to file their claims before the competent courts. The arbitration panel shall be composed of three members, of which TA and ENAC may appoint one each and the chairman being appointed by the two selected by TA and ENAC. Should the two arbiters fail to reach an agreement on the appointment of the chairman of the panel, the relative appointment shall be made by the chairman of the Italian State Council (*Consiglio di Stato*). ENAC has no liability in the disputes between or among TA, subconcessionaires and third parties that arise in relation to the Pisa Concession Agreement.

The Florence Concession Agreement

On January 19, 1999, ADF filed a request for the granting of the concession for the full management of the Florence Airport, along with its operations program, which is comprised of the relative investment plan and business plan for the Florence Airport. Directive No. 141-T/2000 provided the possibility of a temporary granting of concessions on the basis of a summary evaluation by ENAC of the submitted business plan, which would subsequently proceed to define a definitive duration of the concession following the complete assessment of the provided programs and plans. On April 26, 2001, ENAC determined that the temporary concessions would have a maximum duration of three years.

Following the positive results of the relative assessment, ENAC and ADF executed a concession agreement on December 14, 2001, granting a temporary three-year concession. The concession for the Florence Airport was approved on March 11, 2003, with the Inter-Ministerial Decree issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance (the "Florence Concession Agreement" and jointly with the Pisa Concession Agreement, the "Italian Concession Agreements").

In order to meet the urgent need to implement the relevant legal framework, the abovementioned Inter-Ministerial Decree provided the extension of the duration of the Florence Concession Agreement to 40 years.

On October 9, 2015, ENAC and TA entered into an operating agreement (*contratto di programma*) in order to define TA's obligations with respect to (i) airport traffic level forecasts; (ii) new construction and extraordinary maintenance works; (iii) the quality levels with respect to environmental protection; (iv) the status of TA's performance of the obligations arising under the relevant operating agreement for TA's four-year intervention plan, as well as its quality and environmental protection plan; and (v) the fines that would apply to TA in the case of delay in carrying out its obligations arising under the operating agreement, or failure to fulfill such obligations.

Obligations Assumed by TA as Concessionaire

Under the terms of the Florence Concession Agreement, TA is responsible for developing, managing, exploiting, operating and maintaining the Florence Airport, which includes the performance of the following obligations and activities:

- paying the annual concession fee;
- performing the works provided by the plan of works (*programma d'intervento*) and the ordinary and extraordinary maintenance works;
- entering into an operating agreement (*contratto di programma*) with ENAC;
- adopting all appropriate measures in favor of the neighboring territorial communities and their security;
- organizing and managing the airport business, ensuring the optimal use of available resources for the purpose of providing an adequate level of services and activities, to be carried out in compliance with the principles of security, efficiency, cost effectiveness and environmental protection;
- providing its services under conditions of continuity and regularity, in compliance with the impartiality principle and in accordance with the applicable non-discrimination rules;
- obtaining prior authorization from ENAC to appoint subconcessionaires to carry out airport activities and to give prior written communication to ENAC of the subconcession of other activities (e.g., commercial activities), in any case ensuring that the relative third-party subconcessionaires obtain insurance policies to cover the risks related to their respective activities;
- providing all of the necessary support for the relevant public administrations to carry out their emergency and health services within the context of the airport business and management;
- adopting all necessary measures to ensure the provision of the fire-fighting service;
- ensuring the carrying out of airport security control services;
- complying with the relevant obligations provided under the applicable framework and periodically communicating data on the quality of offered services to ENAC;
- preparing and presenting to ENAC a report on the implementation status of the operations program and related investment plan; and
- guaranteeing the suitability of the standards of offered services.

Fees

The table below sets forth the maximum amounts that we were permitted to collect as of February 1, 2020, under the Florence Concession Agreement:

Florence Airport

	<u>2020⁽¹⁾</u> <u>(in Euros)</u>
Landing and takeoff fees (from 1 ton to 25 ton)	4.52
Landing and takeoff fees (each subsequent ton)	6.06
Aircraft parking (per hour or fraction after first two hours)	0.21
Passengers charges (EU adult)	10.92
Passengers charges (EXTRA EU adult)	13.21
Passengers charges (intra EU flights, child)	5.46
Passengers charges (EXTRA EU, child)	6.61
Cargo embarking/disembarking charges	0.239
Body check and hand baggage security	1.76
Hold baggage security	0.81
PRM	1.71(1)
Assets for exclusive use – offices	275.25
Assets for exclusive use -technical operating room	55.05
Assets for exclusive use – air side areas	22.02
Assets for exclusive use – offices fueler	266.07
Assets for exclusive use - Technical operating room fueler	53.21
Assets for exclusive use – fueler air side areas	20.18
Assets for exclusive use – self check-in	367.09
Check-in desks	3.48
Deicing	—(3)

(1) These tariffs are still under review by the Italian Regulatory Transport Authority and, therefore, they are subject to further adjustments

(2) Effective as of March 10, 2019.

(3) Will be invoiced based on actual consumption. No fix fee.

Concession Fees

As consideration for the airport concession granted by ENAC, TA is required to pay annual fees to be determined pursuant to Law No. 662/1996, which provides that the relevant fees shall be the subject of the joint determination of the Ministry of Finance and the Ministry of Infrastructure and Transport. The fees are established by Inter-managerial Decree (*decreto interdirigenziale*) dated June 30, 2003, which provides the adoption of a workload unit criterion where each unit corresponds to one passenger or 100 kg of goods or post.

Canon payments are to be made in two separate installments, the first one to be made each July 31 and the second one each January 31 of each year during the concession agreement. The following year, each payment shall be equivalent to 50% of the annual canon payments. The value of the minimum canon is adjusted on an annual basis according to inflation. For the year ended December 31, 2020, TA paid €0.8 million in annual canon under the Florence Concession Agreement.

Revenue

Under the terms of the Florence Concession Agreement, TA is entitled to collect, *inter alia*:

- the aeronautical, commercial and cargo revenue related to services rendered at Florence Airport;
- the embarkation and debarkation charges on transported goods; and
- the fees for security control services.

Investment Plan

Under the terms of our Florence Concession Agreement, TA is required to present a long-term master plan for each individual airport. The master plan projections (including traffic, operating expenses, investment commitments, etc.) are used by ENAC to determine airport tariffs, and are revised every four years. Once approved by ENAC, the investment commitments in the master plan become binding obligations under the terms of the respective concession.

On November 3, 2015, we received the technical approval by ENAC of our 2014-2029 master plan for Florence Airport. On December 28, 2017, the Ministry of Environment approved the environmental impact assessment under the master plan. Likewise, on February 6, 2019, we obtained a favorable opinion regarding the compliance of the works performed in connection with the urban planning. Upon this opinion, the administrative procedure (Conference of Services) related to the Master Plan 2014-2029 of the Florence Airport was closed. Pursuant to the regulations governing this administrative procedure, as well as ENAC's regulations concerning the environmental and urban compatibility procedures relating to airport development plans, the Italian Ministry of Infrastructures and Transport will then issue the formal closure of the administrative procedure. Once this administrative procedure is closed, ENAC will have to issue its formal approval of the development plan concerning the Florence Airport

Guarantees

Under the Florence Concession Agreement and to secure its performance obligations thereunder, TA is required to provide a bank guarantee (*fideiussione bancaria*) and/or insurance policy for an amount equal to a yearly concession fee (to be updated on the basis of the yearly recalculations of the concession fee). TA currently has an aggregate of €5.0 million in guarantees outstanding for both the Pisa Concession and the Florence Concession. On the expiration, revocation or termination of the Florence Concession Agreement, ENAC shall authorize TA to release the security following a determination that TA has fulfilled its obligations thereunder and a determination that no legal proceedings are in place due to actions or omissions attributable to TA.

ENAC may proceed, without prior formal notice or filing before the courts, to withdraw the amount of the security should TA fail to pay a yearly concession fee. ENAC may also enforce such guarantee in payment of damages incurred as a result of TA's actions.

Insurance

Under the Florence Concession Agreement, TA shall obtain an insurance policy, for an amount to be determined in agreement with ENAC, in order to cover a series of risks related to the assets used either directly or indirectly in the airport management business (e.g., fires, aircraft crashes, damages due to transported goods, machinery or natural events). The relevant policy must provide that ENAC shall be named as a loss payee under such policy, and only upon prior authorization from ENAC may the relevant payment be made to TA (in this case, TA being responsible for the reparation of the relevant damages).

Furthermore, TA is also required to obtain an insurance policy to cover the risks connected to the carrying out of its business and damages that may be incurred by public administrations and entities and/or third parties present in the Florence Airport.

Termination, Revocation and Forfeiture

The Florence Concession Agreement will expire on February 10, 2045.

Revocation and Forfeiture

Pursuant to Article 2 of the Florence Concession Agreement, as necessary for public interest, TA may revoke the Florence Concession Agreement, at which time TA will assume the burden of making all compensatory payments to be determined with the relevant third parties and after consultation with ENAC.

The concession granted may be revoked before its expiration date upon the occurrence of specific events of default, and the Florence Concession Agreement shall be forfeited by TA (and ENAC shall proceed to appoint an officer for the management of the airport) upon the occurrence of the following: (i) the instances provided under the Italian Navigation Code; (ii) serious and breach of the security regulations; (iii) a failure to implement the operations program and investment plan; and (iv) events that indicate that TA is no longer capable of operating the Florence Airport. Furthermore, the Florence Concession Agreement may be automatically forfeited should TA fail to pay the relevant concession fee for a period exceeding 12 months from the provided due date or in the instance of TA being declared bankrupt.

In the instance of forfeiture, ENAC shall regain the rights over the assets which were assigned to TA and shall appoint an officer for the management of the airport. Moreover, TA shall have no right to reimbursement neither for the carried out works nor for the costs it may have incurred in the event of forfeiture.

Should ENAC not determine that a declaration of forfeiture is necessary, the same authority may provide a fine in relation to TA for the payment of a sum equal to a maximum of 50% of the concession fee, plus the payment of security and control costs.

Governing Law

The Florence Concession Agreement is governed by the laws of Italy.

Dispute Resolution

Under the Florence Concession Agreement, ENAC and TA may elect to have a dispute concerning the Florence Concession Agreement be decided by an arbitration panel, without prejudice to their right to file their claims before the competent courts. The arbitration panel shall be composed of three members, of which TA and ENAC may appoint one each and the chairman being appointed by the two selected by TA and ENAC. Should the two arbiters fail to reach an agreement on the appointment of the chairman of the panel, the relative appointment shall be made by the chairman of the Italian State Council (*Consiglio di Stato*).

ENAC has no liability in the disputes between TA, subconcessionaires and third parties that arise in relation to the Florence Concession Agreement.

Brazil

Sources of Regulation

The Brazilian Federal Constitution provides that the Brazilian Government shall, directly or by concessions, authorizations or permissions, explore air and space navigation and all airport infrastructure.

In 1997, Federal Law No. 9,491/1997 was enacted and created the National Privatization Program (*Programa Nacional de Desestatização*) which established the framework for privatizations in Brazil. Since the enactment of the National Privatization Program, the Brazilian privatization process has undergone constant change as economic and political realities shifted.

Until 2011, the construction, operation and exploitation of the airport infrastructure in Brazil was undertaken directly by Infraero, which was established by the Brazilian Government in 1973 to implement, manage, operate and explore, industrially and commercially, all airport infrastructure assigned to it by the Civil Aviation Department of the Republic Presidency. At that time, Infraero directly operated 66 airports, concentrating 97% of the transportation of passengers in Brazil.

However, upon the enactment of Presidential Decrees Nos. 7,205/2010, 7,531/2011, 7,896/2013 and 8,517/2015, the following airports were included in the National Privatization Program and began to be operated by third parties under concession agreements: Natal–Aluizio Alves; São Paulo–Guarulhos; Campinas–Viracopos; Brasília–Juscelino Kubitschek; Rio de Janeiro–Galeão; Cofins–Tancredo Neves; Porto Alegre–Salgado Filho; Salvador–Luís Eduardo Magalhães; Florianópolis–Hercílio Luz; and Fortaleza–Pinto Martins.

Although currently Infraero has responsibility to manage, directly or through concession agreements with third parties, a substantial portion of the Brazilian medium and large airport infrastructure, Brazilian laws provide that the Brazilian ANAC has responsibility for creating a standard model for concessions for airport infrastructure and authority to enter into the relevant concession agreements. The Brazilian ANAC was established in 2005 pursuant to Federal Law No. 11,182/2005 that integrates the Federal Public Administration, and since 2016, the Ministry of Transport, Ports and Civil Aviation has been responsible for the regulation and inspection of the civil aviation in Brazil. Notwithstanding the recent privatization of airports in Brazil, the privatization and concession models vary considerably and no definitive privatization standard for airport concessions has been defined by the relevant governmental authorities.

Recent developments

Certain recent rules have changed the regulation of the airport industry and may be applied to the concessions if requested by the relevant concessionaire.

- On March 29, 2017, Directive No. 135 of the Ministry of Transport, Ports and Civil Aviation was enacted and established the terms and conditions in connection with the re-profiling of the fixed grant (concession fee) payments related to the concession agreements that have been executed prior to December 31, 2016.
- On April 7, 2017, Directive No. 143 of the Ministry of Transport, Ports and Civil Aviation was enacted and established the possibility of commercial agreements being executed with a term of effectiveness that exceeds the term of the concessions.
- On May 19, 2017, in order to further the implementation of Directive No. 135, Provisional Executive Order No. 779/2017 was published and provided for the conditions for amendments to the concession agreements executed prior to December 31, 2016, in connection with the re-profiling of the fixed grant (concession fee) payments related to the concession agreements. This Provisional Executive Order is still pending approval by the Brazilian Congress.
- On October 26, 2017, Federal Law No. 13,449 was published and established the conditions for amendments to the concession agreements executed prior to December 31, 2016, in connection with the re-profiling of the fixed grant (concession fee) payments.
- On June 25, 2017, Federal Law No. 13,448/2017 was published and brought new alternative solutions for ongoing concessions. Among such solutions is the re-tendering of concession projects, including public private partnerships (“PPPs”). Additionally, such Federal Law sets forth that Brazilian Concession Agreements between the Brazilian Government and concessionaires may be formally amended to contain an arbitration clause permitting resolution of specific claims permitted by law through arbitration. The relevant concessionaire will be required to deposit in advance the costs and expenses of the arbitration, but the final arbitral award may rule that the Brazilian Government shall reimburse the concessionaire for such costs and expenses.
- On August 6, 2019, Decree No. 9.957/2019 was published. It regulates the procedure for re-tendering of concession projects, including PPPs in the roads, rail and airport sectors covered by Federal Law No. 13,448/2017.

Natal Concession Agreement

The concession agreement for the construction, operation and maintenance of the Natal Airport (the “Natal Concession Agreement”) was awarded in August 2011 to ICASGA, and became effective on January 18, 2012. It was the first federal airport concession granted to the private sector. The initial term of the Natal Concession Agreement is for 28 years and can be extended for another five years if necessary to reestablish economic equilibrium.

On March 5, 2020, the Company made public that ICASGA filed a non-binding request to the Brazilian Federal Government to commence the re-bidding process of the Natal Airport. Upon a completion of a successful bidding process, the operation of Natal Airport will be transferred to a different operator. Upon such transfer, ICASGA will be entitled to an indemnification to be determined by authorities, which will be primarily based on non-amortized capital expenditure investments. In the interim, ICASGA will remain as the airport operator, with the same safety and service quality, as well as complying with the current commercial and employment contracts.

As of August 24, 2020, the Natal Airport qualifies as an enterprise that meets the requirements to initiate a re-bidding process. On November 20, 2020, ICASGA and ANAC executed an amendment to the Natal Concession Agreement setting forth the rules and proceedings for the re-bidding. Such amendment is effective until August 24, 2022, or when the new operator is awarded the concession under the re-bidding process, whatever comes first. In case the re-bidding remains vacant on or after August 24, 2022, the Brazilian Government could extend the initial term. In case this term is not extended, ICASGA will be responsible for continuing with the operation of the airport under the same conditions in place before the Amendment.

Brasilia Concession Agreement

The concession agreement for the construction, operation and maintenance of the Brasilia Airport (“Brasilia Concession Agreement”) was awarded in February 2012 to ICAB, and became effective on July 24, 2012. The initial term of the Brasilia Concession Agreement is for 25 years and can be extended for an additional 5 years if necessary to reestablish economic equilibrium.

The Natal Concession Agreement and the Brasilia Concession Agreement are collectively referred to in this annual report as the “Brazilian Concession Agreements.”

Material Terms and Conditions of the Brazilian Concession Agreements

Under the Natal Concession Agreement, ICASGA shall be responsible for (i) the construction of Natal Airport based on a scope of work prepared by ICASGA and approved by the Brazilian ANAC; and (ii) the maintenance and operation of Natal Airport in accordance with certain parameters provided for under Annex 2 of the Natal Concession Agreement (the “Natal Airport Development Plan”).

Under the Brasilia Concession Agreement, ICAB shall be responsible for (i) managing the expansion of Brasilia Airport to provide adequate infrastructure and improve its service level; and (ii) maintaining and operating Brasilia Airport in accordance with certain parameters provided for under Annex 2 of the Brasilia Concession Agreement (the “Brasilia Airport Development Plan”).

During the term of the Brazilian Concession Agreements, ICASGA and ICAB shall be responsible for, among other things:

- providing adequate service to passengers and users of the airport, as defined in Article 6 of Federal Law No. 8.987/95 (the “Brazilian Concessions Law”), using all means and resources available, including, but not limited to, making any necessary investments to expand airport operations to sustain the required service levels, based on the existing demand and the provisions set forth in the Natal Airport Development Plan or Brasilia Airport Development Plan, as applicable;
- implementing services and management programs, and offering training programs to its employees for purposes of improving services and the convenience of users in order to meet the requirements set forth in the Natal Airport Development Plan or Brasilia Airport Development Plan, as applicable;

- providing proper service (according to what the Natal Airport Development Plan or Brasilia Airport Development Plan, as applicable, defines as regular, continuous, efficient, safe, up to date, broad and courteous service), at a fair price, to the general public and airport customers;
- performing all services, controls and activities related to the concession agreement, with due care and diligence, employing the best available practices in every task performed;
- presenting the Brazilian ANAC with an Infrastructure Management Plan every five years and an annual Service Quality Plan during the term of the ICAB Concession Agreement;
- submitting to the approval of the Brazilian ANAC any proposal for the implementation of service improvements and new technologies, as provided for under the Brazilian Concession Agreement and applicable regulations;
- developing and implementing plans for dealing with emergencies at the airports, maintaining, for such purposes, human resources and materials required by industry regulations and the Natal Airport Development Plan or Brasilia Airport Development Plan, as applicable; and
- meeting minimum corporate capital requirements, as follows: (i) ICASGA must have a minimum subscribed corporate capital in the amount of R\$84 million, comprised of, at least, R\$32.5 million paid-in and R\$16 million paid-in cash; and (ii) with respect to ICAB, a minimum subscribed and paid-in corporate capital in the amount of R\$243.251 million.

Concession Fees

Annual Fixed Payment

Under the Natal Concession Agreement, ICASGA is required to pay the Brazilian ANAC an annual fixed payment adjusted based on the base interest rate of the Central Bank of Brazil in the amount R\$6.8 million for the years 2020 to 2032, and R\$9.7 million for the years 2033 to 2040.

Under the Brasilia Concession Agreement, ICAB is required to pay the Brazilian ANAC an annual fixed payment adjusted by the Consumer Price Inflation Index (*Índice Nacional de Preços ao Consumidor Amplo*; or “IPCA”) in the amount of R\$263.6 million for 2017 which has been paid in full with the proceeds of the Banco Santander Bridge Loan Facility and the Citibank Credit Agreement. (See “Description of Indebtedness—Brazil—Brazilian 2017 Financing Transactions”), R\$12.9 million for 2018, R\$180.0 million for the years 2019 to 2033, and R\$243.4 million for the years 2034 to 2037, as well as a variable payment, adjusted by IPCA.

Annual Variable Payment

Under the Brasilia Concession Agreement, ICAB shall also pay a “Variable Payment” equal to: (i) 2% of the perceived annual gross revenues, including the gross revenue of its wholly-owned subsidiaries, for annual gross revenue of up to R\$363.2 million for the year ended December 31, 2019; plus (ii) 4.5% of the annual gross revenues, including the gross revenue of its wholly-owned subsidiaries, for annual gross revenues above R\$363.2 million for the year ended December 31, 2019, if any.

Monthly Payment

Pursuant to the Brasilia Concession Agreement (as amended), ICAB (amendment N° 02/2018) and ICASGA (amendment N° 06/2018) shall also pay a monthly payment equal to 26.4165% of all airport tariffs received by each company.

On 2016, as per the Law No. 13,319/2016, the Brazilian government revoked the ATAERO (Additional Airport fee). In order to replace the value of ATAERO and maintain the same inflow in favor of FNAC (National Civil Aviation Fund), the government created the Monthly Payment with the same proportion of the revoked ATAERO (26.4165% of all airport tariffs). Therefore, the creation of this new fee (Monthly Payment) has not affected the revenues and payment obligations made by the concessionaire.

Master Development Program

Under the terms of our Brasilia Concession Agreement, ICAB is required to present a master development program for approval by the Brazilian ANAC every five years. The Brazilian ANAC is the Brazilian Agency created in 2005 that integrates the Federal Public Administration and the Ministry of Transport, Ports and Civil Aviation in Brazil. The Brazilian ANAC is responsible for the regulation and inspection of civil aviation in Brazil, and is responsible for creating the standard model for carriers for airport infrastructure, and is the counterparty for the Brasilia Concession Agreement. The master development program (*PGI-Plano do Gestão do Infraestrutura*) includes planned investment (including capital expenditures and improvements) of the concession holder for the succeeding 5-year period.

The master development plan for Brasilia Airport for the 2018 to 2022 period was approved in 2017. The master development plan must set forth the investments necessary to comply with the dimension/quality parameters established in the Brasilia Concession Agreement (considering the concessionaire's projections on air traffic growth), as well as any optional investments proposed by ICAB. Once reviewed and approved by the Brazilian ANAC, the investments proposed in the plan become binding commitments under the terms of the Brasilia Concession Agreement. However, ICAB may reduce or otherwise modify any investment in such plan so long as such investment is not related to ICAB's compliance with the dimension/quality parameters established in the Brasilia Concession Agreement.

Fees

As consideration for the investments and payment obligations assumed by ICASGA and ICAB under the Brazilian Concession Agreements, ICASGA and ICAB are entitled to charge the tariffs (fees contemplated by the Brazilian Concession Agreements and pursuant to applicable law and regulation) and non-tariffs (fees associated with the exploration of other commercial activities) described below:

Tariffs

ICASGA and ICAB are entitled to charge certain tariffs from users and airlines upon use of services, equipment, facilities and installations available at Natal and Brasilia Airports, including:

- departure passenger charges;
- connection charges (solely with respect to ICAB);
- landing fees;
- aircraft parking fees;
- cargo fees; and
- approach and communications fees (solely with respect to ICASGA).

ICASGA and ICAB are prohibited from charging any tariff not provided for in the Brazilian Concession Agreements, or the applicable law and regulation.

The tables below sets forth the maximum amounts that we were permitted to collect as of January 21, 2020, under the Brasilia Airport Concession Agreement:

Boarding Rate Group I

Nature	Domestic	International
Concessionaire	30.67	54.27
FNAC	-	65.80
TOTAL	30.67	120.07

FNAC Additional - R\$65.70 (Portaria ANAC N° 02, de 02 de January/SRA 2019)

Connection Rate

Domestic (R\$/passenger)	International (R\$/passenger)
10.39	10.39

Landing Fee Group I

Domestic (R\$/Ton) Final	International (R\$/Ton) Final
9,6006	25,5962

Rate of Permanence of the Group I

Rate of Permanence	Domestic (R\$) Final	International (R\$) Final
Maneuver Patio (PPM)	1,8969	5,1101
Long Stay Patio (PPE)	0,4026	1,0404

Adjustment

Tariffs shall be adjusted annually by IPCA, upon the application of a specific formula that considers the IPCA and the effects of the Q and X Factors, as defined in the Brazilian Concession Agreements. The Brazilian ANAC adopted Factor X as a mechanism to measure positive and negative productivity and efficiency variations and Factor Q as a mechanism to verify compliance with service levels. Adjustment of tariffs under Natal Concession Agreement also considers an additional Factor M, which allows the increase of tariffs when non-tariffs correspond to more than 35% of revenues.

Non-Regulated Revenue

Pursuant to the Brazilian Concession Agreements, ICASGA and ICAB may engage in commercial activities that generate non-regulated revenues, as provided under the relevant airport master plan, directly, through subsidiaries or through lease contracts with third parties.

The following airport-related commercial activities are authorized:

- ground handling, catering and fueling;
- retail, duty free, food and beverage, banking services, lottery and vending machines;
- rental of office spaces, warehouses and export processing areas;
- car rental, parking, hotels and meeting rooms; and
- hotel transfers, city tour and telecommunication services.

Review of the Concession Parameters

The review of the parameters of the Brazilian Concession Agreements shall be conducted every five years during the concession period and involves the determination of service quality indicators, the methodology of calculation of factors X, Q and the discount rate considered in the calculation of the marginal cash flow used in determining extraordinary reviews.

In January 2019, ICASGA initiated the proceedings regarding the review of the parameters of its Concession Agreement. In December 2019, the proceedings were finalized and therefore, the parameters are now effective as of January 1, 2020.

Extraordinary Review

The extraordinary review is intended to restore the economic and financial equilibrium of the Brazilian Concession Agreements when costs, revenues or gains of ICASGA or ICAB are unbalanced as a result of events with respect to which the Brazilian ANAC is required to bear the risk (e.g., changes in airport security requirements, change in certain rules and regulations, and the existence of archeological sites in the airport area).

In addition, the Natal Airport and Brasilia Airport may make a request for the restoration of economic and financial equilibrium under the Brazilian Concession Agreements if government entities do not complete the works required under the concession tender documents. A request for the restoration of equilibrium may also be made if there are latent defects in the then existing infrastructure.

The relevant concessionaire may request an extraordinary review of the Brazilian Concession Agreement to re-establish the economic and financial equilibrium of the concession if one or more events under Section V of the concession agreement occurs. The principal events are the following:

- any changes in any law or rule related to (a) the services that the concessionaire must provide or (b) any security procedure;
- operational restrictions resulting from any act (or omission thereof) by any governmental body;
- mandatory changes in tariffs or granting of tariff benefits;
- changes in the tax regime that causes additional costs for the concessionaire (excluding income tax); and
- a *Force Majeure* event.

The restoration of the economic and financial equilibrium may be implemented by the Brazilian ANAC upon (i) changing the amount of tariffs; (ii) modifying the concession term or ICASGA or ICAB's obligations; or (iii) adopting other measures it deems appropriate. The review will be based, among others, on the marginal cash flow related to every event generating economic and financial disequilibrium.

In the process of determining the compensation necessary to offset economic and financial changes, the Brazilian ANAC may request documents prepared by independent institutions, the cost of which shall be at ICASGA or ICAB's expense, as the case may be.

Guarantees and other Financial Commitments

Performance bond

ICASGA and ICAB are required to provide performance bonds with different amounts for each phase of the Brazilian Concession Agreements, according to the below:

Event	Amount of the Performance Bond (in millions of R\$)	Amount of the Performance Bond (in millions of U.S.\$)
Natal Concession Agreement		
Phase I of the Natal Concession Agreement	65.0	20.0
Phase II of the Natal Concession Agreement (from the formal commencement of Phase II until the end of the contract) until January 24, 2018	6.5	2.0
from January 25, 2018 to January 24, 2020	5.8	1.7
from January 25, 2020 to January 24, 2033	6.5	2.0
from January 25, 2033 to January 24, 2040	6.7	2.1
Investment Trigger of the Natal Concession Agreement	10% of the amount of planned investments	
Brasilia Concession Agreement		
During Phase I-B of the Brasilia Concession Agreement	266.7	81.8
After completion of Phase I-B of the Brasilia Concession Agreement or at the termination of the contract until July 23, 2018	133.3	41.0
from July 24, 2018 to July 23, 2019	116.7	51.2
from July 24, 2019 to July 23, 2034	133.3	41.0
from July 24, 2034 to July 24, 2037	139.7	42.9
Investment Trigger of the Brasilia Concession Agreement	10% of the amount of planned investments	
Upon termination of the Brasilia Concession Agreement, for a period of 24 months after the termination of the agreement	19.1	5.8

We have obtained surety bonds from local insurance companies to support our guarantee obligations under each of the Brazilian Concession Agreements.

Financial commitments

The Brazilian Concession Agreements are subject to the general provisions set forth under the Brazilian Concessions Law (Federal Law No. 8,987/95), Public Procurements and Administrative Contracts Law (Federal Law No. 8,666/93), as well as MTPA and the Brazilian ANAC regulations.

Pursuant to Article 28 of the Brazilian Concessions Law, the Brazilian concessionaires may provide the rights arising from the concession as collateral for their financing arrangements, up to a limit that does not compromise the operations and continuity of the services provided by the concessionaire.

ICASGA and ICAB have complied with all the minimum financial commitments required under their respective Brazilian Concession Agreements. Any further investments would only be necessary in the event of increased demand.

Federal Law No. 13,499/17 (Provisional Measure MP779) provides that airport concessionaires in Brazil are permitted to prepay the applicable concession fees due by such concessionaire. By prepaying such concession fees, an equal amount of future concession fees is deferred. The deferred amount is adjusted at a rate equal to 6.81% plus inflation (measured by IPCA). We used part of the borrowings under the Banco Santander Bridge Loan Facility to prepay approximately 45% of the concession fees due in 2018 under the Brasilia Concession Agreement. We also prepaid 100% of the concession fees due in 2018 under the Natal Concession Agreement. On December 20, 2017, we entered into amendments of each of the Brasilia Concession Agreement and the Natal Concession Agreement in connection with such prepayments.

Penalties

Operational Intervention

Whenever contractual breaches are deemed to substantially affect the concessionaire's ability to provide its services as provided for in the Brazilian Concession Agreements, the Brazilian ANAC may temporarily intervene in the operations to guarantee the quality of services and adherence to contractual provisions and regulations.

Termination of the Concessions

The Brazilian Concession Agreements will be deemed terminated upon any of the following events:

- the end of the concession term, as provided for in the relevant Brazilian Concession Agreement;
- the expropriation of the concession by the Brazilian ANAC for reasons of public interest;
- forfeiture declaration by the Brazilian ANAC as a result of the breach of material contractual obligations by ICASGA and ICAB pursuant to Article 38 of the Brazilian Concessions Law;
- termination by a judicial order resulting from an action filed by ICASGA or ICAB based upon the breach of the Brazilian ANAC obligations;
- the annulment of the Brazilian Concession Agreements by a judicial or administrative order based on the discovery of illegalities or irregularities in the tender documents, in the bid process or in the Brazilian Concession Agreements; or
- bankruptcy or liquidation of ICASGA or ICAB, as the case may be.

Upon termination of the Brazilian Concession Agreements, the Brazilian ANAC may:

- assume the airport services and operations;
- occupy and use the premises, facilities, equipment, materials and human resources employed in the airport services and operations that are required for the continuity thereof;
- apply the pertinent penalties, especially those relating to the reversion of assets attached to the concessions in favor of the Brazilian ANAC; and
- retain and enforce guarantees or collateral to ensure payment of administrative fines and losses caused by the concessionaires.

The amount of any indemnification payment due to ICASGA or ICAB in the event of the expropriation, or termination by a judicial order, of the relevant concession will include the outstanding balance under the loan agreements entered by ICASGA or ICAB with BNDES and/or CEF, as the case may be. In addition, ICAB is entitled to receive payment for (i) non-amortized investments; and (ii) all applicable demobilization costs, including fines, termination payments and indemnifications due to employees, suppliers and other creditors.

If the Brazilian Concession Agreements are terminated in connection with a forfeiture declaration issued by the Brazilian ANAC, then the amount of the indemnification payment will be limited to the non-amortized amount of assets reverted to the Brazilian Government less the amount of (i) any applicable losses; (ii) fines; and (iii) insurance payments received by ICASGA or ICAB, in each case, in connection with the events and circumstances that resulted in the forfeiture declaration.

Reverted Assets

ICASGA and ICAB are obliged to maintain an updated list of the assets attached to the Brazilian Concession Agreements, which shall be returned to the Brazilian ANAC upon the end of the relevant concession, in adequate working condition, sufficient to ensure the continuity of the Airports services and operations for at least three years, in the case of ICASGA, and two years in the case of ICAB.

Transfer of control and transfer of concession

The assignment of the concessions and the transfer of direct or indirect corporate control of ICASGA or ICAB depend on the prior and express approval from the Brazilian ANAC. During the first five years of the Brazilian Concession Agreements, the prior and express approval from the Brazilian ANAC will also be required in connection with: (i) changes to ICASGA ownership structure that do not imply transfer of control, (ii) transfer of ICAB shares owned by its private shareholder and (iii) changes to ICAB private shareholder ownership structure that do not imply transfer of control.

Penalties

The failure to comply with the Brazilian Concession Agreements, the applicable request for proposal and the rules and regulations issued by the Brazilian ANAC may result in the following penalties to the concessionaires, in addition to any other penalties provided for in the applicable law and regulation:

- warning;
- fine;
- temporary suspension of participation in requests for proposals to obtain new concessions or authorizations for the operation of the airport infrastructure as well as restrictions for ICASGA or ICAB to enter into new contracts with the Brazilian Government; and/or
- forfeiture of the concession.

Governing Law and Dispute Resolution

The Brazilian Concession Agreements are governed by the laws of Brazil. Any dispute, controversy or disagreement related to indemnification payments that may be due to a party upon the termination of the Brazilian Concession Agreements, including reverted assets, shall be settled by arbitration, in accordance with the Arbitration Rules of the International Chamber of Commerce, subject to the provisions of Federal Law No. 9,307, of September 23, 1996 (the Brazilian Arbitration Law). The Brazilian courts of the Federal District (*Distrito Federal*) have jurisdiction to resolve all other disputes related to the Brazilian Concession Agreements.

Uruguay

Sources of Regulation

The following are the main laws and regulations that govern the Uruguayan Concession Agreements:

- Law No. 14,305 (“Uruguayan Aeronautical Code”) as regulated by the Executive Branch Decree No. 39/977. Title V of the Uruguayan Aeronautical Code sets forth the basic framework regarding airports in Uruguay establishing certain requirements that all airports, depending on their classification, have to comply with.
- Law No. 9,977 which provides that the *Dirección Nacional de Aviación e Infraestructura Aeronáutica* of Uruguay (“DINACIA”) an agency of the Defense Ministry, shall be the aeronautical authority having the responsibility of controlling, promoting and managing civil aviation.
- Executive Branch Decree No. 21/999, which regulates in further detail the responsibilities of DINACIA.

The following are the main laws and regulations that govern the Carrasco Concession Agreement and the operation of the Carrasco Airport:

- Law No. 17,555 dated September 18, 2002, which authorized the *Corporación Nacional para el Desarrollo* (“CND”), a state owned agency created by Law No. 15,785, to incorporate a company with the purpose of “managing, exploiting, operating, constructing and maintaining” Carrasco Airport. Pursuant to the aforementioned authorization, in 2003 the Uruguayan Government incorporated Puerta del Sur, and in February 6, 2003, Puerta del Sur entered into the Carrasco Concession Agreement with the Defense Ministry to manage, exploit, operate, construct and maintain the Carrasco Airport for a 20-year term, extendable up to 30 more years, by paying an annual concession price or “fee.”
- Executive Branch Decree No. 376/002, dated September 28, 2002, which includes the Régimen de Gestión Integral, which regulates Law No. 17,555, and created the *Unidad de Control*, which acts as Puerta del Sur’s regulator.
- Executive Branch Decree No. 153/003, dated April 24, 2003, Executive Branch Decree No. 192/003, dated May 20, 2003, and Executive Branch Decree No. 317/003, dated August 13, 2003, which amended the terms of the auction of Puerta del Sur’s shares and certain requirements connected to the Carrasco Concession Agreement.
- Resolution No. 284/005 issued by the Defense Ministry, pursuant to which the Defense Ministry approved certain amendments to the Carrasco Concession Agreement.
- Executive Branch Decree No. 303/005, dated September 13, 2005, Executive Branch Decree No. 469/007, dated December 3, 2007, Executive Branch Decree No. 491/009, dated October 19, 2009, Executive Branch Decree No. 20/012 dated January 27, 2012, Executive Branch Decree No. 148/2014, dated May 26, 2014, Executive Branch Decree No. 62/015, dated February 18, 2015, Executive Branch Decree No. 232/2017 dated August 28, 2017 and Executive Branch Decree No. 31/2018 dated February 2, 2018, all of which updated the tariffs set forth in the Carrasco Concession Agreement.
- Executive Branch Decree No. 409/08, which approved the regulations related to the treatment of Carrasco Airport as a “freeport.”
- Executive Branch Decree No. 229/014, dated August 6, 2014, which amended several aspects of the Carrasco Concession Agreement, providing the extension of the Carrasco Concession Agreement for an additional 10 year term in exchange for (i) payment of a fee of U.S.\$20.0 million and an additional fee by Puerta del Sur which will be discussed further on, (ii) the return to the Ministry of Defense of the old Carrasco Airport passengers terminal, and (iii) commitment by Puerta del Sur to perform certain obligations. See “—The Carrasco Concession Agreement—Obligations Assumed by Puerta del Sur as Concessionaire.”
- Resolution No. 27/015, dated March 11, 2015, issued by the Defense Ministry regarding the FBO-VIP zone.

The following are the main regulations that govern the Punta del Este Concession Agreement and the operation of the

- Law No. 15,637 dated September 28, 1984, which authorizes the Executive Branch to grant concessions of public property to individuals, public or private legal entities, mix ownership companies, allowing the concessionaire to collect fees from the commercial exploitation.
- Resolution No. 960/993 issued by the Executive Power dated October 23, 1993, which awarded the Public Tender 4/991 for the reconstruction, maintenance and partial operation of the services of the Punta del Este Airport to Consorcio Aeropuertos Internacionales S.A. and authorized the Ministry of Defense to enter into the Punta del Este Concession Agreement with CAISA for a period of 20 years.
- Resolution No. 1866/001 issued by the Ministry of Defense dated December 14, 2001, which approved the amendment of the terms of the Punta del Este Concession Agreement.
- Resolution No. 1351/2019 issued by the Executive Power dated March 28, 2019, which approved the amendment of the Punta del Este Concession Agreement, extending its term until March 31, 2033. The amended agreement was executed on June 28, 2019.

Governmental Authorities

Role of DINACIA

The former Directorate of Civil Aviation, currently called DINACIA, the Uruguayan aviation authority, was created by the Executive Branch Decree No. 21/999, dated January 26, 1999.

The goal of DINACIA is to implement civil aviation policies in Uruguay, according to current international standards and recommendations, thus continuously monitoring operational security, directing, and controlling civil aviation activities. DINACIA is also in charge of the safety, regularity and efficiency of the aeronautical operations and with providing services in accordance with international regulations and requirements in Uruguay.

DINACIA's rights and obligations with respect to the Carrasco Concession Agreement are set forth under the Concession Agreement and applicable laws. DINACIA also provides the necessary resources for the functioning of the *Unidad de Control* and administrative support, infrastructure and material resources.

Uruguayan Executive Branch Decree No. 21/999 also regulates DINACIA's organization and powers, which among others include the following: (i) execute the national aeronautics policies according to current regulations and directives; (ii) direct, coordinate, monitor and evaluate the activities assigned to other departments; (iii) advise, in compliance with current legal standards, in all matters related to civil aviation; (iv) issue, in its capacity as national aeronautical authority certain certificates (*Certificados de Explotador Aéreo*) to airline companies that must comply with the requirements established in the regulations of civil aviation; (v) issue instructions (*Instructivos*) to define policies to be developed in the areas of its competence in order to control compliance with all civil aviation activity; and (vi) issue rules (*Circulares*) regarding airport security and operations. Notwithstanding the foregoing, DINACIA has authority in all matters related to civil aviation and aeronautics, according to national statutes and international treaties.

Unidad de Control

The *Unidad de Control* was created by Executive Branch Decree No. 376/002 as the responsible body for the supervision and control of the fulfillment of airport concessionaires and the financial, legal, technical and operative supervision of the Uruguayan Concession Agreements. Puerta del Sur and CAISA have weekly communications with the *Unidad de Control* and the *Unidad de Control's* members inspect both the Carrasco Airport and the Punta del Este Airport regularly.

Under the terms of the Uruguayan Concession Agreements, certain tariffs and charges included in the Uruguayan Concession Agreements require the approval of the Executive Branch. Prices not included in the Carrasco Concession Agreement, applicable to the airlines, require the approval of the *Unidad de Control*. Other prices must only be notified to the *Unidad de Control* and they have to be based on market prices and private negotiations.

All disputes arising in connection with the operation or management of an airport must be submitted to the *Unidad de Control*. The *Unidad de Control* is the body responsible for suggesting to DINACIA all mitigations and sanctions that could apply in case of breach by the concessionaires of their obligations.

The *Unidad de Control* also controls compliance with the *Organización de Aviación Civil Internacional* (“OACI”) rules relating to maintenance and management of all airports, and is responsible for coordinating and controlling all activities related to the emergency plans of the airports.

Resolution No. 193/016 dated April 28, 2016, incorporated rules related to Emergency Plans at airports and Airports Certifications, which must be obtained by Puerta del Sur and CAISA. Before Resolution 193/016, both the Emergency Plan and the Airport Certification were obligations of the State. The completion of the Certification process is long and can last a couple of years.

The Carrasco Concession Agreement

In September 2002, the Uruguayan Government (through Law No. 17,555 and Executive Branch Decree No. 376/02) authorized the CND to incorporate a company with the purpose of “managing, exploiting, operating, constructing and maintaining” the Carrasco Airport. Pursuant to the aforementioned authorization, in 2003 the CND incorporated Puerta del Sur.

In February 2003, Puerta del Sur (then wholly owned by the Uruguayan Government) entered into the Carrasco Concession Agreement with the Defense Ministry to operate the Carrasco Airport. The initial term of the Carrasco Concession Agreement was for 20 years commencing in November 2003, which has been extended for an additional 10-year period (i.e., until 2033) by Executive Branch Decree No. 229/2014 dated August 6, 2014.

In August 2003, our wholly-owned subsidiary Cerealsur S.A. acquired 100% of the issued and outstanding shares of Puerta del Sur in a public auction organized by the Uruguayan Government at the Uruguayan Stock Exchange. In November 2003, Puerta del Sur took the effective control of the Carrasco Airport.

In order to meet the operator expertise requirements under the Carrasco Concession Agreement, upon consent of the Executive Branch, Puerta del Sur entered into an operating agreement with Cedikor, with experience in the management and operations of airports around the world, including in Argentina, Ecuador, Peru, Brazil, Italy and Armenia, to manage the Carrasco Airport. See “—Obligations Assumed by Puerta del Sur as Concessionaire—Airport Operator.”

Obligations Assumed by Puerta del Sur as Concessionaire

Under the terms of the Carrasco Concession Agreement, Puerta del Sur is responsible for developing, managing, exploiting, operating and maintaining the Carrasco Airport, which includes performance of the following activities:

- using Carrasco Airport facilities and the human and material resources associated with the aeronautical and commercial services regulated under the Carrasco Concession Agreement exclusively for such purposes;
- taking all necessary measures (other than those under the responsibility of the Uruguayan Government) in order for Carrasco Airport to be included in the following categories of the International Air Transport Association: (a) Category 1 Instrumental; (b) Category 4E regarding the state of the landing strip; (c) Category 9 regarding fire protection; and (d) at least in Category C of I.A.T.A.;
- maintaining Carrasco Airport operational 24 hours a day, seven days a week;
- complying with applicable security measures required by the OACI, a specialized United Nations Agency, as well as other measures required by DINACIA;
- allowing the Uruguayan Government to comply with its duties under the Carrasco Concession Agreement as the regulator of the Carrasco Airport, including the services relating to air police, police enforcement, customs control, immigration, Interpol, meteorology, veterinary and healthcare;
- keeping and maintaining the facilities received under concession in perfect operating conditions and in full operations (24/7, 365 days a year) and replacing them as deemed necessary in the event of destruction or obsolescence and updating them to reflect the latest technological advances;
- implementing the necessary measures to ensure freedom of access and nondiscrimination;
- performing the works required by the Carrasco Concession Agreement. See “—Obligations Assumed by Puerta del Sur as Concessionaire— Construction of a New Passenger Terminal”;
- reporting to the relevant authorities any breach of the Carrasco Concession Agreement and those which endanger or may endanger the security of Carrasco Airport, and cooperate with any investigations;
- maintaining the guarantees and insurance policies valid and current in accordance with the terms of the Carrasco Concession Agreement;
- reporting to DINACIA, the control entity of Carrasco Airport, any facts affecting the regulated airport activities;
- paying the concession fee;
- providing to the *Unidad de Control* all documents and information necessary to verify compliance with the Carrasco Concession Agreement;
- permitting DINACIA (without any restrictions) to use a limited space at the Carrasco Airport free of charge, and compensating the Uruguayan Government for the provision of transit, flight protection, radio navigation and communications services; and
- complying with all the obligations contained in the Régimen de Gestión Integral and all those inherent to a “reasonable” or “diligent” business owner.

The control of the aeronautical transit, general flight operations and security measures are excluded from the Carrasco Concession Agreement and remain with DINACIA.

The *Unidad de Control*, an agency that consists of representatives of the Defense Ministry and the Ministries of Economy and Transportation, supervises Puerta del Sur's compliance with its obligations as concessionaire of Carrasco Airport, and oversees the financial, legal, technical and operative supervision of the concession. Under the terms of the Carrasco Concession Agreement, Puerta del Sur has assumed the obligations described below.

Construction of a New Passenger Terminal

One of the principal obligations assumed by Puerta del Sur under the Carrasco Concession Agreement was the construction of a new passenger terminal to replace the old passenger terminal. The construction of the new terminal began in 2007 and was completed in December 2009 when the terminal became fully operational.

Maintenance and Operation of the Airport Terminal

Under the Carrasco Concession Agreement, Puerta del Sur is required to take all measures to provide secure, regular, efficient and high-quality services, at the minimum cost to the users of Carrasco Airport. Any change in the Carrasco Concession Agreement related to infrastructure, facilities or equipment will require the prior authorization of the Executive Branch.

Under the Carrasco Concession Agreement, Puerta del Sur is responsible for complying with all applicable legal requirements related to aeronautical, labor, fiscal, customs and other matters related to its activity.

Airport Operator

Under the Carrasco Concession Agreement, Puerta del Sur is required to engage and maintain an experienced and financially sound airport operator for the airport, who, in turn, is charged with providing advice to Puerta del Sur in the following areas: airplanes, passengers, mailing and cargo.

On February 2, 2017, Puerta del Sur replaced SEA as operator and entered into an operating agreement with Cedicor in form and substance in accordance with a draft agreement, which was previously duly approved by the Executive Branch. Under the terms of the operating agreement between Puerta del Sur and Cedicor, Puerta del Sur pays Cedicor an annual fee of 2.5% of Puerta del Sur's operating income with a minimum of U.S.\$500,000 and a maximum of U.S.\$2.0 million per calendar year.

The Carrasco Concession Agreement requires that any entity acting as the operator of Carrasco Airport must be approved by the Executive Branch and must satisfy the following conditions:

- **Technical operational capacity:** The operator must have at least eight years' experience in airport management and operations with, at minimum, 40,000 tons of cargo and 2.4 million passengers per year, as certified by the competent aeronautical authority of the country in which it operates. If the operator is a holding company, the referenced technical capacity will be that of the controlled entity. Cedicor's technical and operational capacity was certified by the Aeronautical Authority of Guayaquil and approved by Uruguay's Executive Branch.
- **Financial and economical capacity:** The operator must have a minimum operating capital of U.S.\$50.0 million in its most recently ended fiscal year, as evidenced by the audited balance sheet and income statement of the operator prepared in accordance with IFRS. Operating capital is calculated as the sum of net worth and short and long term financial debt.

Puerta del Sur must submit to DINACIA any request seeking the approval of the Executive Branch to approve an entity to become operator of Carrasco Airport. The Executive Branch must approve the proposed operator within a term of 20 days. If denied, Puerta del Sur will have 15 days to respond to any objections. Once approved, the agreement between Puerta del Sur and the operator will be in force during the effective term of the Carrasco Concession Agreement. Any termination of the operating agreement will require the consent of the Uruguayan Government.

If Puerta del Sur elects to replace the airport operator, it must submit to the Uruguayan Government the name of the replacement, together with evidence that the proposed operator meets all required conditions. Any proposed operator must be approved by the Uruguayan Government.

Landing Fees

	U.S.\$	Adjusted Price U.S.\$
	(U.S.\$ per ton)	
Aircraft weight (tons)⁽¹⁾		
Up to 10 tons	52.8	54.66
10 – 20 tons	269.3	278.76
20 – 30 tons	336.2	347.97
30 – 70 tons	503.5	521.07
70 – 170 tons	711.2	736.04
> 170 tons	968.2	1002.05

(1) Landing fees increase by 20% for night landing.

Parking Fees

	PAD/h ⁽¹⁾
In operative platform	% PAD/h
Outside operative platform	2.5% PAD/h
Under repair (others)	0

(1) PAD/h = daily landing price per hour or fraction.

Boarding Services Fees

	U.S.\$	Adjustment Index	Adjusted Price
Connections	20.0	1.03487	21.0
International flights	44.0	1.03487	46.0
Security Tariff	5.76	—	—

Handling Companies fees

	In Transit	Terminal	Adjustment Index	Adjusted Price In Transit	Adjusted Price Terminal
	in U.S.\$)				
Up to 10 seats	5.2	8.7	1.03487	5.47	9.09
11 – 30 seats	15.86	23.77	1.03487	16.42	24.59
31 – 90 seats	31.68	39.56	1.03487	32.79	40.93
91 – 150 seats	47.55	63.37	1.03487	49.20	65.58
151 – 250 seats	95.06	126.77	1.03487	98.38	131.19
> 251 seats	142.61	158.46	1.03487	147.58	163.98

Load Airplanes

	In Transit	Terminal	Adjustment Index in U.S.\$)	Adjusted Price In Transit	Adjusted Price Terminal
5,700 kg MTOW	8.80	17.62	1.03487	9.10	18.25
Up to B-737, B-727 (or similar)	63.37	71.36	1.03487	65.58	73.85
B-767, DC-8 (or similar)	79.23	95.09	1.03487	81.99	98.42
DC-10, MD-11, B-747, A-340 (or similar)	106.52	142.64	1.03487	110.23	147.62

Concession Fees

As consideration for the Carrasco Concession Agreement, Puerta del Sur is required to pay annual fees to DINACIA for the concession of Carrasco Airport. These fees consist of: (a) basic fees and (b) additional fees.

Basic Fees

The basic fees are calculated annually for the period from November to November and are equal to the higher of (i) a fixed amount of U.S.\$4.6 million and (ii) the amount resulting by multiplying the total number of passengers that use Carrasco Airport by U.S.\$4.19 per passenger (passengers in transit that exceed 7.5% of the total number of passengers that use the services of Carrasco Airport are excluded from such calculation, as well as diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations and children under the age of two), plus applicable cargo fees.

Additional Fees

In connection with the extension of the term of the Carrasco Concession Agreement, in September 2014 Puerta del Sur agreed to pay additional fees (effective as of September 1, 2017), which are calculated based on the number of passengers that use Carrasco Airport and that exceed 1.5 million passengers per year (transit passengers are not included in such calculation, nor are diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations or children under the age of two) multiplied by the coefficient set forth in the following table.

Passengers from	Passengers to	Coefficient
—	1,500,000	0
1,500,001	1,750,000	0.075
1,750,001	2,000,000	0.155
2,000,001	2,250,000	0.272
2,250,001	2,500,000	0.398
2,500,001	2,750,000	0.538
2,750,001	3,000,000	0.692
3,000,001	—	0.861

Timing of Payment of Fees: Puerta del Sur must pay 50% of the annual fees to DINACIA in June of each year (as calculated for the previous November-to-November period), and the remaining 50% in the following December.

Delay in Payment of Fees: If Puerta del Sur fails to timely pay the annual fees, it shall incur default interest at a rate of LIBOR (180 days) plus 10.0%. In addition, such failure to pay would be a breach of the Concession Agreement and may lead to the termination of the Carrasco Concession Agreement.

Puerta del Sur Revenue

Under the terms of the Carrasco Concession Agreement, Puerta del Sur is entitled to collect, among others, all aeronautical, commercial and cargo revenue related to services rendered at Carrasco Airport.

According to Executive Branch Decree No. 376/02, the Concessionaire is entitled to make a request to the Executive Branch of the Uruguayan Government for an annual adjustment of the prices charged at Carrasco Airport for landing, aircraft parking, passenger use tariffs, cargo, handling and storage of containers. If the requested adjustments are approved by the Uruguayan Executive Branch, the new prices are the maximum that can be charged, but not the fees that Puerta del Sur must necessarily charge. These prices charged to the airlines per aircraft movements and passenger use tariffs are adjusted pursuant to the "Anexo F" of the Carrasco Concession Agreement pursuant to the formula described in the Carrasco Concession Agreement. According to the Carrasco Concession Agreement, Puerta del Sur can submit a calculation to the *Unidad de Control* requesting it to validate proposed adjustments to regulated fees. This allows Puerta del Sur in principle to charge lower prices, except for the boarding fee which is a fixed rate.

Other services provided by Puerta del Sur to airlines and not included above shall be proposed by Puerta del Sur and approved by the *Unidad de Control*. The current services that are being provided by Puerta del Sur to the airlines are included in the Concession Agreement and the Memorandum of Understanding and its amendments executed between the airline companies and Puerta del Sur which were ratified by the *Unidad de Control*.

Other commercial revenues relating to the operation of Carrasco Airport and not included above are unregulated and may be fixed by Puerta del Sur without any restriction. However, the Carrasco Concession Agreement requires that the prices for such unregulated services be in line with local market prices, taking into account the quality and kind of services provided. Puerta del Sur must inform the *Unidad de Control* about the prices that it will charge for such services, and enclose comparative information about similar services in Uruguay and in the region. If the *Unidad de Control* rejects the proposed prices because they are not in line with local markets, Puerta del Sur would not be able to apply them. Prices are also published on the Puerta del Sur website and at DINACIA's website.

The prices that Puerta del Sur charges for the use of spaces within the terminal (other than spaces granted for airline operations) are freely set between Puerta del Sur and its counterparties and not subject to review or approval by any authority.

Obligations Assumed by Puerta del Sur Under the 2014 Amendment to the Carrasco Concession Agreement

As consideration for the extension of the term of the Concession Agreement for an additional 10-year period that took place in September 2014, Puerta del Sur agreed to the following:

- Extension Premium: Puerta del Sur agreed to pay to the Uruguayan Government U.S.\$20.0 million simultaneously with the execution of the amendment to the Carrasco Concession Agreement, which amount has been already paid in full;
- Return of Old Passenger Terminal: The old passenger terminal has been detached from the Concession Agreement and was returned to the Defense Ministry; however, Puerta del Sur has assumed the obligation to pay U.S.\$3.5 million in order to renovate the old terminal, which were duly paid at the execution of the amendment to the Carrasco Concession Agreement;
- Waiver of the Payment of Passenger Use Tariffs for Certain Governmental Authorities: Puerta del Sur has agreed to waive the payment of passenger use tariffs for diplomats, members of the Defense Ministry assigned to United Nations peace keeping missions or other international organizations and children under the age of two;
- Airport Security System: Puerta del Sur agreed to replace Carrasco Airport's current security system with an integrated security system. The replacement will be initiated once the Executive Branch issues the Decrees imposing the obligation on the airlines to submit the advanced passenger information and passenger name record information to the Ministry of Interior;

- **New Taxiway:** Puerta del Sur agreed to build a new taxiway before the termination date of the Carrasco Concession Agreement, or earlier, if required by the OACI regulations based on Carrasco Airport traffic statistics; currently the airport does not have sufficient traffic to require the construction of the taxiway, and Puerta del Sur expects to build the taxiway in the final years of the Carrasco Concession Agreement; and
- **Change of Control of Puerta del Sur:** In general terms, a change of control of Puerta del Sur is not subject to approval by the Uruguayan Government, nor would it require any type of permit or authorization. However, under the terms of the amendment to the Carrasco Concession Agreement, it was agreed that if the shares of Puerta del Sur are sold within 36 months after the execution of the amendment (August 6, 2014), Puerta del Sur will be required to pay to the Uruguayan Government 50% of the benefit resulting from the sale, which is defined as the total consideration to be obtained from the sale minus investment costs. As of the date of this annual report, such 36-months term has expired, therefore, the payment requirement upon sale of shares of Puerta del Sur is no longer enforceable. Puerta del Sur is prohibited from assigning the Carrasco Concession Agreement, in whole or in part, without the prior and express authorization of the Executive Branch. Any new concessionaire would have to comply with the terms of the Carrasco Concession Agreement.
- **Additional Fees:** Puerta del Sur agreed to pay additional fees (effective as of September 1, 2017) based on the number of passengers that use the Carrasco Airport and as long as the number of passengers exceed 1.5 million passengers per year. These additional fees are calculated by multiplying the number of passengers by a fix coefficient, depending on the volume of passengers. See “—Additional Fees” above.

Master plan

The master plan is to be prepared considering projections of passengers and cargo traffic growth and it does not need to include investment projections. The last master plan for Carrasco Airport was prepared in connection with the extension of the Carrasco Concession Agreement’s term, covered the period 2011-2033 and was approved by Decree 229/14. Every year, Puerta del Sur has to corroborate the projections made for the past year and with that information be able to update the master plan every five years.

Guarantees

Under the Carrasco Concession Agreement, Puerta del Sur is required to provide the following guarantees:

- A guarantee securing the completion of the construction works of the new terminal. A U.S.\$1.5 million completion guarantee is in place concerning Group 1 and 2 works.
- A performance guarantee for U.S.\$6.0 million. This guarantee will be returned six months after the expiration of the Carrasco Concession Agreement.

We have obtained a surety bond with a local financial institution to support our guarantee obligations under the Carrasco Concession Agreement.

Insurance

See “—Business—Property and Insurance.”

Termination

The Carrasco Concession Agreement by its terms will be terminated on November 20, 2033.

Termination Upon Breach by Puerta del Sur

The Carrasco Concession Agreement may be terminated by the Defense Ministry (with prior approval of the Executive Branch) upon due notification to Puerta del Sur, upon repeated and material breaches of the Carrasco Concession Agreement by Puerta del Sur. The Carrasco Concession Agreement does not expressly set forth a definition of a material breach of the Concession Agreement; however, the Carrasco Concession Agreement provides certain examples, including:

- delay in the payment of annual fees to DINACIA for the concession of Carrasco Airport;
- charging amounts over the maximum permitted under the Carrasco Concession Agreement;
- provision of services repeatedly in an incorrect or not efficient manner; and
- assignment of the Carrasco Concession Agreement without the prior approval of the Defense Ministry.

Upon a breach of the Carrasco Concession Agreement by Puerta del Sur, the Defense Ministry will be entitled to:

- foreclose upon all collateral posted by Puerta del Sur under the Carrasco Concession Agreement to guarantee performance of its obligations;
- take control of the Carrasco Airport and all its assets; and
- claim all damages suffered by Carrasco Airport as well as request payment of all credit owed to the Defense Ministry.

Unilateral Termination by the Uruguayan Executive Branch

The Defense Ministry may unilaterally terminate the Carrasco Concession Agreement if prior approval from the Executive Branch is obtained and only due to reasons based on “public interest” that require the Concession Agreement to be terminated.

Upon the unilateral termination of the Carrasco Concession Agreement, Puerta del Sur shall be entitled to receive termination payments calculated as follows:

- the performance guarantee posted under the Carrasco Concession Agreement, plus
- the value of all investments made in construction, reparation of buildings made in accordance with the Carrasco Concession Agreement, less accumulated depreciation, plus
- a portion of the amount paid in the auction in August 2003 (U.S.\$34.0 million) to purchase shares of Puerta del Sur which shall be calculated according to a formula agreed under the Carrasco Concession Agreement.

Termination Upon Terminal Destruction

In the event of force majeure (e.g., the destruction of Carrasco Airport or severe damage that prevents Carrasco Airport’s operations), the Defense Ministry will be entitled to terminate the Carrasco Concession Agreement without paying the termination payment to Puerta del Sur and collect all of the indemnification payments under all of Carrasco Airport’s insurance policies.

Alternatively, the Defense Ministry could request Puerta del Sur to re-build Carrasco Airport if the reconstruction of the airport does not alter the terms of the Carrasco Concession Agreement.

Termination Upon Agreement Between Puerta del Sur and the Defense Ministry

The Carrasco Concession Agreement may be terminated by mutual agreement (with prior approval of the Uruguayan Executive Branch). No termination fee is payable by any party in this circumstance.

Return of Facilities

Upon the expiration of the term, or termination, of the Carrasco Concession Agreement, the Carrasco Concession Agreement provides that the Uruguayan Government will take full possession of Carrasco Airport's premises, and all of its facilities and installations. The works and equipment incorporated by Puerta del Sur will also be transferred to the Defense Ministry.

In the event that the facilities, installations or equipment become obsolete or are not of interest to the Uruguayan Government, Puerta del Sur may be required to remove, update or demolish the same. If Puerta del Sur fails to comply with the aforementioned obligation, the Defense Ministry may perform the mentioned activities at Puerta del Sur's cost.

After the Carrasco Concession Agreement term has expired or been terminated, Puerta del Sur will have a period of 180 calendar days to deliver the premises in perfect condition, other than normal wear and tear.

Governing Law and Dispute Resolution

The Carrasco Concession Agreement is governed by the laws of Uruguay. Under the Carrasco Concession Agreement, all disputes over "technical matters" between Puerta del Sur and the Defense Ministry will be resolved before an arbitration tribunal meeting in Uruguay. The arbitration award will not be subject to any kind of appeal or review.

All other "non-technical" disputes are to be resolved before Uruguayan courts. The Carrasco Concession Agreement does not provide a definition of "technical matters" and it could be a matter of discussion in each case whether the issue subject to dispute falls within this definition.

Punta del Este Concession Agreement

In 2008, in a private purchase transaction, we acquired all of the equity interests of CAISA, which owns the concession that operates the Punta del Este Airport. The Punta del Este Concession Agreement was executed in 1993 and was scheduled to expire on March 31, 2019. In March 2019, the Executive Power of Uruguay through the Defense Ministry issued a resolution approving the extension of the Punta del Este Concession Agreement for additional 14 years, until March 31, 2033, authorizing the Ministry of Defense to grant the modification of the aforementioned contract. On June 2018, 2019, the amendment to such concession was executed, pursuant to which CAISA committed to undertake investments in an amount of approximately U.S.\$35.0 million. As of December 31, 2020, U.S.\$12.5 million of these commitment had already been invested. The Punta del Este Airport is not material to our business.

Armenia

Sources of Regulation

The following are the main laws and regulations that govern the Armenian Concession Agreement, the business of AIA and the operation of Zvartnots and Shirak Airports in Armenia:

- Republic of Armenia Government Resolution No. 17, dated January 8, 2002, approving the Armenian Concession Agreement by and between the Armenian Government and CASA, dated December 17, 2001, and designating the Minister of Justice to oversee the transition provisions of the Armenian Concession Agreement (Appendix E) and to adjust them in consultation with CASA, if necessary, before the possession date.

- Law No. HO-329 (the Republic of Armenia Law on Types of Activities Subject to Licensing in the Territory of Yerevan Zvartnots Airport), dated May 29, 2002, pursuant to which AIA, as the Concession Manager of Zvartnots Airport (the “Concession Manager”) was granted licenses to carry out certain types of activities set forth in the Armenian Concession Agreement, including pharmacy and sale of medicines, foreign exchange bureau, operation of customs warehouses, duty-tax free shops, customs mediation, activities of customs carrier, casinos and other entertainment premises. Under this law, the Concession Manager is also entitled to assign its licenses or transfer parts thereof to other persons, who are eligible for such licenses. There are no other transfer restrictions set forth in the Law No. HO-329 nor in the Armenian Concession Agreement.
- Republic of Armenia Government Resolution No. 693-A, dated May 30, 2002, pursuant to which the Armenian Government approved an addendum to the Armenian Concession Agreement. The addendum was executed on May 17, 2002, to allow CASA to assign its rights and obligations under the Armenian Concession Agreement to American International Airports LLC, who then incorporated AIA.
- Republic of Armenia Government Resolution No. 2004-A, dated December 1, 2005, pursuant to which the Armenian Government authorized the Concession Manager to grant a subconcession to a third-party service provider, Zvartnots Handling Closed Joint-Stock Company, to operate ground handling services and aircraft towing at the Zvartnots Airport, among other services.
- Addendum No. 1 of the Armenian Concession Agreement executed on February 21, 2003, whereby the parties agreed on the implementation of certain mechanisms for registration of real property foreseen by the Armenian Concession Agreement. All the obligations assumed under this Addendum No. 1 are fully complied with and terminated.
- Republic of Armenia Government Resolution No. 1296-N, dated September 7, 2006, pursuant to which the Armenian Government approved Addendum No. 2 of the Armenian Concession Agreement. Addendum No. 2 to the Armenian Concession Agreement was executed on October 19, 2006, and specified that AIA shall be in charge of providing rescue and firefighting team and facilities in accordance with standards of ICAO – Annex 14, chapter 9 “Emergency and other issues,” as well as ICAO related manuals and Armenian laws. Pursuant to this Addendum No. 2, the Government of the Republic of Armenia was relieved from these obligations.
- Armenian Aviation Law No. HO-81-N, dated February 22, 2007 defining, among other things, the terms of the concession of Zvartnots Airport and the concessionaire’s rights and obligations. The Armenian Aviation Law also sets forth the basic framework for maintenance and operations of airports in Armenia and defines the powers of the GDCA.
- Republic of Armenia Government Resolution No. 965-N, dated August 2, 2007, pursuant to which the Armenian Government approved Addendum No. 3 of the Armenian Concession Agreement granting AIA a concession for the operation of the Shirak Airport. Addendum No. 3 was executed on November 16, 2007.
- Republic of Armenia Government Resolution No. 588-A, dated May 20, 2010, pursuant to which the Armenian Government approved Addendum No. 4 of the Armenian Concession Agreement terminating AIA’s ownership rights to the immovable property actually occupied by the company implementing Armenian air-navigation service. Addendum No. 3 was executed on June 10, 2010.
- Republic of Armenia Government Resolution No. 1532-N, dated December 27, 2018, pursuant to which the Armenian Government approved the master plan for 2018-2022 submitted by AIA, as the concessionaire of Zvartnots Airport and the Shirak Airport. In accordance with the Armenian Concession Agreement, the Master Plan is the document containing guidelines for the works to be done by the Concession Manager on Zvartnots Airport and the Shirak Airport for each five-year period during the term of the Armenian Concession Agreement. The Master Plan must be prepared by AIA and is subject to approval by the Armenian Government. The Master Plan for 2003-2007 had been previously approved by Government Resolution No. 392-N, dated April 10, 2003, the Master Plan for 2008-2012 by the Government Resolution No. 1559-N dated December 25, 2008, and the Master Plan for 2013-2017 by the Government Resolution 1495-N, dated December 26, 2013.
- The Republic of Armenia Government Resolution No. 202-N, dated February 13, 2003, pursuant to which the Armenian Government determined the staff structure of the GDCA and approved the GDCA’s Charter based on Armenian Aviation Law, which defines the authority of the GDCA.

Governmental Authorities

Role of GDCA

GDCA is the authorized body in the Republic of Armenia to develop and implement policies in the civil aviation field, including flight and aviation security and technical regulations.

Resolution No. 202-N and the Armenian Aviation Law regulate GDCA's organization, powers and duties. GDCA's duties include, without limitation, the following: (i) implementing the national aeronautics policy according to current regulations and directives; (ii) developing regulations to ensure compliance with international treaties of the Republic of Armenia, the requirements of applicable legislation and the provisions of documents published by international aviation organizations; (iii) regulating air traffic services, flight security, as well as protection and security of the ground assets utilized and services rendered in airports; (iv) overseeing aviation services and infrastructure envisaged by the Armenian Concession Agreement to ensure compliance with the security requirements of the ICAO and other international organizations which the Republic of Armenia is a member of; (v) advising, in accordance with current legal standards, in all matters related to civil aviation; (vi) granting relevant certificates and permits for implementation of commercial activities in the airports; and (vii) surveying and analyzing developments and trends of air transportation policy.

The Armenian Concession Agreement

On December 17, 2001, the Armenian Concession Agreement was executed by and between the Armenian Government and CASA, and subsequently approved by the Armenian Government in January 2002. Under the Armenian Concession Agreement, CASA assumed all of the rights and obligations as the Concession Manager of Zvartnots Airport until such time as it established and registered an Armenian affiliate company to assume such rights and obligations.

On May 17, 2002, an Addendum to the Armenian Concession Agreement was executed which permitted CASA to assign to its affiliate, American International Airports LLC, all of the rights and obligations pertaining to CASA, stemming from the Armenian Concession Agreement. American International Airports LLC incorporated and registered AIA as a wholly-owned subsidiary in Armenia and assigned to it all of the rights and obligations of the Concession Manager of Zvartnots Airport under the Armenian Concession Agreement.

The Armenian Concession Agreement was further amended by the following addenda executed by and between the Armenian Government and AIA.

- Addendum No. 1, executed on February 21, 2003, under which the Armenian Government and the Concession Manager agreed to certain mechanisms regarding the registration of property rights of the Concession Manager for real property in Zvartnots Airport;
- Addendum No. 2, executed on October 19, 2006, under which, commencing on January 1, 2007, AIA undertook to provide rescue and firefighting services and facilities in accordance with the standards of Annex 14, Chapter 9 of the ICAO (Emergency and Other Issues), as well as ICAO related manuals and applicable Armenian laws;

- Addendum No. 3, executed on November 16, 2007, under which the Armenian Government expanded the concession of Zvartnots Airport granted to AIA to include the concession of the Shirak Airport, which gave AIA the right to engage in certain types of aviation and non-aviation activities. As such, the terms of the Armenian Concession Agreement are also applicable to the Shirak Airport concession;
- Addendum No. 4, executed on June 10, 2010, under which AIA agreed to terminate its rights under the Armenian Concession Agreement over certain real property operated by “Hayaeronavigatsia” CJSC, the local air traffic navigation company, at the Zvartnots Airport, including the land occupied by the newly built Air Traffic Control Tower building. As such, AIA no longer has the right to dispose of and use these real property units, even for purposes of rendering the services under the Armenian Concession Agreement.
- In December 2020, 100% of the share capital of AIA was transferred from American International Airports LLC to the Company pursuant to a Share Transfer Agreement duly registered in Armenia. As a consequence of this transfer, American International Airports LLC no longer holds any interest in AIA nor in any other Armenian entity.

Rights of the Concession Manager

Pursuant to the terms and conditions of the Armenian Concession Agreement, the Concession Manager has the exclusive right to administer, operate and exploit Zvartnots Airport and Shirak Airport and was granted by the Armenian Government the exclusive right to use the airports and all real, personal, mixed, tangible and intangible property of any kind or nature which is now or in the future will be a part of the airport activities, and to conduct all businesses relating to the airports, with the exception of certain businesses and properties specifically indicated in the Armenian Concession Agreement. The Concession Manager holds all of the licenses related to management of the airports other than regulatory functions exclusively vested in the Armenian Government. The Concession Manager has the exclusive right to administer and to carry out activities relating to the airports, which include, among others:

Aviation services

- aircraft guidance and escorting services;
- management of parking areas;
- provision and operation of escalators;
- telescopic bridge;
- ground handling services, including aircraft pulling services;
- electrical supply services;
- operational-technical maintenance services;
- aviation security and aircraft custody services;
- utility services for aircrafts;
- fuel and lubricants supply and fueling; and
- special vehicle transportation services.

Commercial

- rent of ground spaces for commercial purposes;
- advertising;
- duty-tax free shops;
- shopping centers;
- bank and exchange bureau and financial services;
- hotels;
- restaurants, snack-bars, coffee shops;
- duty paid shops such as clothing and fixtures, newspaper and magazine stands;
- casinos and other entertainment premises;
- car parking;
- baggage carts and lockers;
- telecommunication services;
- VIP lounges;
- catering; and
- gas stations for automobiles.

Other

- customs warehouses;
- intermodal logistics platforms;
- free zones;
- ground transportation; and
- other services, to the extent not prohibited under the Armenian Concession Agreement, which are complementary or useful to the aeronautical operation and/or the commercial development of the airports, including, but not limited to, activities connected to the airports such as convention, art and exhibition centers, hotels and other leisure and tourism activities and transportation, which may be performed outside the airports.

Air traffic control activities are not included in the Armenian Concession Agreement. The Concession Manager is not responsible for approximation, taxiing, flight operations or any other activity related to air traffic control. Such activities are handled exclusively by Hayaeronavigatsia CJSC.

The Concession Manager is entitled to conduct the above-mentioned commercial activities on its own account or through any third parties. It may also grant to third parties the right to use certain ground spaces to carry out commercial activities authorized by the Concession Manager, either free of charge or for consideration, by way of a revocable instrument or agreement or by such other instrument the Concession Manager considers appropriate.

Obligations Assumed by the Concession Manager

Under the terms of the Armenian Concession Agreement, the Concession Manager shall:

- undertake and warrant the normal and permanent rendering of aviation services;
- manage and operate the airports according to internationally accepted airport standards;
- comply with the Master Plan;
- obtain, at its own cost and risk, adequate financing and management resources to modernize the physical infrastructure of the airports, to ensure compliance with applicable regulatory standards and to improve the quality of their management;
- provide the Armenian Government with the ground spaces required for the performance of customs, migration, defense, security, safety, Phyto-zoo sanitary and bromatological controls and public health activities, as long as they are and remain activities directly performed by Armenian Government agencies and bodies. If the Armenian Government decides to delegate any of such activities to the private sector, the Concession Manager shall have a right of first refusal for the performance of such activities, which right must be exercised within a period of 30 days as from the announcement of any bid by a third party;
- provide the Armenian Government with an annual report (and such other reports as the Armenian Government may reasonably request) on the development of the management, exploitation and operation of the airports, which will include data regarding traffic, revenues and investments;
- manage, operate and exploit the airport activities, directly or through contracts with third parties, subject to the limitations set forth in the Armenian Concession Agreement;
- collect from all of the users (including the airlines and all other public or private persons performing activities or exercising any authority in the airports) the corresponding airport charges and the fees which the Concession Manager may establish from time to time; and
- construct, maintain and/or operate, on its own account or through any third parties, any hangars, fuel storage plants or aircraft supply plants, customs warehouses and/or any other warehouses or premises related to the handling of air cargoes or the aeronautical operation in general.

Master Plan

Under the terms of our Armenian Concession Agreement, AIA is required to present a master development plan for approval by the director of the General Department of Civil Aviation (“GDCA”) every five years. Each master development plan includes investment commitments (including capital expenditures and improvements) applicable to the concession holder for the succeeding five-year period. Once approved by the government, which requires approval by the Prime Minister, these commitments become binding obligations under the terms of the respective concession. Since 2003, the Armenian government has approved our master development plan for the Armenian Concession Agreement as periodically revised

The Master Plan describes the works to be executed for each five-year period during the term of the Armenian Concession Agreement, including the corresponding preliminary estimates of investment amounts, and also sets forth the guidelines for the works and operations related to improvement and maintenance of the airports during the remaining part of the term.

The Master Plan and all revisions and extensions thereof will be made according to traffic projections, the internal rate of return agreed upon by the Armenian Government and the Concession Manager, the objective needs of the services and other conditions that the Concession Manager may deem appropriate according to standards applied in similar airports around the world. The Master Plan will be updated every five years and extended to cover the 30-year term of the Armenian Concession Agreement. The Master Plan may be revised from time to time at the Concession Manager's request or based on the changing needs of the airports.

The Concession Manager is entitled, in its sole discretion, to establish the priority rank among the works described in the Master Plan, to postpone or anticipate the execution thereof to earlier or later periods than those originally foreseen in the Master Plan, and to prepare the corresponding projects for the implementation of the works, emphasizing safety concerns according to ICAO rules and taking into account service quality levels under the International Air Transport Association Class C category.

The Concession Manager is required to inform the Armenian Government on the performance and progress of the specific works described in the Master Plan. Nevertheless, there are no periodic reporting requirements.

Concession Fees

Under the Armenian Concession Agreement, the Concession Manager shall not pay any fee or other consideration of any kind whatsoever for the rights granted to it in the Armenian Concession Agreement.

Airport Charges and Fees

All of the activities carried out at the airports as well as the use of any property transferred to the Concession Manager by the Armenian Government shall entitle the Concession Manager to collect the relevant Airport Charges and the Fees which the Concession Manager establishes. The initial airport charges are stated in an appendix of the Armenian Concession Agreement. These charges include the following:

Passenger Aircraft Landing Charge

- Landing Charge for passenger aircrafts is €5.80 per Metric Ton or fraction.
- Night Landing Additional Charge for passenger aircraft equals to the Landing Charge plus a 20%. This extra charge will be applied to passenger aircrafts landings occurred during nighttime (from 21:00 to 07:00).

Passenger Aircraft Take-Off Charge

- Take-Off Charge for passenger aircrafts is €5.80 per Metric Ton or fraction.
- Night Take-Off Additional Charge for passenger aircraft equals to the Take-Off Charge plus a 20%. This extra charge will be applied to each passenger aircraft take-off occurred during nighttime (from 21:00 to 07:00).

Parking Charge for Passenger Aircraft

Passenger Aircraft Parking Charge for Other Airlines non-regular based at Zvartnots Airport, for all aircraft types:

- Passenger aircraft parking for non-regular based airlines up to two hours and thirty minutes: free of charge
- Passenger aircraft parking for non-regular based airlines after free of charge time expiration: €0.35 per ton, per hour or their fractions

Passenger Handling Airport Tariff

Departing Passenger:

- €20 per each departing passenger.

Transit Passenger:

- €8 per each transit passenger.

Departing Infant:

- No Passenger Handling Airport Tariff is charged per each departing infant under two years old.
- 50% of the regular Passenger Handling Airport Tariff is charged per each departing infant under two years old traveling in a separate seat.
- No Passenger Handling Airport Tariff is charged per each transit infant passenger under two years old.
- 50% of the regular Passenger Handling Airport Tariff is charged per each transit infant under two years old, traveling in a separate seat

Departing Child:

- 50% of the regular Passenger Handling Airport Tariff is charged per each departing child from two years old up to 12 years old.
- 50% of the regular Passenger Handling Airport Tariff is charged per each transit child passenger from two years old up to 12 years old.

Security Charge

Security Service:

- €2 per each departing passenger.

Departing Infant:

- No Airport Security Charge is charged per each departing infant under two years old.
- €2 per each departing infant under two years old traveling in a separate seat
- No Airport Security Charge is charged per each transit infant under two years old
- 50% of the regular Airport Security Charge is charged per each transit infant under two years old traveling in a separate seat.

Transit Passenger

- 50% of the regular Airport Security Charge is charged per each transit passenger.

Any modifications to such airport charges may be effected upon notice from the Concession Manager to the Armenian Government, subject to the Armenian Government's right to object to any adjustment within a 15-day period as from the date of receipt of such notice. The Armenian Government cannot unreasonably withhold its approval to the adjustments to the airport charges.

The Concession Manager, at its sole discretion, may collect the airport charges and fees in U.S. dollars, euros or Armenian dram, to the extent permitted by Armenian Law.

Airport charges and fees shall be automatically adjusted by applying the following procedures:

- airport charges and fees expressed in Armenian dram will be adjusted proportionally to the variations of the exchange ratio between the Armenian dram and the United States dollar;
- airport charges and fees expressed in United States dollars will be adjusted based on the Total Producer Price Index for Finished Goods seasonally adjusted (PPI), as published monthly by the Bureau of Labor Statistics of the United States Department of Labor, and verified by the index as of December 2001, which shall be considered the "PPI Base Year," and the index as of December of the year to be updated; and
- airport charges and fees expressed in euros will be adjusted proportionally to the variations of the exchange ratio between the euro and the United States dollar.

Exchange and inflation variations between the date of any invoice and the date of actual payment of the corresponding charge or fee may be billed by the Concession Manager separately.

Internal Rate of Return

Internal Rate of Return is calculated as the annual net after tax internal rate of return on the Concession Manager's actual total airport capital investments valued in United States dollars, including equity, equity equivalents, subordinate loans and/or convertible loans and any other capital contribution as expressed in the Concession Manager's accounting statements audited by an international auditing firm.

Pursuant to the terms of the Armenian Concession Agreement, the Concession Manager is granted the right to receive an annual Internal Rate of Return of 20%. At the end of each fiscal year, the Concession Manager may propose to the Armenian Government certain adjustments to the Master Plan to adhere to the Internal Rate of Return of 20%. The Armenian Government may not unreasonably withhold its consent to such adjustments. If the approved adjustments to the Master Plan are insufficient to meet the agreed Internal Rate of Return, the Concession Manager shall be entitled to adjust the real value (taking into account inflation) of airport charges, provided that before each adjustment the Concession Manager informs the Armenian Government of the proposed adjustment. If the Concession Manager does not recover the agreed Internal Rate of Return after applying the foregoing procedures, the Concession Manager shall be entitled, in its sole discretion and the Armenian Government cannot oppose, to extend the term of the Armenian Concession Agreement to the extent it permits the Concession Manager to reach the target Internal Rate of Return.

In addition, if applicable taxes payable by Concession Manager increase, then the Concession Manager shall be entitled to immediately increase all airport charges and fees so as to reflect such increase. Tax increases include rate increases, elimination or reduction of any exemption or deduction and any other modification which causes any applicable tax liability to increase.

Termination

The Armenian Concession Agreement will terminate pursuant to its terms on June 9, 2032. If the Concession Manager is in good standing on such date, the Concession Manager shall have the option, which the Concession Manager may exercise at its sole discretion from the date which is six months prior to the end of the first and any subsequent five-year period from possession (June 9, 2002), to indefinitely extend the term of the Armenian Concession Agreement for additional periods of five years.

The Armenian Concession Agreement may be terminated prior to the scheduled termination date upon the occurrence of any of the following events:

- Concession Manager's breach of certain obligations;
- bankruptcy of the Concession Manager;
- administrative discretionary act;
- the Armenian Government's breach of any of its obligations; and
- Force Majeure Events.

Termination of the Armenian Concession Agreement will not imply the termination of the agreements that the Concession Manager executed with third parties, which shall be automatically assigned to the Armenian Government unless otherwise provided for in those agreements.

Termination due to the Concession Manager's Breach

The Armenian Government is entitled to terminate the Armenian Concession Agreement if:

- the Armenian Concession Agreement is entirely or partially assigned to a third party by the Concession Manager, without obtaining the express authorization of the Armenian Government; or
- the Concession Manager abandons the facilities of the airports, meaning that it stops its operations at the airports for more than 10 days due to the Concession Manager's fault and without reasonable cause. No clear definition of abandonment of the airports facilities is included in the Armenian Concession Agreement. In case of dispute, it may be submitted, at the Concession Manager's discretion, to arbitration.

Bankruptcy of the Concession Manager

The bankruptcy, insolvency or invocation of any laws for the protection from creditors or cessation of business of or by the Concession Manager will cause the termination of the Armenian Concession Agreement.

Administrative Discretionary Act

The Armenian Government shall refrain from terminating the Armenian Concession Agreement during the first 15 years of the Armenian concession. If the Armenian Government decides to terminate the Armenian Concession Agreement unilaterally other than for "cause," as specified in the Armenian Concession Agreement, the Armenian Government shall pay the Concession Manager specific liquidated damages and shall indemnify and hold the Concession Manager harmless with respect to all adverse consequences caused by third parties and deriving from the termination of the Armenian Concession Agreement.

If the Armenian Government terminates the Agreement based on reasonable national defense considerations, it will be liable solely for the total amount of investments effectively made by the Concession Manager since the commencement of the Armenian Concession Agreement and until the date of termination, as well as the Concession Manager's existing obligations regarding investments assumed under the Armenian Concession Agreement, which may not be revoked or assigned to the Armenian Government or a new manager.

Armenian Government's Breach of Contract

The Concession Manager is entitled to terminate the Armenian Concession Agreement if the Armenian Government breaches any of its obligations thereunder, and fails to cure such breach within a 20-day period after being served with a notice of the breach by the Concession Manager. Upon such termination, the Armenian Government shall pay the Concession Manager certain liquidated damages and shall indemnify and hold the Concession Manager harmless with respect to all adverse consequences caused by third parties deriving from the termination of the Armenian Concession Agreement.

Termination due to Force Majeure Events

The Concession Manager shall have the right to terminate the Armenian Concession Agreement upon the occurrence of a force majeure event and with a six-months prior notice if the Concession Manager reasonably proves that during the last two years prior to the date of notice it has not been able to recover the Internal Rate of Return on the investments made by the Concession Manager until such moment.

Upon termination, the Concession Manager shall assist the Armenian Government in identifying actions necessary to ensure normal continuation of airport activities, and shall provide training, information and know-how to the Armenian Government, at the Armenian Government's reasonable request.

Governing Law and Dispute Resolution

Pursuant to Article 9 of the "Agreement between the Argentine Republic and the Republic of Armenia for the Reciprocal Promotion and Protection of Investments," dated October 10, 1994, any dispute regarding the validity, interpretation and/or enforcement of the Armenian Concession Agreement may be submitted, at the Concession Manager's discretion, to arbitration with the International Center for Settlement of Investment Disputes in accordance with the supplementary mechanism of such body for the management of conciliation, arbitration or investigation procedures. The arbitration award shall be final and binding on the parties.

The International Center for Settlement of Investment Disputes shall resolve all disputes in accordance with the provisions of the Armenian Concession Agreement, the laws of the jurisdiction of the contracting parties involved in the dispute, including their rules on conflict of law, the terms of any specific agreement concluded in relation to the parties' respective investments and the relevant principles of international law.

In the event the Concession Manager decides not to submit the dispute to arbitration, the ordinary courts of the Republic of Armenia shall have jurisdiction to solve the case, in accordance with Armenian law.

Ecuador

Sources of Regulation

The Guayaquil Concession Agreement was executed on February 27, 2004, by and among TAGSA, AAG and the Municipality of Guayaquil. The Guayaquil Concession Agreement has been amended seven times since the date of execution, the most significant of which relates to the unification of terminals and the use of other sites within the Guayaquil Airport, for commercial uses, the expansion of the terminals and the re-establishment of the economical equilibrium of the Guayaquil Concession Agreement and the increase in investment for new works as well as the increase in the contribution of regulated revenues from 50.25% to 55.25% as a consequence of the concession extension until July 27, 2029. Terms of the Guayaquil Concession Agreement amendment also sets forth an increase of U.S.\$524,600 in the administrative service fee, paid semiannually, as of February 2019.

The following are the main laws and regulations that govern the Guayaquil Concession Agreement and the operation of the Guayaquil Airport:

- Article 249 of the Constitution of Ecuador of 1998 sets forth that the rendering of public services, directly or by delegation, was the responsibility of the Ecuadorian State. The Ecuadorian State is authorized to delegate the performance of public services to private companies through grants of concessions or other forms stipulated in the Ecuadorian legislation.

- Article 1 of the Civil Aviation Law enables the delegation to the private sector of airport public services, as well as the possibility of the Ecuador Government to transfer to the municipalities the ability to render airport public services directly or by delegation, as per article 249 of the Constitution of Ecuador of 1998. Based on this, by means of Executive Decree No. 871 dated October 18, 2000, the President of Ecuador authorized the Municipality of Guayaquil to delegate to the private sector the rendering of airport services.
- Article 43 of the Law on Modernization of the State defines the forms under which a delegation can be made, including concessions of public services or works, licenses, permits or other legal forms applicable under administrative law.

The concession agreement for the operation of the Galapagos Airport was executed on April 15, 2011, by and among *Dirección General de Aviación Civil* (“DGAC”), ECOGAL, CASA and the *Subsecretaria de Transporte Aeronáutico Civil* (“STAC”). ECOGAL’s share capital is owned 99.9% by Yokelet S.L. and 0.1% by A.C.I Vip S.L.U. Yokelet S.L. is a wholly-owned subsidiary of CAAP. The parties amended the Galapagos Concession Agreement on May 13, 2013, April 15, 2014 and August 21, 2014, for purposes of updating the tariffs charged under the Galapagos Concession Agreement and other investment amounts.

The following are the main laws and regulations that govern the Galapagos Concession Agreement and that are related to the business and the operation of the Galapagos Airport:

- Article 314 of the Constitution of Ecuador of 2008 sets forth that the Ecuadorian Government shall be responsible for the public services of port and airport infrastructure. Likewise, pursuant to Article 316, the Ecuadorian Government is authorized to delegate the performance of public services to private companies through grants of concessions or other forms stipulated in the Ecuadorian legislation.
- Article 41 of the Law on Modernization of the State also provides that the Ecuadorian Government can delegate to any local or foreign entity the maintenance and improvement of existing airports by means of a public tender.

CASA presented a private initiative to the DGAC proposing to manage, operate and maintain the Galapagos Airport. DGAC accepted the proposal and awarded a concession to CASA pursuant to Resolution No. 159 A/2008, dated September 15, 2008.

The Guayaquil Concession Agreement

The concession of the Guayaquil Airport included three construction phases, each of which has been completed to the satisfaction of the Airport Authority of Guayaquil (“AAG”). The initial phase included complete re-asphalting (*reapeo*) of the runway and the construction of a new passenger terminal, terminal platform, taxiway and control tower, while the intermediate phase applied to the cargo terminal. The final phase included works and investments related mainly to commercial buildings, as well as the general aviation platform. In addition, the Guayaquil Concession Agreement includes an obligation on TAGSA to expand the national terminal and is currently in the process of executing new works and investments that will culminate in the year 2024 for a reference amount of U.S.\$32.2 million.

Under the terms of the Guayaquil Concession Agreement, TAGSA is responsible for transforming, operating and administrating the Guayaquil Airport, which includes the performance of the following activities:

- preventive and corrective maintenance of the Guayaquil Airport, including (i) all necessary repairs of the facilities, equipment, and other assets built, acquired or incorporated by the TAGSA or pre-existing in the Guayaquil Airport and (ii) maintaining the facilities, equipment and other assets to prevent deterioration;

- taking all the necessary measures to protect the environment of the Guayaquil Airport and avoid or limit pollution disturbances to individuals and properties and other harmful results to the environment due to the rendering of aeronautic services and non-aeronautic services;
- design and construction of the works and investment specified in the Guayaquil Concession Agreement and its amendments during the initial, intermediate and final phases; and
- provision of other non-aeronautic services, which include common commercial services such as food, beverages, counters, check-in desks at the terminal, etc., and facultative commercial services such as VIP lounges, souvenirs sale, cargo, etc. Rates for such services are fixed directly by TAGSA.

Concession Fees

Pursuant to the terms of the Guayaquil Concession Agreement, TAGSA is required to pay an annual concession amount to a trust (“Trust”) which amounts to 55.25% of the aggregate gross revenue received by TAGSA from tariffs and charges, and certain other commercial revenues (e.g., fuel, parking spaces and use of convention center) derived from the operation of the Guayaquil Airport.

Tariffs

The table below sets forth the maximum amounts that we were permitted to collect as of January 2021, under the Guayaquil Concession Agreement:

	<u>2021⁽¹⁾</u> <u>(In U.S.\$)</u>
INTERNATIONAL - Commercial and Charters	
Landing	
< 50 tons	16.76
50 to 100 tons	17.49
> 100 to 150 tons	18.22
> 150 tons	18.96
Illumination	
< 50 tons	4.52
50 to 100 tons	4.72
> 100 to 150 tons	4.92
> 150 tons	5.11
Parking⁽²⁾	
< 50 tons	2.31
50 to 100 tons	2.41
> 100 to 150 tons	2.51
> 150 tons	2.61
Passenger	
Departure	28.27
Security	5.34
Connection to the Embarkation / Disembarkation Bridge	
Departure / Security	65.75
Use of bridge for every 15 minutes or fraction	11.05
DOMESTIC - Commercial, Charter, Private and Cargo	
Landing	
25 to 50 tons	1.09
51 to 100 tons	1.18
> 100 to 150 tons	1.24
> 150 tons	1.30
Illumination	
25 to 50 tons	0.47
> 50 to 100 tons	0.50
> 100 to 150 tons	0.51
> 150 tons	0.53
Parking^{(3) (4)}	
25 to 50 tons	0.21
> 50 to 100 tons	0.22
> 100 to 150 tons	0.23
> 150 tons	0.23
Passengers	
Departure	5.66
Security	5.34
Connection to the Embarkation / Disembarkation Bridge	
Departure / Security	32.99
Use of bridge for every 15 minutes or fraction	9.90

Domestic Annual Aeronautical Rate⁽⁵⁾

From 0 to 6 tons	141.32
> 6 to 12 tons	706.53
> 12 to 18 tons	1,059.81
> 18 to 25 tons	1,582.62

- (1) Maximum take-off weight in tons.
- (2) The international parking fee will be charged for 3-hour fractions or fractional periods thereafter.
- (3) The domestic parking fee will be charged for 4-hour fractions or fractional periods thereafter.
- (4) Any aircraft that remains on the ground for an uninterrupted period of more than 30 days will be subject to the parking fee plus a surcharge of fifty percent (50%).
- (5) The annual fee includes landing, illumination and parking. The fees apply on Ecuadorian civil aircrafts which maximum take-off weight is up to 25 tons.

Master Plan

Under the terms our Guayaquil Concession Agreement, the concessionaire is not required to present a master development program.

On December 12, 2007, TAGSA and AAG entered into Addendum No. 03 to the Guayaquil Concession Agreement, which established new additional works in the amount of U.S.\$18.5 million to be completed by TAGSA prior to the end of the concession's term. As of December 31, 2020, works for the amount of U.S.\$0.8 million are expected to be completed.

On July 6, 2018, TAGSA signed Addendum No. 07 which established new additional works for an amount of U.S.\$32.2 million to be completed by TAGSA prior to the end of the concession's term which was extended to 2029. As of December 31, 2020, U.S.\$8.7 million remain pending. Works for the amount of U.S.\$0.7 million are expected to be completed in 2021, and works for the amount of U.S.\$8.0 million are expected to be completed in 2024.

Guarantee and Performance Bonds

Under the terms of the Guayaquil Concession Agreement, we are required to maintain a performance bond in the amount of U.S.\$3.0 million as security for the timely fulfillment of all of our obligations under the Concession Agreement.

In addition, TAGSA is required to maintain a performance bond for the payments to the Trust for the development of the new Guayaquil Airport that corresponds to an amount of 20.0% of the 55.25% that is payable to the Trust minus the amount of the performance bond of the Guayaquil Concession Agreement. The current amount of the performance bond is U.S.\$2.2 million.

Term and Termination

The term of the Guayaquil Concession Agreement is 25 years and five months, expiring on July 27, 2029. The Guayaquil Concession Agreement may be terminated upon the occurrence of any of the following events, among others:

- breach by TAGSA as a result of its failure to: (i) issue or extend bonds, (ii) comply with its obligation to perform the investments stipulated in the Guayaquil Concession Agreement or any amendments, (iii) comply with its payment obligations under the credit agreement executed for purposes of financing the works foreseen for the initial phase, when such breach affects the normal operation of the Guayaquil Airport and (iv) comply with the concessionaire company, verified by an arbitration tribunal or any other obligation included under the Guayaquil Concession Agreement;
- the transfer of the Control Group Shares of TAGSA, which represent the shares of TAGSA initially owned by CASA, currently owned by Corporacion Aeroportuaria S.A.;
- any amendment to the bylaws of TAGSA without prior authorization by AAG;
- if TAGSA fails to pay the required amounts to (i) the Trust for the development of the airport in Guayaquil, or (ii) AAG for the provision of administrative services;
- accumulation of fines or sanctions for breach of the levels of services and/or performance for amounts higher than U.S.\$0.3 million in a consecutive period of 12 months;
- breach by AAG of its obligations under the Guayaquil Concession Agreement, as determined by an arbitration tribunal;
- acts or omissions of the AAG or the Municipality of Guayaquil that impede the efficient execution of the Guayaquil Concession Agreement and that produce substantial adverse effects over the rights of TAGSA, as determined by an arbitration tribunal; or
- mutual agreement of the parties.

Governing Law and Dispute Resolution

The Guayaquil Concession Agreement is governed by the laws of Ecuador. The parties undertake to attempt to solve any dispute related to the Guayaquil Concession Agreement through mediation. In the event that any dispute is not solved in mediation, the parties must proceed to arbitration, in accordance with the terms and conditions of the Guayaquil Concession Agreement.

The Galapagos Concession Agreement

Under the terms of the Galapagos Concession Agreement, CASA is responsible for providing in the Galapagos Airport with management, operation, maintenance and construction services, including the performance of the following activities:

- Projects corresponding to the Redevelopment Plan, in accordance with the following phases:
 - Phase 1: Construction of a new airport terminal, control tower and technical facilities, all of which were completed on August 29, 2013, upon issuance by the Resolution No. 2013-0272 accepting the completion of Phase 1.
 - Phase 2: Demolition of existing airport terminal, expansion of aircraft platform, remodeling of fire service building, relocation of existing hangars and remodeling of hangars for the cargo terminal, all of which were completed in March 2014.
 - Phase 3: Involves the development of certain works on the runway and platform, including reconstruction of the runway. Phase 3 also includes a general obligation to perform corrective and prevent maintenance of the runway and platform from 2014 through 2026. The last stage within Phase 3 is expected to commence on June 1, 2021.
- Projects corresponding to the new investments, including (i) asphalt reinforcement of part of the taxiway and intersections (as from June 1, 2015), (ii) asphalt reinforcement of the runway (as from June 1, 2017), (iii) installation of a system for beaconing and resurfacing of runway with asphalt (as from June 1, 2021) and (iv) corrective and preventive maintenance on the concrete sector of the runways and platform (from years 2014 until 2026).
- Certain maintenance obligations, including all necessary repairs of the facilities, equipment and other concession assets. CASA must prepare and present to the DGAC a maintenance program after the conclusion of Phase 3 of the Redevelopment Plan.

In addition, ECOGAL has the obligation to provide certain other services within the Galapagos Airport, including, among others, assignment of aircraft parking spaces. ECOGAL charges tariffs for these additional services from the airlines, private aircrafts, users or passengers, as applicable.

ECOGAL also provides services within the airport terminal, which include (i) common commercial services such as food, beverages, counters, check-in desks at the terminal, etc. and (ii) facultative commercial services such as VIP lounges, souvenirs sale, cargo, etc. Rates for such services are fixed directly by ECOGAL and are considered as part of the determination of the Net Profit in favor of the DGAC. The rates are fixed based on the square meter used in each commercial area. Arrival and commercial establishments used for food industry have a higher rate (calculated using as a reference the prices charged in the Guayaquil Airport and in the city of Puerto Ayora, Galápagos). Offices used by airlines have a rate based on square meter, calculated using as a reference the prices charged in the Guayaquil Airport for similar purposes and rates applied by DGAC.

Master Plan

Under the terms of our Galapagos Concession Agreement, the concessionaire is not required to present a master development program.

On August 21, 2014, ECOGAL and DGAC entered into Addendum No. 03 to the Galapagos Concession Agreement, which established new investments and rescheduled certain existing investments for the remaining term of the concession agreement.

Fees

The Galapagos Concession Agreement sets forth the tariffs for the fees and services provided by ECOGAL in the Galapagos Airport; such tariffs are approved by the National Civil Aviation Council. The following table sets forth the current tariff rates:

Tariff	(in U.S.\$)
Ecological tariff (by departing passengers)	4.84
Tariff for terminal use (by departing passengers)	24.23
Security tariff (by departing passengers)	3.25
Tariff for cash fire and rescue (by departing passengers)	3.71
Landing tariff 50 – 100 tons (in tons)	0.86

Guarantees and other Performance Bonds

The Galapagos Concession Agreement requires the delivery of a bond of U.S.\$700,000 by ECOGAL to the DGAC, which should be in place during the term of the Galapagos Concession Agreement. The bond was issued by Seguros Oriente S.A., an insurance company in Ecuador, and is in force until April 13, 2020. This bond will be renewed annually.

Term and Termination

The term of the Galapagos Concession Agreement is 15 years as from the compliance of the conditions precedent set forth in Clause 69 (approval of tariffs), which were satisfied on July 15, 2011.

The Galapagos Concession Agreement may be terminated upon the occurrence of any of the following events, among others:

- mutual agreement by the parties;
- in the event ECOGAL commits an act of gross negligence, as determined by an arbitration tribunal;
- breach of DGAC's respective obligations under the Galapagos Concession Agreement; or
- bankruptcy of ECOGAL.

Governing Law and Dispute Resolution Regime

The Galapagos Concession Agreement is governed by the laws of Ecuador. The parties undertake to attempt to solve any dispute related to the Galapagos Concession Agreement through mediation. In the event that any dispute is not solved in mediation, the parties must proceed to arbitration, in accordance with the terms and conditions of the Galapagos Concession Agreement.

Peru

Sources of Regulation

The Legal Framework for the Private Investment Promotion through Public Private Partnerships and Projects on Public Assets, approved by single unified text of the Legislative Decree No. 1224 (Supreme Decree No 254-2017-EF published in the Official Gazette on August 31, 2017), and its regulations approved by Supreme Decree No. 410-2015-EF and published in the Official Gazette on December 27, 2015, sets out principles, processes and responsibilities for public private partnerships.

Transportation infrastructure concessions are evidenced by agreements between the Republic of Peru, acting through the Peruvian Ministry of Transport and Communications (*Ministerio de Transportes y Comunicaciones*) ("MTC") and the applicable concessionaire. The concession agreement sets forth the terms and conditions of the termination of the concession, the work to be undertaken, operation and maintenance obligations, government supervision, certain concession fees payable by the concessionaire and the rates that may be charged, as the case may be. The concessionaire typically is responsible for the financing, construction, operation and maintenance of the transportation infrastructure in accordance with standards, specifications and designs set by the MTC or otherwise provided in the bidding conditions, and is required to correct any defects in the concession assets that arise during the term of the concession, in exchange for the right to collect a tariff from the users or a payment from the MTC, as the case may be. Upon termination of the concession, the infrastructure and the right to operate the transportation infrastructure revert to the MTC.

Laws Related to the Functions and Rights of the Entities Related to the Infrastructure Projects

Under the economic regime of Peru established in its Political Constitution, several Peruvian entities have separate functions in connection with infrastructure projects related to public services.

Governmental Authorities

Role of the MTC

The MTC is entitled to administer the contractual relationship with the relevant concessionaires, propose amendments in order to adapt the agreements to circumstances that may arise during their duration, and issue opinions regarding any amendment proposals. In addition, the MTC is entitled to impose sanctions on Peruvian concessionaires and operators, in accordance with applicable Peruvian infraction and sanctions regulations.

Finally, with respect to the operation of the airport infrastructure, the MTC, acting through the DGAC, is responsible for authorizing the functioning of national and international airports through the issuance of an "Operation Certificate." Such certificate establishes the classification, characteristics and operative conditions of the applicable airport, and the start of operations of each airport is subject to obtaining an Operation Certificate. Additionally, the DGAC can dispose the temporary or definitive closure of the airports, or impose restrictions for their functioning.

Role of DGAC

The DGAC is a department of the MTC responsible for promoting, regulating and managing all air transport activities and civil aviation activities in Peru.

Role of OSITRAN

The *Organismo Supervisor de la Inversion en Infraestructura de Transporte de Uso Publico* (OSITRAN) was created in 1998 by Law No. 26,917, for the supervision and regulation of private investment in transportation infrastructure in Peru.

In addition, pursuant to Law No. 29,754, OSITRAN has the authority to supervise compliance with concession agreements related to transportation infrastructure, regulate the procedure for settlement of controversies between operators and/or service companies, monitor and establish tariff systems and rates for facilities under these concessions and collect and enforce the collection of tariffs, fines and other amounts due by law or pursuant to such concession agreements. In addition, OSITRAN may suspend or terminate a concession and adopt any corrective measures and impose fines on any matters within its authority. OSITRAN has the authority to issue technical opinions on any amendments to concession agreements and provide information and issue an opinion in matters within its authority when required by the MTC. Its main goal is to promote and maintain competition in transportation related to infrastructure investment in coordination with the Defense of Competition and the Protection of Intellectual Property (*Instituto de Defensa de la Competencia y Protección de la Propiedad Intelectual*) ("INDECOPI") and universal access to the transport facilities under concession.

Role of INDECOPI

INDECOPI was created in 1992 by Law Decree No. 25868 and is responsible for the promotion of an open market and the protection of consumer rights. It also promotes a culture of transparent competition in the Peruvian economy and the safeguarding of intellectual property. INDECOPI can enforce market access, free competition and anti-competition law. In connection with transportation infrastructure projects, INDECOPI ensures that public transportation services are adequately rendered and reviews information distributed to users for transparency, accuracy and completeness.

Role of CORPAC

The Peruvian Corporation of Airports and Commercial Aviation (*Corporación Peruana de Aeropuertos y Aviación Comercial*) was created in 1943 as a state-owned company and is responsible for, among other things, (i) the operation, equipping and maintenance of all airports open to commercial air traffic, which includes agencies, services, facilities and equipment required by international regulatory standards and laws regulating the operation of airports and its services; (ii) the establishment, management, operation and maintenance of air navigation, aeronautical radio and other technical services necessary for air operations in Peru; (iii) the establishment and maintenance of the air traffic system; and (iv) the establishment of appropriate communication systems for regulation and control of air traffic.

Legal Infractions and Sanctions

Peruvian law defines the sanctions that OSITRAN can impose on concessionaires for failure to fulfill certain legal or contractual obligations related to, among other things, the operation of the infrastructure, tariffs, customer claims, information distribution, including delays in the provision of information to OSITRAN, supervision of infrastructure, breach of OSITRAN decisions or opinions, investment in infrastructure and equipment, contributions and payments, including failure to comply with payment of the regulatory fee to OSITRAN or the supervisory fee, and liabilities of OSITRAN or the MTC, including trespass of their facilities or breach of confidentiality of information.

OSITRAN establishes a scale on the basis of annual operating income of concessionaires to determine the amount of sanctions. Concessionaires with operating revenues below 20,000 Peruvian tax units (*unidad impositiva tributaria*) (“UIT”) (calculated as S/4,400 per one UIT for calendar year 2021) are liable in an amount of up to 25 UIT for minor infractions, up to 60 UIT for serious infractions and up to 140 UIT for very serious infractions. Concessionaires with operating income between 20,000 UIT and 50,000 UIT are liable in an amount of up to 75 UIT for minor infractions, up to 180 UIT for serious infractions and up to 420 UIT for very serious infractions. Concessionaires with operating income above 50,000 UIT are liable in an amount of up to 180 UIT for minor infractions, up to 450 UIT for serious infractions and up to 840 UIT for very serious infractions.

The MTC has powers under Peruvian law to impose sanctions on concessionaires depending on the severity of the infraction. Infractions that can result in sanctions imposed by the MTC include: (i) building or putting into operation major rail infrastructure without the proper authorizations; (ii) failure to comply with safety provisions; (iii) operating trains that do not comply with the conditions established by law; (iv) operating trains without an operations permit; (v) failure to inform of an accident and/or to keep accident records; (vi) failure to bring medical attention to any wounded persons; (vii) operating trains with unlicensed personnel; (viii) failure to respect the rights of the users and (ix) failure to provide information related to the operations permit or driving licenses when required by the relevant authority.

The AAP Concession Agreement

On September 9, 2008, ProInversión, the Peruvian Private Investment Promotion Agency (*Agencia de Promoción de la Inversión Privada*), approved the public bidding rules for the awarding of the design, construction, improvement, operation and maintenance of the airports in the Peruvian cities of Arequipa, Ayacucho, Juliaca, Puerto Maldonado and Tacna during a term of 25 years. These bidding rules also sets forth design, construction, improvement, operation and maintenance works to be performed in the airport located at the city of Andahuaylas. However, these works have not yet been started due to legal problems that exist with the landholders of the land where the airport is located.

The AAP Concession Agreement term is 25 years and is scheduled to terminate in 2036.

Pursuant to the AAP Concession Agreement, AAP will design, finance, build, operate and maintain the AAP Airports. The AAP Concession Agreement is co-financed by the MTC, which will make co-financing payments to AAP in the form of *Pago por Obras* (PPO) and *Pago por Avance de Obras* (PAO) as consideration for construction works executed, as well as in the form of *Pago por Mantenimiento y Operación* (PAMO) for the maintenance and operation works.

Amendments

The AAP Concession Agreement may only be amended by mutual agreement of the parties with the prior technical opinion of OSITRAN and must be in accordance with Peruvian law. Requests for amendments must be submitted to the other party with a copy to OSITRAN and supported by technical and financial data. In addition, amendments to the AAP Concession Agreement also require the prior opinion of the MEF.

On January 13, 2013, the MTC and AAP executed the First Addendum to the AAP Concession Agreement in order to determine that the term of two years established for the MTC to deliver the Andahuaylas Airport to AAP will be counted since the date the Peruvian Corporation of Airports and Commercial Aviation transferred such airport to the MTC, instead of the execution date of the AAP Concession Agreement (January 5, 2011).

On August 6, 2013, the Transport and Communication Minister (*Ministerio de Transporte y Comunicaciones*) and AAP executed the Second Addendum to the AAP Concession Agreement in order to incorporate, among other things, the following:

- Established that the MTC's co-financing could also be made in Peruvian soles.
- Modified the components that determine the co-financing, along with the payment procedure.
- On June 19, 2015, the MTC and AAP executed the Third Addendum to the AAP Concession Agreement in order to modify the Management and key positions profile of AAP.

Obligations assumed by CASA

AAP's shareholders are committed under the AAP Concession Agreement to contribute U.S.\$6.1 million, of which U.S.\$1.5 million was contributed to AAP in equity by the beginning of the operation stage, pro rata to their current shareholding in AAP. This commitment was fulfilled during the second year of operation of the airports.

Obligations assumed by the AAP

The main construction obligations of AAP include all of the following tasks:

- Rapid impact projects: Projects with the objective of improving the general characteristics and architectural aspects of each one of AAP's airports in order to improve, in a short term, the quality of the service provided.
- Safety projects: Various projects including the construction of a perimeter fence, perimeter roads, installation of warning signs, construction of new rescue and fire-fighting stations and activities related to the rehabilitation of pavements in the airfield, among others, the objective of which is to increase safety at AAP's airports.
- Extension projects and remodeling of AAP's airport terminals: Projects including the extension of the passenger terminal building and the remodeling of the interior spaces of AAP's airports.
- Equipment: Acquire the necessary equipment, detailed in the AAP Concession Agreement, to guarantee the safe and efficient operation of AAP's Airports.
- Rehabilitation and improvement projects.

All of the main construction obligations of AAP under the AAP Concession Agreement in all of their airports have been completed, except for the construction of a surrounding road, along with the construction (or replacement) of a fence around the Puerto Maldonado Airport, both of which are currently suspended.

The AAP Concession Assets

The AAP Concession Agreement describes the assets of under the AAP Concession Agreement which are the property of the MTC, which include (i) real estate and movable assets delivered by the MTC to AAP, and (ii) assets that are acquired or built by AAP during the term of the AAP Concession Agreement.

AAP is responsible for the maintenance of those assets during the term of the AAP Concession Agreement.

Service Levels

During the term of the AAP Concession Agreement, the AAP is required to adhere to certain standards set forth in the AAP Concession Agreement. These standards relate to quality indicators, regulations, specifications and/or directives, and include compliance with international standards for the operation, security and quality for airport infrastructure. Such standards are issued by the following national and international organizations: the OACI, DGAC, IATA, Peruvian Aviation Administration, Airport Council International, Transport Security Administration and International Standards Organization.

Tariffs

AAP is entitled to receive payments by means of tariffs, access fees or other charges, for services rendered in AAP's airports. The tariffs are established in "Anexo 7" of the AAP Concession Agreement and are divided between (i) unified airport use tariffs (*tarifa unificada de uso de aeropuerto – TUUA*), (ii) landing and take-off tariffs, (iii) aircraft parking tariffs, and (iv) passenger's boarding and landing through boarding bridges (although this service is currently not being provided in the five airports).

Such payments may not exceed specified amounts set forth in the AAP Concession Agreement and may be payable in U.S. dollars, or in Peruvian soles according to the exchange rate published by SBS on the date the services are rendered. All payments received by AAP for services rendered in the Project's airports will be subject to VAT.

Guarantees – Performance Bonds

AAP is required to provide a guarantee with respect to compliance of all of its obligations under the AAP Concession Agreement, including the payment of any penalties and the levels of quality and service of the works. The AAP Concession Agreement performance bond does not cover the obligations guaranteed by the AAP Construction performance bond specified below. The AAP Concession Agreement performance bond required amount is U.S.\$4.5 million on the date of the execution of the AAP Concession Agreement, and must be renewed annually until two years after the termination of the AAP Concession Agreement.

AAP is required to provide a guarantee of the execution of the works, including the payment of any penalties. The AAP Construction performance bond will guarantee (i) during the initial construction period, a total of 10% of the sum of the amounts established in the work execution program, that must be renewed annually during the duration of this stage and the following three months, and (ii) during the remaining period, a total of 20% of the sum of the amounts established in the Annual Investment Plan for the Remaining Period Works, and must be renewed annually until 12 months after the complete execution of the works.

We have obtained a surety bond with a local financial institution to support our guarantee obligations under the AAP Concession Agreement.

Termination

The term of the AAP Concession Agreement is 25 years. This term could be further suspended or terminated, or extended at the request of AAP, upon prior technical opinion of OSITRAN, and provided that AAP is not in default of its obligations under the AAP Concession Agreement (to the extent that such default affects the operation and management of the AAP Airports). Any such extension request must be made at least three years prior to the scheduled termination date of the AAP Concession Agreement. In no event may the term of the AAP Concession exceed 60 years.

Termination by mutual agreement of the MTC and AAP

The AAP Concession Agreement can be terminated by mutual agreement between the MTC and AAP, with receipt of a favorable technical opinion of OSITRAN and the persons qualifying as a Permitted Creditor (*Acreedor Permitido*) under the AAP Concession Agreement.

Termination due to breach of the contractual obligations of AAP

The breach of the contractual obligations of AAP qualified as an event of termination under the AAP Concession Agreement will entitle the MTC to prematurely terminate the AAP Concession Agreement.

Termination due to breach of the contractual obligations of the MTC

The material breach of contractual obligations of the MTC will entitle AAP to terminate the AAP Concession Agreement if such breach is qualified as an event of termination under the AAP Concession Agreement.

Termination given unilateral decision by the MTC due to reasons of public interest

The MTC, due to well-founded reasons of public interest, is entitled to terminate the AAP Concession Agreement at any time, provided that the MTC provides AAP and its permitted creditors written notice, six months in advance of the date of termination.

Termination given a force majeure event

AAP will be entitled to terminate the AAP Concession Agreement upon occurrence of an event which cannot be overcome and is outside the reasonable control of AAP which, despite having made all reasonable efforts to prevent or mitigate its effects, cannot prevent the default of the AAP Concession Agreement as a direct and necessary consequence of such event. In order to consider such force majeure event as a termination event under the AAP Concession Agreement, such event must: (i) have produced some current and determinable damage, duly established and accredited; (ii) prevent any of the parties of the AAP Concession Agreement from complying with its obligations or cause partial, late or defective performance of them for a period of more than six months; and (iii) affect one or more airports infrastructure which constitutes more than 50% of the operational capacity of the Project's airports.

Effects of termination of the AAP Concession Agreement

The termination of the AAP Concession Agreement due to any of the above reasons will result in the following: (i) AAP being obligated to return to the MTC the lands related to the AAP Concession Agreement and the assets covered by the AAP Concession Agreement; (ii) the termination of AAP's right to operate and maintain the Project; (iii) the MTC or a new concessionaire taking over the concession; and (iv) OSITRAN becoming responsible for the liquidation of the concession.

Governing Law and Dispute Resolution

The AAP Concession Agreement is governed by Peruvian law. The parties have agreed that any dispute that may arise related to the AAP Concession Agreement will be resolved by direct negotiation (*trato directo*) between the parties, except for disputes related to the Tariff regime, which is subject to an administrative procedure. In the event the parties do not reach an agreement with respect to such dispute within the timeframes specified in the AAP Concession Agreement, an arbitral procedure will be triggered.

We account for the results of operations of AAP and ECOGAL using the equity method in our Audited Consolidated Financial Statements.

C. ORGANIZATIONAL STRUCTURE

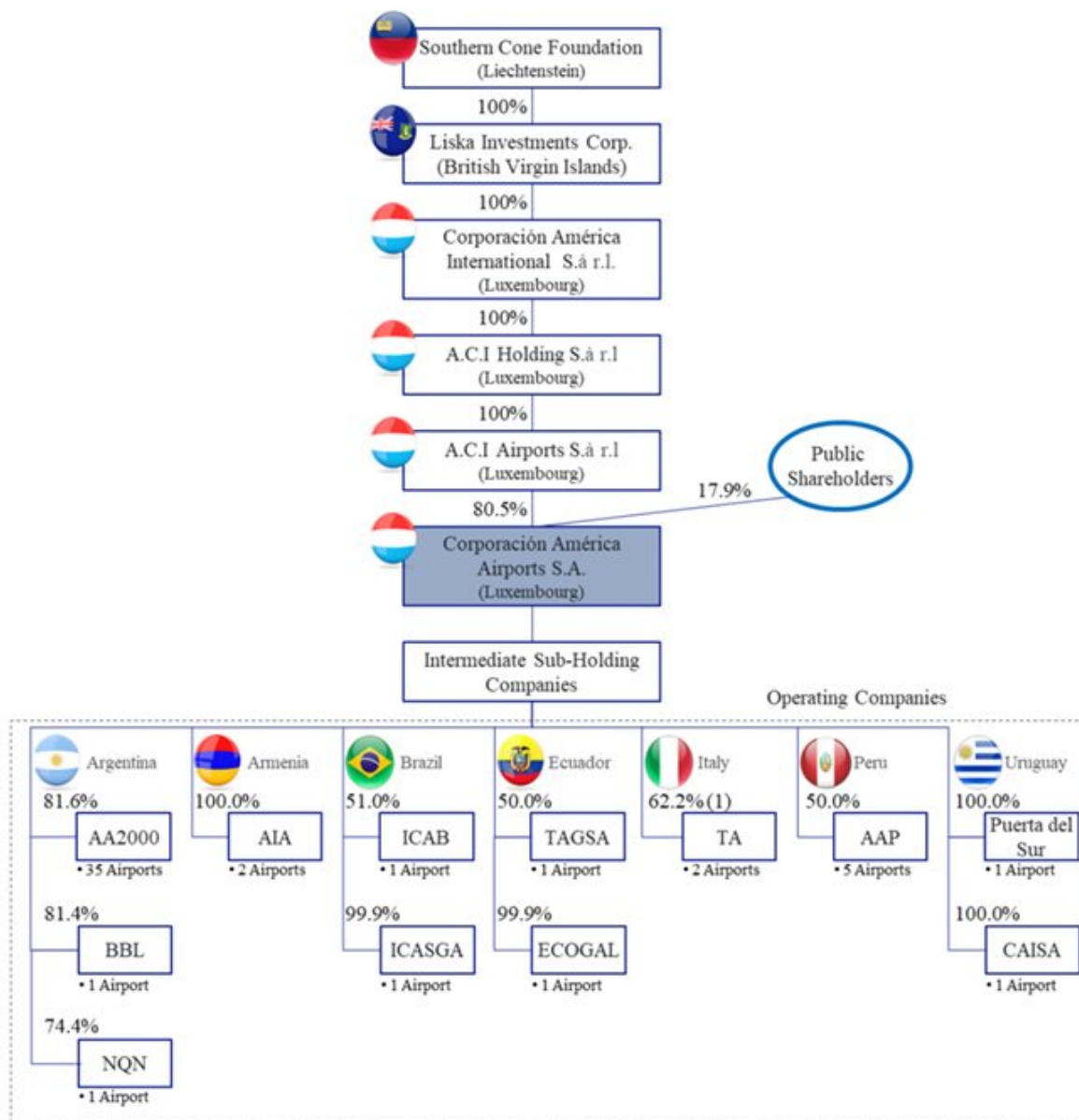
Prior to our initial public offering, we were 100% controlled by the Majority Shareholder, which is 100% owned by ACI Holding S.à r.l., a private limited liability company (*société à responsabilité limitée*) also incorporated in Luxembourg (“ACI Holding”). The Majority Shareholder currently controls 80.5% of our common shares.

ACI Holding is a holding company that is 100.0% owned by Corporación América Internacional S.à r.l. (“CAI”) a private limited liability companies (*société à responsabilité limitée*) incorporated in Luxembourg. CAI is a wholly-owned subsidiary of Liska Investments Corp., a corporation incorporated under the laws of the British Virgin Islands (“Liska”).

Liska is wholly-owned by SCF, a foundation created under the laws of Liechtenstein, which manages assets for the benefit of the foundation’s beneficiaries. The potential beneficiaries of this foundation are certain members of the Eurnekian family as well as religious, charitable and educational institutions designated by the foundation’s board of directors. The board of directors of the foundation is currently composed of four individuals and decisions are taken by majority vote. The board of directors has broad authority to manage the affairs of the foundation and to designate its beneficiaries and additional board members.

Most of our operating subsidiaries have non-controlling interests, some of which are significant.

The following diagram reflects a simplified summary of our organizational structure as of April 1, 2021:



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

ITEM 4A. UNRESOLVED SEC STAFF COMMENTS

The Company has no unresolved comments from the staff of the SEC with respect to its periodic reports under the Exchange Act.

ITEM 5. 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 annual report

A. 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 2.8% in terms of number of passengers, decreased 2.6% in terms of aircraft movements and increased 3.6% 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. For example, 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 all countries in which we operate. See “Risk Factors—Risks Related to Our Business and Industry— The COVID-19 virus (nCoV), as well as any other public health crises that may arise in the future, is having and will likely continue to have a negative impact on passenger traffic levels and air traffic operations and in our results of operation.”

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, the Armenian dram and the Peruvian sol against the U.S. dollar; and the Euro against the Armenian dram. See “—Quantitative and Qualitative Disclosure about Market Risk—Exchange Rate Risk.”

	Closing Exchange Rate			Average Exchange Rate		
	2020	2019	% change against prior year	2020	2019	% change against prior year
UYU	42.34	37.31	13.5%	42.03	35.25	19.3%
BRL	5.20	4.03	28.9%	5.15	3.94	30.7%
EUR	1.23	1.12	9.2%	1.14	1.12	1.9%
ARS	84.15	59.89	40.5%	70.57	48.23	46.3%
AMD	522.59	479.70	8.9%	489.1	480.49	1.8%
PEN	3.62	3.31	9.4%	3.5	3.34	4.6%

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 cancelled all non-mandatory capital investments under its concession agreements and deferred non-prioritized projects. See “Operating and Financial Review And Prospects—Liquidity and Capital Resources— COVID-19 Virus Impact.”

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 and “Presentation of Financial and Certain Other Information—Adjusted Segment EBITDA and Adjusted Segment EBITDA excluding Construction Services.”

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.

Macroeconomic Conditions

Argentina has historically been subject to inflation. The National Statistic and Census Institute (“INDEC”), reported an inflation increase of 47.6% in 2018, 53.8% in 2019 and 36.1% in 2020. See “—Item 3. Key Information—D. Risk Factors—Continuing high inflation may impact the Argentine economy and adversely affect our results of operations.”

We have determined that, as of July 1, 2018, the Argentine economy qualifies as a hyperinflationary economy according to the guidelines of the IAS 29, since the total cumulative inflation in Argentina in the 36 months prior to July 1, 2018, as measured by the wholesale price index published by the INDEC, exceeded 100%. Accordingly, IAS 29 guidance is applicable to our financial statements for periods ending after July 1, 2018. IAS 29 requires the financial information of an entity which functional currency is a currency of a hyperinflationary economy to be adjusted by applying a general price index and expressed in the measuring unit at the end of the reporting period and then such financial information to be translated into the presentation currency at the prevailing exchange rate. See Note 2 to our Audited Consolidated Financial Statements included elsewhere in this report. See “— Item 3. Key Information—D. Risk Factors—Continuing high inflation may impact the Argentine economy and adversely affect our results of operations.” As of July 1, 2018, the Argentine peso qualifies as a currency of a hyperinflationary economy, and we were required to apply inflationary adjustments to the financial statements of our Argentine subsidiaries, which could ultimately adversely affect our consolidated financial statements, results of operations and financial condition.

Likewise, our Argentine subsidiaries are operating in an economical context where main variables have recently experienced a strong volatility as a consequence of political and economic uncertainties, both in national and international environments. Considering this situation, we continue to assess the evolution of variables in order to identify the unforeseen potential impacts that could affect the Company's business and performance.

Factors Affecting Comparability of Prior Periods

During 2018, mainly during the third and fourth quarters of 2018, Argentina experienced a devaluation of its currency against the U.S. dollar of 102.2%, which exceeded the inflation for the same period which was 47.6%. This factor, compounded with the application of IAS 29 as from January 1, 2018, which changed the mechanism for translating the financial information into U.S. dollars that we have been applying up to December 31, 2017, affected the comparability of the figures reported for the year ended December 31, 2018 with the corresponding period in 2017. While still significantly high, the variation of the devaluation (58.9%) of the Argentine peso vis-à-vis the inflation (53.8%) during 2019, and the variation of the devaluation (40.5%) of the Argentine peso vis-à-vis the inflation (36.1%) during 2020, did not have such an impact in our results of operations as in 2018. Therefore, comparability of the figures reported for the year ended December 31, 2019 with the corresponding period in 2018 was significantly affected.

Following IAS 29 guidance, if the inflation rate is lower than the devaluation rate of the Argentine peso, revenue figures reported in U.S. dollar are less than what they would have been if they had been converted based on the exchange rate in effect as of the relevant invoice date. Due to the application of IAS 29, our results of operations reported in our financial statements for the twelve-month period ended December 31, 2018, were adversely affected. However, application of IAS 29, did not have a material impact in our results of operations reported in our financial statements for the twelve-month period ended December 31, 2020 and 2019.

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:

	Years ended December 31,					
	2020	% change against prior year	2019 ⁽¹⁾	% change against prior year	2018 ⁽²⁾	% change against prior year
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%

(1) 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

(2) 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.

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
Argentina								
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(1)	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(1)	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%
Italy								
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%
Brazil								
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%
Uruguay								
Domestic Passengers (in millions)	0.0	0.0%	(35.4)%	0.0	0.0%	(17.6)%	0.0	0.0%

For the Year Ended December 31,

	2020	% of Total	% Change Against Prior Year	2019	% of Total	% Change Against Prior Year	2018	% of Total
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(2)	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%
Armenia								
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%
Ecuador⁽³⁾								
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%
Peru⁽⁴⁾								
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%

(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 from Continuing Operations

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 U.S.\$)	% of Total Revenue	(in millions of U.S.\$)	% of Total Revenue	(in millions of U.S.\$)	% 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%
Total consolidated revenue	607.4	100%	1,558.6	100%	1,426.1	100%

Our Expenses from Continuing Operations

Our expenses from continuing operations are cost of services, selling, general and administrative expenses, financial loss, inflation adjustments, other expense, and income tax expense. Other reportable expenses consist of impairment loss and other operating expenses.

	For the Year Ended December 31,					
	2020		2019		2018	
	(in millions of U.S.\$)	% of Total Expenses	(in millions of U.S.\$)	% of Total Expenses	(in millions of U.S.\$)	% 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	(14.3)	(1.4)%	17.1	1.1%	14.1	0.9%
Total expenses	1,052.9	100%	1,628.3	100%	1,529.1	100%

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 from Continuing Operations

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 from Continuing Operations

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

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 U.S.\$)	% of Change against prior year	(in millions of U.S.\$)	% of Change against prior year	(in millions of U.S.\$)	% 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%
Total consolidated revenue	607.4	(61.0)%	1,558.6	9.3%	1,426.1	(9.5)%
Cost of Services						
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	124.4	(34.9)%	191.0	(0.0)%	191.1	(9.4)%
Taxes	5.9	(65.4)%	17.0	(4.0)%	17.7	(9.2)%
Maintenance expenses	82.1	(36.3)%	128.9	(1.6)%	131.0	(10.2)%
Construction service costs	124.4	(64.2)%	348.0	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)%
Total Cost of Services	653.6	(42.6)%	1,138.4	17.2%	971.4	(5.7)%
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)%	39.0	(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)%	2.0	(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%
Total selling, general and administrative expenses	101.8	(39.5)%	168.3	(2.1)%	171.9	(11.5)%
(Impairment loss)	(62.3)	45.5%	(42.8)	100%	—	—%
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)%
Operating (loss)/ income	(163.7)	(173.2)%	223.6	(25.2)%	299.0	(19.0)%
Share of loss in associates	(6.2)	(15.1)%	(5.4)	29.1%	(4.1)	(73.8)%
Income before financial results and income tax	(169.9)	(177.8)%	218.3	(26.0)%	294.8	(16.6)%
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%
(Loss)/Income before income tax	(376.2)	(3440.8)%	11.3	221.4%	3.5	(96.9)%
Income tax	14.3	(183.6)%	(17.1)	21.1%	(14.1)	(69.9)%
(Loss)/ for continuing operations	(361.9)	6139.5%	(5.8)	(45.1)%	(10.6)	(115.8)%
Discontinued operations						
(Loss)/Income from discontinued operations			—	—	—	
Loss for the year	(361.9)	6139.5%	(5.8)	(45.1)%	(10.6)	(115.8)%
Attributable to Owners of the parent	(253.1)	(2880.8)%	9.1	27.7%	7.1	88.8%

Non-controlling interest	(108.8)	629.5%	(14.9)	(15.8)%	(17.7)	621.5%
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Our Revenue by Segment

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

	For the Year Ended December 31,					
	2020		2019		2018	
	(in millions of U.S.\$)	% of Total Revenue	(in millions of U.S.\$)	% of Total Revenue	(in millions of U.S.\$)	% 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 ⁽¹⁾	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%
Total consolidated revenue⁽¹⁾⁽²⁾	607.4	100.0%	1,558.6	100%	1,426.1	100%

(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.

Revenue Classification by Segment

Set forth below is a summary of the aeronautical revenue and non-aeronautical revenue, including commercial services revenue, construction service revenue and other revenue from continuing operations, for each of our segments, which have intrasegment adjustments allocated to each corresponding segment:

	For the Year Ended December 31,		
	2020	2019	2018
	(in millions of U.S.\$)	(in millions of U.S.\$)	(in millions of U.S.\$)
Argentina			
Aeronautical revenue	106.7	387.3	377.8
Non-aeronautical Revenue			
Commercial revenue	147.5	239.2	268.8
Construction service revenue	95.8	308.3	176.1
Other revenue	—	—	—
Total revenue	350.0	934.8	822.7
Italy			
Aeronautical revenue	29.4	94.7	98.6
Non-aeronautical Revenue			
Commercial revenue	16.8	39.1	36.8
Construction service revenue	10.4	9.4	15.8
Other revenue	1.8	2.4	4.3
Total revenue	58.3	145.6	155.5
Brazil			
Aeronautical revenue	20.9	56.1	60.3
Non-aeronautical Revenue			
Commercial revenue	30.5	60.4	62.9
Construction service revenue	—	—	—
Other revenue	—	—	—
Total revenue	51.4	116.6	123.2
Uruguay			
Aeronautical revenue	19.6	62.2	62.7
Non-aeronautical Revenue			
Commercial revenue	29.4	49.5	52.9
Construction service revenue	9.3	6.1	0.7
Other revenue	0.1	0.1	0.1
Total revenue	58.3	117.8	116.3
Ecuador			
Aeronautical revenue	28.1	71.1	66.0
Non-aeronautical revenue			
Commercial revenue	13.0	23.7	23.2
Construction service revenue	8.6	14.9	—
Other revenue	—	—	—
Total revenue	49.7	109.6	89.2

Armenia			
Aeronautical revenue	15.3	52.6	50.9
Non-aeronautical Revenue			
Commercial revenue	22.4	69.3	61.7
Construction service revenue	1.7	11.6	5.8
Other revenue	—	0.0	0.0
Total revenue	39.4	133.5	118.4
Unallocated			
Aeronautical revenue	—	—	—
Non-aeronautical Revenue			
Commercial revenue	0.2	0.8	0.7
Construction service revenue	—	—	—
Other revenue	0.0	(0.0)	0.2
Total revenue	0.2	0.7	0.8
Total consolidated revenue for all segments	607.4	1,558.6	1,426.1

Our Expenses by Segment

Set forth below is a summary of our total expenses from continuing operations by segment which consists of cost of services, selling general and administrative expenses and other operating expenses. Intra-segments adjustments have been allocated to each corresponding segment:

	For the Year Ended December 31,					
	2020		2019		2018	
	(in millions of U.S.\$)	% of Total Expenses ⁽¹⁾	(in millions of U.S.\$)	% of Total Expenses ⁽¹⁾	(in millions of U.S.\$)	% 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	24.4	3.2%	26.2	2.0%	32.5	2.8%
Total segment expenses	762.9	100%	1,309.5	100%	1,147.4	100%

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

Expenses Classification by Segment

Set forth below is a table of our total expenses from continuing operations, consisting of costs of services and selling, general and administrative expenses and other operating expenses for each of our segments which have intra-segments adjustments allocated to each corresponding segment:

	For the Year Ended December 31,		
	2020	2019	2018
	(in millions of U.S.\$)	(in millions of U.S.\$)	(in millions of U.S.\$)
Argentina			
Cost of Services	380.0	710.9	562.0
Selling, General and Administrative Expenses	38.2	88.2	75.4
Other operating expenses	2.7	1.1	1.6
Total Expenses	420.9	800.1	639.0
Italy			
Cost of Services	72.2	104.6	115.1
Selling, General and Administrative Expenses	14.4	15.0	13.6
Other operating expenses	(0.0)	0.1	—
Total Expenses	86.6	119.7	128.7
Brazil			
Cost of Services	60.8	96.2	103.9
Selling, General and Administrative Expenses	11.3	12.6	20.2
Other operating expenses	3.3	0.3	1.4
Total Expenses	75.5	109.2	125.6
Uruguay			
Cost of Services	44.4	58.2	56.0
Selling, General and Administrative Expenses	9.5	13.9	14.1
Other operating expenses	0.3	0.4	0.4
Total Expenses	54.1	72.6	70.5
Ecuador			
Cost of Services	42.8	72.0	51.4
Selling, General and Administrative Expenses	9.3	14.2	17.8
Other operating expenses	0.4	0.1	0.1
Total Expenses	52.5	86.2	69.2
Armenia			
Cost of Services	39.5	82.5	68.5
Selling, General and Administrative Expenses	8.6	12.3	12.7
Other operating expenses	0.9	0.7	0.6
Total Expenses	49.0	95.5	81.8
Unallocated			
Cost of Services	13.9	14.1	14.5
Selling, General and Administrative Expenses	10.4	12.1	17.9
Other operating expenses	0.0	—	—

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

Revenue from Continuing Operations

Our revenue was U.S.\$607.4 million for the year ended December 31, 2020, a 61.0% decrease from U.S.\$1,558.6 million for the year ended December 31, 2019. This decrease in revenue of U.S.\$951.2 million was principally due to lower revenues in all segments, as a consequence of the impact of the COVID-19 pandemic. As a result, revenues decreased U.S.\$584.8 million in Argentina, U.S.\$87.3 million in Italy, U.S.\$65.2 million in Brazil, U.S.\$59.5 million in Uruguay, U.S.\$59.9 million in Ecuador and U.S.\$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 U.S.\$350.0 million for the year ended December 31, 2020, a 62.6%, or U.S.\$584.8 million decrease as compared to U.S.\$934.8 million for the year ended December 31, 2019. This decrease in revenues was mainly the outcome of:

- a decrease of U.S.\$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 and a decrease in demand for air travel due to government travel restrictions which was partially offset by the increase in tariffs that we charge under the concessions;
- a decrease of U.S.\$91.7 million, or 38.3%, in commercial revenue due to: (i) the decrease in revenue 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 U.S.\$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 measures 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 and the re-pavement of the Comodoro Rivadavia Airport, see “—Capital Expenditure by Segment—Argentina,” see “—Capital Expenditure by Segment—Argentina.”

Italy

Revenue from our Italy segment was U.S.\$58.3 million for the year ended December 31, 2020, a 59.9% or U.S.\$87.3 million decrease as compared to U.S.\$145.6 million for the year ended December 31, 2019. This decrease in revenue was mainly the result of: (i) a decrease of U.S.\$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 U.S.\$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 U.S.\$51.4 million for the year ended December 31, 2020 a 55.9% or U.S.\$65.2 million decrease as compared to U.S.\$116.6 million for the year ended December 31, 2019. This decrease was mainly due to a decrease of (i) U.S.\$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 U.S.\$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 U.S.\$58.3 million for the year ended December 31, 2020, a 50.5% or U.S.\$59.5 million decreases compared to U.S.\$117.8 million for the year ended December 31, 2019. This decrease was mainly derived from a decrease of (i) U.S.\$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 U.S.\$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 U.S.\$3.2 million, or 52.2%, 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, see “—Capital Expenditure by Segment—Uruguay,”.

Ecuador

Revenue from our Ecuador segment was U.S.\$49.7 million for the year ended December 31, 2020, a 54.6% or U.S.\$59.9 million decrease as compared to U.S.\$109.6 million for the year ended December 31, 2019. This decrease was mainly due to: decrease of (i) U.S.\$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 U.S.\$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 U.S.\$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 (see “—Capital Expenditure by Segment—Ecuador”) 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 U.S.\$39.4 million for the year ended December 31, 2020, a 70.5% or U.S.\$94.0 million decrease as compared to U.S.\$133.5 million for the year ended December 31, 2019. This decrease in revenue was mainly derived from: a decrease of (i) U.S.\$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 U.S.\$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 U.S.\$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 (see “—Capital Expenditure by Segment—Armenia”).

Unallocated

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

Cost of Services from Continuing Operations

Cost of services decrease 42.6% to U.S.\$653.6 million for the year ended December 31, 2020 compared to U.S.\$1,138.4 million for the year ended December 31, 2019. This decrease in cost of services of U.S.\$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 U.S.\$330.9 million in Argentina, U.S.\$32.4 million in Italy, U.S.\$35.4 million in Brazil, U.S.\$13.8 million in Uruguay, U.S.\$29.2 million in Ecuador and U.S.\$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.

Argentina

Cost of services from our Argentina segment was U.S.\$380.0 million for the year ended December 31, 2020, a 46.5% or U.S.\$330.9 million decrease as compared to U.S.\$710.9 million for the year ended December 31, 2019. This decrease in cost of services was primarily due to the decrease of 68.9% or U.S.\$212.4 million in construction services derived from the reduction of non-mandatory capital expenditures in connection with the cash preservation measure implemented to mitigate the negative impact of the COVID-19 pandemic. This variation was also the result of the decrease in: concession fees derived from a decrease in revenues; decrease in salaries and social security as a consequence of salary reductions and government subsidies; decrease in maintenance expenses due to reduction in maintenance required to support the lower level of operations and negotiations with suppliers. Salaries, social security contributions and maintenance expenses as these services, incurred in local currency, were also affected by the Argentine peso's devaluation against the U.S. dollar. Other factor that impacted cost of services was a decrease in mobility and the decrease in other expenses related to passenger traffic. Such variation was partially offset by an increase in depreciation and amortization due to increase in Intangibles in 2020 against 2019, offset by a reduction in the depreciation charge of December 2020, due to extension of the concession.

Depreciation and amortization included in cost of services was U.S.\$113.6 million for the year ended December 31, 2020, a 27.1% or U.S.\$24.2 million increase from U.S.\$89.3 million for the year ended December 31, 2019.

Italy

Cost of services from our Italy segment was U.S.\$72.2 million for the year ended December 31, 2020, a 31.0% or U.S.\$32.4 million decrease as compared to U.S.\$104.6 million for the year ended December 31, 2019. This decrease in cost of services was mainly due to: (i) a decrease in concession fees derived from a decrease in revenues, partially offset by the positive outcome in 2019 of a claim against the Ministry of Transport in connection with the Fire Brigade Protection Fund dispute (See “—Regulatory and Concessions Framework— Firefighting Fund Tax”), (ii) a decrease in salaries and social security as a consequence of reduction of workforce and furlough of employees, (iii) a decrease in maintenance expenses mainly in maintenance required on infrastructure and equipment as a result of decrease in passenger traffic, (iv) a decrease in services and fees expenses due to the reduction, mainly, of portage services security services and institutional communication, and (vi) a decrease in other expenses related to passenger traffic such as VIP Lounge cost.

Depreciation and amortization included in cost of services was U.S.\$7.2 million for the year ended December 31, 2020 a 10.2% or U.S.\$0.8 million decrease from U.S.\$8.0 million for the year ended December 31, 2019.

Brazil

Cost of services from our Brazil segment was U.S.\$60.8 million for the year ended December 31, 2020, a 36.8% or U.S.\$35.4 million decrease as compared to U.S.\$96.2 million for the year ended December 31, 2019. This decrease was primarily due to: (i) a decrease in concession fees derived from the Real's depreciation against the U.S. dollar, partially offset by the adjustment of the passenger curve and expectations under the Brazilian Concessions Agreements for upcoming years which resulted in an increase of the concession fees we record under such concessions, (ii) a decrease in taxes derived from lower revenues, (iii) a decrease in salaries and social security as a consequence of reduction of the workforce, reduction of working hours, salaries and temporary suspension, to respond to lower traffic, (iv) a decrease in maintenance expenses mainly in connection with cleaning services, green areas maintenance, airport baggage systems, and renegotiation with several service providers due to the reduction in airport activities derived from the COVID-19 pandemic, (v) a decrease in services and fees expenses due to the reduction electricity and water consumption, surveillance services and overall other expenses related to lower activity in the airports. Additionally, this decrease occurred as a result of the Real's depreciation against the U.S. dollar.

Depreciation and amortization included in cost of services was U.S.\$9.0 million for the year ended December 31, 2020, a 22.2% or U.S.\$2.6 million decrease from U.S.\$11.5 million for the year ended December 31, 2019 due to the adjustment of the passenger curve and expectations under the Brazilian concessions for upcoming years which resulted in an increase of the Depreciation and amortization we record under such concessions.

Uruguay

Cost of services from our Uruguay segment was U.S.\$44.4 million for the year ended December 31, 2020, a 23.7% or U.S.\$13.8 million decrease as compared to U.S.\$58.2 million for the year ended December 31, 2019. This decrease in cost of services was mainly due to: (i) a decrease in concession fees derived from a decrease in passenger traffic, (ii) a decrease in salaries and social security as a consequence of reduction of the workforce and furlough of employees, to respond to lower activity in the airports, (iii) a decrease in maintenance expenses mainly due to renegotiation with several service providers due to the reduction in airport activities as a consequence of the COVID-19 pandemic, and (iv) a decrease in other expenses related to passenger traffic such as security system fees. Additionally, the cost of services, incurred in local currency, were impacted by the Uruguayan Peso's devaluation against the U.S. dollar. This variation was partially offset by an increase of 51.9% or U.S.\$3.2 million in construction services incurred at the Punta del Este Airport, primarily for the works related to the extension of the concession (see "—Capital Expenditure by Segment—Uruguay").

Depreciation and amortization included in cost of services was U.S.\$11.6 million for the year ended December 31, 2020, a 5.2% or U.S.\$0.6 million decrease from U.S.\$12.2 million for the year ended December 31, 2019.

Ecuador

Cost of services from our Ecuador segment was U.S.\$42.8 million for the year ended December 31, 2020, a 40.6% or U.S.\$29.2 million decrease as compared to U.S.\$72.0 million for the year ended December 31, 2019. This decrease in cost of services was mainly a consequence of the decrease in concession fees derived from a decrease in passenger traffic. Additionally, this reflects a decrease of 42.2% or U.S.\$6.3 million in construction services due to higher works in 2019 as compared with 2020 (see "—Capital Expenditure by Segment—Ecuador").

Depreciation and amortization included in cost of services was U.S.\$4.0 million for the year ended December 31, 2020, a 4.9% or U.S.\$0.2 million increase from U.S.\$3.8 million for the year ended December 31, 2019.

Armenia

Cost of services from our Armenia segment was U.S.\$39.5 million for the year ended December 31, 2020, a 52.1% or U.S.\$43.0 million decrease as compared to U.S.\$82.5 million for the year ended December 31, 2019. This decrease in cost of services was mainly due to the decrease of 85.1%, or U.S.\$9.6 million, in construction services primarily as a result of works incurred in 2019 for runway renovations, acquisition vehicles, and the acquisition of Property, Plant and Equipment (see “—Capital Expenditure by Segment—Armenia”) and a decrease in fuel cost due to lower activity in the airports.

Depreciation and amortization included in cost of services was U.S.\$14.8 million for the year ended December 31, 2020, a 8.7% or U.S.\$1.2 million increase from U.S.\$13.6 million for the year ended December 31, 2019.

Unallocated

Cost of services from our unallocated segment mainly contain the depreciation and amortization which have decreased 1.0% or U.S.\$0.1 million from U.S.\$14.1 million for the year ended December 31, 2019 to U.S.\$13.9 million for the year ended December 31, 2020.

Gross Profit from Continuing Operations

Based on the above mentioned, our gross profit decreased by 111.0% or U.S.\$466.4 million to a loss of U.S.\$46.2 million for the year ended December 31, 2020, compared to U.S.\$420.2 million for the year ended December 31, 2019.

Selling, General and Administrative Expenses from Continuing Operations

Selling, general and administrative expenses decreased by 39.5% to U.S.\$101.8 million for the year ended December 31, 2020 compared to U.S.\$168.3 million for the year ended December 31, 2019. This decrease of U.S.\$66.5 million was primarily the result of a decrease in all segment reflecting the reduction in operations derived from the impact of the COVID-19 pandemic and the cost controls and cash preservation measures implemented to mitigate the negative impact of the pandemic. As a consequence, Selling, general and administrative expenses decreased U.S.\$50.0 million in Argentina, U.S.\$0.6 million in Italy, U.S.\$1.3 million in Brazil, U.S.\$4.4 million in Uruguay, U.S.\$4.8 million in Ecuador and U.S.\$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.

Argentina

Selling, general and administrative expenses from our Argentina segment were U.S.\$38.2 million for the year ended December 31, 2020, a 56.7% or U.S.\$50.0 million decrease as compared to U.S.\$88.2 million for the year ended December 31, 2019. This decrease in selling, general and administrative expenses was primarily due to a decrease in bad debts for the year 2020 as compared to the bad debt recorded in 2019 which accounted for all the debt owed by Aerolineas Argentinas, which had an overall impact of U.S.\$22.6 million in our selling, general and administrative expenses and a decrease in taxes derived from a decrease in revenue. That variation in selling, general and administrative expenses was also impacted by a decrease in, among other expenses recorded in local currency, paid salaries and social contributions as explained in cost of services, as a result of the Argentinian Peso’s devaluation against the U.S. dollar.

Depreciation and amortization included in selling, general and administrative expenses was U.S.\$1.6 million for the year ended December 31, 2020, a 17.5% or approximately U.S.\$0.3 million decrease from U.S.\$1.9 million for the year ended December 31, 2019.

Italy

Selling, general and administrative expenses from our Italy segment were U.S.\$14.4 million for the year ended December 31, 2020, a 3.8% or U.S.\$0.6 million decrease as compared to U.S.\$15.0 million for the year ended December 31, 2019. This decrease was mainly caused by non-significant variation in salaries and social security, maintenance expenses and services and fees expenses.

Depreciation and amortization included in selling, general and administrative expenses was U.S.\$4.7 million for the year ended December 31, 2020, a 4.1% or U.S.\$0.2 million increase from U.S.\$4.5 million for the year ended December 31, 2019.

Brazil

Selling, general and administrative expenses from our Brazil segment were U.S.\$11.3 million for the year ended December 31, 2020, a 10.0% or U.S.\$1.3 million decrease as compared to U.S.\$12.6 million for the year ended December 31, 2019. This decrease resulted from a decrease in salaries and social security as a consequence of reduction of the workforce, reduction of working hours, salaries and temporary suspension, as a result of lower traffic. Additionally, this decrease was the result of the Real's depreciation against the U.S. dollar. This variation was partially offset by an increase in bad debts, mainly due to increase in allowance for bad debts accounts due to the COVID-19 pandemic.

Depreciation and amortization included in selling, general and administrative expenses was U.S.\$0.1 million for the year ended December 31, 2020, a 59.8% or U.S.\$0.2 million decrease from U.S.\$0.3 million for the year ended December 31, 2019.

Uruguay

Selling, general and administrative expenses from our Uruguayan segment were U.S.\$9.5 million for the year ended December 31, 2020, a 32.0% or U.S.\$4.4 million decrease as compared to U.S.\$13.9 million for the year ended December 31, 2019. This decrease was mainly due to a decrease in mobility and the decrease in other expenses related to passenger traffic such as fees to airlines for collecting passenger fees and VIP lounge cost. Additionally, this decrease was the result of a security services and salaries and social security decrease. Expenses incurred in local currency were impacted by the Uruguayan Peso's devaluation against the U.S. dollar.

Depreciation and amortization included in selling, general and administrative expenses was U.S.\$1.0 million for the year ended December 31, 2020, a 9.4% or U.S.\$0.1 million increase from U.S.\$1.0 million for the year ended December 31, 2019.

Ecuador

Selling, general and administrative expenses from our Ecuador segment were U.S.\$9.3 million for the year ended December 31, 2020, a 34.1% or U.S.\$4.8 million decrease as compared to U.S.\$14.2 million for the year ended December 31, 2019. This decrease was mainly due to: (i) a decrease in salaries and social security as a consequence of non-payment of legal bonus to employees as a result of negative net result in the year and reduction of the workforce, and (ii) a decrease in services and fees due to decrease in management fee in connection with the decline in revenues and a reduction electricity and water consumption. This variation was partially offset by an increase in bad debts, mainly due to increase bad debts recorded of debt of the national carrier and national oil company.

Depreciation and amortization included in selling, general and administrative expenses was U.S.\$1.0 million for the year ended December 31, 2020, a 29.7% or U.S.\$0.2 million increase from U.S.\$0.8 million for the year ended December 31, 2019.

Armenia

Selling, general and administrative expenses from our Armenia segment were U.S.\$8.6 million for the year ended December 31, 2020, a 29.9% or U.S.\$3.7 million decrease as compared to U.S.\$12.3 million for the year ended December 31, 2019. This decrease was mainly due to a decrease in management fee related to the decrease in revenues.

Our depreciation and amortization included in selling, general and administrative expenses for our Armenia segment during the year ended December 31, 2020 suffered non-significant variations as compared to the year ended December 31, 2019.

Unallocated

Unallocated selling, general and administrative expenses were U.S.\$10.4 million for the year ended December 31, 2020, a 14.0% or U.S.\$1.7 million decrease from U.S.\$12.1 million for the year ended December 31, 2019. This decrease was mainly due to decrease in mobility and services and fees.

Depreciation and amortization included in selling, general and administrative expenses was U.S.\$0.9 million for the year ended December 31, 2020, a 33.5% or U.S.\$0.5 million decrease from U.S.\$1.4 million for the year ended December 31, 2019, mainly due to the fact that CAISA's shareholder, Abafor S.A., made payments for certain intangibles under the Punta del Este Airport Concession Agreement that were subject to amortization until March 2019 which was set to be the finalization date of the Punta del Este Concession Agreement before the extension signed on June 28, 2019. As of March 2019, CAISA Shareholder's, the intangibles were fully amortized.

Impairment Loss from Continuing Operations

In the year ended December 31, 2020, we recorded an impairment loss of U.S.\$62.3 million in Brazil due to the write down of the Natal Concession Agreement intangible asset and in CAAP due to the write down of the goodwill related to CAAP's Brazilian subsidiaries (see Note 12 to our Audited Consolidated Financial Statements). In the year ended December 31, 2019, we recorded an impairment loss of U.S.\$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 from Continuing Operations

Our other operating income increased by 213.5% or U.S.\$36.8 million to U.S.\$54.1 million for the year ended December 31, 2020 compared to U.S.\$17.3 million for the year ended December 31, 2019. This increase was mainly due to the U.S.\$33.2 million in re-equilibrium requested under the Brazilian Concession Agreements in connection with the COVID-19 pandemic effects (see Note 8 to our Audited Consolidated Financial Statements). Additionally, our Italian subsidiary, TA, received a grant of U.S.\$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.

Other Operating Expenses from Continuing Operations

Other operating expenses increased by 174.3% or U.S.\$4.8 million to U.S.\$7.5 million for the year ended December 31, 2020 compared to U.S.\$2.7 million for the year ended December 31, 2019. This increase was mainly due to a write-off on property, plant and equipment on our Brazilian subsidiary, ICASGA, in connection with certain runway maintenance expenses that should have been initially assumed the by the concessionaire.

Operating Income from Continuing Operations

As a result of the foregoing, our operating income decreased by 173.2% or U.S.\$387.3 to a loss of U.S.\$163.7 million for the year ended December 31, 2020, compared to a gain of U.S.\$223.6 million for the year ended December 31, 2019.

Share of Loss in Associates from Continuing Operations

Our share of loss in associated companies decreased by 15.1% to U.S.\$6.2 million for the year ended December 31, 2020 compared to U.S.\$5.4 million for the year ended December 31, 2019.

Adjusted Segment EBITDA and Adjusted Segment EBITDA excluding Construction Services

We evaluate the performance of each of our segments based on Adjusted EBITDA, which is defined, with respect to each segment, as income from continuing operations before financial income, financial loss, income tax expense, and depreciation and amortization for such segment. See “Presentation of Financial and Certain Other Information—Adjusted Segment EBITDA and Adjusted Segment EBITDA excluding Construction Services.”

Therefore, each segment’s Adjusted EBITDA measure equals the segment’s operating income plus the segment’s share of losses in associates plus the segment’s depreciation and amortization included in each segment’s cost of services and selling, general and administrative expenses, as further discussed in the respective sections above.

The sum of each segment’s Adjusted EBITDA and Adjusted Segment EBITDA excluding Construction Services equals the total consolidated Adjusted EBITDA and Adjusted Segment EBITDA excluding Construction Services. See “Presentation of Financial and Certain Other Information—Non-IFRS Information—Adjusted EBITDA and Adjusted Segment EBITDA excluding Construction Services.”

	For the Year Ended December 31,					
	2020			2019		
	(in millions of U.S.\$)	% of Total Adjusted EBITDA	Change against prior year (in millions of U.S.\$)	% Change Against prior year	(in millions of U.S.\$)	% of Total Adjusted EBITDA
Argentina	50.7	373.3%	(190.6)	(79.0)%	241.4	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)%
Total segment EBITDA	13.6	100%	(367.1)	(96.4)%	380.7	100%

	For the Year Ended December 31,					
	2020			2019		
	(in millions of U.S.\$)	% of Total Adjusted EBITDA excluding Construction Services	Change against prior year (in millions of U.S.\$)	% Change Against prior year	(in millions of U.S.\$)	% of Total Adjusted EBITDA excluding Construction Services
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)%	(37.6)	710.6%	(5.3)	(1.4)%
Peru	(6.6)	(53.5)%	(1.5)	28.9%	(5.1)	(1.3)%
Total segment EBITDA excluding Construction Services	12.3	100%	(366.2)	(96.8)%	378.5	100%

Income before Financial Results and Income Tax from Continuing Operations

Our income before financial results and income tax decreased by 177.8% or U.S.\$388.1 million to a loss of U.S.\$169.9 million for the year ended December 31, 2020, compared to U.S.\$218.3 million for the year ended December 31, 2019.

Financial Income from Continuing Operations

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

Financial Loss from Continuing Operations

Our financial loss decreased by 7.7% to U.S.\$215.5 million for the year ended December 31, 2020, compared to financial loss of U.S.\$233.5 million for the year ended December 31, 2019. This decrease of U.S.\$18.0 million in financial loss was primarily due to a decrease of U.S.\$18.8 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 U.S.\$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. Overall, the decrease in our financial loss was partially offset by an increase in interest expense of U.S.\$6.3 million, mainly due to an increase in our Argentina subsidiaries affected by the refinancing of the debt, partially offset by a decrease in our Brazilian subsidiaries due to the decrease in the Brazilian long term interest rate. Additionally, the decrease in our financial loss was partially offset by an increase of U.S.\$4.8 million in other financial expenses mainly due to fees related to refinancing of the debt in our Argentina subsidiaries.

Inflation adjustment

Our inflation adjustment was a loss of U.S.\$26.5 million for the year ended December 31, 2020, a 4.5% or U.S.\$1.1 million decrease compared to inflation adjustment loss of U.S.\$25.4 for the year ended December 31, 2019 due to the application of IAS 29 and the translation mechanism in our Argentine subsidiaries.

Income before Income Tax from Continuing Operations

As a result of the foregoing, our loss before income tax decrease by 3440.8% or U.S.\$387.4 million to U.S.\$376.2 million for the year ended December 31, 2020, compared to the income of U.S.\$11.3 million for the year ended December 31, 2019.

Income Tax Expense from Continuing Operations

Income taxes were U.S.\$14.3 million for the year ended December 31, 2020, a 183.6% variation from the income tax expenses of U.S.\$17.1 million recorded for the year ended December 31, 2019. This U.S.\$31.4 million decrease in income tax expense 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 of deferred tax assets made in 2020 in our Brazilian subsidiary, ICAB, as a consequence of a decrease in projections due to the COVID-19 pandemic, which ultimate generated non recoverable fiscal credit. This decrease was offset by an increase in deferred income tax in our subsidiary in Argentina due to fiscal losses.

Loss from Continuing Operations

As a result of the foregoing factors, our loss from continuing operations increased by 6,139.5% to U.S.\$361.9 million for the year ended December 31, 2020, which reflects a difference in loss of U.S.\$356.1 million compared to the loss from continuing operations of U.S.\$5.8 million for the year ended December 31, 2019.

Net Loss

Taking into account our loss from continuing operations, our net loss increase by 6,139.5% to U.S.\$361.9 million for the year ended December 31, 2020, which reflects a difference in loss of U.S.\$356.1 million compared to the loss of U.S.\$5.8 million for the year ended December 31, 2019.

Year Ended December 31, 2019 Compared with Year Ended December 31, 2018

A comparison of the years ended December 31, 2019 and 2018 has been omitted from this annual report, but may be found in “Item 5. Operating and Financial Review and Prospects” of our annual report on Form 20-F for the year ended December 31, 2019, filed with the SEC on April 4, 2020.

Capital Expenditures by Segment

Argentina

Under the terms of our AA2000 Concession Agreement, AA2000 is required to make capital expenditures in accordance with an investment plan. See “the AA2000 Concession Agreement – Investment Plan.”

In the year ended December 31, 2020, we spent U.S.\$95.8 million on capital expenditures in Argentina, primarily for the construction of the new departure terminal building and the new control tower at Ezeiza Airport, remodeling Aeroparque Airport 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. In the year ended December 31, 2019, we spent U.S.\$308.3 million on capital expenditures in Argentina, primarily 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 and various other capital investment programs across other airports under the AA2000 Concession Agreement. In the year ended December 31, 2018, we spent U.S.\$176.5 million on capital expenditures in Argentina, primarily for the construction of the new departure terminal building and the refurbishment of the platform at Ezeiza Airport, construction of a new terminal building and re-pavement of the runway at the Comodoro Rivadavia Airport, expansion projects at the Iguazu and Jujuy Airports, and various other capital investment programs across other airports under the AA2000 Concession Agreement.

During the next five years, AA2000 expects to incur additional capital expenditures as set forth under the Technical Conditions for Extension of the AA2000 Concession Agreement executed in December 2020. See “–The AA2000 Concession Agreement – Technical Conditions of Extension.”

Italy

Under the terms of our Italian Concession Agreements, TA is required to present a long-term master plan for each individual airport. See “– The Pisa Concession Agreement – Investment Plan” and “– The Florence Concession Agreement – Investment Plan.

In the year ended December 31, 2020, TA spent U.S.\$10.6 million on intangible assets and U.S.\$3.3 million in property, plant and equipment (“PPE”), respectively. Intangible works focused primarily on the new baggage handling system both in Pisa and Florence Airports, terminal developments in the Pisa Airport and rainwater management system in airside area in the Florence Airport. PPE investments focused primarily on x-ray machines related to the new BHS, new operating machines, vehicles and electronic devices. In the year ended December 31, 2019, TA spent U.S.\$10.1 million on intangible assets and U.S.\$7.8 million in PPE, respectively. Intangible works focused primarily on terminal investments at the Pisa and Florence Airports and the new master plan of the Florence Airport (particularly, with respect to feasibility studies and engineering of flight infrastructure). PPE investments focused primarily on operating machines and vehicles, electronic devices and the improvement of the new rental car area. In the year ended December 31, 2018, TA spent U.S.\$17.1 million on intangible assets and U.S.\$4.2 million in property, plant and equipment, respectively. Intangible works focused primarily on terminal investments at the Pisa and Florence Airports and the new master plan of the Florence Airport (in particular, with respect with feasibility studies and engineering of flight infrastructure). PPE investments focused primarily on machines and vehicles.

In partnership with the Italian Government, we have developed an investment plan for Florence Airport to invest approximately U.S.\$350 million in capital expenditures for intangible assets. Currently, this 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. Plans are underway to build a new terminal and runway. During the next five years, we expect that our subsidiary TA will incur these capital expenditures, subject to final approval of the Florence Master Plan. We expect that approximately 50% of the amounts to be invested in connection with the new terminal and the runway to be assumed by the local government.

Brazil

Under the terms of our Brasilia Concession Agreement, ICAB is required to present a master development program for approval by the Brazilian ANAC every five years. See “– The Brasilia Concession Agreement – Master Development Program”.

In the year ended December 31, 2020, we spent U.S.\$2.9 million on capital expenditures at the Brasilia Airport, primarily for pick-up square at the amount of U.S.\$1.3 million, U.S.\$ 0.5 million for Bank of Brasilia VIP Lounge and remote boarding at the amount of U.S.\$ 0.3 million . In the year ended December 31, 2019, we spent U.S.\$4.5 million on capital expenditures at the Brasilia Airport, primarily for the construction of the passenger pick-up area and the international boarding area as well as for a new VIP Lounge branch of the Brasilia Bank, the substation relocation, software update and other minor investments. In the year ended December 31, 2018, we spent U.S.\$6.9 million on capital expenditures at the Brasilia Airport, primarily for the construction of the runway and safety area (RESAs) and the expansion of the international boarding area.

During the next five years, ICAB expects to incur additional mandatory investments in the amount of U.S.\$14.5 million with respect to the Brasilia Airport. With respect to optional expenditures, ICAB may incur in optional capital expenditures in relation with the development of the commercial area at the Brasilia Airport. In connection with the development of this new commercial area at the Brasilia Airport, we are moving forward with the adjusted, lower-capital intensive model, that we believe will encompass a mix of commercial offerings funded and operated by third parties. We expect to receive a percentage of the net operating income derived from the operation of this area.

In the year ended December 31, 2020, we spent U.S.\$0.3 million on capital expenditures at the Natal Airport, primarily due to software user license. In the year ended December 31, 2019, we spent U.S.\$0.8 million on capital expenditures at the Natal Airport, primarily due to infiltration ditches, software, x-ray security equipment and redevelopment of the fire system. In the year ended December 31, 2018, we spent U.S.\$1.4 million on capital expenditures at the Natal Airport, primarily for replacement of windows along the airport terminal.

In November 2020, we executed an amendment to return the Natal Concession Agreement, and therefore we do not anticipate that ICASGA will incur any material capital expenditures.

Uruguay

Under the terms of the Carrasco Concession Agreement, the relevant concessionaire is required to present a revised master development program for approval by the Ministry of National Defense every five years. See “– The Carrasco Airport Concession - Master Plan.”

In the year ended December 31, 2020, we spent U.S.\$1.1 million on capital expenditures at the Carrasco Airport, primarily for vehicles, replacement of screens and the security system equipment. In the year ended December 31, 2019, we spent U.S.\$4.1 million on capital expenditures at the Carrasco Airport, primarily for the security system including replacement of perimeter screens and lights. In the year ended December 31, 2018, we spent U.S.\$1.4 million on capital expenditures at the Carrasco Airport, primarily for purchases and replacement of screens, check-in equipment and new security system.

In the year ended December 31, 2020, we spent U.S.\$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. In the year ended December 31, 2019, we spent U.S.\$2.9 million on capital expenditures at the Punta del Este Airport, primarily for the construction of the new general aviation terminal, the x-ray equipment, the construction of perimeter fence and terminal conditioning. Additionally, CAISA recognized an intangible asset of U.S.\$4.4 million related to the concession fee it must pay in accordance with the concession agreement. In the year ended December 31, 2018, we spent U.S.\$0.4 million on capital expenditures at the Punta del Este Airport, primarily for remodeling on runways, monitors and control of beacon lights.

During the next five years, Punta del Sur expects to incur additional capital expenditures in the amount of U.S.\$8.2 million in the Carrasco Airport, as required by contract. We do not expect to incur in optional expenditures. Likewise, during the next five years and upon execution of the amendment to the Punta del Este Airport Concession Agreement in order to extend the concession term, CAISA expects to incur additional capital expenditures in the amount of U.S.\$18.4 million in the Punta del Este Airport, all required by contract. We do not expect to incur in any optional expenditures.

Ecuador

Under the terms of each of our Guayaquil and Galapagos Concession Agreements, the concessionaire is not required to present a master development program. See “– *The Guayaquil Airport Concession – Master Plan*” and “– *The Galapagos Airport Concession – Master Plan*.”

In the year ended December 31, 2020, we spent U.S.\$10.5 million on capital expenditures at the Guayaquil Airport, primarily for works related with Addendum No. 07. In the year ended December 31, 2019, we spent U.S.\$18.2 million on capital expenditures at the Guayaquil Airport, primarily for works related with Addendum No. 07. Such expenditures included U.S.\$14.9 million primarily due to expenses related with the runway, passenger’s terminal and the warehouse of TCE logistics center, a purchase of a rescue car for an amount of U.S.\$1.2 million and safety equipment and firefighters for an amount of U.S.\$1.9 million. In the year ended December 31, 2018, we spent U.S.\$2.1 million on capital expenditures at the Guayaquil Airport, primarily for purchase of body scan and other security equipment.

In the year ended December 31, 2020, we spent U.S.\$89 thousands on capital expenditures at the Galapagos Airport, primarily for upgrading works of Airport Lutrom System. In the year ended December 31, 2019, we spent U.S.\$0.6 million on capital expenditures at the Galapagos Airport, primarily for the maintenance of the runway sides and the renewal of all the security system cameras. In the year ended December 31, 2018, we spent U.S.\$2.2 million on capital expenditures at the Galapagos Airport, primarily for the resurfacing of the central runway.

During the next five years, TAGSA expects to incur additional capital expenditures in the amount of U.S.\$10.3 million in the Guayaquil Airport, required by contract. Likewise, during the next five years, ECOGAL expects to incur additional capital expenditures in the amount of U.S.\$10 million in the Galapagos Airport, of which U.S.\$10 million are expenditures required by contract.

ECOGAL is currently in negotiations with the Direccion General de Aviacion Civil to enter into an amendment of the Galapagos Airport Concession Agreement to reassess and differ the capital investment required.

Armenia

Under the terms of our Armenian Concession Agreement, AIA is required to present a master development plan for approval by the director of the General Department of Civil Aviation (“GDCA”) every five years. See “– *The Armenian Airport Concession - Master Plan.*”

In the year ended December 31, 2020, we spent U.S.\$1.2 million at the Zvartnots Airport and U.S.\$1.5 million at the Shirak Airport on capital expenditures, primarily for fundamental renovation works in Shirak Airport and the acquisition of Property, Plant and Equipment, mainly on a fuel truck and forklift. In the year ended December 31, 2019, we spent U.S.\$12.9 million at the Zvartnots Airport and U.S.\$0.4 million at the Shirak Airport on capital expenditures, primarily for runway renovations, vehicles, and the acquisition of Property, Plant and Equipment, mainly on a snow cleaning machine and an x-ray machine. In the year ended December 31, 2018, we spent U.S.\$6.6 million at the Zvartnots Airport and U.S.\$1.4 million at the Shirak Airport on capital expenditures, primarily for construction of new infrastructure, acquisition of machinery, vehicles, computer appliances, tools and office equipment.

During the next five years, AIA expects to incur U.S.\$17.7 million in capital expenditures in Zvartnots Airport and Shirak Airport in accordance with the master plan to be approved by the Armenian Government as presented by AIA’s management. Some of these investments are conditioned upon reaching certain passenger level thresholds.

Peru

Under the terms of the AAP Concession Agreement, AAP is required to present a master development program, an equipment plan, and an airside rehabilitation and improvement program for approval by the authorities. See “– *The AAP Concession Agreement - Master Plan.*”

In the year ended December 31, 2020 we spent U.S.\$0.1 million in capital expenditures primarily on airport equipment. In the year ended December 31, 2019 we spent U.S.\$2.6 million in capital expenditures primarily on works performed on the Ayacucho Airport’s runways. In the years ended December 31, 2018 we spent U.S.\$8.2 million on capital expenditures primarily on works performed at the Ayacucho Airport’s runways.

During the next five years, AAP expects to incur additional capital expenditures in the amount of U.S.\$319.6 million in the AAP Airports, of which U.S.\$136.4 million are expenditures required by contract, mainly composed of U.S.\$33 million required for the works to be performed at the Arequipa and Tacna runways, and an additional U.S.\$103.4 million as required by contract once the development plans are approved. The amounts to be invested each year will be jointly determined by AAP and the local authority on an annual basis and will be based on the number of passengers.

Critical Accounting Policies

Critical accounting policies are those that are most important to the portrayal of our financial condition, results of operations and cash flows, and require management to make difficult, subjective or complex judgments, assumptions and estimates about matters that are inherently uncertain or where judgments, assumptions and estimates are significant. Our management bases its estimates on historical experience and other assumptions that it believes are reasonable based upon information available to us at the time that these judgments, assumptions and estimates are made. We continually evaluate our judgments, estimates and assumptions. Our actual results may differ from the judgments, assumptions and estimates made by our management. To the extent that there are material differences between these judgments, assumptions and estimates (on the one hand) and actual results (on the other hand), our future financial statement presentation, financial condition, results of operation and cash flows may be affected.

We have prepared our Audited Consolidated Financial Statements in accordance with IFRS as issued by the IASB and interpretations issued by the Standing Interpretations Committee. The Audited Consolidated Financial Statements are presented in U.S. dollars.

In order to provide an understanding regarding the manner in which our management forms its judgments about future events, including the variables underlying our judgments, estimates and assumptions, we summarize our critical accounting policies in Note 2 to our Audited Consolidated Financial Statements.

Recent Accounting Pronouncements

We summarize the recent accounting pronouncements in Note 2 to our Audited Consolidated Financial Statements

B. LIQUIDITY AND CAPITAL RESOURCES

General

As a holding company with no airport operations of our own, we are primarily dependent on dividends and distributions from our operating subsidiaries as a source of liquidity at the holding company level. Other sources of liquidity also include management fees received from certain subsidiaries. In February 2018, we also completed our initial public offering, in which we sold an aggregate of 28,571,429 common shares to the public and received approximately U.S.\$185.5 million in net proceeds.

Historically, we have covered most of its liquidity needs with cash flows generated by the operations of our subsidiaries, and through non-recourse debt issued at the subsidiary level secured by the assets of such subsidiary. Occasionally, we have made capital contributions directly into subsidiaries. Part of these capital contributions were required by the relevant concession agreements.

The primary use of our liquidity has been to fund operating expenses, our investment commitments under our concession agreements, to service our indebtedness and to make necessary capital expenditures to accommodate increases in total passengers and air traffic movements.

The financial condition and liquidity of our operating subsidiaries has been, and we expect will continue to be, influenced by a variety of factors, including:

- our ability to generate cash flows from our operating activities;
- our investment commitments under our investment plan under our concession agreements and additional capital expenditures we decide to make;
- the level of our outstanding indebtedness and the interest that we are obligated to pay on our indebtedness, which affect our net financial expenses; and
- prevailing domestic and international interest rates at the time we incur indebtedness, which affect our debt services requirements.

Our ability to generate cash is subject to our performance, general economic conditions, requirements of our concession agreements, industry trends, and other factors.

In those operations where our cash and cash equivalents and operating cash flows are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity, or debt financing. If we issue equity securities in order to raise additional funds, substantial dilution to existing shareholders may occur. If we raise cash through the issuance of indebtedness, we may be subject to additional contractual restrictions on our business. We cannot assure you that we would be able to raise additional funds on favorable terms, or at all.

COVID-19 Virus Impact

The Company continues to assess the evolution of the COVID-19 pandemic outbreak in order to identify the unforeseen potential effects that could alter its business and performance. Depending on the duration of the COVID-19 pandemic and continued negative impact on economic activity, the Company may experience further negative results and liquidity constraints. See “Risk Factors—Risks Related to Our Business and Industry— The COVID-19 virus (nCoV). The Company developed a four-pronged strategy and continue implementing a number of actions aiming to mitigate the negative impact of the COVID-19 pandemic, as follows:

- *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, CAAP 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. The Ezeiza, Brasilia, Guayaquil, Carrasco, Arequipa and Galapagos Airports obtained the “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:* CAAP has introduced reductions in operating costs by:
 - o 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-offs, 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 from April to December 2020.
 - o Reducing maintenance and other operating expenses while maintaining the quality and safety standards, required to support the minimum level of operations. While CAAP expects to continue to benefit from these reductions in the coming quarters, increases in payroll and maintenance, and other operating costs are expected as traffic continues to recover.
 - o Proactively managing working capital by negotiating with its suppliers the extension of payment terms and reducing its capital expenditure program beginning April 2020.
- *Negotiations with Regulatory Bodies and Government Support:* The Company has started discussions with regulatory agencies to renegotiate concession fees payments to align to the current environment.
 - o In Argentina, on December 17, 2020 AA2000 reached an agreement with the ORSNA in connection with past due concession fees payments and development trusts suspended during 2020, for approximately U.S.\$38.0 million. These will now be paid in installments between October 2021 and September 2022.
 - o In February, 2021, Aerolineas Argentinas and AA2000 agreed on debt acknowledgment proposal for the amounts due as of March 31, 2020 (AR\$120.6 million and U.S.\$36.5 million). Such proposal includes a 72 monthly, equal and consecutive installments plan, payable as from January 5, 2023.

- o 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 of such year, respectively. Also, in November 2020, CAAP obtained the refinancing of 50% of this 2020 annual concession fee payment due on December 2020, which was deferred to be paid on the six final years of the Brazilian Concession Agreements.
- o In Italy, the Company obtained regulatory approval to defer until January 2021 the semi-annual concession fee payment originally due on July 2020 and a government grant for a total of €10 million.
- *Concession Agreements Compensations:* Under the concession agreements framework, the amounts and mechanisms for compensation are being negotiated with authorities and may include a reduction in the concession fee amount and/or mandatory capex, increasing tariffs, extending the tenor of the concession or a combination thereof.
 - o In Argentina, CAAP recently completed a 10-year extension of the AA2000 Concession Agreement, and obtained a tariff increase from U.S.\$6.0 to U.S.\$7.0 dollars on the international passenger fee, starting on March 15, 2021.
 - o In Italy, during 2Q20, the regulator granted a 2-year extension to all airport concessions in the country.
 - o In Brazil, the Company obtained economic compensation in connection with the COVID-19 pandemic impact during 2020, of U.S.\$36.6 million, and is moving forward to request a long-term compensation on the Brazilian Concession Agreements.
 - o In Uruguay, CAAP is moving forward in conversations with the authorities to review the Uruguayan Concession Agreements, to compensate for the impact of the COVID-19 pandemic.
 - o Finally, in Ecuador, we are currently under negotiations to obtain compensation under the Guayaquil Concession Agreement.
- *Financial Position and Liquidity:* The Company is taking the following measures:
 - o Cancelled all non-mandatory capital investments and deferred non-priority projects.
 - o Implemented a set of cost control measures to reduce operating expenses and negotiate payment terms with our suppliers to limit additional cash outflows.
 - o Suspended dividend payments originally to be disbursed in 2020 under the Italian and Ecuadorian concessions.
 - o Obtained a deferral of principal and interest payments of debt and obtaining additional funding. See "Indebtedness."

Based on the actions explained above and assumptions regarding the impact of the COVID-19 pandemic, we believe that our current financial resources coupled with cash generation from operations, are sufficient to fund our liquidity requirements for the next 12 months, subject to a number of factors including but not limited, to the evolution of the pandemic in the world, and more specifically its impact in our business in the countries we operate.

Restrictions on Distribution of Dividends by Certain Subsidiaries

Statutory Restrictions

The ability of our operating subsidiaries to pay dividends is subject to accounting, tax, debt covenant restrictions, foreign exchange policies in place from time to time in the various countries where we operate, among other restrictions. Given these restrictions, significant cash or cash equivalent balances may be held from time to time at our international operating subsidiaries.

In order for operating subsidiaries to pay dividends, they must have positive retained earnings and net income, and enough cash on their balance sheet to make the relevant dividend payments. Subsidiaries must also satisfy requirements under local law to set aside a portion of their net income in each year to legal reserves. Additionally, there will be a tax effect because dividends from certain subsidiaries are subject to taxes, as described below:

In accordance with Argentine, Italian and Uruguayan company law, our operating subsidiaries incorporated in Argentina, in Italy or in Uruguay, as the case may be, must set aside at least 5% of their net income (determined on the basis of their statutory accounts) in each year to legal reserves, until such reserves equal 20% of their respected issued share capital. As of December 31, 2020, required legal reserves at our Argentine operating subsidiaries amounted to an aggregate of U.S.\$43.6 million, of which U.S.\$13.9 million had been reserved as of such date. As of December 31, 2020, required legal reserves at our Italian subsidiaries amounted to an aggregate of approximately U.S.\$7.4 million, of which U.S.\$6.3 million had been reserved as of such date. As of December 31, 2020, required legal reserves at our Uruguayan subsidiaries amounted to an aggregate of U.S.\$11.1 million, of which U.S.\$11.1 million had been reserved as of such date.

Argentine Law No. 27,430, published on December 30, 2017 in the Argentine Government's official gazette, decreased the corporate income tax rate from 35% to 30% for fiscal years starting January 1, 2018 to December 31, 2019, and to 25% for fiscal years starting January 1, 2020 and onwards. The law also establishes dividend withholding tax rates of 7% for profits accrued during fiscal years starting January 1, 2018 to December 31, 2019, and 13% for profits accrued in fiscal years starting January 1, 2020 and onwards. Law No. 27,541, published on December 23, 2019, suspended the reduction of the corporate income tax rate from 30% to 25% for one additional fiscal period. Therefore, the reduced 25% rate was intended to be applicable for fiscal periods beginning as of January 2021. The 7% withholding rate will continue to be applicable for the same time period. The Argentine Congress is currently considering to further extend the suspension of the corporate tax and dividend withholding tax amendments until January 2022. The new withholding rates would apply to distributions made to shareholders qualifying as resident individuals or nonresidents. Therefore, in general, distributions to our Luxembourg parent companies from our Argentine subsidiaries will be subject to Argentine withholding tax.

With the combination of the corporate rate and dividend withholding rate on after-tax profit, for fiscal years starting in 2018 through 2021, the combined tax rate would be 34.9%; for fiscal years starting in 2022 and onwards, the combined tax rate would be 34.75%.

In accordance with Brazilian law, each of our subsidiaries incorporated in Brazil must allocate 5% of its net profit to form a legal reserve, which may not exceed 20% of its capital. Our Brazilian subsidiaries may refrain from allocating resources to the legal reserve during any fiscal year in which the balance of such reserve exceeds 30% of its capital. We have not formed a legal reserve in our Brazilian subsidiaries due to the lack of net profit in the applicable fiscal years.

According to the legal requirements of Armenia and AIA's charter, AIA is required to create a minimum non-distributable reserve from its retained earnings of an amount equal to 15% of its share capital for the purposes of covering future losses. As of December 31, 2020, required minimum non-distributable reserves for AIA amounted to an aggregate of U.S.\$8.1 million, which has been fully set aside as of such date.

In accordance with Ecuadorian law, TAGSA must set aside at least 10% of its net income for each year to a legal reserve, until such reserve equals 50% of its issued share capital. As of December 31, 2020, required legal reserves for TAGSA amounted to an aggregate of approximately U.S.\$9.0 million, all of which has been set aside as of such date.

In accordance with Peruvian law, our Peruvian associate must set aside at least 10% of its net income for each year to a legal reserve, until such reserve equals 20% of its issued share capital. As of December 31, 2020, required legal reserves at our Peruvian associate amounted to an aggregate of approximately U.S.\$9.1 million. We have not set aside a legal reserve as of such date due to the lack of net profits in the applicable fiscal years.

These restrictions on the distributions of dividends do not materially impact our ability to meet our cash obligations at a holding company level.

Contractual Restrictions

The ability of our operating subsidiaries to pay dividends is also subject to contractual debt covenant restrictions (see “Indebtedness”)

Argentina Foreign Exchange Regulations

On September 1, 2019, the Argentine Government issued the Executive Decree No. 609/2019 (“Decree 609”) which, *inter alia*, reinstated certain foreign currency exchange restrictions, most of which had been progressively repealed as from 2015. Decree 609 was further regulated by Communication “A” 6770 of the Argentine Central Bank, also issued on September 1, 2019. Since then, numerous regulations were issued by the Argentine Central Bank regulating Decree 609. On December 5, 2019, the Argentine Central Bank issued Communication “A” 6844 that amended and restated all prior regulations into a single, comprehensive set of rules (the “Argentine Foreign Exchange Regulations”).

Transfer of Funds Abroad for Payment of Dividends

According to the Argentine Foreign Exchange Regulations, the following requirements need to be met in order to have access to the Argentine Foreign Exchange Market for the payment of dividends:

- The dividends distribution shall arise from audited and approved financial statements;
- The total amount to be paid under this concept shall not exceed the amount in Pesos due to the relevant shareholder according to the dividend distribution decided in the shareholders’ meeting;
- The total amount of the transfers effected for this purpose through the Argentine Foreign Exchange Market as of January 17, 2020, including the payment requested, shall not exceed a 30% of the value of the new capital contributions in the local company which were repatriated and exchanged into Pesos through the Argentine Foreign Exchange Market as of the referred date;
- The acquisition of foreign currency must be effected after a minimum time period of 30 calendar days as of the exchange into Pesos of the last relevant contribution for the purpose of the computation of the value mentioned in item (c) above;
- The company must submit to the relevant foreign exchange trader: (a) the document that certify that the contributions were definitively converted into capital; or (b) a certificate of the request of registration of the capital increase made before the competent Public Registry of Commerce, provided that the documents that certify the definitive conversion of the contributions into capital are submitted within 365 calendar days as of said request of registration; and
- The company must have disclosed the aforementioned capital contributions in the last filing due under the Reporting Regime of External Assets and Liabilities.

Transfer of Funds Abroad for Payment of Debt

The Argentine Foreign Exchange Regulations establish the obligation of entry and exchange into Argentine pesos through the Argentine Foreign Exchange Market of new external debts disbursed as of September 1, 2019 as a requirement for subsequent access to the Argentine Foreign Exchange Market, in order to cancel principal and interest services of said indebtedness.

Subject to the fulfillment of the obligations described in the previous paragraph, access to the Argentine Foreign Exchange Market is authorized for the repayment of the financial debt services abroad at their expiration or up to three business days in advance. It is established that access to the Argentine Foreign Exchange Market for the payment of debt services abroad could also be granted to trustees of trusts established in the country to guarantee the payment of principal and interest services of said debt, to the extent it is verified that the debtor would have had access to the Argentine Foreign Exchange Market for said payment.

Argentine resident are authorized to make payments of services of financial debts abroad or of local debt securities prior to the period allowed by the regulations (three days prior to expiration of the relevant service of principal or interest), subject to fulfillment of the following conditions: (i) the funds acquired are deposited in foreign currency accounts of their ownership opened in local financial institutions, (ii) access is made with advance of no more than five business days to the period allowed in each case, (iii) access is made for a daily amount that does not exceed 20% of the amount that will be canceled upon expiration, and (iv) the bank must have verified that the indebtedness complies with the exchange regulations by which such access is admitted. Foreign currency funds not used in the cancellation of the committed debt service must be settled in the Argentine Foreign Exchange Market within 5 business days after the expiration date of the respective debt service.

Likewise, the Argentine Foreign Exchange Regulations also provide that prior approval of the Argentine Central Bank will not be necessary to access the Argentine Foreign Exchange Market for pre-cancellation with more than three business days prior to the expiration of services of principal and interest on financial debts abroad as long as all the following conditions are met: (i) the pre-cancellation is made simultaneously with the liquidated funds of a new financial debt disbursed, (ii) the average term of the new indebtedness is greater than the average remaining term of the debt that is pre-paid, (iii) the maturity of the first principal service of the new indebtedness is not prior to the first expected future maturity of the principal service of the debt that is canceled, and (iv) the amount of the first principal service of the new indebtedness does not exceed the amount of the first planned future principal service of the debt that is canceled.

Cash Flows

Years ended December 31, 2020 and 2019

Operating Activities

The net cash provided by operating activities was U.S.\$0.8 million for the year ended December 31, 2020, a 104.3% or U.S.\$20.6 million increase in net cash from operating activities as compared to U.S.\$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 U.S.\$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 U.S.\$187.5 million in 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 the COVID-19 pandemic, and offset by (iii) the decrease of U.S.\$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 U.S.\$1.6 million for the year ended December 31, 2020, a 113.4% or U.S.\$13.8 million increase as compared to U.S.\$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 U.S.\$8.2 million in PPE investments 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 U.S.\$90.5 million for the year ended December 31, 2020, a 268.4% or U.S.\$66.0 million increase as compared to U.S.\$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 U.S.\$19.0 million in loan payments, primarily a decrease of U.S.\$8.7 million in local bond payment in Uruguay due to a deferral of principal and interest payment, and a decrease of U.S.\$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 U.S.\$8.8 million derived from the payment made in our subsidiary in Italy, (ii) a decrease of U.S.\$37.7 million in interest payments, primarily a decrease of U.S.\$16.8 million derived from the payment made in our subsidiary in Brazil, ICAB; a decrease of U.S.\$12.0 million in interest payment made by ACI Airport Sudamérica and a decrease of U.S.\$8.0 million derived from the payment made in our subsidiary in Argentina, AA2000; both as a result of an exchange of the Notes, (iii) an increase of U.S.\$27.3 million in loan obtained, primarily due to the increase in loan obtained of U.S.\$103.7 million in our subsidiary in Italy which were offset by the decrease of U.S.\$68.9 million in our subsidiary in Argentina, AA2000, (iv) a decrease of U.S.\$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 flow from financing activities were offset by: (i) an increase of U.S.\$15.7 million in debt renegotiation expenses and premium, and (ii) a decrease of U.S.\$27.5 million in proceeds from cash contributions mainly made by Infraero.

Years ended December 31, 2019 and 2018

A cash flow comparison of the years ended December 31, 2019 and 2018 has been omitted from this annual report, but may be found in “Item 5. Operating and Financial Review and Prospects” of our annual report on Form 20-F for the period ended December 31, 2019, filed with the SEC on April 4, 2020.

Treasury policies, currencies of cash held, hedging and other miscellaneous items

We manage our cash needs on a decentralized basis, and manage our indebtedness to ensure compliance with any debt restrictions and limitations on dividends and distributions established in our debt agreements that include such restrictions. We do not currently enter into any hedging arrangements.

Indebtedness

Set forth below is a summary of certain terms and conditions of our financing agreements:

Argentina

Argentine Notes – Argentine Notes Series 2017

On February 6, 2017, AA2000 issued U.S.\$400.0 million aggregate principal amount of 6.875% senior secured notes due 2027 (the “Argentine Notes”). The Argentine Notes are senior obligations of AA2000 and rank *pari passu* in right of payment with any existing and future indebtedness of AA2000 that is not subordinated in right of payment to the Argentine Notes. The Argentine Notes, up to an amount equal to U.S.\$400.0 million, are secured by the transfer and assignment in trust of AA2000’s right, title and interest to certain revenues under the AA2000 Concession Agreement and certain amounts collectible from the Argentine National Government, subject to the condition that AA2000 has sufficient funds from proceeds not transferred to the trust to cover basic concession operating costs. Principal and interest on the Argentine Notes are payable quarterly on each February 1, May 1, August 1 and November 1, with the first payment of interest beginning on May 1, 2017 and the first payment of principal beginning on May 1, 2019. The Argentine Notes will mature on February 1, 2027.

AA2000 may redeem the Argentine Notes in whole or in part at any time before February 6, 2022, at a redemption price equal to 100% of the principal amount of such Argentine Notes, plus accrued and unpaid interest and additional amounts, if any, plus a make-whole premium, or if redeemed after February 6, 2022, at the following redemption prices:

Date of Payment	Multiplier
On or after the fifth anniversary of the issuance date to but excluding the sixth anniversary of the issuance date	103.438%
Thereafter to but excluding the seventh anniversary of the issuance date	102.578%
Thereafter to but excluding the eighth anniversary of the issuance date	101.719%
Thereafter to but excluding the ninth anniversary of the issuance date	100.859%
Thereafter	100.000%

AA2000 also may: (i) on one or more occasions before February 6, 2022, redeem up to 35.0% of the aggregate principal amount of the Argentine Notes no earlier than 90 days following delivery of an irrevocable notice of redemption at a redemption price equal to 106.875%, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, provided that if such redemption is made with proceeds of an equity offering by AA2000, the portion of the principal balance of the Argentine Notes so redeemed may not exceed the net cash proceeds of such equity offering and the redemption occurs within 90 days of the date of the closing of such equity offering; and (ii) elect to redeem, all of the Argentine Notes, solely for the purpose of refinancing the Argentine Notes, if, prior to February 6, 2019, the AA2000 Concession Agreement is extended through at least February 13, 2038; provided that the redemption occurs within 120 days after obtaining such extension of the AA2000 Concession Agreement. AA2000 also may redeem the Argentine Notes upon certain changes in tax laws and will be required to offer to redeem the Argentine Notes upon certain events constituting a change of control.

So long as no default has occurred and is continuing, no unmatured default exists and no default payment is required to be made under the Argentine Notes, and, as of the date of declaration and payment, AA2000 is able to incur at least U.S.\$1.00 of additional indebtedness under its financial covenants, AA2000 may declare and make dividend payments up to 75.0% of the cumulative net income during the period that commenced with AA2000's fiscal quarter ended March 31, 2017. In addition, AA2000 may make dividend payments (i) in respect of AA2000's accumulated earnings as of December 31, 2015, to the extent that such dividends are in an amount that does not exceed 100% of the voluntary reserves recorded in the financial statements of AA2000 as of such date, and the voluntary reserve established by the April 25, 2016, shareholders' meeting; and (ii) for the fiscal year ended on December 31, 2016, to the extent that such dividends are in an amount that will not exceed 100% of the cumulative net income of such fiscal year and declared at a shareholders' meeting. If the Argentine Notes are given an investment grade rating by two specified rating agencies, no such restrictions would apply to the payment of dividends by AA2000 during the time they maintain such rating.

In relation to the Argentine Notes, AA2000 is subject to certain customary negative covenants, such as restrictions on debt it may incur, restrictions on encumbrances of its property, limitations on disposal of its assets and investments which it may make, as well as restrictions in relation to its ability to merge or consolidate with another entity.

Termination of the AA2000 Concession Agreement will trigger a default under the Argentine Notes. In the event of termination of the AA2000 Concession Agreement, payment of the Argentine Notes will be automatically accelerated and shall be immediately due and payable. Pursuant to the indenture related to the Argentine Notes, AA2000 has collaterally assigned revenue derived from the AA2000 Concession Agreement into a trust, approved by the ORSNA up to the full principal amount of the Argentine Notes, in order to secure its obligations under the Argentine Notes. AA2000 is not required to fully fund the collateral trust.

On February 27, 2020, the ordinary general meeting of shareholders of AA2000 approved the creation of a Global Program for the issuance of Notes. The Prospectus project was approved in its terms and conditions by AA2000 Board of Directors dated February 27, 2020. The aforementioned program establishes the issuance of simple Notes not convertible into shares with a nominal value of up to U.S.\$500 million, or its equivalent in other currencies, with a duration of five years from the date of approval of the Argentine Comisión Nacional de Valores ("CNV"). On April 17, 2020, AA2000 obtained authorization from the CNV for the Global Program for the Issuance of Notes.

Exchange Offer to Argentine Notes

On May 19, 2020, AA2000 completed an exchange offer pursuant to which 86.73% of the total original principal amount of the Argentine Notes were exchanged for newly issued 6.875% Cash/9.375% PIK Class I Series 2020 Additional Senior Secured Notes due 2027 (the "Argentine Additional Notes"). As of December 31, 2020, the Argentine Additional Notes outstanding amount was U.S.\$397.4 million.

The terms of the Argentine Additional Notes are substantially identical to the terms of the Argentine Notes, except that (i) the quarterly interest payment originally scheduled to be paid in cash on the Argentine Notes on May 1, 2020 was paid in cash in the form of an interest premium payment equal to U.S.\$10 for each U.S.\$1,000 outstanding principal amount of the Argentine Notes, and/or in kind (as the case may be) by increasing the principal amount of any Argentine Additional Notes issued on the settlement date (May 20, 2020), (ii) quarterly interest payments originally scheduled to be paid in cash on the Argentine Notes on August 1, 2020, November 1, 2020 and February 1, 2021 were and will be paid in kind by increasing the principal amount of any outstanding Argentine Additional Notes at a rate of 9.375% per annum, (iii) quarterly amortization payments originally scheduled to be paid on the Argentine Notes on May 1, 2020 August 1, 2020, November 1, 2020 and February 1, 2021 will be deferred to begin on May 1, 2021 pursuant to terms of the Argentine Additional Notes and continue under a new principal amortization schedule until maturity, (iv) at any time after February 1, 2021, the Company has the right to exercise a one-time optional redemption to redeem, in whole or in part, an amount of Argentine Additional Notes equal to the sum of (a) the aggregate amount of interest payments previously paid in kind on the Argentine Additional Notes and (b) the aggregate amount of quarterly amortization payments originally scheduled to be paid on the Argentine Notes on May 1, 2020, August 1, 2020, November 1, 2020 and February 1, 2021 that is effectively deferred pursuant to the exchange of Argentine Notes for Argentine Additional Notes in the exchange offer, and (v) substantially all of the restrictive covenants and events of default and related provisions under the indenture executed in connection with the Argentine Notes were eliminated solely with respect to the Argentine Notes.

The Argentine Additional Notes and the Argentine Notes are secured by the same collateral on a pro rata and pari passu basis in accordance with the indenture and the related collateral documents.

Argentine Notes – Series 2020 Class 2

On August 20, 2020, within the framework of the Global Program for the Issuance of Negotiable Obligations, AA2000 issued Class 2 Series 2020 negotiable obligations denominated in US dollars to be paid in pesos, for an amount of U.S.\$40 million maturing on August 20, 2022, at an interest rate of 0% and with an issue price at par (100% of the nominal value). The amortization of the capital of the negotiable obligations was established in a single installment upon maturity, which will be payable at the Communication Reference "A" 3500 exchange rate of the Central Bank of the Argentine Republic (BCRA).

The 2019 Credit Facilities

On August 9, 2019, AA2000 entered into two credit facility agreements: (a) the "onshore" credit facility agreement for a principal amount of U.S.\$85.0 million and (b) the "offshore" credit facility agreement for a principal amount of U.S.\$35.0 million. The creditors were Citibank N.A., Industrial and Commercial Bank of China (Argentina) S.A., Banco Galicia, Buenos Aires S.A.U. and Banco Santander Rio S.A. (jointly, the "Lenders").

The term for the credit facility agreements is thirty-six months from August 8, 2019 (the Borrowing Date). The principal amount under the 2019 Credit Facilities will be repaid in nine quarterly equal and regular installments, the first one being paid 12 months from the Borrowing Date. Principal amounts under the 2019 Credit Facilities bear interests as follows: (i) regarding the onshore credit facility agreement, at a fixed annual nominal rate of 9.75%, and (ii) regarding the offshore credit facility agreement, at a variable rate equivalent to (a) the LIBOR rate, plus (b) an applicable interest rate of an annual nominal 5,500%, plus (c) the applicable withholding tax.

To secure its obligations under the 2019 Credit Facilities, pursuant to the Argentine Collateral Trust Agreement dated August 9, 2019 (under Argentine law), AA2000 has transferred and assigned to the collateral trustee, acting on behalf of the Trust, for the benefit of the Lenders, acting as the beneficiaries, all: (a) rights, title and interest in, to and under each payment of the cargo airport charges payable by the user of such services in connection with all proceeds derived from export and import services carried out by Terminal de Cargas Argentina S.A. (a business unit of AA2000); and (b) any residual amount that AA2000 could be entitled to receive pursuant to article 11.4 of the collateral trust agreement dated January 17, 2017, entered into AA2000 and Citibank, in respect of the rights to receive payment in the event of a termination, expropriation or redemption of the concession agreement entered by and between the National Government and AA2000 on February 9, 1998 and approved by Decree No. 163/1998; including the right to receive and withhold all the payments pursuant to them and any other produced by them, assigned in trust to secure the Existing Notes issued by AA2000.

On April 29, 2020, AA2000 entered into a framework agreement (the “Framework Agreement”) with the branch of Citibank established in the Republic of Argentina (“Citibank Argentina”) and the Lenders, in order to, among other things, effectively defer principal payments under the 2019 Credit Facilities. The Framework Agreement effectively defers payments of principal due by AA2000 under the 2019 Credit Facilities on August 19, 2020 and November 19, 2020, each of which amounts to U.S.\$13.3 million. Such deferred amounts will be effectively payable by AA2000 in quarterly installments beginning in September 2021 and ending in June 2022.

Additionally, under the Framework Agreement, AA2000 signed the bilateral contracts with each of the financial institutions in accordance with the alternatives established and signed an amendment to the framework agreement where obligation to respect certain ratios foreseen in the 2019 Credit Facilities have been waived. Such waiver is effective until AA2000 actually complies with such ratio. In accordance with the aforementioned renegotiation, AA2000 has contracted derivative financial instruments with Commercial Bank of China (Argentina) S.A. for U.S. dollars futures purchases in order to hedge the exposure to exchange rate fluctuations between Argentine pesos and U.S. dollars of the two refinanced installments. As of December 31, 2020, there are no transactions pending of execution.

On August 19, 2020, AA2000 obtained four loans for a total amount of AR\$987.0 million to pay the installment of the renegotiated 2019 Credit Facilities agreement due in August. These loans accrue quarterly interest at a variable rate equivalent to the corrected BADLAR rate plus an applicable margin of 5% nominal per annum and will be paid in four equal and consecutive quarterly installments beginning on September 19, 2021.

On November 19, 2020, and February 19, 2021, based on Comunicación “A” 7106 issued by Banco Central de la República Argentina (BCRA), AA2000 extended 60% of the Citibank NA installments included in the 2019 Credit Facilities due in November 19, 2020 and February 19, 2021, for a total amount of U.S.\$2.3 million each. These installments will be fully repaid on November 19, 2022 and February 19, 2023, respectively.

Additionally, On November 19, 2020, and February 19, 2021, AA2000 obtained two different sets of loans each for the total amount of AR\$902.8 million and AR\$981.7 million, respectively, to pay the installments due in November 2020 and February 2021, respectively, under the renegotiated 2019 Credit Facilities agreement. All of 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 48% of such loans will be paid in four equal and consecutive quarterly installments beginning on September 19, 2021 and March 19, 2022, respectively and the remaining 52% will be paid in full on November 19, 2022 and February 19, 2023, respectively.

On January 21, 2020, AA2000 obtained a loan in the amount of U.S.\$10.0 million with Banco Macro payable in 180 days at a nominal annual rate of 6%. On May 11, 2020, AA2000 agreed to reschedule the repayment date under this loan extending its term to July 24, 2021 with a nominal annual compensatory rate of 10%, subject to the payment of interest due on July 24, 2020 and a guarantee assignment of the future receivables for air station usage fees (for domestic flights) to be collected from Aerolíneas Argentinas S.A. On July 24, 2020, AA2000 cancelled the interest due under this loan with Banco Macro and the ORSNA issued Resolution No. 49/2020 authorizing the assignment of credits as a guarantee.

Italy

CA Italy Note Issuance

On January 8, 2018, CA Italy issued €60.0 million aggregate principal amount of 4.556% secured notes due 2024 (the “Italian Notes”). The proceeds of the Italian Notes were used to refinance and replace the 6.250% secured notes due 2019 issued by CA Italy in December 2014. Interest on the Italian Notes is payable annually in arrears on June 30 of each year. The Italian Notes will mature on December 31, 2024.

In connection with the sale of the 25% interest in the share capital of CA Italy to Mataar Holdings 2 B.V., Dicasa Spain S.A.U. and Mataar Holdings 2 B.V. agreed, inter alia, to execute and deliver all documentation required to effect that such sale would constitute a permitted change of control under the terms and conditions of the Italian Notes.

The Italian Notes are secured by an economic first ranking pledge in respect of all the shares representing 100% of the share capital of CA Italy, 100% of the share capital of Dicasa Spain S.A.U. and the shares representing CA Italy's holding in TA.

(i) *Mandatory Redemption*

CA Italy must redeem the Italian Notes in whole, upon: (i) suspension, cancellation, termination, revocation (in each case, without replacement), forfeiture, surrender or transfer of the Florence Concession or the Pisa Concession to the extent that such event constitutes or is reasonably likely to constitute a material adverse change, or (ii) upon the loss of CA Italy's ability to directly appoint and/or remove the majority (by voting power) of the members of the governing body or its ability to control the ordinary dividend policy of TA, or (iii) if CA Italy ceases to hold at least 50.1% of the issued share capital in TA.

CA Italy must also redeem the Italian Notes in whole or if the amount of the mandatory redemption is less than the principal outstanding amount of the Italian Notes as at the date of the mandatory redemption, then in part, upon occurrence of: (i) sale, lease, license, transfer, loan or other disposal by CA Italy of any asset, other than the shares which it holds in TA or any disposal of the concessions by CA Italy, or (ii) the disposition by CA Italy of any shares held by it in TA (subject to the exception set forth under the terms and conditions of the Italian Notes).

(ii) *Redemption at CA Italy's Option*

At the option of CA Italy, the Italian Notes may be redeemed in whole, but not in part, on any interest payment date, at their principal outstanding amount together with interest accrued to the date fixed for the redemption if (i) CA Italy, or Dicasa Spain S.A., its intermediate co-guarantor, has or will become obligated to pay additional amounts as a result of any change in, or amendment to, the laws or regulation of the Republic of Italy or the Kingdom of Spain or, in each case, any political subdivision or any authority having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the issue date, and (ii) such obligation cannot be avoided by CA Italy (or Dicasa Spain S.A.U., or its intermediate co-guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which CA Italy (or Dicasa Spain S.A.U., or its intermediate co-guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect to the Italian Notes then due.

CA Italy may also redeem the Italian Notes in whole upon the occurrence of an equity cure event or if the applicable equity cure amount is less than the principal outstanding amount of the Italian Notes plus the relevant make-whole amount due under the terms and conditions of the Italian Notes as at the relevant equity cure redemption date, then in part and in each case on giving at least 5 and no more than 10 days' irrevocable notice to the holders of the Italian Notes. The relevant equity cure amount must be used: (i) if from one calculation date under the terms and conditions of the Italian Notes to the following calculation date the EBITDA of CA Italy falls by 15% or less, to redeem a principal amount of the Italian Notes such that the total of the principal amount of the Italian Notes repaid (at 100% of their principal amount), interest accrued thereon and the make-whole amount equals the relevant equity cure amount; or (ii) if such EBITDA reduction is greater than 15%, to redeem a principal amount of the Italian Notes such that the total of the principal amount of the Italian Notes repaid (at 100% of their principal amount) and interest accrued thereon equals the relevant equity cure amount.

CA Italy may, on any business day prior to December 31, 2021, on giving not more than 10 nor less than 5 days' irrevocable notice to the noteholders, redeem all, but not in part, of the Italian Notes at an amount equal to (i) 100% of the principal outstanding amount of the Italian Notes, together with interest accrued thereon to the date of redemption, plus (ii) the remaining scheduled interest on the redeemed Italian Notes. CA Italy may, on any business day after December 31, 2021, on giving not more than 10 nor less than 5 days' irrevocable notice to the noteholders, redeem all, but not some only, of the Italian Notes, at 100% of their principal outstanding amount together with interest accrued to the date fixed for redemption.

(iii) *Redemption at Noteholders' Option*

If CA Italy is unable to make permitted payments for two consecutive calculation dates, the holders of the Italian Notes have the option to require CA Italy to redeem or purchase, in whole or in part, as long as the proceeds from such redemption or purchase since the first calculation date minus €300,000, is less than the principal amount.

In the case of a change of control, holders of the Italian Notes have the option to require CA Italy to redeem or purchase all or a portion of their Italian Notes at 101% of its principal outstanding amount together with interest accrued to the date which is seven days after a change of control notice is given by CA Italy.

If the remuneration payable to the noteholders under the Italian Notes exceeds the maximum rate of interest permitted by Italian Usury Legislation, the noteholders will have the option to require CA Italy to redeem or purchase all or some of its Italian Notes at 101% of its principal outstanding amount together with interest accrued to the date upon which the relevant note is redeemed. If any event results in it becoming illegal under laws or regulations applicable to the holder of the Italian Notes to hold such Italian Notes (provided that such holder of Italian Notes has received a legal opinion so stating) (each, an "Illegality Event"), such holder of Italian Notes shall have the option to require CA Italy to redeem or, at CA Italy's option, to purchase all or some of its Italian Notes within seven days of providing notice to the Issuer, at 100% of the principal outstanding amount, together with interest accrued to (but excluding) the date of such notice.

(iv) *General Covenants*

Except for certain permitted payments, CA Italy, *inter alia*, must not declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital) or repay or distribute any dividend or share premium reserve, among other restrictions. Such permitted payments are only those payments made by CA Italy to its holding company, provided that the following conditions are fulfilled: (a) all payments due and payable under all related transaction documents have been satisfied; (b) the distribution is identified and made within sixty (60) days of the delivery of the most recent compliance certificate; (c) any mandatory redemption amounts then due and payable have been paid; (d) no event of default, default or lock-up is continuing or would result from the making of the proposed payment; (e) CA Italy has confirmed that certain financial ratios are satisfied; and (f) such payment will not be made in the two years prior to the final maturity date.

The obligors of the Italian Notes are also prohibited from: (i) selling, transferring or otherwise disposing of any of their respective assets on terms whereby such assets are or may be leased to or re-acquired by an obligor of the Italian Notes or any other member of the group; (ii) selling, transferring or otherwise disposing of any of its receivables, creating or permitting liens over any of their assets (other than the liens under the Italian Notes or liens by operation of law); (iii) entering into guarantees (other than the guarantees contemplated under the Italian Notes); (iv) incurring any financial indebtedness (other than certain permitted indebtedness); (v) entering into sale-leaseback transactions or (vi) entering into agreements contemplating the establishment of bank account arrangements. CA Italy is also required to maintain a leverage ratio of less than 9.00:1 during each twelve-month period up to December 31, 2019 and 8.50:1 during each twelve-month period thereafter.

On November 2020, the holders of the Italian Notes waived any default and event of default that would otherwise arise as a result of the testing of the CA Italy's leverage ratio in respect of the calculation dates falling on June 30, 2020 and December 31, 2020, and consequently no Lock-Up Event Put Option may be exercisable during such period.

TA

On June 30, 2015, TA entered into the following bank loans (i) with MPS Capital Service for the principal amount of €12.8 million to mature on January 2022, and (ii) with “Banca Infrastrutture Innovazione e Sviluppo” (“BIIS”), for the principal amount of €40.0 million to mature on September 2027. These loans were mainly used to finance and support infrastructure investments at the Florence and Pisa Airports.

Pursuant to these loan agreements, TA is required to comply with certain financial ratios. Likewise, as security under these loans, TA granted a pledge over a bank account which must have, at all times, a minimum cash deposit of €1.0 million.

Moreover, two loans have been subscribed by TA’s subsidiary, Jet Fuel. Each loan amounts to €0.5 million, and must be repaid before June 2023 and June 2024, respectively. These two loans were granted by Banco BPM in March 2017 and January 2018, respectively, to support operating investment (aircraft refuellers). There are no financial parameters or covenants that need to be complied under these loans.

Likewise, during 2019, TA entered into the following short-term loans: (i) with Banco BPM S.p.A. for the principal amount of €1.5 million matured in January 2021 which was extended to April 2021, (ii) with Banca Nazionale del Lavoro S.p.A. for the principal amount of €2.5 million to mature in April 2021, (iii) three different loans with Unicredit S.p.A. for the principal amount of €2.5 million all to mature in March 2021 which were extended to June 2021, (iv) with Unicredit S.p.A. for the principal amount of €1 million to mature in March 2021 which was extended to June 2021, (v) with Banca Nazionale del Lavoro S.p.A. for the principal amount of €2.5 million to mature in April 2021, and (vi) with Credem Banca for the principal amount of €5.0 million matured in February 2021, which was extended to May 2021.

During 2020, TA subscribed the following short term loans: (i) three loans with Banca Intesa San Paolo for the principal amount of €2 million each one to mature on February 2021 which recently extended to mature in March 2022, (ii) with Banca Intesa San Paolo for the principal amount of €5 million to mature on March 2021 which was extended to March 2022, (iii) with Monte dei Paschi di Siena for the principal amount of € 10 million to mature on February 2021 which was extended to August 2021, and (iv) with Unicredit for an amount of € 1 million to mature on February 2021 which was extended to May 2021.

On November 6, 2020, the proceeds of a €85 million loan was disbursed to TA under a loan subscribed by Intesa Sanpaolo and BNL-BNP Paribas. The loan is 90% backed by SACE guarantees pursuant to the provisions of Decree-Law No. 23/2020 within the framework of the programme “Garanzia Italia”, an Italian guarantee scheme intended to support Italian companies affected by the COVID-19 pandemic emergency. The financing has a term of six years, with a two-year grace period and TA is required to comply with certain financial covenants and restrictions. As a consequence of such financing, as of December 31, 2020, TA cannot distribute any equity reserves without the approval of the majority of the banks.

Brazil

ICASGA

On December 21, 2012, ICASGA entered into a credit facility agreement with BNDES, as amended on September 25, 2013, February 3, 2014, October 1, 2014, July 8, 2016 and December 29, 2017, pursuant to which BNDES provided a loan to ICASGA in an aggregate principal amount of R\$329.3 million to finance the construction of the Natal Airport. The loan was issued in nine tranches (Tranches A–I), each with varying interest rates and maturity dates. The loan is secured by (i) a pledge, granted by the Majority Shareholder and CAAP, of all ICASGA’s issued and outstanding shares, together with any dividends and distributions in connection therewith; (ii) an assignment of all of the present and future ICASGA rights arising from the Natal Concession Agreement and the amounts received in connection therewith, including indemnification payments, revenues and escrow deposits; and (iii) letters of guarantee issued by certain indirect shareholders and affiliates of ICASGA. On March 14, 2018, ICASGA made a prepayment of R\$300.0 million under the debt with BNDES, which was a prerequisite for BNDES to grant a R\$300.0 million credit to ICAB.

Upon a completion of a successful bidding process in the framework of the non-binding request to the Brazilian Federal Government to commence the re-bidding process of the Natal Airport, pursuant to which the operation of Natal Airport will be transferred to a different operator, the credit facility agreement will be cancelled with the proceeds of the indemnification. This is expected to occur on or around January 2022.

Payment by ICASGA of dividends or distributions exceeding 25.0% of net profits requires prior and express authorization of BNDES.

In accordance with the commitments assumed by the Majority Shareholder under the letter of guarantee, any merger, consolidation or disposition of all or substantially all of the assets of the Majority Shareholder requires prior and express authorization of BNDES.

ICAB

ICAB entered into three credit facility agreements to finance investments in the expansion, maintenance and operation of Brasilia Airport as follows: (i) credit facility agreement entered with BNDES entered on February 7, 2014, in an aggregate principal amount of R\$558 million, issued in two tranches (Tranche A and Tranche B), with varying interest rates and maturity dates; (ii) credit facility agreement entered with the Brazilian Federal Savings Bank (*Caixa Econômica Federal*—“CEF”) entered on February 12, 2014, in an aggregate principal amount of R\$235.8 million, issued in three tranches (Tranches A, B and C), with varying interest rates and maturity dates; and (iii) credit facility agreement entered with CEF on February 12, 2014, in an aggregate principal amount of R\$47.2 million, issued in three tranches (Tranches A, B and C), with varying interest rates and maturity dates, which funds are required to fund construction works and equipment relating to the “Aerocity” to be installed in Brasilia Airport (“ICAB Loans”).

ICAB Loans are secured by (i) the pledge, granted by Inframerica and Infraero, of all ICAB issued and outstanding shares, as well as any dividends and interest on equity payments in connection thereof; (ii) the pledge, granted by Inframerica’s direct shareholders of all Inframerica issued and outstanding shares, as well as any dividends and interest on equity payments in connection thereof; (iii) the fiduciary assignment of all of the present and future ICAB rights arising from the Brasilia Concession and the amounts received in connection thereof, including indemnifications, revenues and escrow deposits, as well as other ICAB receivables not related to Brasilia Concession; (iv) letters of guarantee issued by certain indirect shareholders and affiliates of ICAB; and (v) the insurance coverage required under the Brasilia Concession Agreement.

Before financial completion, payment by ICAB of dividends or distributions exceeding 25.0% of net profits requires prior authorization of BNDES and CEF. “Financial Completion” is defined as compliance with the following cumulative conditions: (i) maintenance of a Debt Service Coverage Ratio of at least 1.3:1.0 for at least two consecutive years, and an Equity Ratio of at least 25%, as determined in a balance sheet audited by an independent firm registered with the Brazilian Securities and Exchange Commission; (ii) creation and funding of reserve accounts provided for in the assignment of rights agreement; (iii) obtaining and maintaining governmental authorities required for the operation of Brasilia Airport; (iv) timely payment of 12 principal installments due under the Credit Facility Agreement entered between ICAB and BNDES; and (v) compliance of ICAB and its direct and indirect shareholders with their obligations under the Credit Facility Agreements and corresponding guarantee agreements, as well as with their obligations before the Brazilian ANAC.

After financial completion, payment of dividends or distributions exceeding 25% of net profits requires the maintenance of a Debt Service Coverage Ratio of at least 1.3:1.0, and an Equity Ratio of at least 25%, as determined by a balance sheet audited by an independent firm registered with the Brazilian Securities and Exchange Commission.

In accordance with the commitments assumed by the Majority Shareholder under the letter of guarantee, any merger, consolidation or disposition of all, or substantially all, of the Majority Shareholder’s assets requires prior and express authorization of BNDES and CEF.

In March 2018, CAAP and BNDES entered into an amendment to the ICAB Loans pursuant to which (i) the interest-only period and the final maturity date were extended for an additional two years, and (ii) BNDES granted ICAB an additional loan in an amount equal to R\$300.0 million under the same terms and conditions as the existing ICAB Loans. In March 2018, ICAB also repaid the outstanding amount of R\$274.4 million under the credit facility with the Brazilian Federal Savings Bank (*Caixa Econômica Federal*—“CEF”).

On June 5, 2019, ICAB entered into a loan with Banco Votorantim S.A. - Bahamas Branch for an amount of U.S.\$8.9 million due in June 2020. This loan is secured with a guarantee signed by Banco Votorantim S.A. Brazil with ICAB (“Contrato de Prestação de Garantia”). This guarantee agreement, dated June 14, 2019, is secured by a guarantee letter issued by CAAP for a total amount of U.S.\$8.9 million or its equivalent in Brazilian Real which cannot be lower than R\$36 million plus interest. Future payments of the loan are protected from the exposure to U.S. dollars exchange rate fluctuation with a cash flow swap derivative with Banco Votorantim S.A. from Brazil that denominates future payments in Brazilian Real for a total amount of R\$36 million.

Brazilian Refinancing Transactions

In December 2017, we entered into amendments and extension agreements with BNDES with respect to the ICAB Loans and the ICASGA Loans.

With respect to the ICAB Loans, the amendment and extension agreements extended the final maturity and the interest-only payment terms of such loans for an additional two years, and provided an interest capitalization period for 50% of the interest due for two years. Also, such agreements increased the size of the credit facility commitments by an additional R\$300.0 million. We repaid the Banco Santander Bridge Loan Facility and the Citibank Credit Agreement (as defined below) with new borrowings incurred in connection with the amendment and extension agreements, and the release of certain amounts held in the debt service reserve accounts as a result of the extension of the interest-only repayment terms under such BNDES credit facilities.

With respect to the ICASGA Loans, the amendment and extension agreements extended the final maturity of such loans for an additional two years, extended the interest-only payment terms of such loans for an additional three years and provided an interest capitalization period for 50% of the interest due for two years.

In connection with such amendment and extension agreements, the Majority Shareholder and CAAP have agreed to not to create any encumbrances on their shares of Inframerica, and not to sell, acquire, merge or spin-off assets or undertake any other action that results or that may result in a change in the current corporate structure of Inframerica or any change of control in Inframerica, without the prior consent of BNDES. The Majority Shareholder has agreed not to undertake any change of control in CAAP without the prior consent of BNDES. In addition, the Majority Shareholder has agreed to maintain a minimum credit rating of at least B- (the “Minimum Rating”) or a stand-alone rating (without including the sovereign rating) of at least BB+. The amendment and extension agreements also require additional security equivalent to the amount of twenty-four months of debt service for at least a two-year period (in the form of a bank guaranty, letter of credit, guaranty insurance or other acceptable modalities of guarantee), if the Minimum Rating is not maintained for any annual testing period. As of June 30, 2020, the Minimum Rating was not achieved and ICAB and ICASGA requested BNDES to provide a waiver regarding this obligation. Nevertheless, non-compliance with the Minimum Rating does not constitute an event of default under the agreements but additional security would be required. As of December 31, 2020, BNDES has authorized extensions of the term to meet the obligation for additional security or for obtaining a waiver from BNDES until March 15, 2021.

In March 2020, BNDES made available a program for joining a Standstill program for the suspension of payments of principal and interest for six months. The amount of debt service suspended pursuant to the Standstill must be capitalized and paid in the remaining period of the financing contracts. ICAB and ICASGA applied for this program and obtained the approval on April 14, 2020. On October 14, 2020, ICAB and ICASGA succeeded in negotiations with BNDES for a new standstill of six months (October 2020 to March 2021) of payments of principal and interest on its financing contracts. These amounts must be capitalized and will be paid in the remaining period of the financing contracts.

Uruguay

ACI Airport Sudamérica S.A.U. Senior Secured Guaranteed Notes

On May 7, 2015, ACI Airport Sudamérica, S.A.U. (“ACI Sudamerica”) issued U.S.\$200.0 million aggregate principal amount of 6.875% senior secured guaranteed notes due 2032 (“Uruguayan Notes”).

The Uruguayan Notes are senior obligations of ACI Sudamerica and rank equally in right of payment with any existing and future obligations of ACI Sudamerica that are not subordinated in right of payment to the Uruguayan Notes, senior in right of payment to all existing and future obligations of ACI Sudamerica that are subordinated to the Uruguayan Notes, senior in right of payment to all existing and future unsecured indebtedness of ACI Sudamerica to the extent of the value of the collateral securing the Uruguayan Notes, effectively subordinated to obligations of ACI Sudamerica preferred by statute or operation of law and, until such time as Puerta del Sur becomes a guarantor, structurally subordinated to the obligations of Puerta del Sur. The holders of the Uruguayan Notes benefit from a guarantee and security package. The security package includes: (i) the pledge of all of the shares in Puerta del Sur; (ii) a pledge of all of the shares in Cerealsur S.A.; (iii) an account of Cerealsur S.A. into which certain dividend payments and other distributions from Puerta del Sur to Cerealsur S.A. will be deposited and all amounts deposited therein; (iv) an account of ACI Sudamerica into which all dividend payments and other distributions from Cerealsur S.A., to ACI Sudamerica will be deposited and all amounts deposited therein; and (v) a debt service reserve account and all the amounts deposited therein. The Uruguayan Notes are fully and unconditionally guaranteed by Cerealsur S.A. Puerta del Sur will also guarantee the Uruguayan Notes once it no longer has outstanding the 7.75% negotiable obligations due 2021 (obligaciones negociables) that it issued on April 30, 2007.

The Uruguayan Notes will mature on November 29, 2032. The principal balance of the Uruguayan Notes, together with accrued interest, will be repaid in 34 installments May 29 and November 29 of each year, commencing on May 29, 2016.

After November 29, 2022, ACI Sudamerica may redeem the Uruguayan Notes in whole or in part, at the redemption price set forth below, plus accrued and unpaid interest and additional amounts, if any; provided that if the Uruguayan Notes are redeemed in part only, at least U.S.\$100.0 million principal amount shall remain outstanding after any such partial redemption.

Date of Payment	Multiplier
Beginning on November 29, 2022 and ending on November 28, 2023	103.438%
Beginning on November 29, 2023 and ending on November 28, 2024	102.292%
Beginning on November 29, 2024 and ending on November 28, 2025	101.146%
Beginning on November 29, 2025 and thereafter	100.000%
Thereafter	100.000%

In addition, ACI Sudamerica may, prior to November 29, 2022, redeem the Uruguayan Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, plus a make-whole premium, provided that if the Uruguayan Notes are redeemed in part only, at least U.S.\$100 million principal amount shall remain outstanding after any such partial redemption. ACI Sudamerica may also redeem the Uruguayan Notes upon certain changes in tax laws and will be required to offer to redeem the Uruguayan Notes upon certain events constituting a change of control. Finally, ACI Sudamerica may redeem the Uruguayan Notes at par to cure an event constituting a retention event.

ACI Sudamerica may pay dividends or make distributions so long as no retention event or event of default has occurred and is continuing, the distributions to debt service ratio is greater than or equal to 1.2:1.0, and the historical distributions to debt service ratio is greater than or equal to 1.2:1.0.

A retention event occurs when either the distributions or historical distributions to debt service ratio is less than 1.2:1.0, a default or event of default has occurred and is continuing, a default or event of default has occurred and is continuing under the Puerta del Sur Secured Guaranteed Notes and such event has not been cured within the applicable cure periods thereunder, or either Cerealsur S.A. or Puerta del Sur is not able, for any reason, to make such dividend payments.

The distributions to debt service ratio is the ratio of (i) the distributions or dividends of Puerta del Sur minus the fixed costs of Cerealsur and ACI Sudamerica, in each case for the most recently ended two interest periods under the Uruguayan Notes to (ii) debt service of ACI Sudamerica for the next two interest periods under the Uruguayan Notes.

Exchange Offer to the Uruguayan Notes

On May 26, 2020, ACI Sudamerica completed an exchange offer pursuant to which 93.60% of the total original principal amount of the Uruguayan Notes were exchanged for newly issued 6.875% Cash/7.875% PIK Senior Secured Guaranteed Notes due 2032 (the "Uruguayan Additional Notes"). As of December 31, 2020, the Uruguayan Additional Notes outstanding amount was U.S.\$191.7 million.

The Uruguayan Additional Notes will have terms that are identical in all material respects to the terms of the Uruguayan Notes except that: (i) interest and the principal amount of the Uruguayan Additional Notes will be repaid in 26 installments on May 29 and November 29 of each year, commencing on May 29, 2020; provided that for the period from and including May 26, 2020 (the "Settlement Date") to, and including, the payment date falling on May 29, 2021 (the "PIK Period"), ACI Sudamericana may elect not to pay in cash principal and interest due on the Uruguayan Additional Notes, and may instead (a) pay any interest due in kind by increasing the principal balance on the Uruguayan Additional Notes by the amount of such interest (such amount, "PIK Interest Payment") and (b) defer any principal due (such amount, a "PIK Principal Payment") with such deferred amounts to be repaid on a new amortization schedule. Upon such election (i) each remaining scheduled principal payment on the Uruguayan Additional Notes will be increased by a pro rata amount equal to such aggregate amount of principal deferred and interest paid in kind during the PIK Period, and (ii) the interest rate on the Uruguayan Additional Notes will be increased to 7.875% *per annum*, with respect to any interest period for which ACI Sudamericana has made such election; (ii) ACI Sudamericana has elected that no principal or interest was to be paid in cash on the May 29, 2020 payment date with respect to the Uruguayan Additional Notes and each such payment was automatically be deemed a PIK Principal Payment and a PIK Interest Payment, as applicable; (iii) at any time and from time to time, ACI Sudamericana will have the right, at its option, to redeem the Uruguayan Additional Notes in an amount not to exceed the aggregate amount of all PIK Principal Payments and PIK Interest Payments then outstanding at a redemption price equal to: (a) 100% of the Uruguayan Additional Notes being redeemed, plus (b) accrued and unpaid interest and additional amounts, if any, to the redemption date; *provided* that the aggregate principal amount of any such redemption shall not be less than U.S.\$1,000,000; and (iv) substantially all of the restrictive covenants and events of default and related provisions under the Indenture executed in connection with the Uruguayan Notes were eliminated solely with respect to the Uruguayan Notes.

The Uruguayan Additional Notes and the Uruguayan Notes are secured by the same collateral on a pro rata and *pari passu* basis in accordance with the indenture and the related collateral documents, other than with respect to (i) the Uruguayan Additional Notes debt service reserve account, a special, segregated account in the name of ACI Sudamericana established and maintained in New York City, New York and which was established for the benefit of the Uruguayan Additional Notes and (ii) the Uruguayan Notes debt service reserve account, a U.S. Dollar-denominated segregated trust account maintained by the Bank of New York Mellon in the name of ACI Sudamericana, which is established for the benefit of the Uruguayan Notes.

Puerta del Sur Secured Guaranteed Notes

On April 30, 2007, Puerta del Sur issued U.S.\$87.0 million aggregate principal amount of 7.75% secured guaranteed notes due 2021 ("Puerta del Sur Notes"). These Puerta del Sur Notes constitute direct obligations of Puerta del Sur. The Puerta del Sur Notes will mature on October 29, 2021. The principal balance of the Puerta del Sur Notes, together with accrued interest, will be repaid in 22 total installments, with individual installments occurring on April 29 and October 29 of each year beginning in 2011 and ending in 2021.

The main covenants under the Puerta del Sur Notes are limitations on Puerta del Sur's ability to incur additional indebtedness, make payments of dividends and other specifically restricted payments, sell assets, and compliance with certain financial ratios. The Puerta del Sur Notes are secured by: (i) a trust holding the credits and net funds resulting from the subscription and allocation of the Puerta del Sur Notes, and (ii) a trust to which Puerta del Sur has transferred the following sums: (a) the sum of funds which Puerta del Sur has the right to receive and will have the right to receive for services offered in administration, construction and maintenance of Carrasco Airport; (b) the sum of funds received from the duty-free store in Carrasco Airport; (c) the sum of funds received as a result of the permitted operation of the cargo terminal in Carrasco Airport; and (d) the sum of funds Puerta del Sur has received or will have right to receive from the government or from a third-party successor as a result of a management agreement, or as a consequence of the redemption, termination, mutual dissolution and/or resolution of the management agreement for whatever reason (the "Carrasco Airport Guaranty Trust").

Puerta del Sur may redeem all of the Puerta del Sur Notes on any interest payment date by paying the sum of the unpaid principal balance of the Puerta del Sur Notes plus the interest accrued thereon up to the date of redemption, in the event that, as determined by Puerta del Sur, modifications to the tax regime made after issuance of the Puerta del Sur Notes results in an increase of net financial cost of the Puerta del Sur Notes. In evaluating such changes that could have the affects described above, Puerta del Sur must solicit a written report from a tax specialist. Puerta del Sur must provide at least 120 days' written notice to the trustee and the Central Bank of Uruguay prior to exercising such right.

Puerta del Sur may not declare, make or pay any dividend (i) during the period in which the Carrasco Airport is under construction (pursuant to the report issued by the independent engineer) and until the first capital payment is made or when the trustee has notified Puerta del Sur of any breach of any of its obligations under the note documents and certain of its obligations under the Carrasco Airport Guaranty Trust, and (ii) thereafter, unless the debt service coverage ratio on an annual basis exceeds 1.7x and the indebtedness ratio is less than 3.0.

On April 24, 2020, Puerta del Sur executed an amendment agreement with holders representing 75% of the aggregate principal outstanding amount of the Puerta del Sur Notes. The amendment agreement (i) defers the payments of principal originally scheduled for April 29, 2020 and October 29, 2020, to April 29, 2022 and October 29, 2022; (ii) modifies the debt service coverage ratio applicable to the Puerta del Sur Notes to 1.25 for 2020 (the ratio being measured as of December 31, 2020) and to 1.40 for 2021 (the ratio being measured as of December 31, 2021) (the "Modified DSCR"); (iii) allows for the payment of dividends by Puerta del Sur to Cerealsur so long as Puerta del Sur is in compliance with the Modified DSCR; (iv) limits the ability of Puerta del Sur to make dividend payments during the year ending December 31, 2020 in connection with its net income for the year ended December 31, 2019; and (v) makes an upfront payment of U.S.\$87,000 to the holders of the Puerta del Sur Notes. The effectiveness of the amendment agreement was conditioned to the consummation of ACI Airport Sudamérica, S.A. exchange offer, which was consummated on May 26, 2020. On December 17, 2020, the holders representing 85.95% of the aggregate principal outstanding amount of the Puerta del Sur Notes, granted a waiver for non-compliance with the debt service coverage ratio as of December 31, 2020. The waiver is solely and exclusively applicable to the debt services coverage ratio to be measured on December 31, 2020, remaining valid, current and enforceable the remaining conditions, obligations and requirements set forth in the Issuance Document, particularly for the debt services coverage ratio to be measured on December 31, 2021

Considering that Puerta del Sur S.A. complies with the other obligations established in the Issue Document except for the debt services coverage ratio, and especially complies with the payments to be made during 2021, could make payment of dividends from November 8, 2021 to December 31, 2021. After that date, will apply the conditions established in the Issuance Document.

CAISA

During 2020, CAISA received a loan from Banco Santander S.A. in the amount of up to U.S.\$4.9 million to bear interest at an annual of 5.10% and maturing on April 30, 2025. The amount received was part of a U.S.\$8.0 million credit line. Disbursements will be made according to the level of progress of works. The principal amount is to be paid in annual installments of U.S.\$1.6 million in April of each year along with accrued interest, starting the first installment in April 2021.

Additionally, during 2020, CAISA received a loan from Banco Itaú Uruguay S.A. for an amount of up to U.S.\$4.9 million, at a variable annual rate of LIBOR plus 2.5% for each period expiring on April 30, 2025, to be used for construction works at the Punta del Este Airport. The amount received was part of a U.S.\$8.0 million credit line. Disbursements will be made according to the level of progress of works. The principal amount is to be paid in annual installments of U.S.\$1.6 million in April of each year, starting the first installment in April 2021. Pursuant to the loan agreement, CAISA must comply with the following covenants, among others: (i) the leverage ratio in each year end must not be higher than 3 between 2020 and 2022, 2.75 for 2023 and 2.5 between 2024 and 2025, and (ii) the coverage ratio must be higher than 1.2 at all times. As a guarantee under these loans, CAISA entered into credit assignment agreement with Banco Santander S.A. and Banco Itaú Uruguay S.A. to assign 50% of customer collections at the Punta del Este Airport.

Ecuador

In November 2019, TAGSA entered into a credit facility agreement with Banco Bolivariano CA, which provided a loan in the aggregate principal amount of U.S.\$9.0 million due in November 2024. Also, in December 2019, TAGSA entered into a credit facility agreement with Banco Guayaquil CA, which provided a loan in the aggregate principal amount of U.S.\$10.0 million due in December 2024. Both loans have a variable interest rate (an initial interest rate of 8.75% adjustable every 90 days) and quarterly payments of principal and interest.

In December 2020 TAGSA entered into a credit facility agreement with Banco Bolivariano CA, which provided a loan in the aggregate principal amount of U.S.\$8.5 million due in December 2025, and enter into a credit facility agreement with Banco Guayaquil CA, which provided a loan in the aggregate principal amount of U.S.\$3.5 million due in December 2025. Both loans have a variable interest rate (an initial interest rate of 7,25% adjustable Banco Bolivariano every 360 days and Banco Guayaquil every 180 days) and quarterly payments of principal and interest.

Armenia

On December 15, 2015, AIA entered into a senior secured dual-currency credit facility agreement with Credit Suisse AG, London Branch, the European Bank for Reconstruction and Development, the Black Sea Trade and Development Bank and the German Investment Corporation for an aggregate principal amount of U.S.\$160.0 million to refinance certain existing indebtedness and certain shareholder equity. The loan is secured by, *inter alia*: (i) the collateral assignment of all of the present and future rights arising from the Armenian Concession Agreement and other related agreements; (ii) a pledge over all present and future cash collateral bank accounts (iii) a pledge over all AIA shares, as well as all dividends which may be paid or become payable on such shares; and (iv) a pledge over certain movable and immovable assets of AIA relating to the Zvartnots Airport. Principal is repaid in semi-annual installments, with final maturity on 84 months from the first disbursement under the credit facility agreement.

Under the facility agreement, AIA must maintain ratios of debt to EBITDA, debt service coverage and adjusted debt services coverage ratios at a certain level, and may not, *inter alia* (i) declare, make or pay any dividend or interest on any unpaid dividend or; (ii) repay or distribute any dividend or share premium reserve without the prior written consent of the facility agent; provided that AIA may make or pay such dividends if:

- such distribution is a distribution made in accordance with the use of proceeds under the facility agreement, (i.e., to refinance shareholder's equity);
- the distribution is constituted by payments to International Airports Management LLC ("IAM") pursuant to certain management, know-how, technical and operations assistance agreement for so long as IAM remains a subsidiary of the Southern Cone Foundation, subject to a specified maximum amount; or
- the following conditions are each satisfied: (i) certain financial ratios are satisfied prior to the distribution, and AIA certifies that it projects, based on reasonable assumptions, that those financial ratios will be satisfied following such distribution; (ii) during the month prior to each payment date under the credit facility an amount at least equal to the aggregate amount of (1) interest and scheduled principal repayments under the facility agreement due and payable on or prior to that payment date; and (2) interest, fees and all other financial charges (including principal repayments) in respect of any other specified financial indebtedness on or prior to that payment date, stands to the credit of a specified bank account; and (iii) no event of default under the facility agreement is continuing or would result from the making of such distribution.

On December 23, 2020, AIA changed its facility agent from Credit Suisse AG to Ameriabank C.J.S.C. re-structuring its debt modifying its maturity date to June 25, 2024, and including some additional clauses that modify the original loan agreement restrictions and covenants.

Peru

On April 10, 2019, AAP, as borrower, entered into a loan agreement with VolcomCapital Deuda Perú II Fondo de Inversión (administered and managed by VolcomCapital Administradora General de Fondos S.A.) in the amount of U.S.\$10.5 million. Andino Investment Holdings S.A.A. and CAAP, as shareholders of AAP, were established as joint and several guarantors of AAP for the obligations under the loan agreement. For this purpose, CAAP issued an irrevocable first demand guarantee letter in the amount of U.S.\$5.25 million in favor of VolcomCapital Deuda Perú II Fondo de Inversión. The loan will be repaid within 10 years as of the first disbursement date.

As a result of the impact of COVID-19 pandemic, the worldwide economic situation and the decrease in airport operations, together with the refinancing of debts for liquidity, strict conditions for the obtainment of waivers and government measures for employment protection have restricted the Company's subsidiaries ability to transfer a portion of their net assets to CAAP either in the form of dividends, loans or advances as of December 31, 2020.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Not applicable.

D. TREND INFORMATION

The Company has implemented a number of actions to try to mitigate the impact of the COVID-19 pandemic, including: (i) the formation of a crises committee, composed of the Company's chief executive officer and the chief financial officers of each subsidiary, (ii) measures to protect employees and passengers by enhancing safety and hygiene protocols, including remote working with only essential staff working on premises following health gear and additional sanitizing policies, (iii) implementation of cost control and cash preservation measures along all the operating companies, reducing maintenance and operating expenses as much as possible, while maintaining quality and safety standards, (iv) negotiation with suppliers regarding to extend payment terms and with regulatory agencies to renegotiate concession fees payment, and (v) reduction of capital expenditures program to the minimum possible. Despite these efforts, we expect our results of operations to be negatively impacted on future periods and for long as the health crisis continues. See "Liquidity and Capital Resources—COVID-19 Virus Impact."

In addition, governments continue to implement measures to prevent or mitigate the impact of the COVID-19 pandemic that affect demand for air travel and will likely affect our results of operation. As of the date of this annual report, the following are the restrictions and measures implemented in some of the countries in which we operate:

- Argentina. Currently, the borders remain closed to foreigners until April 9, 2021. International travel restarted in July 2020 under a special flights regime, and passengers arriving in Argentina are required to present a negative PCR test. During 4Q 2020, certain government restrictions on air travel were relaxed: by the end of October, bans on domestic travel were lifted, while entry was permitted to foreigners from neighboring countries starting in November. Mid-December, however, the government reenacted the ban on entry for all foreigners, in light of the new the COVID-19 pandemic strain, until April 9, 2021.
- Brazil. Borders are open, although requirements apply upon entry. Domestic travel never stopped, with passenger traffic showing a continued recovery since May 2020 through January 2021. More recently, however, in light of the increase of COVID-19 infected people in the country, there was a decrease in passenger demand.

- Ecuador. Commercial operations in Ecuador restarted during the first week of June 2020, although certain requirements apply including a negative PCR test upon entry.
- Italy. Certain restrictions apply for travelers coming from, or that visited or transited certain countries until April 6, 2021. Travelers are required to present a negative PCR test and self-quarantine for 14-days upon arrival, with limited exceptions.
- Uruguay. Borders remain closed to non-resident foreigners, with certain exemptions, and requirements upon entry, including a negative PCR test and a self-isolation period.
- Armenia. Restrictions on air travel were lifted mid-September 2020, although some requirements apply upon entry including a negative PCR test upon arrival.

The above measures are updated as of the date of this annual report and may change in response to developments of the pandemic. The COVID-19 virus (nCoV), as well as any other public health crises that may arise in the future, is having and will likely continue to have a negative impact on passenger traffic levels and air traffic operations and in our results of operation.”

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events since December 31, 2020, that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the reported financial information in this annual report to be not necessarily indicative of future operating results or financial conditions.

E. OFF-BALANCE SHEET ARRANGEMENTS.

Our off-balance sheet risk arises principally as a result of our contingent obligations to third-party guarantors that provide performance bonds, sureties and other guarantees that are required to secure the performance of our obligations under our concession agreements. For a discussion of the performance bonds, sureties and other guarantees provided in our concession agreements, please see the following sections of “Regulatory and Concessions Framework”: “—The AA2000 Concession Agreement—Performance Guarantee and Guarantee for the Performance of the Works Foreseen in the AA2000 Concession Agreement,” “—Italy—The Pisa Concession Agreement—Guarantees,” “—Italy—The Florence Concession Agreement—Guarantees,” “—Brazil—The Brazilian Concession Agreement—Guarantees and Other Financial Commitments,” “—Uruguay—The Carrasco Concession Agreement—Guarantees,” “—Ecuador—Terminal Aeroportuaria de Guayaquil S.A. TAGSA Concession—Guarantee and Performance Bonds,” “—Ecuador—Aeropuerto Ecológico de Galápagos S.A. ECOGAL—Guarantee and Other Performance Bonds,” “—Peru—AAP—Guarantees and Performance Bonds” and Note 26 to our Audited Consolidated Financial Statements.

We have entered into a registration rights and indemnification agreement with the Majority Shareholder. Pursuant to such registration rights and indemnification agreement, we agree to indemnify the Majority Shareholder for the pro rata portion of any losses, claims, damages, liabilities, joint or several, and expenses arising out of or based upon certain letters of guarantee provided by the Brazilian National Development Bank (*Banco Nacional do Desenvolvimento Economico e Social* “BNDES”) and Banco Citibank to ICAB, as determined by a final, non-appealable judgment of a court of competent jurisdiction. See “Certain Relationships and Related Party Transactions—Other Transactions with Affiliated Entities—Registration Rights and Indemnification Agreement.” We have also issued an irrevocable first demand guarantee letter in the amount of U.S.\$5.25 million in favor of VolcomCapital Deuda Perú II Fondo de Inversión. See “Business—Indebtedness—Peru.”

F. DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Our Contractual Obligations

Set forth below is a tabular presentation of our contractual obligations as of December 31, 2020, for the next five years, presented by type and nature of contractual obligation:

	Payments due by Period				Total
	Less than 1 year	1-3 years	3-5 years	More than 5 years	
Master development programs ⁽¹⁾	29.1	107.0	66.7	31.0	233.8
Other capital expenditures ^{(1) (2)}	2.8	59.3	135.7	156.8	354.5
Long term Borrowings – principal amount	212.5	397.8	348.1	416.2	1,374.6
Borrowing-interest payments ⁽³⁾	73.8	123.3	79.8	98.4	375.3
Other liabilities reflected on our consolidated statement of financial position ⁽⁴⁾	180.9	185.5	160.1	1,730.5	2,257.0
Total	499.1	872.8	790.4	2,432.9	4,595.2

(1) Includes AAP and ECOGAL. Not including master development programs and other capital expenditures for AA2000 because it is not yet agreed the year in which such expenditures will occur. See “Investment Plan.”

(2) Not including the optional capital expenditures in each country in which we operate.

(3) Includes interest accrued as of December 31, 2020 and prospective interest.

(4) Other liabilities reflected on our consolidated statements of financial position are mainly comprised by the concession fee payable under the Brazilian Concession Agreement.

G. SAFE HARBOR

See the disclaimer with respect to Forward-Looking Statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

Set forth below is information concerning our officers and directors as of the date of this annual report. There are no family relationships among the directors, executive officers or between any executive officer and director. Our executive officers are appointed by the board of directors to serve in their roles. Each executive officer is appointed for such term as may be prescribed by the board of directors or until a successor has been chosen and qualified or until such officer’s death, resignation or removal. Unless otherwise indicated, the business address of all of our executive officers and directors is 4, rue de la Grève, L-1643, Luxembourg, Grand Duchy of Luxembourg.

Name	Date of Birth	Position Held	First Appointment
Martín Francisco Antranik Eurnekian	November 28, 1978	Director	September 14, 2017
Máximo Bomchil	May 13, 1950	Director	September 14, 2017
Roderick H. McGeoch	October 2, 1946	Director	September 14, 2017
David Arendt	April 4, 1953	Director	September 14, 2017
Valerie Pechon	November 10, 1975	Director	September 14, 2017
Carlo Alberto Montagna	February 27, 1964	Director	September 14, 2017
Daniel Marx	April 16, 1953	Director	February 28, 2019

Background of Our Officers and Directors

Martín Francisco Antranik Eurnekian. Mr. Martín Eurnekian is the chairman of AA2000 and is also the Chief Executive Officer of CAAP. He is a member of the boards of directors of most of the airport operating companies controlled by the group. Mr. Eurnekian has more than 15 years of experience in managing different businesses (retail, services and construction/engineering) in seven different countries (Argentina, Uruguay, Brazil, Ecuador, Peru, Italy and Armenia). In particular, Mr. Eurnekian has led the processes associated with evaluating, acquiring and constructing (or re-modeling), and is involved in the management of the following airports, in addition to Carrasco Airport: Punta del Este Airport, Guayaquil Airport, Brasilia Airport, Natal Airport, Pisa Airport and Florence Airport, among others. Mr. Eurnekian holds an Engineering degree in Information Technology from Universidad de Belgrano, Argentina.

Máximo Luis Bomchil. Mr. Bomchil is Honorary Chairman of the law firm Bomchil, former senior and managing partner of the firm and former head of the firm's tax department. His practice focuses on general commercial and corporate law matters, with particular emphasis on corporate and tax matters, corporate acquisition arrangements and corporate restructuring. Mr. Bomchil is Chairman of HCA S.A., an important hotel business group in Argentina and member of the board of directors of Aeropuertos Argentina 2000 S.A. He is also a syndic of Central Vuelta de Obligado S.A., Central Manuel Belgrano S.A., ENEL Costanera S.A. and ENEL Generación El Chocón S.A. Mr. Bomchil has a law degree from the Catholic University of Argentina (*Universidad Católica Argentina*) (1973), a Juris Doctor from Ludwig Maximilian University of Munich, Germany (1976), and a Master of Laws from the University College of London University (1977). Mr. Bomchil was appointed Board Chairman on February 28, 2019."

Roderick H. McGeoch. On January 26, 2013 Mr. McGeoch became an Officer of the Order of Australia in recognition of his "distinguished service to the community through contributions to a range of organizations, and to sport, particularly through leadership in securing the Sydney Olympic Games." He is a contributor in different social sectors including foreign representation, Honorary Consul of Luxemburg in Australia; arts; Trans-Tasman; telecommunications; sports; international Finance; Australia/New Zealand Leadership Forum; entertainment; law; and media and marketing. Mr. McGeoch has been a member of the Advisory Board of American Infrastructure Holdings since November 1, 2013; on November 1, 2009 he was appointed as Chairman of BGP Holdings Plc. He is also a consultant to Corporación América; a director of Destination New South; deputy Chairman of Sydney Cricket & Sports Ground Trust (Now Venues NSW) and in January 2005 was appointed Chairman of Vantage Private Equity Growth Limited. In May 2017 he was appointed Chairman of Chubb Insurance Australia; in July 2020 he was appointed Chairman of Australasia Media Company; in March 2020 he was appointed Chairman of the Advisory Committee of 99 Technology; in mid-2020 he was appointed a Director of TOGOV Pty Ltd; in August 2020 he was appointed Chairman of the Board of Surevision. Mr. McGeoch's previous appointments include Chairman of MediaWorks as of October 31, 2013; and a director of the board of Ramsay Health Care Limited. He has served for many years on the Board of the Salvation Army Eastern Territories; was appointed to the Sky City Board of Directors in September 2002. Mr. McGeoch holds a Bachelor of Laws degree from the University of Sydney.

David Arendt. Mr. David Arendt is a Partner of The Directors' Office, the leading practice of independent directors in Luxembourg, which he joined in May 2017. Mr. Arendt sits on the boards and board committees of Luxembourg based bank, insurance company, insurance broker, commercial/operating companies, GP's of private equity, private debt, infrastructure and real estate funds as well as of the Luxembourg Export Credit Agency. He also sits on the federal board and treasury committee of Humanity&Inclusion (also known as Handicap International), a leading NGO. Prior to his activity of independent director, he worked in Europe and the United States in law, finance and business. His career started in Law with the leading Luxembourg law firm Arendt & Medernach where he was associate from 1977 to 1980. He then moved to New York where he earned an LLM at New York University and was an associate at Debevoise & Plimpton LLP (1980-1982) and Shearman & Sterling LLP (1983-1987). His career in banking included positions in London, New York and Luxembourg at Prudential Securities (Vice President European Corporate Finance, 1987-1990), Merrill Lynch (Vice President Investment Banking, 1990-1994) and Banque Générale du Luxembourg (now BGL BNP Paribas) (Member of Management, 1994-1998). His career in business include executive management positions at Cargolux Airlines International SA, the all-cargo airline based in Luxembourg (Executive Vice President & Chief Financial Officer, 1998-2011) and Le Freeport Luxembourg (recently rebranded Luxembourg High Security Hub), a high tech/highly secure facility for storing and handling valuable goods (Managing Director and General Manager, 2012 to 2016). In parallel to his activity of independent director, Mr. Arendt acts as consultant via Arendt Capital Sàrl, an economic consulting company he created in January 2017. Mr. Arendt holds a Licence en droit degree from the Université des Sciences Sociales, Grenoble, and a Master of Laws degree from King's College, London University and a Master of Laws degree from New York University School of Law. He was a member of the Luxembourg and New York bars. He is a certified director by ILA (Institut Luxembourgeois des Administrateurs) and INSEAD.

Valérie Pechon. Ms. Pechon is a founding member of Key Partners S.à r.l., a Luxembourg-based trust services provider, member of the Luxembourg Order of Chartered Accountants (*Ordre des Experts-Comptables*) and is an Independent and non-executive director in Luxembourg companies. From 2011 to 2016 she served as a domiciliation director (part of the extended Management Team) in Intertrust Luxembourg. She has also served as domiciliation manager in Alter Domus Luxembourg (2008-2010) and as audit assignment management-External Auditor in Deloitte Audit Luxembourg. She made a traineeship at Santiago de Chile Deloitte's office (4 months) and was part of a case study regarding retirement fund techniques in Chile. Ms. Pechon has a four-year University degree in Business Administration (ULG-EAA) with orientation in finance.

Carlo Alberto Montagna. Mr. Montagna is a Partner of The Directors' Office, the leading practice of independent directors in Luxembourg, since September 2011. He is a member of the board of directors of the following organizations: Alessia Sicav; Simplify Sicav Sif; 8a+ Sicav; Solanum GP/Solanum Sicav; Permian Global General Partner; Permian Global Management; Permian Holding Sàrl; Pareturn Sicav; Eurofund Sicav Sif; Bank of China Ucits Sicav; Infusive Sicav; Santander Sicav; Santander International Sicav; Santander Alternatives Sicav RAIF; Theta Sàrl; Zest Asset Management Sicav; Cartesio Sicav; Copenhagen Infrastructure IV GP Sàrl; Green Blue Funds GP Sàrl; GAM Multibrand Sicav Sif; Rain Technologies Sàrl; Finexis S.A. ManCo/AIFM; Corporacion America Airports S.A. – listed NYSE; he is a Trustee at Infusive US Trust (Infusive Compounding Global Equities ETF – listed NYSE Arca), and he is also a Conducting Officer and Member of the Board of Fagus Multimanager Sicav. He is a member of ALFI and ILA. He has also served as Managing Director, Client Executive for Investment Managers, Insurances, Foundations, Pension Funds in Continental Europe (2003-2007) at BNY Mellon, while he was a member of the board of directors of Crediinvest Sicav Luxembourg, Investcredit Sicav Luxembourg and of Goldman Sachs Structured Investments Sicav Luxembourg. He has also served at IMI Group (1993-2003), now known as IntesaSanPaolo Group; with IMI Bank (Lux) S.A. Luxembourg (2002-2003) as General Manager, while during the year 2003 he served as Member of the Securities Market Commission of the ABBL as principal delegate of the Italian Banks' Association in Luxembourg; from 2000 to 2002 he served as Director of the Investment Banking division in IMI Bank (Lux) S.A. Luxembourg, and from 1998 to 2000 as Head of Treasury at Banca IMI s.p.a. Milan, while he was also a Member of the Italian Banks Treasurers' Committee at the Bank of Italy under the supervision of the European Central Bank; from 1993 to 1998 he served at IMI Bank (Lux) S.A. Luxembourg as Head of Treasury and from 1991 to 1993 as Senior Dealer, proprietary trader at Banca Nazionale del Lavoro in Rome. Mr. Montagna passed all examinations during his three years of study of Economics and Law at the University of Pavia, Italy, Faculty of Economics (1982-1985), he specialised in Swaps valuation, hedging and trading strategies at ICMB Geneva in 1994.

Daniel Marx. Mr. Marx is the Executive Director of Quantum Finanzas, a financial advisory firm based in Buenos Aires. Mr. Marx has an extensive track record in both the private and public sectors, where he held executive positions. He was Board Member of the Central Bank of Argentina from 1986 to 1988 and Secretary of Finance of the Argentine Ministry of Economy from 2000 to 2001 and Chief Debt Negotiator from 1988 to 2003 in charge of the design and execution of sovereign debt restructuring, financing program and relationship with international financial institutions and private banks. He also advised on the initial public offerings by several major Argentine companies and served on the boards of directors of various companies. He holds a degree in Economics from the University of Buenos Aires.

Our Senior Management

Senior Management

Our senior management oversees our day-to-day operations to ensure that our overall strategic objectives are implemented and reports to our board of directors.

The following table sets forth certain relevant information about our officers and senior management:

Name	Date of Birth	Position	First Appointment
Martín Francisco Antranik Eurnekian	November 28, 1978	Chief Executive Officer	September 14, 2017
Raúl Guillermo Francos	July 1, 1947	Chief Financial Officer	September 14, 2017
Raúl Galante	July 24, 1960	Head of Accounting and Tax	September 14, 2017
Jorge Arruda	April 9, 1968	Head of Finance and M&A	September 14, 2017
Roberto Naldi	February 17, 1953	Head of European Business Development	September 14, 2017
Andrés Zenarruza	July 22, 1976	Head of Legal	September 14, 2017
Eugenio Perissé	March 2, 1959	Head of Business Development	September 14, 2017

On March 16, 2021 the Company announced that Mr. Jorge Arruda has been appointed to the position of Chief Financial Officer of CAAP effective May 1, 2021, succeeding Mr. Raúl Francos in this position.

Set forth below is a summary of the business experience of our senior management, except for the members of our senior management who are also directors, whose business experience is set forth above.

Raúl Guillermo Francos. Mr. Francos is our Chief Financial Officer, and has also served on AA2000's board of directors since 2013 and as AA2000's Chief Financial Officer since 2003 and until 2018. Prior to joining AA2000, he served as executive director of Interbaires. He also served for 11 years in different roles in the health insurance sector, including as planning manager and deputy general manager at HSBC Salud S.A., executive vice-chairman at OSDO and as plant engineer, plant manager, production manager and manager of business units at Grupo Ferrum Consortium. Mr. Francos has an industrial engineering degree from the Technological Institute of Buenos Aires (*Instituto Tecnológico de Buenos Aires*) and a Master in Business Administration from the Institute of Business Studies of Austral University (*Instituto de Estudios Empresariales de la Universidad Austral*). He will serve as CFO of the Company until April 30, 2021.

Raúl Galante. Mr. Galante is our Head of Accounting and Tax, and he has also served as Chief Financial Officer for CAISA and Puerta del Sur, since 2008 to 2013, respectively. He also serves as director of Puerta del Sur, TAGSA, and as member of the board of ICASGA and ICAB; he also served as vice president of the board of directors of CAISA. Mr. Galante has 12 years of experience in the airport industry, and his prior experience includes serving as CFO for companies of the EXXEL Group from 1998 to 2003 and as CFO of Malteria Uruguay from 1992 to 1998. Mr. Galante has a Public Accountant degree from the Universidad de la República, Montevideo, Uruguay.

Jorge Arruda. Mr. Arruda is our Head of Finance and M&A. He joined CAAP in 2014 and currently serves as Head of Finance and M&A and CEO of Inframerica Brazil. Mr. Arruda has more than 20 years of investment banking experience, most recently serving as CEO and Head of Investment Banking at Nomura Securities Brazil. Mr. Arruda has been appointed as the Company's CFO effective as from May 1, 2021.

Roberto Naldi. Mr. Naldi is our Head of European Business Development. He serves as the President of Corporación America Italia S.p.A. and is a member of the Board of Directors of the Florence Airport and Pisa Airport. Previously, he held several roles as Senior Advisor and Member of the Board across CAAP airports. Mr. Naldi holds a degree in Civil Engineering from University of Florence, Italy.

Andrés Zenarruza. Mr. Zenarruza is our Head of Legal. Prior to joining us, Mr. Zenarruza practiced law in the legal department of the Corporate and Investment Bank of Citi in Argentina and as an associate at Baker and McKenzie's Buenos Aires office. He received his law degree from the University of Buenos Aires (UBA) and a Master of Laws from the University of Cambridge in 2002. Mr. Zenarruza is a British Chevening Scholar and a Cambridge Overseas Trust Scholar.

Eugenio Perissé. Mr. Perissé is our Head of Business Development. Mr. Perissé has over 30 years of experience in airport planning, project coordination and on-site construction management. Mr. Perissé has an Architectural degree from Buenos Aires University.

B. COMPENSATION

The compensation of our directors is reviewed and approved on an annual basis at our ordinary general shareholders' meeting. In 2020, the total compensation paid by us to our directors and senior management was U.S.\$3.2 million. In 2019, our Board of Directors approved the compensation plan applicable to CAAP's directors, which was ratified in May 2020

Management Compensation Plan

On August 20, 2020, our board of directors adopted the Management Compensation Plan ("Management Plan"), which we refer to as the Management Plan in this annual report. The purpose of the Management Plan is to permit executives and key employees of either the Company, or any of its subsidiaries or certain eligible affiliates acting as employers who are eligible to receive an annual incentive compensation consisting either of (i) a certain number of shares in the share capital of the Company or of (ii) contractual rights (not documented by a certificate or otherwise) to receive, at a certain point in time, a certain number of Shares, thereby encouraging the employees to focus on the long term growth and profitability of the Company.

The maximum number of shares allocable under the Management Plan is 2% of the total outstanding shares of the Company at all times during the validity of the Management Plan. The shares to be allocated may be (i) issued via the authorized but unissued share capital of the Company or (ii) transferred either (a) from shares repurchased by the Company and held in the treasury (*actions de trésorerie*) or (b) shares purchased directly on the open market or otherwise.

The rights granted under the Management Plan are subject to the following terms and conditions and to such additional terms and conditions, not inconsistent with the terms of the Management Plan, as the Committee shall deem desirable at its sole discretion: provided however, that, except as otherwise agreed hereunder, changes adversely affecting the rights of an employee (at least the ones not in his/her favor) to receive rights need to be consented to by such employee:

- Consideration. Each right shall give the right to receive 1 (one) share or its equivalent in cash, as defined above, and shall be granted in lieu of the employees' payout or in lieu of other incentive compensation (being a portion of them or representing their entirety) as determined by the Committee at its sole discretion. The Committee shall determine the number of rights or the manner of determining the number of rights available to be granted, subject to the total number of rights available under the Management Plan for such year, and the amount or the method of determining the consideration to be given by each employee, taking into consideration appropriate factors in making such determinations, such as interest rates, volatility of the market price of the shares issued in the share capital of the Company and the term of the restriction affecting the disposal of the rights granted (if any).
- Vesting. Standard vesting period shall be three years. The Committee will determine when the rights shall become disposable in full. The Committee will further determine whether such rights upon vesting and becoming exercisable shall be payable by the Company -at their respective date of vesting- either by payment in shares or by payment in cash or a combination of them, as determined by the Committee in its sole discretion.
- Time for Exercise:
 - o Death, total disability (as determined by the public social security body the employee is subject to), or normal retirement of employee: if the employment contract of the employee with the Company is terminated by reason of the employee's death, total disability, or normal retirement, the rights shall become disposable in full on the termination date.
 - o Termination at the initiative of the employee: if the employment contract of the employee with the Company is terminated at the initiative of the employee before his/her rights become exercisable/are exercised for any reason, the rights granted to him/her under the Management Plan shall be forfeited.
 - o Termination at the initiative of the Company without Cause: if the employment contract of the employee with the Company is terminated at the initiative of the Company without Cause before his/her rights become exercisable/are exercised for any reason, the rights shall become disposable in full on the employee's termination date.
 - o Termination at the initiative of the Company with Cause: if the employment contract of the employee is terminated at the initiative of the Company for Cause (including without limitation due to an Act of Misconduct, bad performance, violation of the Company's rules or the terms of the statutory documentation, etc.) before his/her rights become exercisable/are exercised for any reason, the rights granted to him/her under the Management Plan shall be forfeited.
 - o Delisting. In the event that the shares are delisted from the New York Stock Exchange, then on and after the delisting date, the Company reserves the right to (a) cancel any outstanding rights, unless the Committee determines otherwise in its sole discretion, and (b) repurchase any shares previously allocated to any employee, at the closing price of the shares on the trading day immediately preceding the delisting date, or otherwise at the price agreed by the Committee with such employee.

C. BOARD PRACTICES

Companies listed on the NYSE must comply with certain corporate governance standards provided under Section 303A of the NYSE Listed Company Manual. NYSE listed companies that are foreign private issuers are permitted to follow home-country practices in lieu of Section 303A, except that such companies are required to comply with Sections 303A.06, 303A.11 and 303A.12(b) and (c) of the NYSE Listed Company Manual. Under Section 303A.06, foreign private issuers must have an audit committee that meets the independence requirements of Rule 10A-3 under the Exchange Act. Under Section 303A.11, such companies must disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listing standards. Finally, under Section 303A.12(b) and (c), such companies must promptly notify the NYSE in writing after becoming aware of any non-compliance with any applicable provisions of this Section 303A and must annually make a written affirmation to the NYSE.

Board Committees

Our articles of association provide that the board of directors may establish committees, such as an audit committee, a compensation committee and a nomination committee, among others. The composition of any of these committees and any powers delegated thereto shall be determined by the board of directors.

Corporate Governance Code, Code of Conduct and Code of Ethics for Senior Financial Officers

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

The Audit Committee currently consists of the following three directors: Valérie Pechon (President), David Arendt (Financial Expert) and Carlo Montagna (Member). Each member of the Audit Committee is required to meet the requirements of independence, experience and financial experience set forth in the listing standards of the NYSE and the requirements of Rule 10A-3 under the Exchange Act. David Arendt, member of our Audit Committee is a “financial expert” within the meaning of SEC rules and regulations. 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 currently consists of four members: our Chief Executive Officer, our Chief Financial Officer, our Head of Accounting and Tax and our Head of Legal, as permanent members. The Executive Committee is composed of Martín Francisco Antranik Eurnekian, Raúl Guillermo Francos, Raúl Galante and Andrés Zenarruza. Our Chief Executive Officer (Martín Francisco Antranik Eurnekian) is the president of the 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 is currently comprised of Martín Francisco Antranik Eurnekian, Eugenio Perissé, Roberto Naldi, Raúl Galante and Jorge Arruda. The Acquisitions and Business Development Committee is chaired by our Chief Executive Officer (Martín Francisco Antranik Eurnekian). 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, Martín Francisco Antranik Eurnekian, our Chief Financial Officer, Raúl Guillermo Francos, our Head of Legal, Andrés Zenarruza and our Investor Relations Manager, Gimena Albanesi. 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, Martín Francisco Antranik Eurnekian, the Chairman of the Board of Directors, Máximo Bomchil, and the Independent Director, Mrs. Valerie Pechon. This Committee oversees and reviews the specific awards to be granted, based on the proposal to be submitted by the plan administrator.

D. 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.

We have unionized employees in all of the jurisdictions in which we operate. As of December 31, 2020, 2019 and 2018, 66.1%, 65.2% and 66.7%, respectively, of our employees in Argentina were represented by two unions: (a) *Union de Personal Civil de la Nación*, and (b) *Asociación de Personal Aeronáutico*. The relationship between the unions and these employees is mainly governed by a collective bargaining agreement (CBA Nbr. 1,254/2011 “E”) between us and the unions, dated November 26, 2016. We negotiate this collective bargaining agreement, and the other labor agreement to which we are a party, on an annual basis. We have not experienced any significant labor conflicts during the last two years. We maintain a successful working relationship with each union’s delegates and representatives. See “Risk Factors—Risks Related to Our Business and Industry—The majority of our workforce is unionized and we may be subject to organized labor action, including work stoppages and litigation.”

In addition, as of December 31, 2020, 2019 and 2018, 423, 431 and 383, respectively, of our employees in Italy (approximately 51.3%, 49.4% and 50.2%, respectively) are represented by transportation trade unions. In Italy, there are two levels of collective bargaining: the national employment contract, which every company is bound to apply, and the collective corporate contract.

As of December 31, 2020, 147 of our employees in Brazil (approximately 16%) are represented by the National Union of Airport Employees (*Sindicato Nacional do Aeroportuarios*). We have not experienced any significant collective conflicts during the last two years. We maintain a successful working relationship with each union’s delegates and representatives in Brazil.

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

	Number of Employees		
	2020	2019	2018
Operations and infrastructure	5,201	5,591	5,356
Administration	621	707	703
Total	5,822	6,299	6,059

E. SHARE OWNERSHIP

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

ITEM 7. MAJOR SHAREHOLDERS AND RELATED-PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our shares as of April 1, 2021:

- each shareholder, or group of affiliated shareholders, who we know beneficially owns more than 5% of our outstanding shares;
- each of our directors and executive officers individually; and
- all directors and executive officers as a group.

As of April 1, 2021, we had 163,222,707 issued and outstanding common shares of which 2,610,445 are held as treasury shares. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting and/or investment power. Shares subject to options and warrants currently exercisable or exercisable within 60 days are deemed outstanding for computing the percentage ownership of the person holding the options but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated, we believe the beneficial owners of the shares listed below, based on information furnished by them, have sole voting and investment power with respect to the number of shares listed opposite their names. The address of each beneficial owner is 6 Rue Eugene Ruppert, 2453 Luxembourg.

	Common shares Beneficially Owned as of April 1, 2021	
	Common Shares	
	Number	%
A.C.I. Airports S.à r.l	131,450,833	80.5%
Our executive officers and directors:		
Martin Francisco Antranik Eurnekian	0	0%
Máximo Bomchil	0	0%
Roderick H. McGeoch	0	0%
David Arendt	0	0%
Valerie Pechon	0	0%
Carlo Alberto Montagna	0	0%
Daniel Marx	0	0%
Raúl Guillermo Francos	0	0%
Raúl Galante	0	0%
Jorge Arruda	0	0%
Roberto Naldi	0	0%
Andres Zenarruza	0	0%
Eugenio Perissé	0	0%
All executive officers and directors as a group:	0	0%

ACI Airports S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated in Luxembourg, is 100% controlled by ACI Holding.

ACI Holding is a holding company that is 100.0% controlled by CAI, which is 100% controlled by Liska.

Liska is controlled by SCF, which manages assets for the benefit of the foundation's beneficiaries. The potential beneficiaries of this foundation are certain members of the Eurnekian family as well as religious, charitable and educational institutions designated by the foundation's board of directors. The board of directors of the foundation is currently composed of five individuals and decisions are taken by majority vote. The board of directors has broad authority to manage the affairs of the foundation and to designate its beneficiaries and additional board members.

B. RELATED-PARTY TRANSACTIONS

We have engaged in, and we expect that we will continue to engage in, transactions with related parties, including, without limitation, the transactions described below. We believe the terms and conditions of these arrangements are generally equivalent to those which we could obtain from an unaffiliated third party, to the extent there are third parties which could provide comparable goods or services. For more information regarding our relationships and transactions with related parties, see Note 27 to our Audited Consolidated Financial Statements included elsewhere in this annual report.

Proden S.A.

Proden S.A., one of our affiliates, is a *sociedad anónima* organized under the laws of Argentina (“Proden”) that is currently directly controlled by members of the Eurnekian family. Proden provides technology outsourcing services to our following subsidiaries: Puerta del Sur, CAISA, TCU, TAGSA, AIA, and AA2000. Proden also leases to AA2000 the building where AA2000 has its principal office. Pursuant to this lease agreement entered into on March 1, 2008, as recently amended, AA2000 pays Proden a monthly rental fee of U.S.\$224,985. During the years ended December 31, 2020, 2019 and 2018, we paid Proden U.S.\$2.8 million, U.S.\$4.4 million and U.S.\$3.3 million, respectively, in connection with the services provided to all of our subsidiaries and with the lease agreement.

Servicios Integrales América S.A.

Servicios Integrales América S.A., one of our affiliates, is a corporation (*sociedad anónima*) organized under the laws of Argentina (“SIASA”). SIASA is currently controlled by Casa Ventas S.A., which in turn is indirectly controlled by SCF. SIASA provides compliance, legal, accounting, investor relations and business development services to CAAP and technology outsourcing services to our following subsidiaries: AA2000, AIA, Puerta del Sur, CAISA, TCU, TAGSA, CASA, CAS Panamá, Corporación Aeroportuaria S.A and CASE. During the year ended December 31, 2020 and 2019, we paid SIASA U.S.\$3.0 and U.S.\$3.6 million, respectively, corresponding to these services rendered to all the aforementioned subsidiaries.

Helpport S.A.

Helpport S.A., one of our affiliates, is a *sociedad anónima* organized under the laws of Argentina (“Helpport”). Helpport is currently controlled by Corporación Constructora S.A., which in turn is indirectly controlled by SCF. Helpport provides AA2000 with a broad range of construction services. During the years ended December 31, 2020, 2019 and 2018, AA2000 paid Helpport U.S.\$2.6 million, U.S.\$9.4 million and U.S.\$16.4 million, respectively. As of December 31, 2020, 2019 and 2018, AA2000 owed Helpport U.S.\$1.0 million, U.S.\$1.9 million and U.S.\$2.7 million, respectively.

Financing Agreements

Other Financial Agreements

As of December 31, 2020, 2019 and 2018 related parties owed CAAP and its subsidiaries U.S.\$6.9 million, U.S.\$7.1 million and U.S.\$10.7 million, respectively, under other related party financing agreements. For the years ended December 31, 2020, 2019 and 2018, we had accrued interest income of U.S.\$0.2 million, U.S.\$0.1 million and U.S.\$0.2 million, respectively, in respect of such related party financing agreements.

Other Transactions with Related-Parties

ECOGAL Management Support Agreement—Galapagos Airport

Between April 15, 2011 and December 31, 2019, ECOGAL, one of our associates, entered into a management support agreement with CASE, one of our subsidiaries. Pursuant to this management support agreement, CASE collected the fees of ECOGAL under the Galapagos Concession Agreement. Under this Agreement, ECOGAL paid CASE a fee equal to 5% of ECOGAL’s total annual revenue, excluding VAT. From January 1, 2020, ECOGAL signed a new management support agreement with Cedecor S.A. Sucursal Ecuador under the same conditions of the previous agreement. During the years ended December 31, 2020, ECOGAL accrued, but has not yet paid, with CASE an amount of U.S.\$0.14 million and with Cedecor an amount of U.S.\$0.04 million. As of December 31, 2020, 2019 and 2018, ECOGAL owed CASE U.S.\$1.3 million, U.S.\$1.2 million and U.S.\$1.2 million, respectively. As of December 31, 2020, ECOGAL owed Cedecor Sucursal Ecuador U.S.\$0.04 million.

Know How, Technical and Operational Assistance and Management Agreement—Armenia Airports

On January 1, 2014, AIA and IAM, one of our affiliates, entered into a Know How, Technical and Operational Assistance and Management Agreement which was later amended in April 2014.

Pursuant to this agreement, IAM provides AIA management services, as well as know-how, technical and operational assistance in connection with the development of national and international air traffic of passengers, freight and mail, the analysis of operations, ground handling and maintenance activities and budgets, and assistance concerning financial planning and access to financial resources, among other things. AIA pays IAM a fee equal to 5% of the aeronautical revenue of the airport, payable within 30 days of the end of each calendar month. During the years ended December 31, 2020, 2019 and 2018, AIA paid IAM an amount of U.S.\$1.1 million, U.S.\$2.9 million and U.S.\$2.7 million, respectively, in respect of such services. As of December 31, 2020, 2019 and 2018, AIA owed IAM U.S.\$0.1 million, U.S.\$0.2 million and U.S.\$0.2 million, respectively.

Cash and Equivalents

As of December 31, 2020, 2019 and 2018, CAAP and its subsidiaries maintain cash and cash equivalents deposited in Converse Bank for U.S.\$11.8 million, U.S.\$15.3 million and U.S.\$10.0 million, respectively.

Term deposits

As of December 31, 2020, 2019 and 2018, AIA maintained term deposits in Converse Bank for U.S.\$9.9 million, U.S.\$10.0 million and U.S.\$10.1 million, respectively.

Other Services Agreements

Within the ordinary operation of our airports, we entered into several related-party agreements in addition to the ones described above. During year ended December 31, 2020 and 2019, related parties rendered services to us in an amount of U.S.\$8.6 million and U.S.\$4.3 million, respectively, and during year ended December 31, 2018 we rendered services to related parties in an amount of U.S.\$1.3 million, corresponding to the services provided by all of our subsidiaries. Overall, as of December 31, 2020, we owed U.S.\$0.7 million, and as of December 31, 2019 and 2018, we were owed U.S.\$1.8 million and U.S.\$5.3 million, respectively, for related-party transactions.

Registration Rights and Indemnification Agreement

We have entered into a registration rights and indemnification agreement with our Majority Shareholder. This agreement provides to the Majority Shareholder and its affiliate transferees up to five “demand” registrations for the sale of our common shares. Additionally, the agreement provides the Majority Shareholder and its affiliate transferees customary “piggyback” registration rights. The registration rights and indemnification agreement also provides that we will pay certain expenses relating to such registrations and indemnify the Majority Shareholder and its affiliate transferees against certain liabilities which may arise under the Securities Act.

Pursuant to such registration rights and indemnification agreement, we agree to indemnify the Majority Shareholder for the pro rata portion of any losses, claims, damages, liabilities, joint or several, and expenses arising out of or based upon certain letters of guarantee provided by the Majority Shareholder under certain credit facilities provided by the BNDES and Banco Citibank to ICAB, in each case, as determined by a final non-appealable judgment of a court of competent jurisdiction (see “Indebtedness—Brazil—ICAB”). The pro rata portion of such liabilities equals the aggregate amount of such losses, claims, damages and liabilities multiplied by the aggregate percentage of our capital stock (on a fully-diluted basis) which is not otherwise held by the Majority Shareholder and any of its affiliates.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

The Company's Audited Consolidated Financial Statements are included in Item 18.

Legal Proceedings

We are involved in certain legal proceedings from time to time that are incidental to the normal conduct of our business. The material proceedings are described below.

Argentine Proceedings

Environmental Proceedings

We, our sub concessionaires and our aeronautical customers are subject to various environmental laws, regulations and authorizations governing, among other things, the generation, use, transportation, management and disposal of hazardous materials, the emission and discharge of hazardous materials into the ground, air or water, and human health and safety. We have incurred and expect to continue to incur in compliance costs relating to such requirements. In addition, we could be held responsible for contamination, human exposure to hazardous materials or other environmental damage at our airports or otherwise related to our operations, even if we were not at fault or if such matters were caused by a sub concessionaire, an aeronautical customer or other third party. Following the expiration or termination of our concession agreements, we could still be held liable for environmental damages that arise after such expiration, but which were caused while we were the concessionaire. Environmental claims have been asserted against us, and additional such claims may be asserted against us in the future.

Pursuant to the Final Memorandum of Agreement entered into with the Argentine Government, dated April 3, 2007, we are required to assess and remediate environmental damage at our airports in Argentina. In accordance with section 22 of the Argentine Environmental Policies Law No. 25,675, we carry environmental insurance for Ezeiza Airport and Aeroparque Airports, which covers the cost of repairing environmental damages. We are not required to have environmental insurance for the rest of our airports in Argentina. However, in connection with any enlargements or remodeling projects undertaken at our airports, we may be required to prepare assessments of the projects' potential environmental impacts.

In August 2005, a civil action was brought by Asociación de Superficiares de la Patagonia, a non-governmental organization, against Shell Oil Company for alleged environmental damages caused by an oil spill at Ezeiza Airport and, in September 2006, AA2000 was called to intervene as a third party at the request of the plaintiff. The lawsuit alleges that AA2000 is jointly liable with Shell Oil Company due to the fact that AA2000 manages the real property at which the environmental damages occurred. AA2000 has asserted that Shell Oil Company is solely responsible for any damages. We have not made any provisions in our financial statements to cover risks related to this proceeding. As of the date of this annual report, Shell Oil Company and ORSNA are currently jointly working in the damage remediation activities.

In August 2011, Asociación de Superficiares de la Patagonia brought a civil action against AA2000 in an Argentine administrative federal court in the City of Buenos Aires (Justicia Federal en lo Contencioso Administrativo de la Capital Federal), under the General Environmental Law No. 25,675, requesting compensation for environmental damage caused in all of the airports under the AA2000 Concession Agreement. The administrative federal court appointed the Argentine University of the city of La Plata (*Universidad de La Plata*) to conduct research studies in connection with the required remediation works. In connection with this proceeding, Asociación de Superficiares de la Patagonia obtained an injunction for compensation for environmental damages. In order to guarantee the injunction, an insurance policy was filed by AA2000 for an amount equal to AR\$97.4 million.

The amounts to be paid in connection with the remediation works will be considered investments under the AA2000 Concession Agreement.

Tax Proceedings Related to Technical Assistance Agreements

During 2013 and 2014, the Argentine Federal Administration of Public Income initiated three different tax assessment proceedings against AA2000. Two of the tax assessment proceedings were initiated against AA2000 with respect to income tax deductions in respect of services rendered by third parties.

The total amount claimed under these two proceedings was AR\$15.0 million. On November 30, 2015, AA2000 agreed to pay the amounts claimed for these deductions, plus interest, through a facility payment regime set forth by General Resolution No. 3806. Pursuant to this regime, AA2000 must pay AR\$18.4 million in 36 consecutive monthly installments. As of the date of this annual report, AA2000 has paid all of the monthly installments due to date under this facility. In connection with these two claims, the National Tax Court regulated attorney's fees for AR\$613,458. AA2000 appealed the decision before the National Chamber of Appeals who then confirmed the amount. In March 2018, AA2000 paid these fees in full.

The third and most significant tax assessment procedure was for AR\$363.0 million with respect to income tax undocumented exemptions payments (pursuant to Section 37 of the Argentine Income Tax Code). The Argentine Federal Administration of Public Income considered that certain management and administrative services provided by Corporación América Sudamericana S.A. ("CAS"), one of its shareholders, were not actually rendered to AA2000. On August 3, 2016, AA2000 appealed the ruling of this assessment proceeding to the Argentine National Tax Court.

Although we believe that we had strong arguments to prove that the management and administrative services were in fact rendered to AA2000 by CAS, on February 21, 2017, AA2000 agreed to comply with the extraordinary regime of regularization of tax obligations set forth by Law No. 27,260 published in the Argentine Official Gazette on July 22, 2016. The amount that AA2000 must pay under such extraordinary regime is AR\$166.3 million plus interest, in 60 consecutive monthly installments starting in March, 2017. AA2000 has paid all of the monthly installments due to date.

The National Tax Court regulated attorney fees for approximately AR\$4.0 million. On September 18, 2018, AA2000 appealed the decision before the National Chamber of Appeal, upon which, on April 30, 2019, the Chamber reduced the attorney's fee to approximately AR\$1.2 million.

On May 11, 2019, AA2000 subscribed a plan to pay the attorney's fees in 12 (twelve) monthly and consecutive installments which were fully paid in April 2020. This extraordinary regime provided important benefits such as the suspension of the ongoing tax proceedings, the termination of the actions to prosecute such tax claims (*extinción de la acción penal tributaria*), forgiveness of fines and other penalties and reduction of interest. Although permitted by law, AA2000 did not include the amounts due under the first facility payment regime under this extraordinary regime.

In addition, in 2013, a separate criminal proceeding was initiated by a third party against two former directors of AA2000 based on the same facts as this third assessment proceeding mentioned above. The Court of first instance dismissed the claim and the prosecutor appealed the ruling. The Court of Appeals reversed the prior ruling based on the lack of evidence obtained in the original proceeding and ordered the Court of first instance to expand the fraud investigation to determine the possible connection with the assessment proceeding mentioned above. After further investigation, the Court of first instance ratified the dismissal against AA2000, which the prosecutor subsequently appealed. The Court of Appeals once again revoked the dismissal and, based on the connection of both proceedings, ordered the consolidation of the fraud and the tax assessments investigations into one proceeding. Since then, the Court of first instance on economic and criminal matters No. 11 is the intervening court for the above-mentioned proceedings, which continued as a unified criminal matter on income taxes and income tax on undocumented exemptions (pursuant to Section 37 of the Argentine Income Tax Code).

Because AA2000 agreed to pay the amounts claimed in all three tax assessment proceedings, AA2000 filed a request to suspend the ongoing criminal tax proceeding pursuant to Argentine law, which has not yet been granted by the Court. On August 25, 2017, the prosecutor challenged the request made by AA2000 to suspend the criminal proceeding, arguing that although AA2000 complied with the extraordinary regime for the services rendered by CAS, AA2000 failed to include under this extraordinary regime the services rendered by third parties. We believe that once all the installments under the extraordinary regime are fully paid, the action to prosecute tax claims based on these facts will be fully extinguished.

On December 27, 2018, the Court ordered: to (a) override the defendants' present cause related to the alleged evasion of the payment of the Tax on the Profits for Undocumented Outputs corresponding to the 2006 and 2007 annual fiscal years and the Income Tax corresponding to the 2008 annual exercise of AA2000, with the scope provided for by articles 54 of Law No. 27,260 and 336 paragraph 1 of the CPPN, (b) suspend the criminal action initiated for evasion of the payment of the Income Tax and the Income Tax for Undocumented Exits corresponding to the 2009 annual exercise of AA2000, with the scope provided by art. 54 of law No. 27.260.

In December 2020, the Court decided to return the proceeding to the first instance court in order to apply the regime foreseen under Law No. 27,562 for the 2006, 2007 and 2008 periods. The judge of first instance has now to decide whether this regime is indeed applicable or, where appropriate, to analyze the origin of other proposals made by the defense to achieve the dismissal.

Regarding the periods 2009 to 2012, the Court confirmed that the criminal action continues to be suspended until all the installments under the payment plan committed by AA2000 are paid.

Administrative Proceedings

Lawsuit against ORSNA

On September 9, 2019, the ORSNA issued Resolution No. 75/19 pursuant to which the revision of the economic-financial equation under the AA2000 Concession Agreement for the year 2016 was approved, without any rate adjustment.

On October 21, 2019, the ORSNA issued Resolutions No. 92/19 and 93/19, by which the revision of the economic-financial equation under the AA2000 Concession Agreement for the year 2017 was approved and a new tariff schedule, increasing the international aerostation usage fee (*Tasa de Uso de Aeroestación Internacional*) from U.S.\$49 to U.S.\$51 and the domestic aerostation usage fee (*Tasa de Uso de Aeroestación de Cabotaje*) from AR\$74.33 to AR\$195, was implemented.

In AA2000's shareholders' meeting held on July 25, 2019, it was resolved, among other things, that profits earned for the year ended December 31, 2018 were to be allocated as follows: (i) AR\$62,651,480 for the legal reserve, (ii) AR\$118,276,769 for the distribution of dividends corresponding to the preferred shares of the Argentine Government, payable in 118,276,769 preferred shares of one Argentine peso (AR\$1) nominal value each; (iii) U.S.\$50,000,000 or its equivalent in Argentine pesos (which to the date of the meeting amounted to AR\$2,143,500,000) for the distribution of dividends in cash among the shareholders holding shares of classes A, B, C and D, in accordance with their corresponding shareholdings, and (iv) the remainder, that is AR\$4,949,288,026, for the optional reserve so as to carry out future construction projects.

As a result of the above, it was resolved: (i) to issue 118,276,769 preferred shares of a nominal value of one Argentine peso each and with the same issuance conditions of the preferred shares issued in favor of the National Government in the extraordinary and special general meeting of shareholders classes A, B and C dated March 6, 2008, (ii) to increase the corporate capital by AR\$118,276,769, from AR\$887,769,939 to AR\$1,006,046,708, by means of the issuance of 118,276,769 preferred shares at a AR\$1 nominal value each, with no voting rights, and (iii) that the Argentine Government should subscribe all of its preferred shares.

The criterion applied to calculate the dividends corresponding to the preferred shares was the value adjusted for inflation, as suggested by the Argentine Government. Although CASA, shareholder of AA2000, voted in favor of the criterion suggested by the Argentine Government, requested to the board of directors to file a claim with the ORSNA requesting that said increase in the number of preferred shares was considered for purposes of determining the economic-financial equation of the AA2000 Concession Agreement and to properly adjust the Financial Projections of Income and Expenses approved for the years 2016 and 2017, through Resolutions No. 75/19, 92/19 and 93/19. In the event that the increased number of preferred shares, as adjusted for inflation, was not considered by ORSNA for the purpose of determining the remunerated basis of the economic-financial equation, CASA reserved its right to reconsider the criterion of the adjusted value for both the payment of interests and the future, as well as to take proceedings before Court in order to claim for its rights and for damage compensation. Such reservation of rights was made by CASA in accordance with the review procedure of the Financial Projection of Income and Expenses set forth in the AA2000 Concession Agreement. The claim was filed before the National Court of First Instance No. 9 for Administrative Disputes.

We understand that the referred resolutions, as well as the “criterion of adjusted value” for the distribution of dividends in preferred shares, contain errors that prevent the balance of the financial economic equation, and therefore, they were challenged before the National Court of First Instance No. 9 for Administrative Disputes.

On December 29, 2020, Decree No. 1009/20, which formalized the extension of the AA2000 Concession Agreement, was issued, and consequently the judicial proceeding was finalized.

Conflicts with Aerolíneas Argentinas

Aerolíneas Argentinas is currently AA2000’s main customer, and as of the date of this annual report, it records an outstanding debt of AR\$308 million and U.S.\$49 million. The singularity of Aerolíneas Argentinas lies in its status as state-owned company, which is in turn the grantor of AA2000 Concession Agreement.

Claims have been made before ORSNA as well as a formal presentation before the Ministry of Transportation, requesting mechanisms to resolve the situation through different alternatives.

In February 2021, AA2000 and Aerolíneas Argentinas reached an agreement with respect to the outstanding debt due by Aerolíneas Argentinas as of March 31, 2020, which amounted to approximately AR\$120.5 million and U.S.\$36.5 million. The outstanding debt due after March 31, 2020 and as of the date of this annual report has not yet been agreed. The total amount due remains outstanding.

Civil Proceedings

On October 26, 2018, Aeropuertos del Neuquén S.A. (“ANSA”) was served with a complaint from a supplier alleging ANSA’s breach of contract for the financing of the construction of a hangar, by such supplier, at the airport of Neuquén. The complaint was answered on November 21, 2018. On December 4, 2018, the first instance court ordered a seizure on the ANSA’s accounts for the amount of approximately U.S.\$0.5 million. The seizure was replaced by an insurance policy. On December 3, 2019, the evidence stage started which, as of the date of this annual report, is still ongoing. The total amount of the claim currently arises to U.S.\$4.7 million.

Brazilian Proceedings

ICAB

Administrative Proceedings before the Brazilian ANAC

ICAB filed claims before the Brazilian ANAC on December 29, 2015, in the total amount of R\$758.6 million.

The claims were, requesting the economic re-equilibrium of the Brasilia Concession Agreement based on, among other matters, additional construction works required to complete the terminals and the runway that were not provided for in the Brasilia Airport Concession Agreement, and the negative impact of the new rules and regulations enacted by the Brazilian Ministry of Health, which reduced ICAB's revenues in connection with the use of the cargo terminal. In addition, on June 29, 2017, ICAB filed new claims with the Brazilian ANAC in the amount of R\$196.8 million requesting the economic re-equilibrium of ICAB's concession agreement based on (among other matters) the loss of revenues as a result of modifications to the rules and regulations affecting the air traffic system at the Brasilia Airport.

Regarding the claim vis-à-vis the changes made in cargo tariffs (TECA-TECA) which had original value of R\$21.8 million, in August 2018 ANAC's Collegiate agreed to our request and ICAB was granted an amount of R\$9.5 million to be deducted from future fixed concession fees (loss of R\$12.3 million, included under the denied claims). The remaining R\$4.4 million in claims are under review by the Brazilian ANAC. Regarding the claim of reimbursement of expenses with security personnel requested by Brazilian ADUANA, ANAC's Collegiate agreed to our claim and on April 28, 2020, ICAB was granted an amount of R\$1.6 million to be deducted from future concession fees (loss of R\$2.8 million, included under the denied claims). There are no other claims pending under ANAC's jurisdiction.

As of June 30, 2019, claims in the amount of R\$944.3 million were denied by the Brazilian ANAC.

ICAB hired external consultants in order to evaluate the convenience to initiate an arbitration or judicial proceeding regarding the denied claims. After joint evaluation, ICAB agreed that it is not advisable to move forward with arbitral or judicial proceedings due to the high level of risks and costs involved.

On November 17, 2015, ICAB was notified by ANAC about the end of the administrative proceeding regarding a penalty for the breach of the provision 10.1 c/c – 10.8 D of Annex 2 of the Brasilia Concession Agreement for not submitting the Quality Services Plan ("PQS") within the provided deadline. According to ANAC's criteria, the PQS has to be submitted on an annual basis, before each June 24 and 30 days before the annual readjustment of tariffs. In 2013, ICAB did not follow such criteria since ICAB understood that the deadline was October 23, 2013. Considering the foregoing, ANAC imposed a fine to ICAB of R\$10.6 million. On March 9, 2016 ICAB brought this discussion to the judicial appreciation and on July 9, 2019, after several stages, the appeals court suspended the application of the fine until the matter is fully analyzed by such court.

On July 9, 2020, ICAB filed claims before the Brazilian ANAC in the total amount of R\$216.8 million, requesting the economic re-equilibrium under the Brasilia Concession Agreement based on the losses and cost incurred in connection with the COVID-19 pandemic. The amount is based on the loss of income and drastic reduction of revenues due to an unforeseeable circumstance. A re-equilibrium in the amount of R\$184.8 million was granted on November 25, 2020, which will be deducted from fixed concession fees.

Civil Proceedings

Inframérica identified three payments totaling approximately R\$858.0 million made during 2014 by ICAB, when Infravix was still an indirect shareholder of the Inframérica, to individuals or entities for which Inframérica was unable to clearly identify a proper purpose. On September 14, 2019, Receita Federal imposed Inframérica to pay the amount of R\$1.3 million in late taxes, claiming that these alleged payments were allegedly without cause or did not identify a beneficiary. ICAB is contesting the fine through an administrative procedure. The outcome of this procedure is still uncertain, but if the fine is confirmed, it could affect our operation results.

In December 2018, Avianca, an airline that operated at the Brasilia Airport and Natal Airport, filed a request for judicial recovery. On December 10, 2018, approximately R\$4.5 million in debts owed to ICASGA were authorized under the judicial recovery proceeding. Additionally, ICAB filed a debt judicial collection against Avianca for the amount of R\$7.2 million to recover the debt not included in the judicial recovery. On July 4, 2019, the Brazilian court judge granted ICAB the right to liquidate assets of Avianca located within the Brasilia Airport for a value equal to the total outstanding amount. On September 16, 2019, R\$900,000 were recollected through such liquidation process while the outstanding amount is currently under the expert assessment to determine the assets value.

During 2020, Tribunal de Contas da União (TCU) instructed INFRAERO (ICAB's shareholder) to conduct an audit on ICAB with respect to the contract Inframerica signed with Helvix (a joint venture between Helpport and Engevix) for the major remodeling on the Brasilia Airport between 2012-2014, pursuant to the terms of the Brasilia Concession Agreement. On September 9, 2020, INFRAERO informed ICAB about the audit results and although no evidence of excessive pricing was found, INFRAERO mentioned the potential existence of certain irregularities in connection with the fourth amendment to the agreement. On September 22, 2020, Inframerica filed a response alleging the inexistence of the referred irregularities. INFRAERO is currently reviewing the document and a final determination about the case is still pending. If confirmed, Inframerica may be subject to fines from R\$40 million to R\$150 million.

Tax Proceedings

On September, 2014, ICAB initiated a lawsuit that disputes the legality of the Property and Urban Territorial Tax (IPTU) collected by the Federal District. On October, 2014, the judge granted a provisional decision by suspending the tax collection, and on April, 2015, a further ruling found the collection as unfounded.

The Federal District initiated a new lawsuit, demanding the payment of R\$5 million on pending IPTU. On January 21, 2020, ICAB was notified about this new proceeding and on March of 2020, ICAB filed a response arguing that such tax cannot be collected by a local government over an airport that belongs to the Federal Government. Many airports in Brasil are facing the same discussion. This lawsuit is pending as of the date of this annual report.

ICASGA

On December 29, 2015, ICASGA filed claims in the total amount of R\$1.0 billion before the Brazilian ANAC requesting the economic re-equilibrium of ICASGA's concession agreement based on inconsistencies in the parameters related to the viability study prepared by the government Estudo de Viabilidade Técnica, Econômica e Ambiental (EVTEA) under the tender documents, inconsistencies related to the control tower and additional capital expenditures required to complete the airport that were not provided for in the concession agreement.

As of July 17, 2019, all claims totaling the amount of R\$1.0 billion were denied by the Brazilian ANAC.

ICASGA hired external consultants in order to evaluate the convenience to initiate an arbitration or judicial proceeding regarding the denied claims. After joint evaluation, ICASGA agreed that it is not advisable to move forward with arbitral or judicial proceedings due to the high level of risks and costs involved.

On June 25, 2019, ICASGA filed a new independent claim in the total amount of R\$12.1 million before the Brazilian ANAC requesting the economic re-equilibrium of ICASGA's concession agreement based on extraordinary expenditures on the renovation and correction of constructive mistakes of the airport landing strip (runway).

On July 9, 2020, ICASGA filed claims before the Brazilian ANAC in the total amount of R\$27.8 million, requesting the economic re-equilibrium under the Natal Concession Agreement based on the losses and costs incurred in connection with the COVID-19 pandemic. The amount is based on the loss of income and drastic reduction of revenues due to an unforeseeable circumstance. A re-equilibrium in the amount of R\$20.5 million was granted on November 25, 2020, which will be received through an increase of aeronautical tariffs.

On January 12, 2021, ANAC granted ICASGA economic re-equilibriums in the amount of R\$8.8 million in connection with the landing strip renovation, to be received through the increase of boarding fees in 2021.

Tax Proceedings

On November 1, 2017, ICASGA initiated a lawsuit before the Municipality of São Gonçalo do Amarante to contest the legality of the Property and Urban Territorial Tax ("IPTU") collected by the City of São Gonçalo do Amarante. On January 18, 2018, the judge granted a provisional decision by suspending the tax collection, and on August 27, 2019, a further ruling found the collection as unfounded. The Municipality appealed and obtained a provisional decision, which allowed for the collection of such the tax up to the amount of approximately R\$17.0 million. On December 11, 2019, ICASGA appealed said provisional decision, which was granted on May 27, 2020 and, consequently, the tax collection was suspended. On June 16, 2020 such appeal was denied. The tax collection remains suspended until trial by the State Court is completed.

On November 17, 2020, the State Court made its final decision and denied the Municipality's appeal. Therefore, the judgement dismissing the collection of the IPTU against ICASGA was confirmed. The Municipality can still file a final appeal before the Brazilian Supreme Court.

Peruvian Proceedings

Unilateral Termination of the Kuntur Wasi Concession

Agreement

In June 2014, Sociedad Aeroportuaria Kuntur Wasi S.A. ("Kuntur Wasi"), of which we are a 50% owner, was awarded the Kuntur Wasi Concession Agreement executed on July 4, 2014.

Through "Oficio No. 142-2017-MTC/01" dated July 13, 2017, the Peruvian Government, through the Ministry of Transportation and Communications, unilaterally terminated Kuntur Wasi's concession based on "public interest" reasons.

On July 18, 2017, Kuntur Wasi formally notified the Peruvian Government of its disagreement with the unilateral resolution because: (i) Kuntur Wasi had fulfilled all of its contractual commitments, (ii) there was no valid justification to unilaterally terminate the Kuntur Wasi Concession Agreement and (iii) if the unilateral termination were exercised, the Peruvian Government would be obliged to compensate all the damages suffered by Kuntur Wasi. Likewise, Kuntur Wasi notified the Peruvian Government of its decision to begin the direct treatment procedure to resolve the controversy in accordance with the provisions of section 16.5 of the Concession Agreement.

On September 11, 2017, CASA sent written notice to the Peruvian Government notifying of its non-compliance with certain obligations under the 1996 Bilateral Investment Agreement between Peru and Argentina for the promotion and protection of investments ("BIT") caused by the mentioned unilateral resolution, which (i) constitutes a dispute between us (as a shareholder of Kuntur Wasi and an investor in Peru) and the Peruvian Government under the BIT, and (ii) has caused damages to us.

On January 18, 2018, the Peruvian Government unilaterally terminated this treatment procedure without reaching an agreement. Pursuant to the Concession Agreement, negotiations should continue through an arbitration procedure.

On January 22, 2018, Kuntur Wasi answered such notification among others: (i) stating that the Concession Agreement was still in place pursuant to Section 15.8.7; (ii) listing the main contractual breaches incurred by the Government; and (iii) requiring the cure of such breaches, otherwise Kuntur Wasi could terminate the Concession Agreement.

After the 15-day term granted by Kuntur Wasi, the Government did not comply with its obligations and, therefore, Kuntur Wasi declared the termination of the Concession Agreement, as communicated to the Peruvian State on February 7, 2018.

On June 21, 2018, Kuntur Wasi filed the arbitration procedure request before CIADI, the competent authority, who answered the request assuming jurisdiction in Peru. On the same date, CASA also submitted to the CIADI a request for the arbitration procedure under the BIT framework. Both procedures before CIADI shall be carried out in a single docket.

The arbitral court was already appointed and CIADI issued the final procedure and timeframe to be followed by all the involved parties (definitions on language, presentations, translations, experts and witness hearings, among other matters).

As of the date of this annual report: (a) Kuntur Wasi and CASA filed their memorial (complaint and presentations of both parties are already done. Certain preliminary issues regarding the hearings are pending to be resolved by the Arbitration tribunal. Both parties have agreed to carry out the process under rules of confidentiality.

Ecuadorian Proceedings

Tax Proceedings

On October 12, 2020, Ecuadorian tax authority “Servicio de Rentas Internas” (“SRI”) determined through Act No. D28-A50ADBC20-00000040, that TAGSA had to pay an amount of up to approximately U.S.\$0.9 million with respect to withholdings income tax practices for the year 2017. Pursuant to SRI, TAGSA should have made the withholdings on dividend payments corresponding to the shares of Corporación Aeroportuaria in the amount of approximately U.S.\$0.9 million at source, on the basis that dividends were paid directly or through intermediaries to companies domiciled in tax havens, due to the fact that Luxembourg is considered a tax haven in Ecuador.

On November 10, 2020, TAGSA filed an administrative complaint against such determination which was later on denied. After careful analysis, in order to challenge SRI’s criteria, on March 4, 2021, filed a judicial claim involving an amount of approximately U.S.\$1.4 million.

Dividend Distribution Policy

The declaration and payment of future dividends to holders of our common shares will be at the discretion of the annual general meeting and/or our board of directors, in case of interim dividend distributions, and will depend upon many factors, including our financial condition, earnings, distributable profits, legal requirements, restrictions in our debt agreements and other factors deemed relevant by our board of directors. In addition, as a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their respective jurisdictions of organization, agreements of our subsidiaries or covenants under any present or future indebtedness that we or they may incur. For further information regarding the restrictions on our ability to declare and pay dividends, see “Risk Factors—Our ability to pay dividends will be affected by restrictions under Luxembourg law,” “Operating and Financial Review and Prospects—Liquidity and Capital Resources” and “Description of Indebtedness.”

In addition, under Luxembourg law, at least 5.0% of our net profits per year must be allocated to the creation of a legal reserve until such reserve has reached an amount equal to 10.0% of our issued share capital. If the legal reserve subsequently falls below 10.0% of our issued share capital, 5.0% of net profits again must be allocated toward the reserve until such reserve returns to 10.0% of our issued share capital. If the legal reserve exceeds 10.0% of our issued share capital, the legal reserve may be reduced. The legal reserve is not available for distribution.

B. SIGNIFICANT CHANGES

There have been no significant changes since the approval date of the financial statements included elsewhere in this annual report. Please see Note 32 of the Consolidated Financial Statements elsewhere in this annual report for details of events after the reporting period.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common shares trade solely on the NYSE under the symbol “CAAP.” Our common shares do not trade in any other market.

B. DISTRIBUTION PLAN

Not applicable.

C. MARKETS

Our common shares began trading on the NYSE under the symbol “CAAP,” in connection with our initial public offering, on February 1, 2018.

D. SELLING SHAREHOLDERS

Not applicable.

E. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

The following is a summary of some of the terms of our common shares, based on our articles of association. The following summary is not complete and is subject to, and is qualified in its entirety by reference to, the provisions of our articles of association, and applicable Luxembourg law, including Luxembourg corporate law.

On May 22, 2019 the stockholders of the Company, approved amendments to our articles of association to amend the following: (i) the convening procedure for general meetings; (ii) the signature power to sign extracts or copies of minutes of general meetings; (iii) the convening procedure for meetings of the Board; (iv) the signature power to sign extracts or copies of minutes of meetings of the Board; (v) the period during which certain documents shall remain available at the registered office of the Company prior to General Meetings; (vi) adjust a clerical inaccuracy and add a definition of “General Meeting.”

On October 23, 2020 and further to the share capital increase by an amount of U.S.\$3,200,445 (three million two hundred thousand four hundred forty-five US dollars) through the use of the authorized share capital and the issuance of 3,200,445 (three million two hundred thousand four hundred forty-five) shares having a nominal value of U.S.\$1 (one US dollar) each decided by the compensation committee of the Company on October 9, 2020, article 5.1 of the Articles of Association was amended so as to read as follows:

“5.1 Issued share capital

The share capital is set at one hundred sixty-three million two hundred twenty-two thousand seven hundred and seven US dollars (U.S.\$163,222,707), represented by one hundred sixty-three million two hundred twenty-two thousand seven hundred and seven (163,222,797) shares having a nominal value of one US dollar (U.S.\$1) each.”

A copy of the articles of association, as amended, is furnished under Item 19, “Exhibits.”

General

We are a public limited liability company (*société anonyme*) incorporated under, and governed by, the laws of the Grand Duchy of Luxembourg. We are registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg (RCS)*) under the number B 174140. We were incorporated on December 14, 2012, under the name A.C.I. Airports International S.à r.l. The name changed to Corporación América Airports S.A. on September 14, 2017, upon conversion from a private limited liability company (*société à responsabilité limitée*) to a public limited liability company (*société anonyme*). Our registered office is currently located at 4, rue de la Grève L-1643 Luxembourg, Grand Duchy of Luxembourg.

Our agent for service of process in the United States is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711. Since our incorporation, other than a capital increase by the conversion of reserves and the recent capital increase in connection with the Management Plan (see “Compensation—Management Compensation Plan”), there have been no material changes to our share capital. We have not undergone any bankruptcy, receivership or similar proceedings.

Common Shares

Common shares are issued in registered form only and no certificates will be issued. The Company is entitled to treat the registered holder of any share as the absolute owner thereof and is not bound to recognize any equitable claim or other claim or interest in such share on the part of any other person.

Issuance of Common Shares

Our shareholders have authorized the board of directors to issue common shares up to the maximum amount of the authorized unissued share capital of the Company for a period of five years from the date of the deed granting such authorization (regardless of the date of its publication in the Luxembourg Official Gazette (*Recueil électronique des sociétés et associations* (RESA)), which period may be renewed, to such persons, and on such terms and for such consideration as the board of directors may determine.

Our authorized share capital consists of 225,000,000 common shares with a nominal value of U.S.\$1.00 per share, out of which 221,799,555 common shares with a nominal value of U.S.\$1.00 are left. We have 163,222,707 common shares issued and outstanding shares, of which 2,610,445 are held as treasury shares. All of our issued and outstanding common shares are fully paid and the board of directors cannot call on or compel our shareholders to contribute additional amounts to the Company.

Pre-emptive Rights

In the event of any capital increase whether in cash or in kind, the holders of our common shares shall have pre-emptive rights to subscribe for additional common shares proportionally to their existing equity in our share capital, except as noted below. The exercise period for such pre-emptive rights is determined by the board of directors, but must be at least 14 days from the date of the publication of the offering in the RESA and a journal published in Luxembourg. If holders of common shares do not elect to exercise their pre-emptive rights, the other holders of pre-emptive rights shall benefit from secondary pre-emptive subscription rights for unsubscribed shares; provided, however, that the general meeting (or the board of directors, as authorized by the general meeting) may limit or withdraw such pre-emptive subscription rights in accordance with applicable law and our articles of association. The board of directors is also authorized for a period of five years commencing on January 19, 2018, to cancel or limit the pre-emptive rights of the shareholders in accordance with our articles of association and in connection with the issuance of shares (i) for payment in cash or in kind, or (ii) in connection with a conversion of profits and reserves (including share premium).

Meetings of Shareholders

The board of directors shall convene at least one general shareholders meeting each calendar year (the “annual general meeting”) for the purpose of, among other things, approving the annual accounts, deciding on the allocation of the annual profit, if any, and as the case may be, electing or renewing the mandates of directors. Under Luxembourg law, the annual general meeting must be held within six months of the end of the fiscal year. A general meeting can be adjourned at the request of one or more shareholders representing at least one tenth of the issued share capital.

The board of directors may convene any general meeting whenever in its judgment such a meeting is necessary. The board of directors must convene a general meeting within a period of one month upon notice, which notice must set forth certain information specified in the articles of association, to the Company from shareholders holding at least the 10.0% threshold on the date of such notice. In addition, one or more shareholders who together hold at least 10.0% of the issued share capital on the date of the notice to the Company, which notice must set forth certain information specified in the articles of association, may require that the Company include on the agenda of such general meeting one or more additional items. At least eight days' notice to shareholders is required for a general meeting. No business may be transacted at a general meeting, other than business that is properly brought before the general meeting in accordance with our articles of association.

Voting Rights

Holders of our common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Luxembourg Law does not provide for cumulative voting in the election of directors. Voting of shareholders at a general meeting may be in person, by proxy or by voting bulletin. Our articles of association specify how the Company shall determine the shareholders of record entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof.

Amendments of the Articles of Association

Except where our articles of association authorize the board of directors to approve an increase in share capital, approve a redemption and subsequent cancellation of shares and change the registered office and subsequently record such change in the presence of a Luxembourg notary, our articles of association require a special resolution approved at an extraordinary general shareholders meeting to amend the articles of association. The agenda of the extraordinary general shareholders meeting must indicate the proposed amendments to the articles of association. Any resolutions to amend the articles of association must be taken before a Luxembourg notary and such amendments must be published in accordance with Luxembourg law. Resolutions to amend the articles of association may only be passed in a general meeting where at least one half of the share capital is represented, and the agenda indicates the proposed amendments to the articles of association, and the text of those which pertain to the purpose or the form of the Company. If the required quorum is not obtained, a second general meeting may be convened by an announcement filed with the RCS and published in the RESA and in a Luxembourg newspaper at least 15 days before the relevant meeting which shall deliberate validly regardless of the proportion of the capital represented. The applicable majority for both meetings shall be 66.67% of all votes validly cast

Variation of Share Rights

Under Luxembourg law, where a resolution of an extraordinary general shareholders meeting will change the rights of our common shares or any other outstanding class of shares, the resolution must, in order to be valid, fulfill the quorum and voting requirements for an extraordinary general meeting with respect to each such class.

Permitted Transfers of Common Shares

The common shares are freely transferable subject to compliance with transfer formalities under applicable law.

Dividend Rights

Under Luxembourg law, dividends may only be declared from the freely available distributable reserves of the Company. Interim dividends may be declared by the board of directors, subject to certain mandatory legal requirements as detailed in the articles of association. The general shareholders meeting would in the normal course be asked to declare as final the interim dividends paid during the year. The shareholders may declare dividends at a general meeting, but, in accordance with the articles of association, such dividends may not exceed the amount recommended by the board of directors.

Dividends may be paid in U.S. dollars, Euro or any other currency chosen by the board of directors and dividends may be paid at such places and times as may be determined by the board of directors within the limits of any decision made at the general shareholders meeting. Dividends may also be paid in kind in assets of any nature, and the valuation of those assets shall be established by the board of directors according to valuation methods determined in its discretion.

Distributions on winding up of the Company

The Company may be dissolved, at any time, by a resolution of the general meeting adopted in the manner required for amendment of the articles of association. In the event of dissolution of the Company, the liquidation shall be carried out by one or more liquidators (who may be physical persons or legal entities) appointed by the general meeting which authorized such liquidation. The general meeting shall also determine the powers and the remuneration of the liquidator(s). Under the liquidation of the Company, the surplus assets of the Company available for distribution among shareholders shall be distributed in accordance with the rules on distributions set forth in our articles of association, by way of advance payments or after payment (or provisions, as the case may be) of the Company's liabilities.

Registration Rights and Indemnification Agreement

We have entered into a registration rights and indemnification agreement with the Majority Shareholder. This agreement provides to the Majority Shareholder up to five "demand" registrations for the sale of our ordinary shares. Additionally, the agreement provides the Majority Shareholder and its affiliate transferees customary "piggyback" registration rights. The registration rights and indemnification agreement also provide that we will pay certain expenses relating to such registrations and indemnify such holders of registrable securities against certain liabilities which may arise under the Securities Act.

Board of Directors

Our articles of association provide that our business is to be managed and conducted by or under the direction of our board of directors. In managing the business of the Company, the board of directors is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company. All powers not expressly reserved by the Luxembourg law or by the articles of association to the general shareholders meeting shall fall within the authority of the board of directors.

Our board of directors shall be composed of up to nine directors, appointed by the general shareholders meeting. The members of the board of directors shall be elected for a term not exceeding six years, and shall be eligible to stand for re-election. A director may be removed with or without cause and/or replaced, at any time, by a resolution adopted at the general shareholders meeting. The general shareholders meeting shall also determine the number of directors, the remuneration and their term of office. In the event of any director vacancy, the remaining directors may elect at a meeting of the board of directors, by majority vote, to fill such vacancy or vacancies, as the case may be, until the following general shareholders meeting.

Executive Committee

The management of the Company is delegated to an executive committee consisting of a minimum of four members designated from time to time by the board of directors. The executive committee has the broadest powers possible under Luxembourg law and remains under the supervision and control of the board of directors.

Mergers and de-mergers

A merger by absorption whereby a Luxembourg company, after its dissolution without liquidation, transfers to the absorbing company all of its assets and liabilities in exchange for the issuance to the shareholders of the company being acquired of shares in the acquiring company, or a merger effected by transfer of assets to a newly incorporated company, must, in principle, subject to certain exceptions, be approved by a special resolution of shareholders of the Luxembourg company to be held before a notary. Similarly, a de-merger of a Luxembourg company is, in principle, subject to certain exceptions subject to the approval by a special resolution of shareholders.

Shareholder Suits and Information Rights

Class actions and derivative actions are generally not available to shareholders under Luxembourg law. Minority shareholders holding securities entitled to vote at the general meeting that resolved on the granting of discharge to the directors, and holding at least 10.0% of the voting rights of the Company may bring an action against the directors on behalf of the Company.

Minority shareholders holding at least 10.0% of the voting rights of the Company may also ask the directors questions in writing concerning acts of management of the Company or one of its subsidiaries, and if the Company fails to answer these questions within one month, these shareholders may apply to the Luxembourg courts to appoint one or more experts instructed to submit a report on these acts of management. Furthermore, consideration would be given by a Luxembourg court in summary proceedings to acts that are alleged to constitute an abuse of majority rights against the minority shareholders.

Indemnification of Directors and Officers

We have amended our articles of association to provide that we will, to the extent permitted by law, indemnify our directors and officers against liability and expenses reasonably incurred or paid by them in connection with claims, actions, suits or proceedings in which they become involved as a party or otherwise by virtue of performing or having performed as a director or officer, and against amounts paid or incurred by them in the settlement of such claims, actions, suits or proceedings, if such person acted in good faith and in a manner the person reasonably believed to be in, and not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The indemnification will extend, among other things, to legal fees, costs and amounts paid in the context of a settlement. We intend to enter into separate indemnification agreements with our directors and executive officers. Except for proceedings to enforce rights to indemnification or advancement of expenses, we shall not be obligated to indemnify any such officer or director in connection with a proceeding initiated by such person when such proceeding (or part thereof) was consented to by the board of directors.

Our articles of association provide that we may purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit or surety bond on behalf of our directors or officers against any liability asserted against them in their capacity as a director or officer.

Access to Books and Records and Dissemination of Information

The register of shareholders of the Company is open to inspection, at our registered office, by shareholders. Each year, the shareholders have the right to inspect, at the Company's registered office, for at least eight calendar days prior to the annual general meeting, among other things, (i) the annual accounts, as well as the list of directors and of the statutory auditors, (ii) the report of the statutory auditors and (iii) in case of amendments to our articles of association, the text of the proposed amendments and the draft of the resulting consolidated articles of association. Each shareholder is entitled to obtain these free of charge, upon request. Under Luxembourg law, it is generally accepted that a shareholder has the right to receive responses to questions concerning items on the agenda for a general meeting of shareholders, if such responses are necessary or useful for a shareholder to make an informed decision concerning such agenda item, unless a response to such questions could be detrimental to our interests.

Registrar and Transfer Agent

We have appointed American Stock Transfer & Trust Company, LLC. As our U.S. registrar and transfer agent, and all common shares and shareholders are transferred from the register held at our registered office to the register held by our U.S. registrar and transfer agent.

Repurchase of Common Shares

Pursuant to our articles of association, our board of directors may redeem our own common shares in accordance with Luxembourg law on such terms and in such manner as may be authorized by the general meeting of shareholders in an ordinary resolution, subject to the rules of any stock exchange on which our common shares are traded.

Reduction of Share Capital

The share capital of the Company may be reduced by a resolution adopted by the general meeting of shareholders in the manner required for the amendment of the articles of association.

Non-Distributable Reserve

Our articles of association provide for the creation of a non-distributable reserve. We recorded this non-distributable reserve in the amount of U.S.\$1,351.9 million resulting from the Reverse Stock Split. The non-distributable reserve may be reduced by a resolution adopted by the general meeting of shareholders or by an amendment of the articles of association.

Annual Accounts

The board of directors shall draw up the annual accounts of the Company that shall be submitted to the approval of the shareholders at the annual general meeting. Except in some cases provided for by Luxembourg Law, our board of directors must also annually prepare management reports on the annual accounts and consolidated accounts. The annual accounts and consolidated accounts are audited by an approved statutory auditor (*réviseur d'entreprises agréé*).

The annual accounts and the consolidated accounts, after approval by the annual general meeting of shareholders, will be filed with the RCS.

C. MATERIAL CONTRACTS

We have not entered into any material contracts during the preceding two years which were outside the ordinary course of business.

D. EXCHANGE CONTROLS

None.

E. TAXATION

The following is a summary of the material Luxembourg, U.S. and Argentine federal income tax consequences of the ownership and disposition of our common shares by persons addressed herein.

Potential investors in our common shares should consult their own tax advisors concerning the specific Luxembourg and U.S. federal, state and local tax consequences of the ownership and disposition of our common shares in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Luxembourg Tax Considerations

Introduction

The following information is of a general nature only and is based on the law currently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or deposit our common shares.

Prospective purchasers of our common shares (“Shareholders”) should consult their own tax advisers as to the applicable tax consequences of the ownership of our common shares, based on their particular circumstances. Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in this section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax laws and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l’emploi*) and personal income tax (*impôt sur le revenu*) generally. Corporate taxpayers may further be subject to net worth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably applies to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Company

A fixed registration duty of €75 will be payable at the moment of the incorporation of the Company and in the case of amendment of its articles of association or upon transfer to Luxembourg of the registered office or the central administration of a civil or commercial company.

From a Luxembourg tax perspective, Luxembourg companies are considered as being resident in Luxembourg provided that they have either their registered office or their central administration in Luxembourg. The Company (a fully taxable company) will be considered as a resident of Luxembourg both for the purposes of Luxembourg domestic tax law and for the purposes of the double taxation treaties entered into by Luxembourg, and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Company is liable to Luxembourg corporation taxes. The standard applicable rate of Luxembourg corporation taxes (which include corporate income tax, municipal business tax and the solidarity surcharge) is 24.94% for the fiscal year ending on December 31, 2020 for a company established in Luxembourg city. Liability to such corporation taxes extends to the Company’s worldwide income (including capital gains), subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of December 4, 1967, as amended (*loi concernant l’impôt sur le revenu*), as commented and currently applied by the Luxembourg tax authorities (LIR). Under the LIR, all income of the Company will be taxable in the fiscal period to which it economically relates and all deductible expenses of the Company will be deductible in the fiscal period to which they economically relate. Under certain conditions, dividends received by the Company from qualifying participations and capital gains realized by the Company on the sale of such participations, may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime.

The Company is subject to net wealth tax levied annually at a 0.5% rate on an amount up to EUR500 million and 0.05% on the amount of taxable net wealth exceeding EUR500.0 million. Under certain conditions, qualifying participations may be exempt from net wealth tax under the Luxembourg participation exemption regime.

Notwithstanding the above, a minimum net wealth tax is levied on corporate entities having their statutory seat or central administration in Luxembourg. For entities for which the sum of financial assets, transferable securities and cash at bank exceeds 90% of their total gross assets and EUR350,000, the minimum net wealth tax is set at EUR4,815. For all other Luxembourg entities, the minimum net wealth ranges from EUR535 to 32,100, depending on their total gross assets.

Taxation of the Shareholders

Luxembourg tax residency of the holders of our common shares

A holder of our common shares will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of our common shares or the execution, performance or enforcement of his/her rights thereunder.

Withholding tax

Dividends paid by the Company to the Shareholders are as a rule subject to a 15% Luxembourg withholding tax of the gross dividend (17.65% of the net dividend if the Company bears the cost of the withholding tax, which is not mandatory under Luxembourg tax laws), unless a reduced withholding tax rate applies pursuant to an applicable double tax treaty or an exemption pursuant to the application of the participation exemption, and, to the extent withholding tax applies, the Company is responsible for withholding amounts corresponding to such taxation.

There is a double tax treaty between Luxembourg and the United States under which the Luxembourg withholding tax may be reduced to 5% if the beneficial owner of the dividend is a U.S. corporation that holds directly at least 10% of the voting stock of the Company (or to 0% if the beneficial owner holds at least 25% of the voting stock and certain other requirements are met). In addition, under Luxembourg domestic law, a dividend paid to a U.S. corporation may qualify for an exemption from Luxembourg withholding tax if it has held either (i) at least 10% of the stock of the Company or (ii) stock of the Company having an acquisition value of at least EUR1,200,000, for at least 12 months at the time of distribution. U.S. Holders (as defined below) should consult their own tax advisors regarding the availability to them of an exemption from Luxembourg withholding taxes.

Where the recipient of the dividend is not a U.S. corporation but is located elsewhere, a withholding tax exemption may apply under the participation exemption if cumulatively (i) the Shareholder is an eligible parent (“Eligible Parent”) and (ii) at the time the income is made available, the holder of our shares has held or commits itself to hold for an uninterrupted period of at least 12 months a direct participation of at least 10% of our share capital or a direct participation of an acquisition price of at least €1.2 million (or an equivalent amount in another currency). Holding participation through an entity treated as tax transparent from a Luxembourg income tax perspective is deemed to be a direct participation in proportion to the net assets held in this entity.

An Eligible Parent includes (a) a collective entity resident in a European Union (EU) Members State covered by Article 2 of Directive 2011/96/EU of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU Member States, as amended (the “EU Parent-Subsidiary Directive”) and which are not excluded to benefit from the EU Parent-Subsidiary Directive under its mandatory anti-abuse rule (“GAAR”) provided for by Council Directive 2015/121/EU, as implemented in Luxembourg, or a Luxembourg permanent establishment thereof, (b) a collective entity resident in a State having a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment of such entity, (c) a joint-stock company or a cooperative company resident in the European Economic Area (EEA) other than an EU Member State and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment of such company or (d) a Swiss joint-stock company which is effectively subject to corporate income tax in Switzerland without benefiting from an exemption or (e) a fully taxable Luxembourg resident collective entity or (f) the Luxembourg State, a Luxembourg municipality, an association of a Luxembourg municipality or an operation of Luxembourg public-law entity, (g) a permanent establishment of an entity referred to at letters (a), (e) or (f) above. No withholding tax is levied on capital gains and liquidation proceeds.

Taxation of Dividend Income

Shareholders who are either Luxembourg resident individuals or Luxembourg fully taxable resident companies (or foreign shareholders having a permanent establishment in Luxembourg through which such Shares are held), will in principle be subject to tax at the ordinary rates on the dividends received from the Company. However, under Luxembourg tax laws currently in force, 50% of the amount of such dividend may be tax exempt at the level of these Shareholders.

The Luxembourg withholding tax levied at source on the dividends paid may, under certain conditions, be credited against the Luxembourg income tax due on these dividends.

Furthermore, certain corporate Shareholders may benefit from an exemption of Luxembourg corporation taxes on dividend income under the following conditions:

- the Shareholder receiving the dividends is either (i) a fully taxable Luxembourg resident collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a Luxembourg permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a Luxembourg permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and
- on the date on which the income is made available, the Shareholder holds or commits to hold directly (or even indirectly through certain entities) for an uninterrupted period of at least twelve months, a participation of at least 10% in the share capital of the Company (or with an acquisition price of at least EUR1.2 million).

The Shareholder which is a Luxembourg resident entity governed by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialized investment funds, as amended, by the law of 11 May 2007 on the family estate management company, as amended, or by the law of 23 July 2016 on reserved alternative investment funds and which does not fall under the special tax regime set out in article 48 thereof, is not subject to any Luxembourg corporation taxes in respect of dividends received from the Company. No tax credit is then available for Luxembourg withholding tax on dividends received from the Company.

Non-resident shareholders (not having a permanent establishment in Luxembourg through which the Shares are held) will in principle not be subject to Luxembourg income tax on the dividends received from the Company (except for the withholding tax mentioned above, if applicable).

Taxation of Capital Gains

Under current Luxembourg tax laws, capital gains realized by a Luxembourg resident individual Shareholder (acting in the course of the management of his/her private wealth) upon the disposal of his/her Shares are not subject to Luxembourg income tax, provided this disposal takes place more than six months after the Shares were acquired and he/she does not hold a substantial participation. The participation is considered as substantial (a "Substantial Participation") if the Shareholder (i) holds or has held (either solely or together with his/her spouse or partner and minor children) directly or indirectly more than 10% of the share capital of the Company at any time during a period of five years before the realization of the capital gain or (ii) acquired his/her Shares for free during the five years preceding the disposal of his/her Shares and the previous holder of the Shares or, in the case of subsequent gratuitous transfers, one of the previous holders has held (either solely or together with his/her spouse or partner and minor children) directly or indirectly more than 10% of the share capital of the Company at any time during a period of five years before the realization of the capital gain.

Capital gains realized upon the disposal of Shares by a Luxembourg resident corporate Shareholder (fully subject to Luxembourg corporation taxes) are in principle fully taxable. However, an exemption from Luxembourg corporation taxes applies under the following conditions:

- the Shareholder realizing the capital gains is either (i) a fully taxable Luxembourg resident collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a Luxembourg permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a Luxembourg permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and
- on the date on which the disposal takes place, the Shareholder has held for an uninterrupted period of at least twelve months, a participation of at least 10% in the share capital of the Company (or with an acquisition price of at least EUR6 million).

The Shareholder which is a Luxembourg resident entity governed by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialized investment funds, as amended, by the law of 11 May 2007 on the family estate management company, as amended, or by the law of 23 July 2016 on reserved alternative investment funds and which does not fall under the special tax regime set out in article 48 thereof, is not subject to any Luxembourg corporation taxes in respect of capital gains realized upon disposal of its Shares.

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realized by a Luxembourg non-resident Shareholder (not acting via a permanent establishment or a permanent representative in Luxembourg through which/whom the Shares are held) are not taxable in Luxembourg unless (a) the Shareholder holds a Substantial Participation in the Company and the disposal of the Shares takes place less than six months after the Shares were acquired or (b) the Shareholder has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago.

Net Wealth Taxation

A corporate Shareholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg through which/whom such Shares are held, is subject (but an exemption may apply under the conditions stated below) to Luxembourg wealth tax on such Shares, except if the Shareholder is governed by the law of 11 May 2007 on the family estate management company, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialized investment funds, as amended, by the law of 23 July 2016 on reserved alternative investment funds, or is a securitization company governed by the law of 22 March 2004 on securitization, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

The Shareholder which is (i) a Luxembourg resident fully taxable collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State), may be exempt from Luxembourg net wealth tax on its Shares if it holds a participation of at least 10% in the share capital of the Company (or with an acquisition price of at least €1.2 million).

An individual Shareholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on his/her Shares.

Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the Shareholder upon the acquisition, holding or disposal of the Shares. Registration duties may be due in the case where the shares are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the Shares on a voluntary basis.

When the Shareholder is a Luxembourg resident for inheritance tax assessment purposes at the time of his/her death, the Shares are included in his/her taxable estate for Luxembourg inheritance tax assessment purposes.

Luxembourg gift tax may be due on a gift or donation of the Shares if embodied in a notarial deed executed before a Luxembourg notary or recorded in Luxembourg.

Material U.S. Federal Income Tax Considerations

The following is a summary of the material U.S. federal income tax consequences to U.S. Holders (as defined below) of the ownership and disposition of our common shares. This summary is based upon U.S. federal income tax laws (including the U.S. Internal Revenue Code of 1986, as amended (the “Code”) final, temporary and proposed Treasury regulations, rulings, judicial decisions and administrative pronouncements), all as of the date of this annual report and such authorities may be repealed, revoked or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below.

As used herein, the term U.S. Holder means a beneficial owner of one or more of our common shares:

- that is for U.S. federal income tax purposes one of the following:
 - o an individual citizen or resident of the United States;
 - o a corporation created or organized in or under the laws of the United States or any political subdivision thereof; or
 - o an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
 - o trust if (1) a court within the United States can exercise primary supervision over it, and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person;
- who holds the common shares as capital assets for U.S. federal income tax purposes;
- who owns, directly, indirectly or by attribution, less than 10% of the share capital or voting shares of the Company; and
- whose holding is not effectively connected with a business carried on through a permanent establishment in Luxembourg.

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of our common shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws.

This summary also does not address all of the tax considerations that may apply to holders that are subject to special tax rules, such as U.S. expatriates, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, certain financial institutions, dealers and certain traders in securities, persons holding common shares as part of a straddle, hedging, conversion or other integrated transaction, persons who acquired their common shares pursuant to the exercise of employee shares options or otherwise as compensation, entities or arrangements classified as partnerships for U.S. federal income tax purposes or persons whose functional currency is not the U.S. dollar. Such holders may be subject to U.S. federal income tax consequences different from those set forth below.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds common shares, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. An entity or arrangement treated as a partnership for U.S. federal income tax purposes, or partner in a partnership, is urged to consult its own tax advisor regarding the specific tax consequences of owning and disposing of the common shares.

Except as otherwise noted, this summary assumes that the Company is not a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes, which the Company believes to be the case. The Company’s possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders.

Potential investors in our common shares should consult their own tax advisors concerning the specific U.S. federal, state and local tax consequences of the ownership and disposition of our common shares in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Taxation of distributions

Distributions received by a U.S. Holder on common shares, including the amount of any Luxembourg taxes withheld, generally will constitute foreign source dividend income to the extent paid out of the Company’s current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in the common shares and thereafter as capital gain. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that such distributions (including any Luxembourg taxes withheld) will be reported to U.S. Holders as dividends. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company. Corporate U.S. Holders who owns less than 10% of the share capital or voting shares of the Company will not be entitled to claim the dividends received deduction with respect to dividends paid by the Company. A non-corporate recipient of dividend income will generally be subject to tax on dividend income from a “qualified foreign corporation” at a reduced capital gains rate rather than the marginal tax rates generally applicable to ordinary income provided that the holding period requirement is met. A non-U.S. corporation (other than a corporation that is classified as a PFIC (defined below) for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation with respect to any dividend it pays on stock which is readily tradable on an established securities market in the United States. The common shares of the Company are listed on the NYSE, and should qualify as readily tradable on an established securities market in the United States so long as they are so listed. Therefore, the Company believes that it will be a qualified foreign corporation for purposes of the reduced tax rate, although no assurance can be given that it will continue to be treated as a qualified foreign corporation in the future. Non-corporate U.S. Holders should consult their own tax advisors to determine whether they are subject to any special rules that limit their ability to be taxed at this favorable rate.

Dividends received on common shares will be treated, for United States foreign tax credit purposes, as foreign source income. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any non-United States withholding taxes imposed on dividends received on common shares. Instead of claiming a credit, a U.S. Holder may elect to deduct foreign taxes (including any Luxembourg taxes) in computing its taxable income, subject to generally applicable limitations. An election to deduct foreign taxes (instead of claiming foreign tax credits) applies to all taxes paid or accrued in the taxable year to foreign countries and possessions of the United States. The limitations on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex. Therefore, U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits in their particular circumstances.

Taxation upon sale or other disposition of common shares

A U.S. Holder generally will recognize U.S. source capital gain or loss on the sale or other disposition of common shares, which will be long-term capital gain or loss if the U.S. Holder has held such common shares for more than one year. The amount of the U.S. Holder’s gain or loss will be equal to the difference between such U.S. Holder’s tax basis in the common shares sold or otherwise disposed of and the amount realized on the sale or other disposition. Net long-term capital gains of non-corporate U.S. Holders, including individuals, are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss that a U.S. Holder recognizes generally will be treated as gain or loss from sources within the United States for U.S. foreign tax credit limitation purposes.

Additional Tax on net investment income

An additional 3.8% federal income tax may be assessed on net investment income (including dividends, other distributions, and gain realized on the sale of common shares) earned by certain U.S. Holders. This tax does not apply to U.S. Holders who hold common shares in the ordinary course of certain trades or businesses.

Passive foreign investment company rules

The Company believes that it was not a PFIC for its 2019 taxable year and does not expect to be a PFIC for its 2020 taxable year or in the foreseeable future. A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules,” either (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. Although rental income generally is passive income, certain exceptions apply to allow a lessor to treat its rental income as non-passive. One exception provides that rental income earned by a lessor from leasing real property with respect to which the lessor, through its own officers or staff of employees, regularly performs active and substantial management and operational functions while the property is leased will be non-passive income. The Company believes that the rental income that it takes into account for purposes of the PFIC tests described above currently qualifies for this exception. However, because PFIC status depends upon the composition of the Company’s income and assets and the market value of its assets (including, among others, less than 25% owned equity investments) from time to time, there can be no assurance that the Company will not be considered a PFIC for any taxable year.

If the Company were a PFIC for any taxable year during which a U.S. Holder held common shares, unless the U.S. Holder makes a mark-to-market election as discussed below, gain recognized by a U.S. Holder on a sale or other disposition of a common shares would be allocated ratably over the U.S. Holder’s holding period for the common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge at the rates generally applicable to underpayments of tax payable in those years would be imposed on the resulting tax liability. The same treatment would apply to any distribution in respect of common shares to the extent such distribution exceeds 125% of the average of the annual distributions on common shares received by the U.S. Holder during the preceding three years or the U.S. Holder’s holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the common shares.

In addition, if the Company were treated as a PFIC in a taxable year in which it pays a dividend or in the prior taxable year, the reduced rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

In certain circumstances, instead of being subject to the excess distribution rules discussed above, a U.S. Holder may make an election to include gain on the common shares of a passive foreign investment company as ordinary income under a mark-to-market method, provided that the common shares are regularly traded on a qualified exchange. Under current law, the mark-to-market election is only available for common shares that are regularly traded within the meaning of U.S. Treasury regulations on certain designated U.S. exchanges and foreign exchanges that meet trading, listing, financial disclosure and other requirements to be treated as a qualified exchange under applicable U.S. Treasury regulations. The NYSE is a qualified exchange.

If a U.S. Holder makes a mark-to-market election, the U.S. Holder will include each year as ordinary income, rather than capital gain, the excess, if any, of the fair market value of the U.S. Holder’s common shares at the end of the taxable year over such U.S. Holder’s adjusted basis in the common shares and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted basis of these common shares over their fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder’s basis in the common shares will be adjusted to reflect any such income or loss amounts. Any gain or loss on the sale of the common shares will be ordinary income or loss, except that this loss will be ordinary loss only to the extent of the previously included net mark-to-market gain.

A U.S. Holder who owns, or is treated as owning, PFIC stock during any taxable year in which the Company is a PFIC may be required to file IRS Form 8621 annually. Prospective purchasers should consult their tax advisors regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime.

Information reporting and backup withholding

Under U.S. federal income tax law and the Treasury regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. Holders that hold certain specified foreign financial assets in excess of U.S.\$50,000 are subject to U.S. return disclosure obligations (and related penalties). The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their common shares are held in an account at a domestic financial institution. Penalties for failure to file certain of these information returns are substantial.

Payments of dividends and sales proceeds with respect to common shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide a correct taxpayer identification number or certification that it is not subject to backup withholding. Certain U.S. Holders are not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service. U.S. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of common shares, including requirements related to the holding of certain foreign financial assets.

Argentine Tax Considerations

On December 27, 2017, the Argentine Congress approved a comprehensive tax reform. The tax reform was enacted through Law No. 27,430 which became effective as of January 1, 2018.

The tax reform imposes, among other things, a capital gains tax on the sale or transfer by non-Argentine residents of shares or other participations in foreign entities when the following two conditions are met: (i) 30% or more of the value of the foreign entity is derived from assets located in Argentina, and (ii) the participation being transferred represents (at the moment of the sale or transfer or during the 12 prior months) 10% or more of the equity of the foreign entity. The applicable tax rate would generally be 15% (calculated on the actual net gain or a presumed net gain equal to 90% of the sale price) of the proportional value that corresponds to the Argentine assets. However, this rate may be reduced for residents of certain jurisdiction with whom Argentina concluded a treaty for the avoidance of double taxation in force at the time of the tax event. This tax on indirect transfers only applies to participations in foreign entities acquired after the effective date of the tax reform.

Furthermore, transfers made within the same economic group are not taxable. Regulations published in December 2018 set forth that this requirement is met when (i) the transferors of the shares participate jointly, directly or indirectly, in 80% or more of the share capital of the acquirer, or (ii) one or more entities participate jointly, directly or indirectly, in 80% or more of the share capital of both the transferor and the acquirer. This requirement must be complied with for a two-year period prior to the transfer of the shares. If a subsequent transfer is then made to a third party, the acquisition cost of the shares is equal that which was computed by the original acquirer of the shares part of the economic group.

The regulations have included an anti-abuse rule which foresees that the exemption on capital gains on shares within the same economic group is not applicable when they were made with a tax oriented main purpose, including while considering the application of tax treaties.

Since our Argentine assets currently represent more than 30% of the value of our total assets on a consolidated basis, a holder that sells or transfers our common shares, acquired after January 1, 2018, would be subject to the Argentine capital gains tax to the extent such common shares represent 10% or more of our equity.

The General Resolution No. 4,227/18 issued by the Argentine Tax Authorities foresees that the tax will be payable either by: (i) the purchaser of the share capital of the foreign entity if it is an Argentine resident, or (ii) by a legal local representative or directly by the seller through an international wire transfer if the purchaser is not an Argentine tax resident.

If the recipient of the capital gain chooses to assess the tax considering the actual net gain method, the recipient shall inform the decision to the withholding agent (if applicable) and provide proof of the acquisition, sale and of what the cost and its adjustment is. The withholding agent or the legal representative, if applicable, shall keep such proof.

If the payment is made by a non-resident seller, the payment should be made within 10 (ten) working days as of the day of the sale. If the seller is a resident of a Non-Cooperating jurisdiction, as defined under Decree No. 862/2019, for purposes of fiscal transparency, then a 35% rate shall be applicable.

F. DIVIDENDS AND PAYING AGENTS.

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

The Company makes its filings in electronic form under the EDGAR filing system of the SEC. Its filings are available through the EDGAR system at www.sec.gov. The Company's filings are also available to the public through the Internet at CAAP's website at <http://www.caap.aero/>. Such filings and other information on its website are not incorporated by reference in this Annual Report. Interested parties may request a copy of this filing, and any other report, at no cost, by writing to the Company at the following address: 4, rue de la Grève L-1643, Luxembourg. In compliance with New York Stock Exchange Corporate Governance Rule 303A.11, the Company provides on its website a summary of the differences between its corporate governance practices and those of U.S. domestic companies under the New York Stock Exchange listing standards.

1. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES REGARDING MARKET RISK

We are exposed to market risks arising from our normal business activities. These market risks principally involve the possibility that exchanges 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

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.

As of December 31, 2020, our foreign currency-denominated borrowings amounted to an equivalent of U.S.\$556.5 million, out of a total of U.S.\$1,344.8 million. We do not hedge because a large percentage of our revenues are in U.S. dollars or linked to the U.S. dollar.

Of our total revenue for the years ended December 31, 2020, 2019 and 2018, a substantial amount was in U.S. dollars or was linked to the U.S. dollar because, for example, the revenues are calculated as a percentage of the total revenues of duty-free and other subconcessionaires generated in U.S. dollars.

Our revenues that are substantially linked to U.S. dollars are generated from the following aeronautical services: international and regional use fees, international aircraft landing charges and international aircraft parking charges. In addition, our revenues that are substantially linked to U.S. dollars are generated primarily from the following commercial services, subconcessionaires and customers: duty free royalties, fueling, handling and cargo.

We have significant monetary balances held by our subsidiaries at the end of each fiscal year that are denominated in currencies other than the functional currency of such subsidiaries. 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

	For the Year Ended December 31,		
	2020	2019	2018
	(in thousands of U.S.\$)		
U.S. dollar/Argentine peso	(507,684)	(404,260)	(279,334)
Real/U.S.dollar	(181)	(687)	-
U.S.dollar/Armenian dram	(18,053)	(24,359)	(27,300)
Euro/Armenian dram	(16,671)	(9,686)	(29,456)
U.S.dollar/Euro	2,786	170	27,304
Euro/Argentine peso	(5,829)	(6,745)	-
Uruguayan peso/U.S.dollar	(594)	(3,148)	(7,745)

In addition, we have certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. We do not enter into derivative financial instrument to cover foreign exchange risk. We manage foreign exchange risk by minimizing the net positions of assets and liabilities denominated in foreign currencies.

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

U.S. dollar—Euro: As of December 31, 2020, 2019 and 2018, consisting primarily of euro-denominated net monetary assets and liabilities at certain Uruguayan subsidiaries and Luxembourg entities in which the functional currency was the U.S. dollar. A change of 1.0% in the euro—U.S.\$ exchange rate would have generated a pre-tax gain/loss of U.S.\$27.9 for the year ended December 31, 2020, U.S.\$1.7 for the year ended December 31, 2019 and U.S.\$273.0 for the year ended December 31, 2018.

Uruguayan peso—U.S. dollar: As of December 31, 2020, 2019 and 2018, consisting primarily of Uruguayan peso-denominated net monetary assets and liabilities at certain Uruguayan subsidiaries in which the functional currency was the U.S. dollar. A change of 1.0% in the URU\$/U.S.\$ exchange rate would have generated a pre-tax gain/loss of U.S.\$5.9 for the year ended December 31, 2020, U.S.\$31.5 for the year ended December 31, 2019 and U.S.\$77.5 for the year ended December 31, 2018.

U.S. dollar—Argentine peso: As of December 31, 2020, 2019 and 2018, consisting primarily of U.S. dollar- denominated net monetary assets and liabilities at certain Argentine subsidiaries in which the functional currency was the Argentine peso. A change of 3.0% in the AR\$—U.S.\$ exchange rate in real (inflation-adjusted) would have generated a pre-tax gain/loss of U.S.\$15,230.5 for the year ended December 31, 2020, U.S.\$4,042.6 for the year ended December 31, 2019 and U.S.\$2,793.3 for the year ended December 31, 2018, considering for both years a change in 1% in the AR\$- U.S.\$ exchange rate

U.S. dollar —Armenian dram: As of December 31, 2020, 2019 and 2018, consisting primarily of U.S. dollar-denominated net monetary assets and liabilities at the Armenian subsidiary in which the functional currency was the Armenian dram. A change of 1.0% in the drams—U.S.\$ exchange rate would have generated a pre-tax gain/loss of U.S.\$180.5 for the year ended December 31, 2020, U.S.\$243.6 for the year ended December 31, 2019, and U.S.\$273.0 for the year ended December 31, 2018.

Euro—Armenian dram: As of December 31, 2020, 2019 and 2018, consisting primarily of euro-denominated net monetary assets and liabilities at the Armenian subsidiary in which the functional currency was the Armenian dram. A change of 1.0% in the euro-Armenian dram exchange rate would have generated a pre-tax gain/loss of U.S.\$166.7 for the year ended December 31, 2020, U.S.\$96.9 for the year ended December 31, 2019 and U.S.\$294.6 for the year ended December 31, 2018.

Real-U.S. dollar: As of December 31, 2020, 2019 and 2018, consisting primarily of Real-denominated net monetary asset at certain Brazilian subsidiaries which functional currency was the U.S. dollar. A change of 1% in the Real/ USD exchange rate would have generated a pre-tax gain/loss of U.S.\$1.8 for the year ended December 31, 2020, U.S.\$6.9 for the year ended December 31, 2019 and U.S.\$0 as of December 31, 2018.

Euro-Argentine Peso: As of December 31, 2020, consisting primarily of Euro-dominated net monetary assets and liabilities at certain Argentinian subsidiaries which functional currency was the Argentine Peso. A change of 3% in the Euro/AR\$ exchange rate in real (inflation-adjusted) would have generated a pre-tax gain/loss of U.S.\$174.9 for the year ended December 31, 2020, U.S.\$67.5 for the year ended December 31, 2019 and U.S.\$0 as of December 31, 2018, considering for both years a variation of 1% in the Euro/AR\$ exchange rate.

Interest Rate Risk

Our interest rate risk arises from our financial 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 analyze our interest rate exposure on a dynamic basis, maintaining, pursuant to our general policy, most of our financial borrowings at a fixed rate.

We believe that a variation in the interest rates would not affect our results of operation since most of our consolidated financial and banking liabilities are tied to fixed interest rates.

The weighted average variable interest rate for our debt instruments denominated in Argentine pesos, euros and Brazilian reais was approximately 7.8% for the year ended December 31, 2020, 7.3% for the year ended December 31, 2019 and 8.6% for the year ended December 31, 2018. Our total borrowings with a variable rate amounted to U.S.\$526.0 million (39.1% of total borrowings) for the year ended December 31, 2020, U.S.\$460.6 million (38.1% of total borrowings) for the year ended December 31, 2019 and to U.S.\$435.0 million (38.6% of total borrowings) for the year ended December 31, 2018. 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, 2019 and 2018 by U.S.\$3.4 million, U.S.\$4.2 million and U.S.\$5.0 million, respectively. A 10% decrease in the floating interest rate would have an equal and opposite effect.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

Not applicable.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

A. DISCLOSURE CONTROLS AND PROCEDURES

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (pursuant to Rule 13a-15(e) under the Exchange Act) as of December 31, 2020. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2020.

The Company has established disclosure controls and procedures to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Such information is accumulated and made known to the officers who certify the Company's financial reports and to other members of senior management and the Disclosure Committee as appropriate to allow timely decisions regarding required disclosure.

The Disclosure Committee is composed of the Chief Executive Officer, Martín Francisco Antranik Eurnekian; the Chief Financial Officer, Raúl Guillermo Francos; the Head of Legal, Andrés Zenarruza and the Investor Relations Manager, Gimena Albanesi. This Committee oversees and reviews all materials for which there is a disclosure requirement, together with all data required to support the documents mentioned above. This committee meets at regular intervals in order to review all data.

Please see Exhibits 12.1 and 12.2 for the certifications required by this Item.

B. MANAGEMENT'S ANNUAL ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

CAAP's management is responsible for establishing and maintaining adequate internal control over financial reporting for CAAP as defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Our internal control over financial reporting was designed by management to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair representation of its financial statements for external purposes in accordance with IFRS as issued by the IASB.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements or omissions. Therefore, effective control over financial reporting cannot, and does not, provide absolute assurance of achieving our control objectives. In addition, projections of any evaluation of effectiveness of the internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CAAP’s management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of CAAP’s internal control over financial reporting based on the framework in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO 2013”). Based on its evaluation and as set forth in its report dated March 30, 2021, included in Item 18 of this annual report, CAAP’s management concluded that CAAP’s internal control over financial reporting was effective as of December 31, 2020. The effectiveness of CAAP’s internal control over financial reporting as of December 31, 2020 has been audited by Price Waterhouse & Co S.R.L., an independent registered public accounting firm, as stated in their report which is included herein.

C. ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2020, has been audited by Price Waterhouse & Co. S.R.L., an independent registered public accounting firm, as stated in their report which is included on page F-1 of our Audited Consolidated Financial Statements herein.

D. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the period covered under this annual report, there have not been any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. Reserved

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

See “Directors, Senior Management and Employees—Board Practices—Board Committees—Audit Committee.” Our Board of Directors has determined that David Arendt qualifies as an “audit committee financial expert” under applicable SEC rules.

ITEM 16B. CODE OF ETHICS

We have adopted a Corporate Governance Code and Code of Conduct and related integrity policies that applies 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. See “Directors, Senior Management and Employees—Board Practices—Board Committees— Corporate Governance Code, Code of Conduct and Code of Ethics for Senior Financial Officers.”

Our Corporate Governance Code, Code of Conduct and Code of Ethics for Senior Financial Officers are available on the Corporate Governance section of our website at <http://www.caap.aero/>. Information on our website does not constitute a part of this annual report and is not incorporated by reference. We will also provide a hard copy of those documents free of charge upon written request at the following address: 4, rue de la Grève L-1643, Luxembourg, Grand Duchy of Luxembourg.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Paid to the Company’s Principal Accountant

In 2020, Price Waterhouse & Co. S.R.L. served as the principal external auditor for the Company. Fees paid to Price Waterhouse & Co. S.R.L. and other PwC member firms in 2020 and 2019 are detailed below:

	For the Year Ended December 31	
	2020	2019
Audit fees	1,633	2,022
Audit related fees	240	32
Tax fees	97	73
All other fees	90	37
Total	2,064	2,164

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the consolidated financial statements of the Company and the statutory financial statements of the Company and its subsidiaries.

Audit-Related Fees

Audit-related fees are typically services that are reasonably related to the performance of the audit or review of the consolidated financial statements and are not reported under the audit fee item above. This item includes fees for attestation services on financial information of the Company and its subsidiaries included in their annual reports that are filed with their respective regulators.

Tax Fees

Tax fees were paid for tax compliance and tax advice professional services.

All other fees

All other fees were paid for specific minor professional services not related to the above categories.

Audit Committee's Pre-approval Policies and Procedures

The Company's audit committee is responsible for, among other things, the oversight of the Company's independent auditors. The audit committee has adopted a policy of pre-approval of audit and permissible non-audit services provided by its independent auditors in its charter.

Under the policy, the audit committee makes its recommendations through the Board of Directors to the shareholders' meeting concerning the continuing appointment or termination of the Company's independent auditors. On a yearly basis, the audit committee reviews together with management and the independent auditor, the audit plan, audit related services and other non-audit services and approves the related fees. Any changes to the approved fees must be reviewed and approved by the audit committee. In addition, the audit committee delegated to its Chairman the authority to consider and approve, on behalf of the Audit Committee, additional non-audit services that were not recognized at the time of engagement, which must be reported to the other members of the audit committee at its next meeting. No services outside the scope of the audit committee's approval can be undertaken by the independent auditor.

Our audit committee has authorized all auditing and non-auditing services provided by our independent accountants during the year ended December 31, 2020 and the fees paid for such services

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT.

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Under the Corporate Governance Rules of the NYSE, currently in effect, the Company is required to disclose any significant ways in which its corporate governance practices differ from those required to be followed by domestic companies under NYSE listing standard. These significant differences are summarized below.

Our corporate governance practices are governed by Luxembourg Companies Law and our articles of association. As a Luxembourg company listed on the NYSE, we are not required to comply with all of the corporate governance listing standards of the NYSE. We, however, believe that our corporate governance practices meet or exceed, in all material respects, the corporate governance standards that are generally required for controlled companies by the NYSE but the following is a summary of the significant ways that our corporate governance practices differ from the corporate governance standards required for controlled companies by the NYSE (provided that our corporate governance practices may differ in non-material ways from the standards required by the NYSE that are not detailed here):

Non-management Directors' Meetings

Under NYSE standards, non-management directors must meet at regularly scheduled executive sessions without management present and, if such group includes directors who are not independent, a meeting should be scheduled once per year including only independent directors. Neither Luxembourg law nor our articles of association require the holding of such meetings and we do not have a set policy for these meetings. Our articles of association provide, however, that the board shall meet as often as required by the interests of the Company and at least four times a year, upon notice by the chairperson or by any two directors.

In addition, NYSE-listed companies are required to provide a method for interested parties to communicate directly with the non-management directors as a group. While we do not have such a method, we have set up a compliance line for investors and other interested parties to communicate their concerns to members of our audit committee (who, as already stated, are independent).

Audit Committee

Under NYSE standards, listed U.S. companies are required to have an audit committee composed of independent directors that satisfies the requirements of Rule 10A-3 promulgated under the Exchange Act. Our articles of association currently require the Company to have an audit committee. Pursuant to CAAP's Corporate Governance Code, the audit committee is composed of three members which shall at all times comply with the independence and experience requirements set forth on Rule 10A-3 mentioned above. As of the date of this annual report, our audit committee complies with such requirements. In accordance with NYSE standards, we have an audit committee entirely composed of independent directors.

Under NYSE standards, all audit committee members of listed U.S. companies are required to be financially literate or must acquire such financial knowledge within a reasonable period and at least one of its members shall have experience in accounting or financial administration. In addition, if a member of the audit committee is simultaneously a member of the audit committee of more than three public companies, and the listed company does not limit the number of audit committees on which its members may serve, then in each case the board must determine whether the simultaneous service would prevent such member from effectively serving on the listed company's audit committee and shall publicly disclose its decision. Although no comparable provisions on audit committee membership exist under Luxembourg law or our articles of association, these are indeed included in our Corporate Governance Code.

Standards for Evaluating Director Independence

Under NYSE standards, the board is required, on a case-by-case basis, to express an opinion with regard to the independence or lack of independence of each individual director. Neither Luxembourg law nor our articles of association require the board to express such an opinion nor to include a definition of “independent.”

Audit Committee Responsibilities

Pursuant to our articles of association, the audit committee shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the Company’s financial statements, including periodically reporting to the Board of Directors on its activity and the adequacy of the Company’s system of internal controls over financial reporting. As per the audit committee charter, as amended, the audit committee shall make recommendations for the appointment, compensation, retention and oversight of, and consider the independence of, the Company’s external auditors. The audit committee is required to review material transactions (as defined by the articles of association) between CAAP or its subsidiaries with related parties and also perform the other duties entrusted to it by the board.

The NYSE requires certain matters to be set forth in the audit committee charter of U.S. listed companies. Our audit committee charter provides for many of the responsibilities that are expected from such bodies under the NYSE standard; however, due to our equity structure and holding company nature, the charter does not contain all such responsibilities, including provisions related to setting hiring policies for employees or former employees of independent auditors, discussion of risk assessment and risk management policies, and an annual performance evaluation of the audit committee.

Shareholder Voting on Equity Compensation Plans

Under NYSE standards, shareholders must be given the opportunity to vote on equity-compensation plans and material revisions thereto, except for employment inducement awards, certain grants, plans and amendments in the context of mergers and acquisitions, and certain specific types of plans. We do not currently offer equity-based compensation to our directors, executive officers or employees, and therefore do not have a policy on this matter.

Disclosure of Corporate Governance Guidelines

NYSE-listed companies must adopt and disclose corporate governance guidelines. Neither Luxembourg law nor our articles of association require the adoption or disclosure of corporate governance guidelines. Our board of directors follows corporate governance guidelines consistent with our equity structure and holding company nature, but we have not codified them.

Code of Business Conduct and Ethics

Under NYSE standards, listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. Neither Luxembourg law nor our articles of association require the adoption or disclosure of such a code of conduct. However, as stated in our Corporate Governance Code, we have adopted a Code of Conduct and related integrity policies that apply to all directors, officers and employees, which is posted on our website and complies with the NYSE’s requirements, except that it does not require the disclosure of waivers of the code for directors and officers. In addition, we have adopted a supplementary Code of Ethics for Senior Financial Officers which is also posted on our website.

Chief Executive Officer Certification

A chief executive officer of a U.S. company listed on the NYSE must annually certify that he or she is not aware of any violation by the company of NYSE corporate governance standards. In accordance with NYSE rules applicable to foreign private issuers, our chief executive officer is not required to provide the NYSE with this annual compliance certification. However, in accordance with NYSE rules applicable to all listed companies, our chief executive officer must promptly notify the NYSE in writing after any of our executive officers becomes aware of any noncompliance with any applicable provision of the NYSE’s corporate governance standards. In addition, we must submit an executed written affirmation annually and an interim written affirmation each time a change occurs to the board or the audit committee.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 17. FINANCIAL STATEMENTS

The Company has responded to Item 18 in lieu of responding to this item.

ITEM 18. FINANCIAL STATEMENTS

(1) Financial Statements

Corporación América Airports S.A. Audited Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm	F-1
Management's Annual Report on Internal Control over Financial Reporting	F-5
Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018	F-7
Consolidated Statement of Comprehensive Income for the years ended December 31, 2020, 2019 and 2018	F-7
Consolidated Statement of Financial Position as of December 31, 2020 and 2019	F-8
Consolidated Statement of Changes in Equity for the years ended December 31, 2020, 2019 and 2018	F-9
Consolidated Statement of Cash Flows for the years ended December 31, 2020, 2019 and 2018	F-10
Notes to the Audited Consolidated Financial Statements	F-11

ITEM 19. EXHIBITS

(b) List of Exhibits

The following exhibits are filed or incorporated by reference as part of this annual report:

Exhibit Number	Description
1.1.	Amended Articles of Association of Corporación América Airports S.A., as amended in October 2020.
2.2	Description of Securities.
4.1	Technical Conditions of Extension to the AA2000 Concession Agreement
8.1.	List of Subsidiaries.
12.1.	Certification of Martín Francisco Antranik Eurnekian, Chief Executive Officer of Corporación América Airports S.A., pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
12.2.	Certification of Raúl Guillermo Francos, Chief Financial Officer of Corporación América Airports S.A., pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
13.1.	Certification of Martín Francisco Antranik Eurnekian, Chief Executive Officer of Corporación América Airports S.A., pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
13.2.	Certification of Raúl Guillermo Francos, Chief Financial Officer of Corporación América Airports S.A., pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	iXBRL Taxonomy Extension Schema Document.
101.CAL	iXBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	iXBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	iXBRL Taxonomy Extension Label Linkbase Document.
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CORPORACIÓN AMERICAAIRPORTSS.A.

By: /s/ Martín Francisco Antranik Eurnekian

Name: Martín Francisco Antranik Eurnekian

Title: Chief Executive Officer

By: /s/ Raúl Guillermo Francos

Name: Raúl Guillermo Francos

Title: Chief Financial Officer

Dated: April 9, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Corporación América Airports S.A.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statement of financial position of Corporación América Airports S.A. and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Concession Assets and Goodwill's Impairment Assessment

As described in Notes 2.D, 2F(a) and 12 to the consolidated financial statements, the Company's consolidated concession assets and goodwill balance was \$2,614 million at December 31, 2020. Management conducts an impairment test on goodwill as of December 31 of each year and conducts an impairment test on concession assets and goodwill if events or circumstances indicate that the carrying value of the concession assets and goodwill may be impaired. Potential impairment is identified by comparing the value in use of each Cash Generating Unit (CGU) to its carrying value, including goodwill. Value in use is estimated by management using a discounted cash flow model. Management's cash flow projections for each CGU included significant judgments and assumptions relating to passenger growth rates, fees, future operating expenses, and the discount rate.

The principal considerations for our determination that performing procedures relating to the concession assets and goodwill impairment assessment is a critical audit matter are there was significant judgment by management when developing the value in use measurement of each CGU. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's cash flow projections and significant assumptions, including passenger growth rates, fees, future operating expenses, and the discount rate. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's concession assets and goodwill impairment assessment. These procedures also included, among others, testing management's process for developing the value in use estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management, including passenger growth rates, fees, future operating expenses, and the discount rate. Evaluating management's assumptions related to passenger growth rates and future operating expenses involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the CGU, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the management's discounted cash flow model and certain significant assumptions, including the discount rate.

Covid-19 impact on the Company's liquidity

As described in Note 1 to the consolidated financial statements, 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. Company's revenue is highly dependent on levels of air traffic. Passenger traffic in their airports is composed of international, domestic and transit passengers. For the year ended December 31, 2020, consolidated revenues amount to \$607.4 million and decreased by 61% in comparison with year ended December 31, 2019. The management developed a strategy and implemented a number of actions aiming to mitigate the negative impact of the Covid-19 virus, regarding to reducing personnel expenses including salary reductions, reducing maintenance and other operating expenses, renegotiation of concession fees payments, mandatory capex, increasing tariffs and cancelling all non-mandatory capital investments and obtaining a deferral of principal and interest payments of debt and obtaining additional funding. Depending on the duration of the Covid-19 crisis and continued negative impact on economic activity, the Company may experience further negative results and liquidity constraints. Based on these actions and assumptions regarding the impact of COVID-19, and considering the Company's available liquidity including cash and cash equivalents of \$281 million as of December 31, 2020, management has concluded that after implementing the above cash conservation strategies, the Company's current financial resources, coupled with cash generation from operations, are sufficient to fund its liquidity requirements for the next twelve months.

The principal considerations for our determination that performing procedures relating to the impact of COVID-19 on the Company's liquidity is a critical audit matter are the significant judgment by management when developing their liquidity analysis; this in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's liquidity analysis, including the assumptions related to (i) passenger growth rate, (ii) future operating expenses during the pandemic; (iii) concession fee payments, mandatory and non-mandatory capital expenditures and (iv) liquidity requirements for financing costs.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's liquidity analysis. These procedures also included, among others, testing management's process for projecting liquidity requirements for the twelve months after the date the financial statements are issued and their disclosure in the consolidated financial statements; testing the completeness, accuracy, and relevance of underlying data and assumptions used in the projected liquidity analysis and its consistency with data and assumptions within models used in the impairment test; and evaluating the significant assumptions used by management, including passenger growth rates, future operating expenses, capital expenditures and liquidity requirement for financing cost. Evaluating management's assumptions related to passenger growth rates and future operating expenses involved evaluating whether the assumptions used by management were reasonable considering (i) the consistency with external market and industry data among other, and (ii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Miguel Angel Urus
Partner
Buenos Aires, Argentina
March 30, 2021

We have served as the Company's auditor since 2017.

Management's Annual Report on Internal Control over Financial Reporting

CAAP's Management is responsible for establishing and maintaining adequate internal control over financial reporting for CAAP as defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Our internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of CAAP Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of CAAP Group are being made only in accordance with authorizations of Management and directors of CAAP Group; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of CAAP Group's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of CAAP Group's internal control over financial reporting based on the framework in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013"). Based on its evaluation, Management concluded that the CAAP Group's internal control over financial reporting was effective as of December 31, 2020. The effectiveness of CAAP Group's internal control over financial reporting as of December 31, 2020 has been audited by Price Waterhouse & Co S.R.L., an independent registered public accounting firm, as stated in their report which is included herein.

Buenos Aires, Argentina
March 30, 2021

By: /s/ Martín Francisco Antranik Eurnekian
Name: Martín Francisco Antranik Eurnekian
Title: Chief Executive Officer

By: /s/ Raúl Guillermo Francos
Name: Raúl Guillermo Francos
Title: Chief Financial Officer

Corporación América Airports S.A. Consolidated Financial Statements as of December 31, 2020 and 2019 and for the years ended on December 31, 2020, 2019 and 2018

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

Corporación América Airports S.A.

**CONSOLIDATED
FINANCIAL STATEMENTS**

**As of December 31, 2020 and 2019
and for the years ended December 31, 2020, 2019 and 2018**

R.C.S. Luxembourg B 174.140

4, rue de la Grève
L – 1643 Luxembourg

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

CONSOLIDATED STATEMENT OF INCOME

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenue	5	607,356	1,558,640	1,426,145
Cost of services	6	(653,583)	(1,138,425)	(971,425)
Gross (loss) / profit		(46,227)	420,215	454,720
Selling, general and administrative expenses	7	(101,775)	(168,291)	(171,899)
Impairment loss	12	(62,268)	(42,801)	-
Other operating income	8	54,105	17,259	20,207
Other operating expense		(7,533)	(2,747)	(4,054)
Operating (loss) / income		(163,698)	223,635	298,974
Share of loss in associates	10,15	(6,159)	(5,353)	(4,146)
(Loss) / Income before financial results and income tax		(169,857)	218,282	294,828
Financial income	9	35,697	51,889	76,281
Financial loss	9	(215,496)	(233,521)	(331,147)
Inflation adjustment	9	(26,532)	(25,391)	(36,460)
(Loss) / Income before income tax		(376,188)	11,259	3,502
Income tax	11	14,295	(17,079)	(14,101)
Loss for the year		(361,893)	(5,820)	(10,599)
Attributable to:				
Owners of the parent		(253,053)	9,099	7,125
Non-controlling interest		(108,840)	(14,919)	(17,724)
		(361,893)	(5,820)	(10,599)
Earnings per share attributable to the owners of the parent	30			
Weighted average number of shares (thousands)		160,022	160,022	158,848
Basic and diluted earnings per share		(1.58)	0.06	0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018
Loss for the year		(361,893)	(5,820)	(10,599)
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation		(188)	(208)	277
Items that may be subsequently reclassified to profit or loss:				
Share of other comprehensive (loss) / income from associates	15	(541)	35	(1,150)
Currency translation adjustment		(32,564)	(24,847)	(247,712)
Other comprehensive loss for the year, net of income tax		(33,293)	(25,020)	(248,585)
Total comprehensive loss for the year		(395,186)	(30,840)	(259,184)
Attributable to:				
Owners of the parent		(278,306)	(4,295)	(154,213)
Non-controlling interest		(116,880)	(26,545)	(104,971)
		(395,186)	(30,840)	(259,184)

The accompanying notes are an integral part of these Consolidated Financial Statements.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At December 31, 2020	At December 31, 2019
ASSETS			
Non-current assets			
Intangible assets, net	12	2,616,484	3,002,121
Property, plant and equipment, net	13	80,833	79,612
Right-of-use asset	14	13,448	8,380
Investments in associates	15	5,336	9,929
Other financial assets at fair value through profit or loss	20	3,614	3,309
Other financial assets at amortized cost	20	2,609	2,494
Deferred tax assets	16	73,038	147,475
Other receivables	17	89,962	119,954
Trade receivables	19	334	1,326
		<u>2,885,658</u>	<u>3,374,600</u>
Current assets			
Inventories	18	8,015	11,302
Other financial assets at fair value through profit or loss	20	53,347	17,341
Other financial assets at amortized cost	20	20,554	66,413
Other receivables	17	79,550	101,676
Current tax assets		18,415	10,311
Derivative financial instruments		-	27
Trade receivables	19	59,081	104,877
Cash and cash equivalents	21	281,031	195,696
		<u>519,993</u>	<u>507,643</u>
Total assets		<u>3,405,651</u>	<u>3,882,243</u>
EQUITY			
	25		
Share capital		163,223	160,022
Share premium		183,430	180,486
Treasury shares		(6,145)	-
Free distributable reserve		378,910	385,055
Non-distributable reserve		1,358,028	1,351,883
Currency translation adjustment		(417,272)	(392,101)
Legal reserves		176	176
Other reserves		(1,321,142)	(1,324,887)
Retained earnings		150,202	403,255
Total attributable to owners of the parent		<u>489,410</u>	<u>763,889</u>
Non-controlling interests		315,876	434,725
Total equity		<u>805,286</u>	<u>1,198,614</u>
LIABILITIES			
Non-current liabilities			
Borrowings	22	1,128,407	1,033,221
Deferred tax liabilities	16	171,289	233,115
Other liabilities	23	728,746	848,410
Lease liabilities	14	10,207	5,783
Trade payables	24	9,162	798
		<u>2,047,811</u>	<u>2,121,327</u>
Current liabilities			
Borrowings	22	216,410	175,123
Other liabilities	23	180,813	230,122
Lease liabilities	14	3,477	3,144
Current tax liabilities		1,002	5,156
Trade payables	24	150,852	148,757
		<u>552,554</u>	<u>562,302</u>
Total liabilities		<u>2,600,365</u>	<u>2,683,629</u>
Total equity and liabilities		<u>3,405,651</u>	<u>3,882,243</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent										Non-controlling interests	Total
	Share Capital	Share Premium	Treasury Shares	Free Distributable Reserves	Non-Distributable Reserves	Legal Reserves	Currency Translation Adjustment	Other Reserves	Retained Earnings (1)	Total		
Balance at January 1, 2020	160,022	180,486	-	385,055	1,351,883	176	(392,101)	(1,324,887)	403,255	763,889	434,725	1,198,614
Loss for the year	-	-	-	-	-	-	-	-	(253,053)	(253,053)	(108,840)	(361,893)
Capital Increase (Note 25a and 25b)	3,201	2,944	(6,145)	(6,145)	6,145	-	-	-	-	-	-	-
Share-based payments reserve (Note 25c)	-	-	-	-	-	-	-	1,800	-	1,800	-	1,800
Other comprehensive loss for the year	-	-	-	-	-	-	(25,171)	(82)	-	(25,253)	(8,040)	(33,293)
Changes in non-controlling interests (Note 25e)	-	-	-	-	-	-	-	2,027	-	2,027	(1,969)	58
Balance at December 31, 2020	163,223	183,430	(6,145)	378,910	1,358,028	176	(417,272)	(1,321,142)	150,202	489,410	315,876	805,286
Balance at January 1, 2019	160,022	180,486	-	385,055	1,351,883	176	(378,803)	(1,324,731)	394,156	768,244	454,453	1,222,697
Shareholders contributions (Note 25e)	-	-	-	-	-	-	-	-	-	-	27,506	27,506
Income / (Loss) for the year	-	-	-	-	-	-	-	-	9,099	9,099	(14,919)	(5,820)
Other comprehensive loss for the year	-	-	-	-	-	-	(13,298)	(96)	-	(13,394)	(11,626)	(25,020)
Changes in non-controlling interests (Note 25e)	-	-	-	-	-	-	-	(60)	-	(60)	(20,689)	(20,749)
Balance at December 31, 2019	160,022	180,486	-	385,055	1,351,883	176	(392,101)	(1,324,887)	403,255	763,889	434,725	1,198,614
Balance at January 1, 2018	1,500,000	-	-	385,055	-	2	(217,300)	(1,344,008)	138,034	461,783	335,359	797,142
Adjustment on adoption of IFRS 9 (net of tax)	-	-	-	-	-	-	-	-	2,356	2,356	542	2,898
Adjustment on initial application of IAS 29 (Note 2.X)	-	-	-	-	-	-	-	-	246,815	246,815	196,408	443,223
Adjusted balance at January 1, 2018	1,500,000	-	-	385,055	-	2	(217,300)	(1,344,008)	387,205	710,954	532,309	1,243,263
Shareholders contributions (Note 25e)	-	-	-	-	-	-	-	-	-	-	43,703	43,703
Income/(loss) for the year	-	-	-	-	-	-	-	-	7,125	7,125	(17,724)	(10,599)
Transfer to legal reserve	-	-	-	-	-	174	-	-	(174)	-	-	-
Reverse stock split (Note 25a)	(1,351,883)	-	-	-	1,351,883	-	-	-	-	-	-	-
Initial Public Offering (Note 25a and 25b)	11,905	180,486	-	-	-	-	-	-	-	-	192,391	192,391
Other comprehensive (loss) / income for the year	-	-	-	-	-	-	(161,503)	165	-	(161,338)	(87,247)	(248,585)
Changes in non-controlling interests (Note 25c and 25e)	-	-	-	-	-	-	-	19,112	-	19,112	(16,588)	2,524
Balance at December 31, 2018	160,022	180,486	-	385,055	1,351,883	176	(378,803)	(1,324,731)	394,156	768,244	454,453	1,222,697

(1) Retained Earnings calculated according to Luxembourg Law are disclosed in Note 26c.

The accompanying notes are an integral part of these Consolidated Financial Statements.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash flows from operating activities				
Loss for the year		(361,893)	(5,820)	(10,599)
Adjustments for:				
Amortization and depreciation	12,13,14	200,788	182,270	175,829
Deferred income tax	11	(13,805)	(31,346)	(24,999)
Current income tax	11	(490)	48,425	39,100
Share of loss in associates	10	6,159	5,353	4,146
Impairment loss	12	62,268	42,801	-
Loss / (Gain) on disposals of property, plant and equipment and intangible assets		932	(16)	3,170
Unpaid concession fees		47,467	47,658	45,581
Low value, short term and variable lease payments	14	(1,031)	(2,831)	-
Changes in liability for concessions	9	69,737	88,488	86,331
Share-based compensation expenses	29	1,800	-	-
Interest expense	9	99,018	92,687	96,301
Other financial results, net		(14,611)	(36,210)	(22,467)
Net foreign exchange	9	25,022	37,390	91,434
Government grants		(46,701)	-	-
Other accruals		5,037	22,763	4,027
Inflation adjustment		26,598	41,032	35,901
Acquisition of Intangible assets	12,28	(128,429)	(353,725)	(206,622)
Income tax paid		(11,126)	(45,213)	(45,664)
Changes in working capital	28	34,098	(153,419)	(79,808)
Net cash provided by / (used in) operating activities		838	(19,713)	191,661
Cash flows from investing activities				
Cash contribution in associates	15	(2,170)	(4,425)	(2,907)
Acquisition of other financial assets		(54,491)	(103,421)	(76,671)
Disposals of other financial assets		67,736	110,005	39,406
Purchase of Property, plant and equipment	13	(8,951)	(17,117)	(11,139)
Acquisition of Intangible assets	12	(576)	(960)	(1,176)
Loans with related parties		-	4,157	(3,349)
Proceeds from sale of Property, plant and Equipment		11	23	49
"Piana di Castello" land advance		-	-	(3,583)
Others		63	(408)	185
Net cash provided by / (used in) investing activities		1,622	(12,146)	(59,185)
Cash flows from financing activities				
Proceeds from cash contributions	25	-	27,506	43,703
Additional acquisitions in subsidiaries	25	-	-	(40,731)
Disposal of partial interest in subsidiaries	25	-	-	56,638
Proceeds from borrowings	22	224,310	196,977	194,546
Initial Public Offering		-	-	195,601
Initial Public Offering expenses paid		-	-	(5,495)
Release of guarantee deposits		-	-	92,913
Leases payments	14	(3,979)	(5,130)	-
Loans paid	22	(71,466)	(90,457)	(517,253)
Interest paid	22	(41,149)	(78,832)	(70,637)
Debt renegotiation expenses	22	(10,975)	-	-
Debt renegotiation premium	9	(4,690)	-	-
Guarantee deposit		(1,509)	(3,007)	-
Dividends paid to non-controlling interests in subsidiaries		(1)	(22,482)	(14,965)
Net cash provided by/ (used in) financing activities		90,541	24,575	(65,680)
Increase / (Decrease) in cash and cash equivalents		93,001	(7,284)	66,796
Cash and cash equivalents				

At the beginning of the year	21	195,696	244,865	221,601
Effects of exchange rate changes and inflation adjustment on cash and cash equivalents		(7,666)	(41,885)	(43,532)
Increase / (Decrease) in cash and cash equivalents		93,001	(7,284)	66,796
At the end of the year	21	<u>281,031</u>	<u>195,696</u>	<u>244,865</u>

Information of non-cash transactions has been disclosed in Note 28.

The accompanying notes are an integral part of these Consolidated Financial Statements.

INDEX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 1 General information and significant event of the year
- 2 Basis of presentation and accounting policies
- 3 Financial risk management
- 4 Segment information
- 5 Revenue
- 6 Cost of services
- 7 Selling, general and administrative expenses
- 8 Other operating income
- 9 Financial results, net
- 10 Share of results in associates
- 11 Income tax
- 12 Intangible assets, net
- 13 Property, plant and equipment, net
- 14 Leases
- 15 Investments in associates
- 16 Deferred income tax
- 17 Other receivables
- 18 Inventories
- 19 Trade receivables
- 20 Other financial assets
- 21 Cash and cash equivalents
- 22 Borrowings
- 23 Other liabilities
- 24 Trade payables
- 25 Equity
- 26 Contingencies, commitments and restrictions on the distribution of profits
- 27 Related party balances and transactions
- 28 Cash flow disclosures
- 29 Share-based payments
- 30 Earnings per share
- 31 Restricted net assets
- 32 Subsequent events
- 33 Condensed financial information of the Company

1 General information and significant event of the year

1.1 General Information

Corporación América Airports S.A. (the “Company” or “CAAP”) is a holding company primarily engaged through its operating subsidiaries in the acquisition, development and operation of airport concessions. The Company and its operating subsidiaries are collectively referred to hereinafter as the “Group”.

The Company’s shares trade on the New York Stock Exchange (“NYSE”) under the symbol “CAAP”.

The Company was formed as a private limited liability company under the laws of the Grand Duchy of Luxembourg on December 14, 2012. The Company is ultimately controlled by Southern Cone Foundation (“SCF”), a foundation organized under the laws of the Principality of Liechtenstein. The address of its registered office is in Vaduz.

The Group currently has operations in Argentina, Brazil, Uruguay, Armenia, Italy, Ecuador and Peru.

These consolidated financial statements have been approved for issuance by the Company on March 30, 2021.

1.2 Significant event of the year - Covid-19 pandemic

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.

Depending on how the situation evolves, governments may impose tougher measures including extending travel bans for longer periods or to reverse flight restrictions partially lifted. In addition, concerns about the Coronavirus have negatively impacted travel demand (and therefore the Company’s business) generally.

In 2020, CAAP 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 the Group’s Consolidated Financial Statements as of December 31, 2020. The main impacts are disclosed in Note 1.2.2.

1.2.1 CAAP’s actions taken and response to Covid-19 crisis

In this context, CAAP 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.

The Company developed a four-pronged strategy and continues implementing a number of actions aiming to mitigate the negative impact of the Covid-19 virus on its business, as follows:

- Employees and passengers: The Company enhanced safety and hygiene protocols across its airports to protect the well-being of passengers and operating personnel. As travel bans are lifted and commercial flights resume across all countries, CAAP 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.
- Cost controls and cash preservation measures: CAAP 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 maintenance and other operating expenses while maintaining the quality and safety standards, required to support the minimum level of operations.

1 General information and significant event of the year (Cont.)

1.2 Significant event of the year - Covid-19 pandemic (Cont.)

1.2.1 CAAP's actions taken and response to Covid-19 crisis (Cont.)

The Company has also aggressively managed working capital by negotiating with its suppliers the extension of payment terms and reducing its capex program beginning April 2020.

- Negotiations with regulatory bodies and government support: The Company has been involved in discussions with regulatory agencies to renegotiate concession fees payments aligned to the current environment, see further information in Note 23.
- Concession agreements compensations: Under the concession contracts framework, the amounts and mechanisms for compensation have been and are being 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. The Company is engaged in these processes that require going through administrative regulatory channels. Please refer to Note 8 and 26.b) for additional information.
- Financial position and liquidity: As cash preservation is a critical focus, the Company has taken the following measures:
 - Cancelling all non-mandatory capital investments and deferring non-priority projects.
 - Implementing a set of cost control measures to reduce operating expenses and negotiate payment terms with the suppliers to limit additional cash outflows.
 - Obtaining a deferral of principal and interest payments of debt and obtaining additional funding, see further information in Note 22.
 - Suspending dividends to be disbursed in 2020 on concessions in Italy and Ecuador.

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 the Company's business, results of operations, financial position and liquidity is unknown.

Despite this unknown impact, management continues monitoring the Group's performance through passengers' evolution, cost monitoring, liquidity projections and scenario planning. The result of this continued review will determine the persistence of the four-pronged strategy. 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.

1.2.2 Covid-19 Impact on the Group's consolidated financial figures

The decline in passengers and air traffic severely impacted the Group's consolidated financial figures and in particular as follows:

▪ Revenue

CAAP's revenue is highly dependent on levels of air traffic. Passenger traffic in our airports is composed of international, domestic and transit passengers. As of December 31, 2020, revenues amount to USD 607.4 million and decreased by 61% in comparison to December 31, 2019. This decrease concerns all Group's operating segments.

▪ Cost of services

Cost of services decrease 43% in comparison to the year ended December 31, 2019, primarily due to the decrease in construction service cost derived from the reduction of non-mandatory capital expenditures in connection with the cash preservation measure implemented and the decrease in maintenance expenses due to reduction in maintenance required to support the lower level of operations.

Other cost controls measures, together with government support programs towards employees, made it possible to reduce salaries and social security contributions costs in 2020 compared to 2019.

▪ Operating loss

Considering gross loss as explained above, decrease in operating loss mainly includes USD 66.5 million decrease in selling, general and administrative expenses due to cost controls, USD 36.8 million increase in other operating income mainly due to governments grants obtained and USD 19.5 million increase from impairment losses.

▪ Intangible assets and deferred tax assets

As the decline in air traffic situation following flight restrictions in force as from March 2020 was identified as an impairment indicator, the Group carried out impairment tests across all of its business operational segments, see further information and results in Note 12 and 16.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

1 General information and significant event of the year (Cont.)

1.2 Significant event of the year - Covid-19 pandemic (Cont.)

1.2.2 Covid-19 Impact on the Group's consolidated financial figures (Cont.)

- Trade receivables

The Group closely monitored its trade receivables to anticipate mitigation initiatives to protect the collectability of such receivables. From the beginning of the crisis, the Group immediately focused on the collection of customers' debts (mainly airlines) and payment behavior with a view to mitigate the impact of the expected credit losses. See further information in Note 3.A.(iii).

- Borrowings

To boost its liquidity, the Group renegotiated outstanding debts with a view to defer principal and interest payments and also obtained additional funding, see further information in Note 22.

Additionally, the Group actively monitors covenants compliance and, in the context of the Covid-19 pandemic, has paid particular attention to borrowings agreements that could give rise to risk of non-compliance in the upcoming months. Based on the track record of successful negotiations with financial institutions, the Group expects to obtain, if required, additional waivers.

Depending on the duration of the Covid-19 crisis and continued negative impact on economic activity, the Company may experience further negative results and liquidity constraints. Therefore, the Company continues to assess the evolution of the Covid-19 virus outbreak in order to identify the unforeseen potential effects that could alter its business and performance. These Consolidated Financial Statements reflect the impact of these events and current market conditions and considers that, even in this exceptional and uncertain context that significantly impacts the Group's financial figures, the Group's current financial resources, coupled with cash generation from operations, are sufficient to fund its liquidity requirements for the next twelve months.

All these measures and initiatives adopted enable the Company to present its consolidated financial statements under the going concern assumption.

2 Basis of presentation and accounting policies

A. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the IASB.

Presentation in the consolidated statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are regarded as current if they mature within one year or within the normal business cycle of the Group, or are held for sale.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.F.

Several balance sheet consolidated statements of final position and consolidated statement of income items have been combined in the interests of clarity. These items are stated and explained separately in the notes to the consolidated financial statements. The statement of income is structured according to the function of expense method (nature of the expenses is classified in notes).

The consolidated financial statements are presented in thousands of U.S. dollars unless otherwise stated. All amounts are rounded off to thousands of U.S. dollars unless otherwise stated.

As such, insignificant rounding differences may occur. A dash ("—") indicates that no data was reported for a specific line item in the relevant financial year or period or when the pertinent figure, after rounding, amounts to nil.

The fiscal year begins on January 1 and ends on December 31.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

A. Summary of significant accounting policies (Cont.)

New and amended standards adopted by the Group

The Group has applied the following standards and interpretations for the first time for their annual reporting period commencing on January 1, 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform – amendments to IFRS 7, IFRS 9 and IAS 39

The group also elected to adopt the following amendment early commencing on June, 1, 2020:

- Covid-19-related Rent Concessions – amendments to IFRS 16

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

During the period ended December 31, 2019, the group has applied the following standards and amendments for the first time for their annual reporting period commencing on January 1, 2019:

- IFRS 16 Leases
- Prepayment Features with Negative Compensation – amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – amendments to IAS 28
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Plan Amendment, Curtailment or Settlement – amendments to IAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments.

New and amended standards not yet adopted for CAAP

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

B Group accounting policies

(1) Subsidiaries and transactions with non-controlling interests

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is exercised by the Company and are no longer consolidated from the date control ceases.

The acquisition method is used to account for the business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred or assumed at the date of exchange, and the equity interest issued by the group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Accounting treatment is applied on an acquisition by acquisition basis.

The excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the Consolidated Statement of Income.

Transactions with non-controlling interests that do not result in a loss of control are accounted as equity transactions with owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Material inter-company transactions, balances and unrealized gains and losses have been eliminated in consolidation. However, financial gains and losses from intercompany transactions may arise when the subsidiaries have different functional currencies. These financial gains and losses are included in the Consolidated Statement of Income under *Financial income* and *Financial loss*.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

B Group accounting policies (Cont.)

(2) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Unrealized gains or losses arising from transactions between the Group and its associates are eliminated to the extent of CAAP's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group. The Company's pro-rata share of earnings in associates is recorded in the Consolidated Statement of Income under *Share of loss in associates* and *Share of other comprehensive income / (loss) from associates*. The Company's pro-rata share of changes in other reserves is recognized in the Consolidated Statement of Changes in Equity under *Other Reserves*.

(3) List of Subsidiaries

Detailed below are the subsidiaries of the Company which have been consolidated in the Consolidated Financial Statements. The percentage of ownership refers to the direct and indirect ownership of CAAP in their subsidiaries at each period-end.

Holdings companies

Company	Country of incorporation	Local currency	Main activity	Percentage of ownership at December 31,		
				2020	2019	2018
Abafor S.A.	Uruguay	Uruguayan pesos	Holding company	100.00%	100.00%	100.00%
ACI Airport Sudamérica S.A.U.	Spain	Euros	Holding company	100.00%	100.00%	100.00%
ACI Airports Italia S.A.U.	Spain	Euros	Holding company	100.00%	100.00%	100.00%
America International Airports LLC ("AIA") ⁽¹⁾	USA	U.S. dollars	Holding company	100.00%	100.00%	100.00%
Cargo & Logistics S.A. ^{(1) (8)}	Argentina	Argentine pesos	Holding company	81.81%	81.49%	81.49%
CASA Aeroportuaria S.A. ⁽²⁾	Argentina	Argentine pesos	Holding company	-	-	99.98%
Cedicolor S.A.	Uruguay	Uruguayan pesos	Holding company	100.00%	100.00%	100.00%
Cerealsur S.A.	Uruguay	Uruguayan pesos	Holding company	100.00%	100.00%	100.00%
Corporación Aeroportuaria S.A. ⁽²⁾	Argentina	Argentine pesos	Holding company	99.98%	99.98%	99.98%
Corporación América Italia S.p.A.	Italy	Euros	Holding company	75.00%	75.00%	75.00%
Corporación América S.A. ⁽⁸⁾	Argentina	Argentine pesos	Holding company	95.80%	95.37%	95.37%
Corporación América Sudamericana S.A. ⁽⁸⁾	Panamá	U.S. dollars	Holding company	95.12%	94.69%	94.69%
DICASA Spain S.A.U. ⁽¹⁾	Spain	Euros	Holding company	100.00%	100.00%	100.00%
Inframerica Participações S.A. ⁽¹⁾	Brazil	Brazilian real	Holding company	99.97%	99.97%	99.96%
Yokelet S.L.	Spain	Euros	Holding company	100.00%	100.00%	100.00%

⁽¹⁾ These companies do not have relevant net assets other than the share of ownership in the operating companies included in the table below.

⁽²⁾ These companies were merged on June 30, 2019.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

B Group accounting policies (Cont.)

(3) List of Subsidiaries (Cont.)

Operating companies

Company	Country of incorporation	Local currency	Main activity	Percentage of ownership at December 31,		
				2020	2019	2018
ACI do Brasil S.A.	Brazil	Brazilian real	Service company	99.99%	99.99%	99.99%
Aerocombustibles Argentinos S.A. ⁽⁸⁾	Argentina	Argentine pesos	Fueling company	93.40%	92.98%	92.98%
Aeropuerto de Bahía Blanca S.A. ⁽⁸⁾	Argentina	Argentine pesos	Airports Operation	81.43%	81.06%	81.06%
Aeropuertos Argentina 2000 S.A. ("AA2000") ^{(3) (8)}	Argentina	Argentine pesos	Airports Operation	81.62%	81.29%	81.29%
Aeropuertos del Neuquén S.A. ⁽⁸⁾	Argentina	Argentine pesos	Airports Operation	74.44%	74.10%	74.10%
Armenia International Airports C.J.S.C. ⁽⁹⁾	Armenia	Dram	Airports Operation	100.00%	100.00%	100.00%
CAAirports International Services S.A. (formerly Caminos Viales S.A.)	Uruguay	Uruguayan pesos	Service company	100.00%	100.00%	100.00%
Consorcio Aeropuertos Internacionales S.A.	Uruguay	Uruguayan pesos	Airports Operation	100.00%	100.00%	100.00%
Enarsa Aeropuertos S.A. ⁽⁸⁾	Argentina	Argentine pesos	Fuel plants	76.64%	76.29%	76.29%
Inframérica Concessionária do Aeroporto de Brasília S.A. ("ICAB")	Brazil	Brazilian real	Airports Operation	50.98%	50.98%	50.98%
Inframérica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. ("ICASGA")	Brazil	Brazilian real	Airports Operation	99.98%	99.98%	99.98%
Paoletti América S.A. ^{(4) (8)}	Argentina	Argentine pesos	Service company	40.81%	40.65%	40.65%
Puerta del Sur S.A.	Uruguay	Uruguayan pesos	Airports Operation	100.00%	100.00%	100.00%
Servicios y Tecnología Aeroportuaria S.A. ⁽⁸⁾	Argentina	Argentine pesos	Service company	81.72%	81.39%	81.39%
TCU S.A.	Uruguay	Uruguayan pesos	Service company	100.00%	100.00%	100.00%
Terminal Aeroportuaria Guayaquil S.A. ("TAGSA") ⁽⁵⁾	Ecuador	U.S. dollars	Airports Operation	49.99%	49.99%	49.99%
Texelrío S.A. ⁽⁸⁾	Argentina	Argentine pesos	Service company	57.13%	56.91%	56.91%
Toscana Aeroporti S.p.A. ^{(6) (7)}	Italy	Euros	Airports Operation	46.71%	46.71%	46.71%
Villalonga Furlong S.A. ⁽⁸⁾	Argentina	Argentine pesos	Service company	81.83%	81.50%	81.50%

⁽³⁾ Includes a 9.35% direct interest of Cedicor S.A. in AA2000, acquired by Cedicor S.A. in 2011. This participation was subject to the authorization by the Argentine National Airports Regulator (Organismo Regulador del Sistema Nacional de Aeropuertos, the "ORSNA") pursuant to section 7.2 of the Argentine Concession Agreement. As of September 22, 2020, the ORSNA approved the aforementioned transaction.

⁽⁴⁾ The Group has control over this company based on having majority representation in the board, power to direct the process of setting of financial and operating policies and execute the operational management of such Company.

⁽⁵⁾ The Group has control over this company based on having power to direct the process of setting of financial and operating policies and execute the operational management of such Company.

⁽⁶⁾ The Group has control over this company based on having a majority stake in Corporación América Italia S.p.A. that has 62.28% of ownership of Toscana Aeroporti S.p.A., power to direct the process of setting of financial and operating policies and execute the operational management of such Company.

⁽⁷⁾ The Group Toscana Aeroporti S.p.A. has control over the following companies: Jet Fuel Co. S.r.l., Parcheggi Peretola S.r.l., Toscana Aeroporti Engineering S.r.l., Toscana Aeroporti Handling S.r.l. and Vola S.r.l.

⁽⁸⁾ See Note 25 e).

⁽⁹⁾ In December 2020, 100% of the share capital of Armenia International Airports C.J.S.C. was transferred from AIA to CAAP pursuant to a Share Transfer Agreement duly registered in Armenia.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

B Group accounting policies (Cont.)

(3) List of Subsidiaries (Cont.)

Summarized financial information in respect of each of the Group's subsidiaries that has most significant non-controlling interests is set below. The summarized financial information below represents amounts before intragroup elimination.

	Toscana Aeroporti S.p.A.	
	December 31, 2020	December 31, 2019
Non-current assets	274,620	245,541
Current assets	132,706	55,248
Total assets	407,326	300,789
Non-current liabilities	158,523	60,650
Current liabilities	117,787	105,298
Total liabilities	276,310	166,523
Equity	131,016	134,266
Revenue	58,318	145,633
Gross (loss) / profit	(13,845)	41,061
Operating (loss) / income	(16,296)	25,938
Financial Results	(1,530)	(1,752)
Share of income in associates	115	35
Income tax	3,599	(8,174)
Net (loss) / income	(14,112)	16,047
Other comprehensive income / (loss) for the year	10,862	(2,722)
Total comprehensive (loss) / income for the year	(3,250)	13,325
Dividends paid	-	(14,774)
Increase/(Decrease) in cash		
(Used in) / Provided by operating activities	(45,775)	24,166
Used in investing activities	(3,404)	(8,452)
Provided by / (Used in) financing activities	117,011	(9,240)

	Terminal Aeroportuaria de Guayaquil S.A.	
	December 31, 2020	December 31, 2019
Non-current assets	64,580	63,914
Current assets	30,209	50,629
Total assets	94,789	114,543
Non-current liabilities	25,451	17,839
Current liabilities	27,544	49,616
Total liabilities	52,995	67,455
Equity	41,794	47,088
Revenue	49,741	109,608
Gross profit	6,988	37,650
Operating (loss) / income	(3,728)	20,663
Financial Results	(1,514)	125
Income tax	(42)	(2,047)
Net (loss) / income	(5,284)	18,741
Other comprehensive (loss) / income for the year	(11)	36
Total comprehensive (loss) / income for the year	(5,295)	18,777
Dividends paid	-	(14,616)
Increase/(Decrease) in cash		
(Used in) / Provided by operating activities	(24,544)	8,233
(Used in) / Provided by investing activities	(1,861)	18,035
Provided by / (Used in) financing activities	7,510	(619)

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

B Group accounting policies (Cont.)

(3) List of Subsidiaries (Cont.)

	Inframerica Concessionária do Aeroporto de Brasília S.A.	
	December 31, 2020	December 31, 2019
Non-current assets	722,342	1,022,212
Current assets	25,667	42,369
Total assets	748,009	1,064,581
Non-current liabilities	798,374	972,476
Current liabilities	94,065	121,564
Total liabilities	892,439	1,094,040
Equity	(144,430)	(29,459)
Revenue	44,827	102,438
Gross (loss) / profit	(6,046)	23,069
Operating income	13,796	12,592
Financial Results	(88,051)	(112,933)
Income tax	(46,839)	-
Net loss	(121,094)	(100,341)
Other comprehensive income / (loss) for the year	6,122	(2,307)
Total comprehensive loss for the year	(114,972)	(102,648)
Dividends paid	-	-
Increase / (Decrease) in cash		
Provided by / (Used in) operating activities	9,721	(34,947)
Used in investing activities	(173)	(106)
(Used in) / Provided by financing activities	(12,690)	43,286

	Aeropuertos Argentina 2000 S.A.	
	December 31, 2020	December 31, 2019
Non-current assets	1,163,738	1,223,668
Current assets	143,638	145,516
Total assets	1,307,376	1,369,184
Non-current liabilities	509,114	513,118
Current liabilities	268,403	217,989
Total liabilities	777,517	731,107
Equity	529,859	638,077
Revenue	348,904	924,842
Gross (loss) / profit	(23,616)	222,733
Operating (loss) / income	(57,447)	149,788
Financial Results	(84,231)	(62,682)
Income tax	51,493	11,647
Net (loss) / income	(90,185)	98,753
Other comprehensive loss for the year	(19,832)	(19,094)
Total comprehensive (loss) / income for the year	(110,017)	79,659
Dividends paid	(578)	(52,354)
Increase / (Decrease) in cash		
Provided by / (Used in) operating activities	61,760	(66,850)
(Used in) / Provided by investing activities	(21,926)	14,639
(Used in) / Provided by financing activities	(3,325)	12,469

2 Basis of presentation and accounting policies (Cont.)

C Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in U.S. dollars, which is the Company's functional currency and the Group's presentation currency.

(2) Transactions in currencies other than the functional currency

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured.

At the end of each reporting period: (i) monetary items denominated in currencies other than the functional currency are translated using the closing rates; (ii) non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are translated using the exchange rates prevailing at the date of the transactions; and (iii) non-monetary items that are measured at fair value in a currency other than the functional currency are translated using the exchange rates prevailing at the date when the fair value was determined. If such transactions occurred in a company applying IAS 29, after the above-mentioned translation, transactions are re-expressed in terms of the measuring unit current at the end of the reporting period.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recorded as gains and losses from foreign exchange and included, if applicable, in "Financial income / Financial loss" in the Consolidated Statement of Income. Foreign exchange gains and losses derived from the net monetary position in subsidiaries applying IAS 29 are presented in real (inflation-adjusted) terms.

(3) Translation of financial information in currencies other than the Company's functional currency

Income and expenses of the subsidiaries whose functional currencies are not the U.S. dollar and are not in a hyperinflationary economy, are translated into U.S. dollars at average exchange rates. Assets and liabilities for each balance sheet presented are translated at the balance sheet date exchange rates.

All figures (income, expenses, assets and liabilities) of the subsidiaries whose functional currencies are the one of a hyperinflationary economy, are translated into U.S. dollars at the balance sheet date exchange rates, considering that all items are expressed in terms of the measuring unit current at the end of the reporting period.

Translation differences are recognized in the Consolidated Statement of Comprehensive Income as "Currency Translation Adjustment". As of December 31, 2020, 2019 and 2018, the Company recognized a translation loss of USD 32.6 million, USD 24.8 million and USD 247.7 million, respectively, arising from the translation of the investments in Argentina, Brazil, Italia and Armenia. In the case of a sale or other disposal of any of such subsidiaries, any cumulative translation difference would be recognized in the Statement of Income as a gain or loss from the sale of such subsidiary.

D Intangible assets

(1) Concession Assets

The Group, through its subsidiaries has been awarded the concession for the administration and operation of the following airports:

- Puerta del Sur S.A. and Consorcio Aeropuertos Internacionales S.A. ("C.A.I.S.A."), of major airports in Uruguay (Montevideo and Punta del Este).
- Toscana Aeroporti S.p.A. ("TA") a merger of Aeroporto di Firenze S.p.A. ("ADF") and Società Aeroporto Toscano Galileo Galilei S.p.A. ("SAT") of Florence and Pisa airports, respectively.
- Inframerica Concessionária do Aeroporto de Brasília S.A. and Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. of Brasília and São Gonçalo do Amarante airports, respectively.
- Terminal Aeroportuaria de Guayaquil S.A. (TAGSA) of Guayaquil airport, "José Joaquín de Olmedo".
- Aeropuertos Argentina 2000 S.A. of 35 airports in Argentina.
- Aeropuerto de Bahía Blanca S.A. of Bahía Blanca airport in Argentina.
- Aeropuertos del Neuquén S.A. of Neuquén airport in Argentina.
- Armenia International Airports C.J.S.C. of the "Zvartnots" International Airport of Yerevan, Republic of Armenia.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

D Intangible assets (Cont.)

(1) Concession Assets (Cont.)

The concession agreements are accounted for in accordance with the principles included in IFRIC 12 “Service Concession Arrangements”. The Company recognized an intangible asset for:

- a) Fixed fees payables as the result of the acquisition of the right (license) to charge users for the service of airport concession (see Note 23),
- b) Right to obtain benefits for services provided using the assets built under the construction services performed under the concession contracts.

Acquisitions correspond, according to the terms of the Concession contract, to the improvements over existing infrastructure to increase the useful life or its capacity, or the construction of new infrastructure.

General and specific borrowing costs, attributable to the acquisition, construction or production of assets that necessarily take a substantial period to get ready for their intended use or sale are added to the cost of such assets until the assets are substantially ready to be used or sold.

As part of the obligations arising from the concession agreements, the Group provides construction or upgrade services. IFRIC 12 “Service Concession Arrangements” requires to recognize revenues and costs from the construction or upgrade services provided. The fair value of the construction or upgrade service is equal to the construction or upgrade costs plus a reasonable margin.

The intangible asset for infrastructure under each concession agreement is amortized over the contract term in accordance with an appropriate method reflecting the rate of consumption of the concession asset’s economic benefits as from the date the infrastructure is brought into service.

The concession fee paid to the grantor derived from the concession agreements are recognized depending on the terms defined in the concession agreement:

- a) Fixed concession fee is recognized at the beginning of the concession as it is reliably measurable, as a counterpart an intangible asset is recognized, this type of fee is independent form the revenue.
- b) Variable fees payables that are define as a percentage over certain revenue streams, recognized monthly by monthly in the Statement of Income.

Each operating company is responsible for obtaining the necessary guarantees for the commitments assumed in each concession. They are mostly covered by insurance that it is paid in advance and it is recorded in Other receivables, and is accrued over the life of the coverage.

Main commitments under each concession agreement are included in Note 26 b.

(2) Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the Group’s share of net identifiable assets, liabilities and contingent liabilities acquired as part of business combinations determined by management. Goodwill impairment reviews are performed annually or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. Impairment losses on goodwill are not reversed. Goodwill, net of impairment losses, if any, is included on the Consolidated Statement of Financial Position under *Intangible assets, net*.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each cash-generating units (CGUs) of a subsidiary or group of subsidiaries that are expected to benefit from such business combination.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

E Property, plant and equipment

Property, plant and equipment is recognized at historical acquisition or construction cost less accumulated depreciation and impairment losses; historical cost includes expenses directly attributable to the acquisition of the items.

Major overhaul and rebuilding expenditures are capitalized as property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the group and the investment enhances the condition of assets beyond its original condition.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful life, as follows:

Buildings and improvements	25-30 years
Plant and production equipment	3-10 years
Vehicles, furniture and fixtures, and other equipment	4-10 years

The residual values and useful lives of significant property, plant and equipment are reviewed and adjusted, if appropriate, at each year-end date.

Gain and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in *Other operating (expense) / income* in the Consolidated Statement of Income.

F Critical accounting estimates and judgments

Critical accounting estimates are those that require management to make significant judgments and estimates about matters that are inherently uncertain. Management bases its estimates on historical experience and other assumptions that it believes are reasonable. Actual results could differ from estimates used in employing the critical accounting policies and these could have a material impact on the Group's results of operations.

The Group's critical accounting estimates are discussed below.

(a) Impairment testing

At the date of each statement of financial position, the Group reviews the carrying amounts of its property, plant and equipment, investment in associates and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Assets that have an indefinite useful life or assets not ready to use are not subject to amortization and are tested annually for impairment.

As mentioned in Note 12, the Company performed impairment tests based on cash flow projections covering the remaining concessions periods (value in use), based on certain assumptions that required management judgment combined with historical information such as number of passengers, fees, future operating expenses and discount rate.

An impairment loss, if applicable, is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units or CGUs). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

A previously recognized impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the Consolidated Statement of Income.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2 Basis of presentation and accounting policies (Cont.)

F Critical accounting estimates and judgments (Cont.)

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be settled. Deferred tax assets and liabilities are not discounted. In assessing the recoverability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

(c) Application of IFRIC 12

The Group has carried out a comprehensive implementation of the standards applicable to the accounting treatment of their concession and has determined that, among others, IFRIC 12 is applicable. The Group treats their investments related to improvements and upgrades to be performed in connection with the concession obligation under the intangible asset model established by IFRIC 12, as all investments required by the concession obligation, regardless of their nature, directly increase the maximum tariff per traffic unit. Accordingly, all amounts invested under the concession obligation have a direct correlation to the amount of fees the Group will be able to charge each passenger or cargo service provider, and thus, a direct correlation to the amount of revenues the Group will be able to generate. As a result, the Group defines all expenditures associated with investments required by the concession obligation as revenue generating activities given that they ultimately provide future benefits, whereby subsequent improvements and upgrades made to the concession are recognized as intangible assets based on the principles of IFRIC 12. Additionally, compliance with the committed investments per the Master Development Programs is mandatory, as well as the fulfillment of the maximum tariff and therefore, in case of a failure to meet any one of these obligations, the Group could be subject to sanctions and the concessions could be revoked.

G Inventories

Inventories are stated at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted averaged principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

If applicable, the Group establishes an allowance for obsolete or slow-moving inventory related to finished goods. For slow moving or obsolete finished products, an allowance is established based on management's analysis of product aging.

H Trade and other receivables

Trade receivables are initially recognized at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance. See Note 3A(iii) for a description of the group's impairment policies.

I Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, mutual funds and short-term investments with an original maturity of three months or less at the date of purchase which are readily convertible to known amounts of cash.

In the Consolidated Statement of Financial Position, bank overdrafts are included in *Borrowings* in current liabilities. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes bank overdrafts.

J Equity

(1) Equity components

The Consolidated Statement of Changes in Equity includes:

- The share capital, share premium, legal reserve, free distributable reserves and non-distributable reserves calculated in accordance with Luxembourg Law;
- The treasury shares, currency translation adjustment, other reserves, retained earnings and non-controlling interest.

(2) Share capital

Share capital is stated at nominal value. The Company had a share capital of 1,500 million shares having a nominal value of USD 1 per share as of December 31, 2017. Considering the reverse stock split and the initial public offering, share capital as of December 31, 2019 and 2018 was USD 160 million (USD 1 per share).

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

J Equity (Cont.)

(2) Share capital (Cont.)

As of December 31, 2020, share capital was USD 163 million (USD 1 per share) due to a Capital Increase made by the Company for the purpose of a share compensation plan, see Note 29.

All issued shares are fully paid.

Pursuant to Luxembourg regulations, contributions in kind made by shareholders must be at fair value and might be considered as Free Distributable Reserve.

(3) Dividends distribution by the Company to shareholders

Dividends distributions are recorded in the Company's financial statements as a provision when Company's shareholders have the right to receive the payment, or when interim dividends are approved by the Board of Directors in accordance with the by-laws of the Company. Dividends may be paid by the Company to the extent that it has distributable retained earnings, calculated in accordance with Luxembourg law (see Note 26.c).

(4) Other reserves

SCF's airport business was historically conducted through a large number of entities as to which there was no single holding entity but which were separately owned by entities directly or indirectly controlled by SCF during all the periods presented. In order to facilitate the Company's initial public offering, SCF completed a reorganization (the "Reorganization") whereby, each of the operating and holding entities under SCF's common control, were ultimately contributed to the Company.

The reorganization was accounted for as a reorganization of entities under common control, using the predecessor cost method. The net effect was recorded in Net Equity under Other Reserves. Moreover, in 2016, and considering that the shares of America International Airports ("AIA") were contributed to the Free Distributable Reserves of the Company at the fair value a significant negative amount was included in *Other Reserves* to reflect the reduction to the predecessor's cost of the shares.

Other reserves also include the share-based payment reserve as explained in Note 29.

(5) Non-controlling interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in *Other reserves* within equity attributable to owners of the Company.

K Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently borrowings are measured at amortized cost.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

In the event of debt renegotiations, if the exchange of debt instruments between the financial creditor and the Group is under substantially different conditions or a substantial modification of the current conditions of the existing financial liability is generated, considering both quantitative and qualitative factors, it should be recognized as an extinguishment of the original liability and the recognition of a new liability. Otherwise, the original liability should not be extinguished, but should be considered as a modification, adjusting its measurement in relation to the new terms and conditions.

L Current and Deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the Consolidated Statement of Income, except for tax items recognized in the Consolidated Statement of Comprehensive Income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2 Basis of presentation and accounting policies (Cont.)

L Current and Deferred income tax (Cont.)

Deferred income taxes recognized applying the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from intangible assets adjusted for the effects of IAS 29 in Argentinian subsidiaries, and the effect of valuation on fixed assets, inventories and provisions. Deferred tax assets are also recognized for net operating loss carry-forwards. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the time period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent it is probable that future taxable income will be available against which the temporary differences can be utilized.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

At the end of each reporting period, CAAP reassesses unrecognized deferred tax assets. The group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

M Employee benefits

Compensation to employees in the event of dismissal is charged to income in the year in which it becomes payable.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current in *Salary payable* in Other liabilities.

Long-term employee benefits

Some entities of the Group have long term employee benefits that are unfunded defined benefit plan in accordance with IAS 19 - "Employee Benefits".

The company calculates annually the provision for employee retirement cost based on actuarial calculations performed by independent professionals using the Projected Unit Credit Costs method. The present value of the defined benefit obligations at each year-end is calculated discounting estimated future cash outflows at an annual rate equivalent to the average rate of high quality corporate bonds, which are denominated in the same currency in which the benefits will be paid, and whose terms approximate the terms of the pension obligations.

Service cost and interest cost are recognized in the Consolidated Statement of Income, with actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Consolidated Statement of Comprehensive Income.

Actuarial assumptions include variables such as, in addition to the discount rate, death rate, age, sex, years of service, current and future level of salaries, turnover rates, among others.

Share-based payments

Share-based compensation benefits are provided to employees via the Management Share Compensation Plan. Information related to this plan is set out in Note 29.

In the case the Company receives employees' services as consideration for its own equity instruments the share-based payments transaction is considered equity-settled while if services are acquired by incurring a liability to transfer cash or other assets for those services based on the price of its own equity instruments the transaction is considered cash-settled.

The fair value of shares granted to employees under the share compensation plan is recognized as an expense over the relevant service period considering specified performance targets to be met while the employee is rendering the service required, being the year to which the service relates and the vesting period of the shares. The fair value is measured at the grant date of the shares, using the Company's share market price, and is recognized in equity in the share-based payment reserve in line *Other Reserves*. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognized in profit or loss and the share-based payment reserve.

Where shares are forfeited due to a failure by the employee to satisfy the service or performance conditions, any expenses previously recognized in relation to such shares are reversed effective from the date of the forfeiture.

The shares under the plan are held as treasury shares until they are delivered to employees.

2 Basis of presentation and accounting policies (Cont.)

N Provisions

Provisions for legal claims and other charges are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and; the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The concession agreements in the different jurisdictions include certain commitments to be complied by each company. These commitments can be grouped in two categories:

- Works that can be classified as standard maintenance of the infrastructure, which are expensed as incurred.
- Major scheduled maintenance and refurbishments of the infrastructure in the future.

Since IFRIC 12 does not recognize infrastructure as property, plant and equipment, rather as a right to charge customers for the use of the infrastructure, major refurbishments and renewals to be performed in future years to maintain or restore the infrastructure asset to its level of functionality, operation and safety should be recognized in accordance with IAS 37 - Provisions, Contingent Liabilities and Assets (unless the grantor agrees to reimburse the operator). Provision is recorded at the best estimate of the amount of the expenditure expected to be incurred to perform the major overhaul or restoration work, discounted using a rate that reflects time value of money and risks involved.

O Trade payables

Trade payables are initially recognized at fair value, generally the nominal invoice amount and are subsequently measured at amortized cost using the effective interest method.

P Concession fee payable

Each concession agreement determines different types of concession fees to be paid to the corresponding regulatory authority. Fees could be fixed or variable. Some concession agreements establish both a minimum fixed payment, and an additional variable amount if certain conditions are met (such as a minimum number of passengers, among others).

For those concession agreements that require payment of a fixed amount, the Company recognized the obligation at present value. The increase in the provision due to the passage of time is recognized in financial results. The variable concession fees paid to the grantor derived from the concession agreements are recognized as cost of the period. The fixed concession fee payable is capitalized at the inception of the agreement as concession assets- intangible asset.

Q Leases / Sub-concession of spaces

The Group as a lessee

The Group acts as a lessee renting various offices, equipment and cars.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

2 Basis of presentation and accounting policies (Cont.)

Q Leases / Sub-concession of spaces (Cont.)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases, leases of low-value assets and variable leases that do not depend on an index or rate are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group as a lessor

The Group acts as a lessor regarding leases and sub-concession of spaces with third parties at its airports facilities.

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

R Revenue recognition

Group revenue arises mainly from airports operations and includes:

Aeronautical revenues

These revenues are those generally regulated under each airport's concession agreement. They consist of passengers' departure fees, landing, parking and other fees paid by the airlines.

Non-aeronautical revenues

- Commercial revenues: those are typically not regulated under the applicable concession agreement. Commercial revenues are leases and/or rent fees from retail (including duty free), food and beverage, services and car rental companies, advertising and car parking, fueling charges and cargo fees, among others.

- Construction service revenues: IFRIC 12 requires to recognize revenues and costs from the construction or upgrade services provided. Construction service revenue equals the construction or upgrade costs plus a reasonable margin.

Under the terms of IFRIC 12 "Service Concession Arrangements", a concession operator may have a twofold activity:

- a construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor;
- an operating and maintenance activity in respect of concession assets.

Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue is recognized either over time or at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised services or goods to its customers.

Revenue from aeronautical services, derived from the use of airports facilities by aircrafts and passengers, is recognized over time as the services are provided. The Group considers that it has completed its performance obligations when the services are rendered to its customers. The Group does not defer collection terms in excess of the normal market terms, so there is no need to distinguish between a commercial component and a revenue interest component.

Revenue from non-aeronautical activities such as commercial revenue (excluding sale of goods, leases and sub-concession of spaces) and construction services are recognized over time. The Group considers that it has completed its performance obligations when the services are rendered to its customers or construction costs are incurred.

Revenue from sale of goods, mainly fueling, is recognized at a point in time when control of the goods is transferred to the customer and the customer obtains the benefits from the goods. The Group considers that it has completed its performance obligations when the goods are supplied to its customers.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either a contract asset or a receivable in its Consolidated Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue is shown net of value-added tax and discounts. Intercompany balances with subsidiaries have been eliminated in consolidation.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

S Cost of services and other expenses

Cost of services and expenses are accrued and recognized in the Consolidated Statement of Income.

Construction service cost: IFRIC 12 requires to recognize revenues and costs from the construction or upgrade services provided. Construction service revenue equals the construction or upgrade costs plus a reasonable margin.

Commissions, freight and other selling expenses, including services and fees, office expenses and maintenance, are recorded in *Selling, general and administrative expenses* in the Consolidated Statement of Income.

T Government grants

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

A government grant that becomes receivable as a compensation for expenses or losses already incurred, or for the purpose of giving immediate support to the Group, with no future related costs, shall be recognized in profit or loss of the period in which it becomes receivable.

Grants related to income are presented as part of profit or loss, either separately or under a general heading such as *Other operating income*; alternatively, they are deducted from the related expense.

Grants related to assets, including non-monetary grants at fair value, are presented in the Consolidated Statement of Financial Position, either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

U Financial instruments

Non derivative financial instruments comprise investments in debt instruments, corporate bonds, time deposits, trade and other receivables, cash and cash equivalents, borrowings, and trade and other payables.

The Company classifies its financial assets in the following measurement categories:

- (i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in financial income using the effective interest rate method.
- (ii) Fair value through other comprehensive income (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Consolidated Statement of Income.
- (iii) Fair value through profit or loss (“FVPL”): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

V Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in "Other financial income/loss" line.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

2 Basis of presentation and accounting policies (Cont.)

V Derivative financial instruments (Cont.)

Derivatives are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivative financial instruments are classified within Level 2 of the fair value hierarchy.

W Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"), which is the Group's Board of Directors. The CODM is responsible for allocating resources and assessing performance of the operating segments. The operating segments are described in Note 4.

For management purposes, the Company analyzes its business based on strategic business units providing airport and non-airport services to clients in the different countries where business units are located. Assets, liabilities and results from holding companies are included as Unallocated.

X Application of IAS 29 in financial reporting of Argentine subsidiaries and associates

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period, regardless of whether they are based on the historical cost method or the current cost method. Accordingly, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be computed in the non-monetary items.

In order to conclude on whether an economy is categorized as hyperinflationary in the terms of IAS 29, the standard details a series of factors to be considered, including the existence of a cumulative inflation rate in three years that approximates or exceeds 100%. Considering that the inflation in Argentina has exceeded the 100% three-year cumulative inflation rate in July 2018, and that the rest of the indicators do not contradict the conclusion that Argentina should be considered a hyperinflationary economy for accounting purposes, the Group understands that there is sufficient evidence to conclude that Argentina is a hyperinflationary economy under the terms of IAS 29 as from July 1, 2018, and, accordingly, it has applied IAS 29 as from that date in the financial reporting of its subsidiaries and associates with the Argentine peso as functional currency.

The inflation adjustment was calculated by means of conversion factor derived from the Argentine price indexes published by the National Institute of Statistics ("INDEC").

The Government Board of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) issued Resolution JG 539/18, which prescribes the indices to be used by entities with a functional currency of the Argentine peso for the application of the restatement procedures. These indices are largely based on the Wholesale Price Index for periods up to December 31, 2016 and the Retail Price Index thereafter.

The price index as of December 31, 2020 was 385.88 (283.44 and 184.25 as of December 31, 2019 and 2018 respectively) and the conversion factor derived from the indexes for the year ended December 31, 2020, was 1.36 (1.54 and 1.48 as of December 31, 2019 and 2018 respectively).

The main procedures for the above-mentioned adjustment are as follows:

- Monetary assets and liabilities which are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- Non-monetary assets and liabilities which are not carried at amounts current at the balance sheet date, and components of shareholders' equity are adjusted by applying the relevant conversion factors at the date of the transactions.
- All items in the statement of income are restated by applying the relevant conversion factors.
- The effect of inflation on the Company's net monetary position is included in *Inflation adjustment* in the Consolidated Statement of Income. Exchange rate gains and losses derived from the net monetary position are presented in real (inflation-adjusted) terms.
- The ongoing application of the re-translation of comparative amounts to closing exchange rates under IAS 21 and the hyperinflation adjustments required by IAS 29 will lead to a difference in addition to the difference arising on the adoption of hyperinflation accounting. This is because the rate at which the hyperinflationary currency depreciates against a stable currency is rarely equal to the rate of inflation. The inflation adjustment and the translation of the current period is included in *Other comprehensive (loss) / income for the period* line.
- On the initial application of IAS 29, comparative amounts were the figures presented as current year amounts in the relevant prior year financial statements, according to IAS 21, considering that were translated into the currency of a non- hyperinflationary economy. Therefore, the adjustment of the restated amounts of net assets as of prior period to reflect the cumulative inflation was included as an initial balance adjustment within *Retained earnings* line.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

3 Financial Risk Management

The Group's operations expose it to a variety of risks, mainly related to market risks (including the effects of changes in foreign currency exchange rates and interest rates), credit risk and liquidity risk.

The Group manages its financial risk exposure independently at each operating subsidiary, however, decisions are discussed by the Board of Directors ("BOD") members.

In response to the Covid-19 crisis, the Group has adopted specific procedures to ensure that its risks are properly monitored.

The most significant financial risks to which the Group is exposed are detailed below.

A. Financial Risk Factors

(i) *Market risk*

- *Foreign exchange risk*

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

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

CAAP's Argentine subsidiaries are operating in an economic context in which main variables have recently experienced a strong volatility as a consequence of political and economic uncertainties, both in national and international environments.

During September 2020 the Argentine monetary authority imposed further exchange rate restrictions, which also affect the value of foreign currency in alternative markets for certain restricted exchange rate transactions in the official market. These measures to restrict access to the foreign exchange market in order to contain the demand for U.S. dollars include the requirement to obtain prior authorization from the Central Bank of Argentina for certain transactions in the *Mercado Único y Libre de Cambios* ("MULC").

Considering this situation, the Company continues to assess the evolution of the above-mentioned variables and any other factors in its Argentine subsidiaries in order to identify the unforeseen potential effects that could alter its business and performance.

The value of the Group's financial assets and liabilities is subject to changes arising out of the variation of foreign currency exchange rates. A significant majority of the Group's business activities is conducted in the respective functional currencies of the subsidiaries. However, the Group transacts in currencies other than the respective functional currencies of the subsidiaries. There are significant monetary balances held by the Group companies at each period-end that are denominated in others currencies (non-functional currency). The following table provides a breakdown of the Group's main monetary net assets and liabilities which impact the Group's profit and loss:

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

The relevant exposures correspond to:

- 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).

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

3 Financial Risk Management (Cont.)

A. Financial Risk Factors (Cont.)

(i) *Market risk (Cont.)*

• *Foreign exchange risk (Cont.)*

▪ 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 certain Argentinian subsidiaries which functional currency is the Argentine Peso. A change of 3% in the ARS / Euro exchange rate in real (inflation-adjusted) terms would have generated a pre-tax gain / loss of USD 174.9 as of December 31, 2020 (USD 67.5 as of December 31, 2019 considering a change in 1% in the ARS / Euro exchange rate).

(ii) *Interest rate risk*

The Group's interest rate risk principally arises from long-term borrowings (Note 22). Borrowings issued at variable rates expose the Group to the risk that the actual cash flows differ from those expected. Borrowings issued at fixed rates expose the Group to the risk that the fair values of these differ from those expected. The Group manages this risk by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities.

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

The following table shows a breakdown of the Group's fixed-rate and floating-rate borrowings as of December 31, 2020 and 2019.

	At December 31,	
	2020	2019
Fixed rate	818,804	747,712
Variable rate	526,013	460,632
	1,344,817	1,208,344

The Group estimates that, other factors being constant, a 10% increase in floating rates at year-end would increase loss before income tax for the year ended December 31, 2020 and 2019, USD 3,422 and USD 4,233 respectively. A 10% decrease in the floating interest rate would have an equal and opposite effect on the Consolidated Statement of Income.

This sensitivity analysis provides only a limited, point-in-time view of this market risk sensitivity of certain of the Group's financial instruments. The actual impact of rate changes on the Group's financial instruments may differ significantly from the impact shown in the sensitivity analysis.

3 Financial Risk Management (Cont.)

A. Financial Risk Factors (Cont.)

(iii) Credit risk

The financial instruments that could be subject to concentration of credit risk consist of cash, cash equivalents, trade receivables and short term investments.

The Group mainly places its cash and cash equivalents and short term investments in several first rate credit entities, reducing in this way the credit exposure to only one entity. The Group has not experienced significant losses from those assets.

Each subsidiary is responsible for managing and analyzing credit risk of its trade receivable, for each of their new customers before standard payment and delivery terms and conditions are offered. There is no significant concentration of credit risk from customers except from AA2000 key client airline, see situation update in Note 32.

The Group credit policies with customers are designed to identify customers with acceptable credit history. The Group recognized provision for loss allowance to cover impairment for potential credit losses. The credit quality of the financial assets that are not yet due and not impaired can be assessed based on the credit qualification (“rating”) granted by entities external to the Group or through the historical uncollectible rates.

In the context of the Covid-19 pandemic and given the uncertainty caused by this crisis in the air transport sector, credit risk has increased due to the general lack of liquidity of companies in the sector. In order to deal with these difficulties, the Group adopted a closer monitoring of its trade receivables, anticipating mitigation initiatives to protect the collectability of such receivables. Furthermore, the Group appropriately took into account the increased risk in the provision for loss allowance, which was also determined on the basis of the specific solvency of the counterparties, however, no critical issues were determined. The Group has reflected additional credit losses, if applicable, as of December 31, 2020, and will continue to monitor and adjust its assessments of its customers’ payment performance.

Trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses (“ECL”) which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The provision for loss allowance as at December 31, 2020 and December 31, 2019 was determined as follows for trade receivables:

	Trade Receivables	Not due	Past due				
			0-30 days	30-60 days	60-90 days	90-180 days	>180 days
At December 31, 2020							
Trade receivables – gross carrying amount	117,048	25,195	9,887	5,839	4,849	4,965	66,313
Expected loss rate (*)		3%	7%	20%	12%	19%	81%
Provision for loss allowance	(57,633)	(881)	(678)	(1,177)	(574)	(928)	(53,395)
Trade receivables, net	59,415	24,314	9,209	4,662	4,275	4,037	12,918
	Trade Receivables	Not due	Past due				
			0-30 days	30-60 days	60-90 days	90-180 days	>180 days
At December 31, 2019							
Trade receivables – gross carrying amount	158,937	58,924	20,670	6,980	4,507	15,604	52,252
Expected loss rate (*)		1%	3%	10%	33%	60%	76%
Provision for loss allowance	(52,734)	(843)	(626)	(688)	(1,495)	(9,366)	(39,716)
Trade receivables, net	106,203	58,081	20,044	6,292	3,012	6,238	12,536

(*) Average expected loss rate. As of December 31, 2020 and 2019, includes effect of Argentine customer situation as described in Note 26.a.

The policy implemented by the Group regarding expected loss rate consists in stratifying trade receivables into categories based on overdue days. The historical loss rates are adjusted to reflect historical experience of losses on trade receivables, current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a significant period when past due.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

3 Financial Risk Management (Cont.)

A. Financial Risk Factors (Cont.)

(iii) Credit risk (Cont.)

The closing loss allowances for trade receivables as at December 31, 2020 and 2019 reconcile to the opening loss allowances as follows:

	2020	2019
Balance at January 1,	(52,734)	(26,027)
Bad debts of the year	(16,056)	(33,757)
Recoveries	2,679	2,622
Write off	5,915	8,851
Translation differences and inflation adjustment	2,563	(4,423)
Balance at December 31,	(57,633)	(52,734)

During the year, the following gains/(losses) were recognized in profit or loss in relation to impaired financial assets (see Note 7):

	2020	2019	2018
Impairment losses			
- movement in provision for impairment	(16,400)	(33,876)	(12,748)
Recovery of previous impairment losses	2,919	2,908	3,190
Net impairment losses on financial assets	(13,482)	(30,968)	(9,558)

(iv) Liquidity risk

The Group is exposed to liquidity risks, including risks associated with refinancing borrowings as they mature, the risk that borrowing facilities are not available to meet cash requirements, and the risk that financial assets cannot readily be converted to cash without loss of value. Failure to manage liquidity risks could have a material impact on the Group's cash flow and statement of financial position. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding its existing and prospective debt requirements by maintaining diversified funding sources with adequate committed funding lines from high quality lenders.

The Group monitors its current and projected financial position using several key internally generated reports such as cash flow and debt maturity. The Group also undertakes sensitivity analysis to assess the impact of proposed transactions, movements in interest rates on the key profitability, liquidity and balance sheet ratios.

The Group's debt positions are continually reviewed to meet current and expected debt requirements. The Group maintains a balance between longer-term and shorter-term financings. Short-term financing is principally raised through bank facilities and overdraft positions. Medium- to longer-term financing comprises public and private bond issues, including private placements. Financing risk is spread by using different types of debt. The maturity profile is managed, by spreading the repayment dates and extending facilities.

During 2020, due to Covid-19 pandemic and in order to preserve the group's liquidity, several measures were taken, mainly related to debt maturity, see further information in Note 1 and 22.

Liquid financial assets as a whole (comprising cash and cash equivalents) were 8.25% of total assets at the end of 2020 compared to 5.04% at the end of 2019. The Group has a conservative approach to the management of its liquidity, which consists mainly in cash at banks and cash equivalents.

3 Financial Risk Management (Cont.)

A. Financial Risk Factors (Cont.)

(v) Capital Management

The capital structure of the Group consists of shareholders' equity and short-term to long-term net borrowings. The type and maturity of the Group's borrowings are analyzed further in Note 22 and specific analyzes have been carried out due to the Covid-19 pandemic, see Note 1. The Group's equity is analyzed into its various components in the Consolidated Statement of Changes in Equity.

Capital is managed so as to promote the long-term success of the business and to maintain sustainable returns for shareholders.

The objectives of the Group for capital management are to safeguard its capacity to continue doing business and be able to provide yield to owners as well as benefits to holders of instruments of shareholder's equity and maintain an optimum capital structure to reduce cost of capital. However, considering the situation described in Note 1 related to the impact of Covid-19 pandemic on the Group's operations, currently the main objective is focused on preserving and ensuring short-term liquidity.

	At December 31,	
	2020	2019
Borrowings	1,344,817	1,208,344
Less: Cash and cash equivalents	(281,031)	(195,696)
Net borrowings	1,063,786	1,012,648
Equity	805,286	1,198,614
Debt ratio	132%	84%

B. Financial instruments by category

December 31, 2020	Assets at fair value through profit and loss	Assets at amortized cost	Total
Financial assets as per the statement of financial position			
Trade receivables	-	59,415	59,415
Other receivables	-	124,016	124,016
Other financial assets (*)	56,961	23,163	80,124
Cash and cash equivalents	-	281,031	281,031
Total	56,961	487,625	544,586

	Liabilities at fair value through profit and loss	Liabilities at amortized cost	Total
Financial liabilities as per the statement of financial position			
Borrowings	-	1,344,817	1,344,817
Leases liabilities	-	13,684	13,684
Trade payables and other liabilities	-	940,030	940,030
Total	-	2,298,531	2,298,531

December 31, 2019	Assets at fair value through profit and loss	Assets at amortized cost	Total
Financial assets as per the statement of financial position			
Trade receivables	-	106,203	106,203
Other receivables	-	135,491	135,491
Other financial assets (*)	20,650	68,907	89,557
Derivative financial instruments	27	-	27
Cash and cash equivalents	-	195,696	195,696
Total	20,677	506,297	526,974

	Liabilities at fair value through profit and loss	Liabilities at amortized cost	Total
Financial liabilities as per the statement of financial position			
Borrowings	-	1,208,344	1,208,344
Leases liabilities	-	8,927	8,927

Trade payables and other liabilities	-	1,076,329	1,076,329
Total	-	2,293,600	2,293,600

(*) Other financial assets measured at fair value are Level 1 hierarchy.

3 Financial Risk Management (Cont.)

C. Fair value hierarchy

IFRS 13 requires for financial instruments that are measured in the Consolidated Statement of Financial Position at fair value, a disclosure of fair value measurements by level according to the following fair value measurement hierarchy:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

D. Fair value estimation

The estimated fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

4 Segment information

Operating segments are components of an enterprise where separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Group's chief operating decision maker is its Board of Directors. The Group's operating segments are managed separately because each operating segment represents a strategic business unit providing airport and non-airport services ("others") to clients in different countries. The Group's reportable operating segments are the seven countries in which the Group currently operates, which are Argentina, Brazil, Uruguay, Armenia, Ecuador, Italy and Peru.

Within each reportable segment, the Group develops and operates airport concessions ("Airports") and provides other services not directly related to airport concessions ("Others").

Assets, liabilities and results of sub-holding and/or holding companies are not allocated and are reported within the "Unallocated" column. This column also includes head office and group services.

The elimination of any intersegment revenues and other significant intercompany operations are included in the "Intersegment Adjustments" column.

The performance of each reportable segment is measured by its 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.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

4 Segment information (Cont.)

Geographical information

	Argentina		Brazil		Uruguay		Armenia	Ecuador	Italy	Perú	Intrasegment	Unallocated	Total
	Airports	Others	Airports	Others	Airports	Others	Airports	Airports	Airports	Airports	Adjustments		
Year ended December 31, 2020													
Revenue (*)	350,073	184	51,393	-	48,843	15,536	39,434	49,741	58,318	-	(8,552)	2,386	607,356
Cost of services	(380,176)	(71)	(60,799)	-	(40,306)	(11,004)	(39,517)	(42,753)	(72,163)	-	7,118	(13,912)	(653,583)
Gross (loss) / profit	(30,103)	113	(9,406)	-	8,537	4,532	(83)	6,988	(13,845)	-	(1,434)	(11,526)	(46,227)
Selling, general and administrative expenses	(38,033)	(144)	(11,300)	(38)	(7,943)	(1,520)	(8,596)	(10,583)	(14,437)	-	1,357	(10,538)	(101,775)
Impairment loss	-	-	(26,362)	-	-	-	-	-	-	-	-	(35,906)	(62,268)
Other operating income	6,522	3	34,829	-	281	117	129	256	11,968	-	-	-	54,105
Other operating expenses	(2,731)	(16)	(3,320)	-	(132)	(131)	(889)	(389)	18	-	77	(20)	(7,533)
Operating (loss) / income	(64,345)	(44)	(15,559)	(38)	743	2,998	(9,439)	(3,728)	(16,296)	-	-	(57,990)	(163,698)
Share of income / (loss) in associates	-	-	-	-	-	-	-	-	115	(6,556)	-	282	(6,159)
Amortization and depreciation	115,119	-	9,065	-	11,467	1,134	14,900	5,074	11,903	-	-	14,786	183,448
Adjusted Ebitda	50,774	(44)	(6,494)	(38)	12,210	4,132	5,461	1,346	(4,278)	(6,556)	-	(42,922)	13,591
Construction services revenue	(95,793)	-	-	-	(9,281)	-	(1,730)	(8,611)	(10,363)	-	-	-	(125,778)
Construction services cost	95,684	-	-	-	9,281	-	1,679	8,611	9,183	-	-	-	124,438
Adjusted Ebitda excluding Construction Services	50,665	(44)	(6,494)	(38)	12,210	4,132	5,410	1,346	(5,458)	(6,556)	-	(42,922)	12,251
Construction services revenue	95,793	-	-	-	9,281	-	1,730	8,611	10,363	-	-	-	125,778
Construction services cost	(95,684)	-	-	-	(9,281)	-	(1,679)	(8,611)	(9,183)	-	-	-	(124,438)
Adjusted Ebitda	50,774	(44)	(6,494)	(38)	12,210	4,132	5,461	1,346	(4,278)	(6,556)	-	(42,922)	13,591
Financial income	-	-	-	-	-	-	-	-	-	-	-	-	35,697
Financial loss	-	-	-	-	-	-	-	-	-	-	-	-	(215,496)
Inflation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(26,532)
Amortization and depreciation	-	-	-	-	-	-	-	-	-	-	-	-	(183,448)
Loss before income tax													(376,188)
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	14,295
Net loss													(361,893)
Current assets	146,414	96	35,180	31	11,936	4,148	40,705	30,209	132,706	-	(65,395)	183,963	519,993
Non-current assets	1,170,598	21	756,448	122	149,871	6,420	144,745	64,580	274,620	3,081	(768)	315,920	2,885,658
Capital Expenditure	95,794	-	3,224	-	10,818	1,160	2,701	10,509	13,835	-	-	2	138,043
Current liabilities	273,173	40	103,756	1	20,578	2,608	4,046	27,544	117,787	-	(65,165)	68,186	552,554
Non-current liabilities	509,623	-	881,535	-	53,962	2,666	64,242	25,451	158,523	-	(998)	352,807	2,047,811

(*) Mainly includes revenues recognized over time, see Note 5.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

4 Segment information (Cont.)

Geographical information

	Argentina		Brazil		Uruguay		Armenia	Ecuador	Italy	Perú	Intrasegment	Unallocated	Total (**)
	Airports	Others	Airports	Others	Airports	Others	Airports	Airports	Airports	Airports	Adjustments		
Year ended December 31, 2019													
Revenue (*)	935,035	217	116,581	-	107,744	16,888	133,463	109,608	145,635	-	(12,326)	5,795	1,558,640
Cost of services	(711,144)	(18)	(96,210)	-	(54,218)	(12,968)	(82,472)	(71,958)	(104,573)	-	9,191	(14,055)	(1,138,425)
Gross profit / (loss)	223,891	199	20,371	-	53,526	3,920	50,991	37,650	41,062	-	(3,135)	(8,260)	420,215
Selling, general and administrative expenses	(88,083)	(308)	(12,515)	(115)	(12,625)	(1,346)	(12,259)	(17,035)	(15,012)	-	3,137	(12,130)	(168,291)
Impairment loss	-	-	(42,801)	-	-	-	-	-	-	-	-	-	(42,801)
Other operating income	15,474	38	1,341	-	131	49	103	140	-	-	(17)	-	17,259
Other operating expenses	(1,075)	-	(332)	-	(346)	(75)	(731)	(93)	(111)	-	16	-	(2,747)
Operating income / (loss)	150,207	(71)	(33,936)	(115)	40,686	2,548	38,104	20,662	25,939	-	1	(20,390)	223,635
Share of loss in associates	-	-	-	-	-	-	-	-	35	(5,088)	-	(300)	(5,353)
Amortization and depreciation	91,217	-	11,788	-	12,124	1,024	13,724	4,646	12,530	-	-	15,394	162,447
Adjusted Ebitda	241,424	(71)	(22,148)	(115)	52,810	3,572	51,828	25,308	38,504	(5,088)	1	(5,296)	380,729
Construction services revenue	(308,296)	-	-	-	(6,110)	-	(11,591)	(14,888)	(9,379)	-	-	-	(350,264)
Construction services cost	308,072	-	-	-	6,110	-	11,255	14,888	7,673	-	-	-	347,998
Adjusted Ebitda excluding Construction Services	241,200	(71)	(22,148)	(115)	52,810	3,572	51,492	25,308	36,798	(5,088)	1	(5,296)	378,463
Construction services revenue	308,296	-	-	-	6,110	-	11,591	14,888	9,379	-	-	-	350,264
Construction services cost	(308,072)	-	-	-	(6,110)	-	(11,255)	(14,888)	(7,673)	-	-	-	(347,998)
Adjusted Ebitda	241,424	(71)	(22,148)	(115)	52,810	3,572	51,828	25,308	38,504	(5,088)	1	(5,296)	380,729
Financial income	-	-	-	-	-	-	-	-	-	-	-	-	51,889
Financial loss	-	-	-	-	-	-	-	-	-	-	-	-	(233,521)
Inflation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(25,391)
Amortization and depreciation	-	-	-	-	-	-	-	-	-	-	-	-	(162,447)
Income before income tax													11,259
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	(17,079)
Net loss													(5,820)
Current assets	149,064	139	47,726	140	16,691	4,222	57,323	50,629	55,249	-	(59,393)	185,853	507,643
Non-current assets	1,235,497	22	1,106,996	104	151,717	6,425	169,130	63,914	245,541	8,059	(768)	387,963	3,374,600
Capital Expenditure	308,301	-	5,347	-	7,040	2,332	13,270	18,198	17,905	-	(33)	13	372,373
Current liabilities	220,849	29	129,875	2	21,080	2,740	27,853	49,616	105,873	-	(59,393)	63,778	562,302
Non-current liabilities	516,344	-	1,080,283	-	48,018	3,644	54,009	17,839	60,650	-	(768)	341,308	2,121,327

(*) Mainly includes revenues recognized over time, see Note 5.

(**) The Group initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were classified as operating leases, the Group recognizes depreciation and interest costs, instead of operating lease expense. In relation to those leases, the Group recognized USD 3,443 of depreciation charges and USD 477 of additional interest costs from leases in 2019.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

4 Segment information (Cont.)

Geographical information

	Argentina		Brazil		Uruguay		Armenia	Ecuador	Italy	Perú	Intrasegment	Unallocated	Total
	Airports	Others	Airports	Others	Airports	Others	Airports	Airports	Airports	Airports	Adjustments		
Year ended December 31, 2018													
Revenue (*)	822,756	256	123,241	-	105,707	17,668	118,376	89,225	155,483	-	(12,313)	5,746	1,426,145
Cost of services	(562,275)	(19)	(103,933)	-	(51,953)	(13,305)	(68,541)	(51,382)	(115,077)	-	9,578	(14,518)	(971,425)
Gross profit / (loss)	260,481	237	19,308	-	53,754	4,363	49,835	37,843	40,406	-	(2,735)	(8,772)	454,720
Selling, general and administrative expenses	(75,189)	(251)	(20,204)	(15)	(12,796)	(1,348)	(12,676)	(20,512)	(13,610)	-	2,735	(18,033)	(171,899)
Other operating income	15,854	41	2,186	-	440	84	137	1,465	-	-	-	-	20,207
Other operating expenses	(1,553)	-	(1,445)	-	(267)	(98)	(611)	(80)	-	-	-	-	(4,054)
Operating income / (loss)	199,593	27	(155)	(15)	41,131	3,001	36,685	18,716	26,796	-	-	(26,805)	298,974
Share of loss in associates	-	-	-	-	-	-	-	-	43	(5,325)	-	1,136	(4,146)
Amortization and depreciation	75,164	-	15,011	-	12,687	946	12,137	5,954	11,935	-	-	17,215	151,049
Adjusted Ebitda	274,757	27	14,856	(15)	53,818	3,947	48,822	24,670	38,774	(5,325)	-	(8,454)	445,877
Construction services revenue	(176,131)	-	-	-	(653)	-	(5,799)	-	(15,834)	-	-	-	(198,417)
Construction services cost	175,964	-	-	-	634	-	5,629	-	14,117	-	-	-	196,344
Adjusted Ebitda excluding Construction Services	274,590	27	14,856	(15)	53,799	3,947	48,652	24,670	37,057	(5,325)	-	(8,454)	443,804
Construction services revenue	176,131	-	-	-	653	-	5,799	-	15,834	-	-	-	198,417
Construction services cost	(175,964)	-	-	-	(634)	-	(5,629)	-	(14,117)	-	-	-	(196,344)
Adjusted Ebitda	274,757	27	14,856	(15)	53,818	3,947	48,822	24,670	38,774	(5,325)	-	(8,454)	445,877
Financial income													76,281
Financial loss													(331,147)
Inflation adjustment													(36,460)
Amortization and depreciation													(151,049)
Income before income tax													3,502
Income tax													(14,101)
Net loss													(10,599)

(*) Mainly includes revenues recognized over time, see Note 5.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

5 Revenue

	2020	2019	2018
Aeronautical revenue	219,995	723,996	716,172
Non aeronautical revenue			
Commercial revenue	259,713	481,900	507,015
Construction service revenue	125,778	350,264	198,417
Other revenue	1,870	2,480	4,541
Revenue	607,356	1,558,640	1,426,145
Timing of revenue recognition			
Over time	500,049	1,301,019	1,135,108
At a point in time	14,105	48,456	43,293
Revenues accounted for under IFRS 16 / IAS 17	93,202	209,165	247,744
Revenue	607,356	1,558,640	1,426,145

6 Cost of services

	2020	2019	2018
Salaries and social security contributions (**)	(124,412)	(191,030)	(191,058)
Concession fees (***)	(76,201)	(163,919)	(171,429)
Construction services cost	(124,438)	(347,998)	(196,344)
Maintenance expenses	(82,095)	(128,858)	(130,979)
Amortization and depreciation (****)	(173,968)	(152,512)	(141,824)
Services and fees	(40,458)	(65,488)	(58,850)
Cost of fuel	(13,076)	(43,540)	(38,911)
Taxes (*)	(5,881)	(17,011)	(17,719)
Office expenses	(3,717)	(14,102)	(11,542)
Provision for maintenance costs	(1,813)	(2,174)	(2,092)
Others	(7,524)	(11,793)	(10,677)
	(653,583)	(1,138,425)	(971,425)

(*) Mainly includes tax from turnover and municipal taxes.

(**) At the year-end, the number of employees was 5.8 thousand in 2020, 6.3 thousand in 2019 and 6.1 thousand in 2018.

(***) Includes depreciation for fixed concession assets fee, as shown in Note 12, of USD 16,870 for the year ended December 31, 2020 (USD 19,742 and USD 24,780 for the year ended December 31, 2019 and 2018 respectively).

(****) Includes amortization of leases of USD 2,540 for the year ended December 31, 2020 (USD 2,756 for the year ended December 31, 2019).

7 Selling, general and administrative expenses

	2020	2019	2018
Taxes (*)	(18,885)	(38,977)	(45,536)
Salaries and social security contributions	(20,386)	(28,860)	(32,433)
Services and fees	(28,157)	(37,915)	(44,137)
Office expenses	(1,222)	(5,190)	(10,209)
Amortization and depreciation (**)	(9,480)	(9,935)	(9,225)
Maintenance expenses	(1,150)	(1,717)	(3,101)
Advertising	(1,564)	(3,367)	(4,722)
Insurance	(2,026)	(1,689)	(2,037)
Charter service	(134)	(799)	(830)
Bad debts recovery	2,919	2,908	3,190
Bad debts	(16,400)	(33,876)	(12,748)
Other	(5,290)	(8,874)	(10,111)
	(101,775)	(168,291)	(171,899)

(*) Mainly included tax from taxes over banks transactions and tax on revenue.

(**) Includes amortization of leases of USD 673 for the year ended December 31, 2020 (USD 687 for the year ended December 31, 2019).

8 Other operating income

	2020	2019	2018
Government grants ⁽¹⁾	6,251	15,387	15,854
Government subsidies per Covid-19 context ⁽²⁾	46,701	-	-
Other	1,153	1,872	4,353
	54,105	17,259	20,207

⁽¹⁾ Correspond to grants for the development of airport infrastructure. As consideration for having granted the concession of the Group A of the National Airport System of Argentina, AA2000 assigns to the Government 15% of the total revenues of the concession, 2.5% of such revenues are destined to fund the investments commitments of AA2000 corresponding to the investment plan under the concession agreement by means of a trust in which AA2000 is the settlor; *Banco de la Nación Argentina*, the trustee; and the beneficiaries are AA2000 and constructors of the airports' works. The funds in the trust are used to settle the accounts payable to suppliers of the infrastructure being built in the Argentine Airport System. As per IAS 20, the benefit received by AA2000 qualifies as a grant related to income on a monthly basis that it is recognized at fair value since there is a reasonable assurance that such benefit will be received.

⁽²⁾ Mainly correspond to the following government subsidies to support airports in the context of Covid-19 pandemic for the year ended December 31, 2020:

- Re-equilibrium of concession agreements due to force majeure or fortuitous case events in Brazilian airports for a total amount of USD 33,185 net of tax.

Due to the impact generated by the pandemic, the Brazilian subsidiaries filed a claim for economic-financial re-equilibrium of its concession contracts. This was possible due to the Brazilian Government recognition that the Covid-19 pandemic is a case of "force majeure" or "fortuitous event" concluding that the loss from the impact of the pandemic is not part of the risks assumed by the private initiative and must be compensated by the Federal Government. In view of this, the *Agência Nacional de Aviação Civil* ("ANAC") defined as a condition for this re-equilibrium the compensation according to the companies projected operational result in the scenario without pandemic.

The ANAC approved the extraordinary revision of the Concession Agreements of the Brasília and Natal Airport due to the damages caused by the Covid-19 pandemic in order to reconstitute its economic-financial balance.

The amount referring to the reconstitution for the year 2020 for Brasilia corresponds to USD 32,911 (USD 29,867 net of tax), and the form of this reconstitution is through the compensation of the concession fee payable, see amount compensated in Note 23.

The amount referring to the reconstitution for the year 2020 for Natal corresponds to USD 3,656 (USD 3,318 net of tax), which will be received through the compensation of the monthly contribution and the readjustment of the Control Tower tariffs, see receivable included in Note 17.

- Contribution of € 10 million (approximately USD 11,968) that the Regional Administration of Tuscany has allocated in favor of Toscana Aeroporti S.p.A. in order to contribute to the strengthening of the Tuscan airport system, facilitate the regional economy and address the critical market issues resulting from the Covid-19 pandemic, see receivable included in Note 17.

There are no unfulfilled conditions or other contingencies attaching to these grants.

The Group has directly benefited from other forms of government assistance that were not accounted in *Other operating income*:

- Assistance for employees; in Argentina, through Decrees No. 332/2020 and the applicable administrative resolutions, the *Poder Ejecutivo Nacional* has instituted, through the Emergency Assistance Program for Work and Production, a series of benefits for those companies that have been affected by the health emergency. Among the assistance measures provided for by the decrees, the Argentine subsidiaries benefited from the postponement of the employer's contributions and a reduction in social security contributions. In addition, the *Administración Federal de Ingresos Públicos* ("AFIP") has approved the granting of the Salary Compensation Allowance from April to September 2020, extended through Decree No. 823/2020 until December 31, 2020. This allowance consists of a sum equivalent to 50% of the net salary, up to the maximum amount of two minimum vital salaries.

Assistance measures provided for by governments as the grant of a salary compensation allowance for employees are accounted as a reduction of results under *Salaries and social security contributions* line in Note 6 and 7.

- Economic benefit of a borrowing at a significantly below-market rate of interest, which is the case in particular for the subsidized interest rate of the Armenian borrowing, is treated as a government grant and recognized as a reduction of the debt in accordance with IAS 20, see Note 22.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

9 Financial results, net

	2020	2019	2018
Interest income	17,587	31,329	27,205
Foreign exchange income	8,015	5,975	46,167
Other financial income ⁽¹⁾	10,095	14,585	2,909
Financial income	35,697	51,889	76,281
Interest expense	(99,018)	(92,687)	(96,301)
Foreign exchange loss	(33,037)	(43,365)	(137,601)
Changes in liability for concessions (Note 23)	(69,737)	(88,488)	(86,331)
Other financial loss ^{(1) (2) (3)}	(13,704)	(8,981)	(10,914)
Financial loss	(215,496)	(233,521)	(331,147)
Inflation adjustment	(26,532)	(25,391)	(36,460)
Inflation adjustment	(26,532)	(25,391)	(36,460)
Financial results, net	(206,331)	(207,023)	(291,326)

⁽¹⁾ Mainly includes gains from other financial assets for a total amount of USD 4,690 for the year ended December 31, 2020 (USD 13,152 and USD 1,627 for the year ended December 31, 2019 and 2018, respectively) and net gains from derivative financial instruments at fair value for a total amount of USD 1,455 for the year ended December 31, 2020 (USD 101 for the year ended December 31, 2019).

⁽²⁾ Includes leases financial cost, see Note 14(ii).

⁽³⁾ Includes debt renegotiations premiums paid to Notes tenders for the exchange offers for a total amount of USD 4,690 as of December 31, 2020.

10 Share of results in associates

	2020	2019	2018
Loss in associates (Note 15)	(6,159)	(5,353)	(4,146)
	(6,159)	(5,353)	(4,146)

11 Income tax

	2020	2019	2018
Current income tax	490	(48,425)	(39,100)
Deferred income tax	13,805	31,346	24,999
	14,295	(17,079)	(14,101)

The income tax expense differs from the theoretical amount that would arise using the tax rate in each country as follows:

	2020	2019	2018
(Loss) / Income before income tax	(376,188)	11,259	3,502
Tax benefit calculated for each company	110,056	4,978	11,008
Adjustments			
Non-taxable income	10,079	30,387	20,455
Expenses related to non-taxable income	(19,725)	(20,732)	(16,960)
Non-deductible expenses	(5,831)	(6,811)	(9,803)
Effect of tax inflation adjustment ⁽²⁾	(25,680)	(31,202)	-
Effect of inflation adjustment	(9,480)	3,332	(20,152)
Effect of asset revaluation for tax purposes ⁽¹⁾	44,423	70,544	-
Asset revaluation for tax purpose - Current tax ⁽¹⁾	-	(11,876)	-
Unrecognized deferred taxes ⁽³⁾	(86,199)	(52,078)	(4,435)
Other	(3,348)	(3,621)	5,786
Income tax	14,295	(17,079)	(14,101)

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

11 Income tax expense (Cont.)

(1) On December 29, 2017, the National Executive Office of Argentina issued Law 27.430 - Income Tax. This law introduced several changes in the treatment of income tax as the gradual reduction from 35% to 30% for fiscal years starting from January 1, 2018 until December 31, 2019 and to 25% for fiscal years beginning on or after January 1, 2020, inclusive. On December 23, 2019, through Law No. 27.541, the income tax rate reduction established by Law 27.430 was suspended until fiscal years beginning January 1, 2021, inclusive, establishing that for the suspension period the rate will be 30%.

These adjustments correspond to the asset revaluation for tax purpose included in Law No. 27.430 of Argentina. As of March 29, 2019, AA2000 start exercising the option of the asset revaluation for tax purpose, fiscal period 2017, generating an accumulated deferred tax gain of USD 70,544, as well as a special current tax charge of USD 11,876 for the adherence to that option.

(2) In order to determine the net taxable income of AA2000 at the end of this year, the tax inflation adjustment determined in accordance with articles No. 95 to No. 98 of the income tax law has been incorporated into the tax results for a total amount of USD 25,680 (USD 31,202 as of December 31, 2019), due to the fact that as of December 31, 2020 and 2019 the price index variation has already exceeded 15% and 30%, respectively. Likewise, the income tax law allows the deferral of the charge generated by the tax inflation adjustment in six consecutive years, as a result, USD 4,278 (USD 6,044 as of December 31, 2019) was recognized in current tax liabilities and USD 21,402 (USD 25,158 as of December 31, 2019) as deferred tax liabilities.

(3) Mainly temporary differences for which no deferred income tax has been recognized from Brazilian concessions. As of December 31, 2020, deferred tax assets on tax loss carry forwards from Brazilian concessions for a total amount of USD 54.2 million have been unrecognized because there is not sufficient evidence that there will be enough future taxable profits to use such tax losses.

12 Intangible assets, net

	Concession Assets	Goodwill	Patent, intellectual property rights and others	Total
Cost				
Balances at January 1, 2020	4,057,431	55,506	21,326	4,134,263
Acquisitions	128,516	-	576	129,092
Impairment	(26,362)	(35,906)	-	(62,268)
Disposals	(1,134)	-	-	(1,134)
Transfer	(297)	-	297	-
Transfer from property plant and equipment	-	-	40	40
Transfer to property plant and equipment	(10)	-	-	(10)
Translation differences and inflation adjustment	(302,665)	(13,867)	1,250	(315,282)
Balances at December 31, 2020	3,855,479	5,733	23,489	3,884,701
Balances at January 1, 2019	3,837,668	56,501	20,648	3,914,817
Concession rights due to concession extension	4,359	-	-	4,359
Acquisitions	354,296	-	960	355,256
Impairment	(42,801)	-	-	(42,801)
Disposals	(30)	-	-	(30)
Transfer to property plant and equipment	(36)	-	9	(27)
Transfer from property plant and equipment	1,766	-	-	1,766
Translation differences and inflation adjustment	(97,791)	(995)	(291)	(99,077)
Balances at December 31, 2019	4,057,431	55,506	21,326	4,134,263
Depreciation				
Accumulated at January 1, 2020	1,114,090	-	18,052	1,132,142
Amortization of the year	186,165	-	1,187	187,352
Disposals	(208)	-	-	(208)
Transfer from property plant and equipment	32	-	-	32
Translation differences and inflation adjustment	(52,695)	-	1,594	(51,101)
Accumulated at December 31, 2020	1,247,384	-	20,833	1,268,217
Accumulated at January 1, 2019	964,466	-	16,809	981,275
Amortization of the year	167,470	-	1,446	168,916
Disposals	(24)	-	-	(24)
Transfer from property plant and equipment	624	-	-	624
Translation differences and inflation adjustment	(18,446)	-	(203)	(18,649)
Accumulated at December 31, 2019	1,114,090	-	18,052	1,132,142
Net balances at December 31, 2020	2,608,095	5,733	2,656	2,616,484
Net balances at December 31, 2019	2,943,341	55,506	3,274	3,002,121

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

12 Intangible assets, net (Cont.)

During 2020, the Company identified impairment indicators in its cash generating units across all of its business operational segments due to drastic measures undertaken by governments, such as flight restrictions and the closing of borders to contain Covid-19 spread.

Therefore, the Company performed impairment tests based on cash flow projections covering the remaining concessions periods (value in use), based on certain assumptions that required management judgment combined with historical information such as number of passenger, fees, future operating expenses and discount rate.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each cash-generating units (CGUs) of a subsidiary or group of subsidiaries that are expected to benefit from such business combination.

Regarding CAAP's Brazilian subsidiaries, the Company tested the value of goodwill allocated that led to an impairment loss of USD 35,906. Additionally, impairment loss of USD 26,362 (USD 42,801 as of December 31, 2019) was recognized with respect of the Aeroporto de São Gonçalo do Amarante S.A. ("ICASGA") concession performing an impairment test based on cash flow projections covering the remaining concession period of 21 years (value in use).

The carrying value of the assets impaired was as follows:

	ICASGA Concession assets	Goodwill allocated to Brazilian subsidiaries
Net assets at January 1, 2020	71,918	50,249
Acquisitions	63	-
Impairment	(26,362)	(35,906)
Amortization of the year	(1,425)	-
Disposals	(921)	-
Translation differences	(13,530)	(14,343)
Net assets at December 31, 2020	29,743	-

As the calculation of the impairment applied to the intangible assets has as one of its main variables the discount rate and the number of passengers, ICASGA carried out a sensitivity analysis showing the impact that it would have on the result if different discount rates and compound annual growth of passengers were used.

The discount rate used was the weighted average cost of capital (WACC) which is considered to be a good indicator of capital cost. WACC was determined considering the risk of investing in equity, in airport sector and country. The nominal discount rate used was 9.16% (8.72% as of December 31, 2019), calculated from a Rolling WACC method considering the effects of debt over the capital and re-leverage of Beta.

The number of passengers was the other main assumption for the calculation of the impairment test and the compound annual growth rate assumed was of 3.0% (4.56% as of December 31, 2019).

The table below summarizes the results of the sensitivity analysis assuming that each key assumption changes by one per cent with all other assumptions held constant. The impact is expressed in terms of the effect on the results for the year ended December 31, 2020.

Key assumption	Minus 1%	Plus 1%
Discount rate	3,432	(2,991)
Passenger's CAGR	(5,196)	5,769

As of December 31, 2020, the recoverable amount of each defined CGU, other than those mentioned above, exceeds its carrying amount.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

13 Property, plant and equipment, net

	Land, building and improvements	Plant and production Equipment	Vehicles, furniture and fixtures	Works in progress	Others	Total
Cost						
Balances at January 1, 2020	51,893	62,295	51,278	2,823	23,130	191,419
Acquisitions	455	3,718	2,296	1,966	516	8,951
Disposals	-	(1,002)	(2,710)	-	(38)	(3,750)
Transfer	1,180	189	-	(1,384)	15	-
Transfers from Intangible	-	-	10	-	-	10
Transfer to Intangible	-	(32)	(4)	(4)	-	(40)
Translation differences and inflation adjustment	3,636	4,096	(2,993)	(14)	2,164	6,889
Balances at December 31, 2020	57,164	69,264	47,877	3,387	25,787	203,479
Balances at January 1, 2019	50,886	57,459	46,715	1,666	21,670	178,396
Acquisitions	571	5,996	5,135	3,537	1,878	17,117
Disposals	-	-	(246)	(80)	-	(326)
Transfer	2,231	20	-	(2,259)	8	-
Transfers from Intangible	-	2	25	-	-	27
Transfer to Intangible	(969)	(394)	(373)	-	-	(1,736)
Translation differences and inflation adjustment	(826)	(788)	22	(41)	(426)	(2,059)
Balances at December 31, 2019	51,893	62,295	51,278	2,823	23,130	191,419
Accumulated at January 1, 2020	12,126	47,116	34,866	-	17,699	111,807
Depreciation of the year	888	3,729	4,150	-	1,456	10,223
Disposals	-	(994)	(2,063)	-	(36)	(3,093)
Transfer to Intangible	-	(29)	(3)	-	-	(32)
Translation differences and inflation adjustment	663	3,396	(2,049)	-	1,731	3,741
Accumulated at December 31, 2020	13,677	53,218	34,901	-	20,850	122,646
Accumulated at January 1, 2019	11,543	44,517	31,300	-	16,737	104,097
Depreciation of the year	810	3,605	4,110	-	1,305	9,830
Disposals	-	-	(245)	-	-	(245)
Transfer to Intangible	-	(335)	(289)	-	-	(624)
Translation differences and inflation adjustment	(227)	(671)	(10)	-	(343)	(1,251)
Accumulated at December 31, 2019	12,126	47,116	34,866	-	17,699	111,807
Net balances at December 31, 2020	43,487	16,046	12,976	3,387	4,937	80,833
Net balances at December 31, 2019	39,767	15,179	16,412	2,823	5,431	79,612

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

14 Leases

(i) Amounts recognized in Consolidated Financial Position:

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Right-of-use assets		
Land, building and improvements	12,087	7,037
Plant and production equipment	843	1,003
Vehicles, furniture and fixtures	518	340
	13,448	8,380
Lease liabilities		
Current	3,477	3,144
Non-current	10,207	5,783
	13,684	8,927

The evolution of right-of-use assets and lease liabilities during 2020 and 2019 are as follows:

	2020	2019
Right-of-use assets		
Balances at the beginning of the year	8,380	-
Adjustment on adoption of IFRS 16	-	11,846
Adjusted balances at the beginning of the period	8,380	11,846
Additions	7,878	427
Depreciation of the year	(3,213)	(3,443)
Translation differences and inflation adjustment	403	(450)
Balances at the end of the year	13,448	8,380
Lease liabilities		
Balances at the beginning of the year	8,927	-
Adjustment on adoption of IFRS 16	-	13,549
Adjusted balances at the beginning of the period	8,927	13,549
New contracts	7,881	436
Lease payments	(3,979)	(5,130)
Leases financial cost	407	477
Translation differences and inflation adjustment	448	(405)
Balances at the end of the year	13,684	8,927

The maturity of lease liabilities is as follows:

	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Total
At December 31, 2020	3,859	3,691	5,113	3,643	16,306
At December 31, 2019	3,523	898	2,159	4,004	10,584

The amounts disclosed in the table are the contracted undiscounted cash flows.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

14 Leases (Cont.)

(ii) Amounts recognized in Consolidated Statement of Income:

The Consolidated Statement of Income shows the following amounts relating to leases:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation charge of right-of-use assets		
Land, building and improvements	(2,790)	(2,957)
Plant and production equipment	(160)	(160)
Vehicles, furniture and fixtures	(263)	(326)
	<u>(3,213)</u>	<u>(3,443)</u>
Financial expenses (Leases financial cost)		
Expense relating to short-term leases (included in cost of services and selling, general and administrative expenses)	(407)	(477)
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of services and selling, general and administrative expenses)	(927)	(439)
Expense relating to variable lease payments not included in lease liabilities (included in cost of services)	(222)	(204)
	(540)	(2,011)

(iii) Variable lease payments

Some security equipment leases contain variable payment terms that are linked to passengers traffic. Variable lease payments that depend on passengers are recognized in profit or loss in the period in which the condition that triggers those payments occurs. A 10% increase in passenger traffic across airports in the group with such variable lease contracts would increase total lease payments by approximately USD 54.0 (USD 201.1 as of December 31, 2019).

(v) The group as a lessor

As indicated in Note 2.Q, leases and sub-concession of spaces are classified as operating leases. These revenues mainly refer to sub-concessions of commercial spaces (duty free shops, food and beverage services, retail stores) and advertising spaces, among others. Lease payments for some contracts include a minimum agreed upon amount and other variable lease payments by applying a percentage on lessors' revenues, both of which are set forth in the lease agreements. Where considered necessary to reduce credit risk, the group may obtain guarantees for the term of the lease.

Commercial revenues corresponding to variable income from lease or sub-concession of spaces that do not depend on an index or rate, for example determined on the basis of lessee's sales or passengers traffic, correspond to a 38% of total revenues of leases and sub-concession of spaces (41% as of December 31, 2019).

Minimum lease payments receivable on leases and sub-concession of spaces with third parties at its airports facilities are as follows:

	At December 31, 2020	At December 31, 2019
Within 1 year	66,546	90,914
Between 1 and 5 years	176,019	248,986
Later than 5 years	155,840	296,899
Total	<u>398,405</u>	<u>636,799</u>

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

15 Investments in associates

	For the Year ended December 31,	
	2020	2019
Balances at the beginning of the year	9,929	10,886
Share of loss in associates	(6,159)	(5,353)
Contributions	2,170	4,425
Decrease	(63)	(64)
Translation differences	(541)	35
Balances at the end of the year	5,336	9,929

Breakdown of the share of loss in associates is as follows:

	2020	2019	2018
Aeropuertos Andinos del Perú S.A.	(4,492)	(3,937)	(3,664)
Sociedad Aeroportuaria Kuntur Wasi S.A.	(2,070)	(1,151)	(1,661)
Others	403	(265)	1,179
	(6,159)	(5,353)	(4,146)

Main Associates are as follows:

Company	Main activity	Country of incorporation	Percentage of ownership at December 31,		For the Year ended December 31,	
			2020	2019	2020	2019
Aeropuertos Ecológicos de Galápagos S.A. (*)	Airport Operation	Ecuador	99.90%	99.90%	1,000	1,000
Sociedad Aeroportuaria KunturWasi S.A. (**)	Airport Operation	Perú	47.68%	47.68%	-	-
Aeropuertos Andinos del Perú S.A.	Airport Operation	Perú	50.00%	50.00%	3,081	8,046
Others	-	-	-	-	1,255	883
					5,336	9,929

(*) Under the terms of the Galapagos Concession Agreement, the net income generated by the Company must be transferred entirely to the Dirección General de Aviación Civil ("DGAC"), however, the Group maintains the operational management of such company and therefore has significant influence.

(**) On July 13, 2017, the Government of Peru notified the unilateral decision to rescind the concession agreement for the Nuevo Aeropuerto Internacional de Chinchero. Refer to Note 26.a Peruvian proceedings.

Summarized selected financial information of Aeropuertos Andinos del Perú S.A., including the aggregated amounts of assets, liabilities, equity and profit or loss, is as follows:

	Aeropuertos Andinos del Perú S.A.	
	2020	2019
Non-current assets	24,894	44,453
Current assets	7,238	8,229
Total assets	32,132	52,682
Non-current liabilities	15,915	21,836
Current liabilities	10,055	15,109
Total liabilities	25,970	36,945
Equity	6,162	15,737
Revenue	6,495	17,526
Loss for the year	(8,984)	(7,875)
Other comprehensive loss for the year	(1,157)	(483)
Total comprehensive loss for the year	(10,141)	(8,358)

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

16 Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rate enacted in each country that are expected to apply in the period the temporary difference will reverse. (Uruguay: 25%, Argentina: 30% and 25% (see Note 11), Italy: 27.5%, Armenia: 20%, Brazil: 34%, Ecuador: 25%, Spain: 25%, Luxembourg: 25%).

The evolution of deferred tax assets and liabilities during the years 2020 and 2019 are as follows:

Deferred tax liabilities

	Property, plant and equipment and Intangibles Assets	Tax inflation adjustment	Other liabilities	Total
Balances at January 1, 2020	222,724	25,626	28,126	276,476
Increase/(Decrease) of deferred tax liabilities for the year	(5,207)	18,022	(16,800)	(3,985)
Translation differences and inflation adjustment	(2,186)	(7,467)	(8,081)	(17,734)
Balances at December 31, 2020	215,331	36,181	3,245	254,757
Balances at January 1, 2019	278,047	-	29,627	307,674
Increase/(Decrease) of deferred tax liabilities for the year	(48,671)	25,626	(224)	(23,269)
Translation differences and inflation adjustment	(6,652)	-	(1,277)	(7,929)
Balances at December 31, 2019	222,724	25,626	28,126	276,476

Deferred tax assets

	Provisions and allowances	Tax loss carry forwards	Property, plant and equipment and Intangibles Assets	Other	Total
Balances at January 1, 2020	15,906	164,282	1,681	8,967	190,836
Increase/(decrease) of deferred tax assets for the year	10,868	(3,920)	(417)	3,289	9,820
Translation differences and inflation adjustment	(2,607)	(39,738)	(112)	(1,693)	(44,150)
Balances at December 31, 2020	24,167	120,624	1,152	10,563	156,506
Balances at January 1, 2019	6,183	170,341	2,006	11,455	189,985
(Decrease)/increase of deferred tax assets for the year	9,934	766	(343)	(2,280)	8,077
Translation differences and inflation adjustment	(211)	(6,825)	18	(208)	(7,226)
Balances at December 31, 2019	15,906	164,282	1,681	8,967	190,836

The recoverability analysis of deferred tax assets and liabilities is as follows:

	For the Year ended December 31,	
	2020	2019
Deferred tax assets to be recovered within 12 months	1,533	344
Deferred tax assets to be recovered after 12 months	154,973	190,492
Deferred tax liabilities to be recovered within 12 months	(4,586)	(1,109)
Deferred tax liabilities to be recovered after 12 months	(250,171)	(275,367)

The Group does not recognize deferred tax assets for unused tax loss carryforward or unused tax credit if it is not probable that there will be sufficient future taxable profit against which the loss carryforward or credit can be utilized.

At December 31, 2020 an amount of USD 167.5 million (USD 59.9 million at December 31, 2019) has not been recognized within deferred tax assets because there is not sufficient evidence that there will be enough taxable profit available to allow the benefit of part or all of that deferred tax asset to be utilized. Unused tax loss carryforwards do not expire although there are certain deduction limits.

Deferred income tax assets and liabilities are offset when (1) there is a legally enforceable right to set-off current tax assets against current tax liabilities and (2) when the deferred income taxes relate to the same fiscal authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The following amounts, determined after appropriate set-off, are shown in the Consolidated Statement of Financial Position:

	2020	2019
Deferred tax assets	73,038	147,475
Deferred tax liabilities	(171,289)	(233,115)

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

17 Other receivables

	At December 31,	
	2020	2019
Non-Current		
Tax credits	11,408	18,567
Trust funds ⁽¹⁾	72,333	90,093
Prepaid expenses	229	228
Other	5,992	11,066
	89,962	119,954
Current		
Tax credits ⁽²⁾	30,207	60,483
Guarantee deposit	8,014	8,658
Receivables from related parties (Note 27)	9,508	9,269
Prepaid expenses	3,358	4,453
Government grants to receive ⁽³⁾	18,035	-
Other ⁽⁴⁾	10,428	18,813
	79,550	101,676

⁽¹⁾ Funds are held by a trust, on which the Company does not have the power to direct the relevant activities of the trustee company and is not exposed, or have rights, to variable returns, as such does not consolidate the trustee company.

⁽²⁾ During 2019, AA2000 filed requests to the Argentine Federal Public Revenue Administration (“AFIP”) in order to obtain the return of tax credits of Value Added Tax (“VAT”) mainly for VAT generated by the purchase of fixed assets. The total amount requested from the AFIP for VAT tax credit returns was ARS 1,097 million (approximately USD 18,317). During fiscal year 2020, ARS 903 million (approximately USD 15,077) has been collected for the requests made.

⁽³⁾ Includes grants to be received by TA and ICASGA, see Note 8.

⁽⁴⁾ Mainly includes receivable for the additional Municipal tax on passenger boarding fees of Toscana Aeroporti S.p.A. for a total amount of USD 3,076 as of December 31, 2020 (USD 8,934 as of December 31, 2019).

The fair value of financial assets within current other receivables approximates to its carrying amount. The fair value of financial assets within non-current receivables amounts to approximately USD 73.9 million at December 31, 2020 (USD 102.4 million as of December 31, 2019). The fair value of these financial assets was calculated using a discounted cash flow (Level 3).

18 Inventories

	At December 31,	
	2020	2019
Supplies	3,147	3,288
Oil and byproducts	4,862	8,011
Others	6	3
	8,015	11,302

19 Trade receivables

	At December 31,	
	2020	2019
Non-Current		
Accounts receivable	3,414	3,431
Loss allowance (see Note 3A(iii))	(3,080)	(2,105)
	334	1,326
Current		
Accounts receivable	111,210	153,264
Trade receivables from related parties (Note 27)	2,424	2,242
Loss allowance (see Note 3A(iii))	(54,553)	(50,629)
	59,081	104,877

Fair value of trade receivables approximate book value.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

20 Other financial assets

	At December 31,	
	2020	2019
Non-current		
Other financial assets at fair value through profit or loss		
Equity investments (*)	3,614	3,309
	3,614	3,309
Other financial assets at amortized cost		
Related parties (Note 27)	2,609	2,494
	2,609	2,494
	6,223	5,803
Current		
Other financial assets at fair value through profit or loss		
Corporate Bonds	22,693	12,698
Mutual funds	15,809	-
Government securities	10,570	-
Related parties (Note 27)	4,275	4,643
	53,347	17,341
Other financial assets at amortized cost		
Related parties (Note 27)	9,860	9,930
Time Deposits	2,195	-
Treasury bills	8,499	56,483
	20,554	66,413
	73,901	83,754

(*) As of December 31, 2020 and 2019 includes equity investments where the group holds a minor equity interest and does not exert significant influence, mainly TA's purchase of an 8.16% stake in Firenze Parcheggi S.p.A., a company that manages public parking lots in Florence.

Fair value of other financial assets approximate book value.

21 Cash and cash equivalents

	At December 31,	
	2020	2019
Cash to be deposited	310	2,320
Cash at banks	213,306	116,413
Time deposits	19,509	35,502
Other cash equivalents	47,906	41,461
	281,031	195,696

The Group operates with investment grade - financial institutions.

As of December 31, 2020, cash and cash equivalents includes restricted cash on deposit as collateral for a total amount of USD 1,142.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

22 Borrowings

	At December 31,	
	2020	2019
Non-current		
Bank and financial borrowings (**)	509,086	472,226
Notes (*)	619,321	560,995
	1,128,407	1,033,221
Current		
Bank and financial borrowings (**)	155,251	103,056
Notes (*)	61,159	72,067
	216,410	175,123
Total Borrowings	1,344,817	1,208,344

Changes in borrowings during the years are as follows:

	2020	2019
Balances at the beginning of the year	1,208,344	1,126,658
Adjustment on adoption of IFRS 16	-	(1,715)
Adjusted balances at the beginning of the year	1,208,344	1,124,943
Loans obtained	224,310	196,977
Loans paid	(71,466)	(90,457)
Interest paid	(41,149)	(78,832)
Accrued interest for the year	81,931	89,361
Debt renegotiation expenses capitalization	(10,975)	-
Translation differences and inflation adjustment	(46,178)	(33,648)
Balances at the end of the year	1,344,817	1,208,344

The maturity of borrowings is as follows:

	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Total
At December 31, 2020 ⁽¹⁾	286,353	307,722	641,191	514,575	1,749,841
At December 31, 2019 ⁽¹⁾	247,209	237,298	547,257	617,208	1,648,972

⁽¹⁾ The amounts disclosed in the table are undiscounted cash flows of principal and estimated interest. Variable interest rate cash flows have been estimated using variable interest rates applicable at the end of the reporting period.

	At December 31,	
	2020	2019
Fair value of borrowings ⁽²⁾	1,375,443	1,219,540
	1,375,443	1,219,540

⁽²⁾ Valuation at quotation prices (not adjusted) in active markets for identical assets or liabilities Fair Value level 2 under IFRS 13 hierarchy. There are no financial instruments measured at fair value.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

22 Borrowings (Cont.)

(*) Notes include the following:

- In 2007 Puerta del Sur S.A. (“PDS”) issued 7.75% secured guaranteed notes for USD 87 million, due 2021. The principal balance of the PDS Notes, together with accrued interest, will be repaid in 22 total installments, with individual installments occurring on April 29 and October 29 of each year beginning in 2011 and ending in 2021. The main covenants on these bonds are limitations on liens and encumbrances and compliance with certain financial ratios. PDS may be limited to declare, make or pay any dividends unless the debt coverage service ratio exceeds 1.7x and the indebtedness ratio is less than 3.0. PDS Notes are secured by a trust to which PDS has transferred the following sums: (a) the sum of funds which PDS has or has rights to for services offered in administration, construction, and maintenance of Carrasco Airport; (b) the sum of funds received from the duty-free store in Carrasco Airport; (c) the sum of funds received as a result of the permitted operation of the cargo terminal in Carrasco Airport; and (d) the sum of funds PDS has received or will have right to receive from the government or from a third party successor as a result of a management agreement, or as a consequence of the redemption, termination, mutual dissolution and/or resolution of the management agreement for whatever reason, this trust is only use in case of non-compliance with the Notes obligations.

On April 24, 2020, PDS signed a modification with more than 75% of the total principal amount of its 2007 notes to postpone the April and October 2020 installments to year 2022. Interest continues to be paid semi-annually, including 2020, at the same rate. A compensation of 1% on the amount of the extended installments was agreed and was paid in June 2020. The agreement was conditioned on the acceptance of at least 75% of the exchange offer of ACI Airport Sudamérica S.A.U. which was materialized on May 26, 2020. The agreement also established a change in the debt service and dividends payment covenants for the 2020 measurement that will be 1.25x for both cases, and for the 2021 1.4x.

- In 2015, ACI Airport Sudamérica S.A.U. (“ACI”) issued 6.875% senior secured guaranteed notes, for USD 200 million due in 2032 (the “Existing Notes”). The principal balance will be repaid in 34 installments, May 29 and November 29 of each year, commencing on May 29, 2016 while accrued interest will be repaid commencing on November 29, 2015. The main covenants on these bonds are limitations on additional indebtedness, payment of dividends and other payments that are specifically restricted, selling assets as well as requiring compliance with certain financial ratios. The holders of these notes benefit from a guarantee and a security package including the pledge of the shares in PDS and Cerealsur S.A., and certain accounts of Cerealsur and ACI. As of December 31, 2020 and 2019 they were guaranteed with a debt service reserve account of ACI and the funds contained therein and a standby letter of credit of Corporación América S.A. with Bank of América, respectively. These notes are fully and unconditionally guaranteed by Cerealsur S.A.

On May 26, 2020, ACI issued USD 180.9 million aggregate principal amount of 6.875% Cash/7.875% PIK Senior Secured Guaranteed Notes due 2032 (the “New Notes”) to repurchase and exchange 93.6% of the total original principal amount of the Existing Notes obtaining consents to certain proposed amendments to the indenture governing the Existing Notes and certain waivers. The main covenants and guarantees remain unchanged except for the incorporation of ACI’s shares pledge.

- On January 8, 2018, Corporación América Italia S.p.A. (“CAI”) issued € 60.0 million (USD 71.8 million) aggregate principal amount of 4.556% secured notes due 2024 (the “Italian Notes”). The proceeds of the Italian Notes were used to refinance and replace the 6.250% secured notes due 2019 issued by CAI in December 2014. Interest on the Italian Notes is payable annually in arrears on June 30 of each year. The Italian Notes will mature on December 31, 2024. The main covenants on these bonds are limitations to take additional indebtedness, make payments of dividends and other payments that are specifically restricted, selling assets as well as requiring compliance with certain financial ratios.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

22 Borrowings (Cont.)

The Italian Notes are secured by an economic first ranking pledge in respect of all the shares representing 100% of the share capital of CAI, 100% of the share capital of Dicasa Spain S.A.U. and the shares representing CAI's holding in Toscana Aeroporti S.p.A.

- On February 6, 2017, AA2000 issued 6.875% senior secured notes for a nominal amount of USD 400 million due 2027 (the "Existing Notes"). The principal will be amortized in 32 equal quarterly installments as from May 1, 2019. The main covenants of these bonds require compliance with certain financial ratios as well as restriction to incur in additional debt and limitations on the payments of dividends if any default or unmatured default has occurred. Notes issued by AA2000 are secured by a collateral assignment of fiduciary rights of certain revenue of AA2000.

On February 27, 2020, the ordinary general meeting of shareholders of AA2000 approved the creation of a Global Program for the issuance of Notes. The Prospectus project was approved in its terms and conditions by AA2000 Board of Directors dated February 27, 2020. The aforementioned program establishes the issuance of simple Notes not convertible into shares with a nominal value of up to USD 500 million, or its equivalent in other currencies, with a duration of five years from the date of approval of the Argentine *Comisión Nacional de Valores* ("CNV"). On April 17, 2020, AA2000 obtained authorization from the CNV for the Global Program for the Issuance of Notes.

On May 20, 2020 AA2000 issued USD 306 million aggregate principal amount of 6.875% Cash/9.375% PIK Class I Series 2020 Additional Senior Secured Notes due 2027 (the "Series 2020 Additional Notes") in exchange of 86.73% of the total original principal amount of the Existing Notes and obtained consents to certain proposed amendments and waivers to the indenture governing the Existing Notes after completion of required conditions; the approval of ORSNA on April 24, 2020, issuing the Resolution No. 21/2020 pursuant to which the collateral assignment of revenue under the Existing Notes was extended to the Series 2020 Additional Notes in equal terms; and executing and delivering amendments to the 2019 Credit Facilities to provide for the effective deferral of payments of principal due thereunder on August 19, 2020 and November 19, 2020 that was satisfied on April 29, 2020. Accrued interest will be capitalized quarterly. The principal and interest repayments under the New Notes due May 1, 2021 will continue to be payable in cash. From May 1, 2021, the expiry date of the PIK Period, New Notes will continue to accrue interest at a rate of 6.875% per annum until their maturity date, payable quarterly. The main covenants and guarantees remain unchanged.

On August 20, 2020, under its Global Program of Notes, AA2000 issued Class 2 Notes Series 2020 for a total amount of USD 40 million, at a 0% interest rate, with a two-year maturity. The Notes are dollar-linked, denominated in U.S. dollars but issued and paid in Argentine pesos.

Corporación América Airports S.A. Consolidated Financial Statements as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

22 Borrowings (Cont.)

(**) As of December 31, 2020 significant bank and financial borrowings include the following:

Company	Lender	Currency	Maturity	Interest Rate	Outstanding (In millions of USD)	Capitalization ⁽²⁾	
Inframérica Concessionaria do Aeroporto Sao Goncalo do Amarante S.A.	BNDES	R\$	September 2032	Variable	TJLP ⁽¹⁾ plus spread	7.0	
	BNDES	R\$	June 2032	Variable	T.R. plus spread plus IPCA	1.8	
	BNDES	R\$	September 2032	Variable	T.R. plus spread plus IPCA	4.9	A
	BNDES	R\$	September 2022	Fixed	2.50%	0.7	
	BNDES	R\$	July 2032	Variable	T.R. plus spread plus IPCA	2.4	
Inframérica Concessionaria do Aeroporto de Brasília S.A.	BNDES	R\$	December 2033	Variable	TJLP ⁽¹⁾ plus spread	221.4	A
	Bradesco	R\$	July 2022	Variable	TJLP ⁽¹⁾ plus spread	0.1	D
	Votorantim	R\$	July 2021	Variable	CDI plus spread	3.5	C
Terminal Aeroportuaria de Guayaquil S.A.	Banco Guayaquil SA	USD	February 2026	Variable	T.R.E. ⁽³⁾ plus spread	8.9	D
	Banco Guayaquil SA	USD	December 2025	Variable	T.R.E. ⁽³⁾ plus spread	3.5	D
	Banco Bolivariano CA	USD	December 2025	Variable	T.R.E. ⁽³⁾ plus spread	8.5	D
	Banco Bolivariano CA	USD	November 2024	Variable	T.R.E. ⁽³⁾ plus spread	7.3	D
Terminal de Cargas de Uruguay S.A.	Santander Uruguay	USD	April 2023	Fixed	4.25%	1.2	D
	Scotiabank Uruguay	USD	October 2024	Fixed	4.30%	1.9	D
Toscana Aeroporti S.p.A.	MPS Servicio Capital	Euro	June 2022	Variable	Euribor 6 month plus spread	3.5	B
	Banco de Innovación de Infraestructuras y Desarrollo	Euro	September 2027	Variable	Euribor 6 month plus spread	24.8	D
	BPM	Euro	January 2021	Fixed	0.30%	1.8	D
	Unicredit	Euro	March 2021	Fixed	0.30%	10.4	D
	Unicredit	Euro	February 2021	Fixed	0.30%	1.2	D
	BNL	Euro	April 2021	Fixed	0.50%	6.2	D
	CREDEM	Euro	February 2021	Fixed	0.09%	4.9	D
	ISP-SACE	Euro	September 2026	Variable	Euribor 3 month plus spread	103.5	D
	BPM	Euro	June 2023	Variable	Euribor 3 month plus spread	0.3	D
	BPM	Euro	June 2024	Variable	Euribor 3 month plus spread	0.4	D
Armenia International Airports C.J.S.C.	MPS Servicio capital	Euro	February 2021	Fixed	0.20%	12.3	D
	Banca Intesa San Paolo	Euro	February 2021	Fixed	0.15%	7.4	D
	Banca Intesa San Paolo	Euro	March 2021	Fixed	0.20%	6.2	D
	Ameriabank C.J.S.C.	USD	June 2024	Variable	Libor 6 month plus spread	29.8	B
	HSBC Bank Armenia C.J.S.C.	Euro	June 2024	Variable	Euribor 6 month plus spread	34.2	B
Aeropuerto de Neuquén S.A.	HSBC Bank Armenia C.J.S.C.	Dram	June 2022	Fixed	11% ⁽⁴⁾	0.8	D
	Banco Macro	USD	August 2021	Variable	Libor plus spread	2.6	A
Aeropuertos Argentina 2000 S.A.	Banco de la Provincia de Buenos Aires	USD	July 2023	Fixed	7%	2.6	D
	Industrial and Commercial Bank of China (Argentina) S.A., Banco Galicia and Buenos Aires S.A.U. and Banco Santander Río S.A. ⁽⁵⁾	USD	August 2022	Fixed	9.75%	65.7	A
	Onshore renegotiation	ARS	June 2022	Variable	BADCOR plus spread	8.4	A
	Onshore renegotiation	ARS	November 2022	Variable	BADCOR plus spread	9.4	A
	Citibank N.A. ⁽⁵⁾	USD	November 2022	Variable	Libor plus spread	29.3	A
	Offshore renegotiation	ARS	June 2022	Variable	BADCOR plus spread	5.0	A
Consortio Aeropuertos Internacionales S.A.	Banco Macro	USD	July 2021	Fixed	10%	10.2	B
	Santander Uruguay	USD	April 2024	Fixed	5.1%	5.1	B
Others	Banco Itaú	USD	April 2025	Variable	Libor plus spread	5.1	B
						0.1	
Total						664.3	

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

22 Borrowings (Cont.)

(**) As of December 31, 2019 significant bank and financial borrowings include the following:

Company	Lender	Currency	Maturity	Interest Rate	Outstanding (In millions of USD)	Capitalization ⁽²⁾	
Inframérica Concessionaria do Aeroporto Sao Goncalo do Amarante S.A.	BNDES	R\$	September 2032	Variable	TJLP ⁽¹⁾ plus spread	8.6	
	BNDES	R\$	June 2032	Variable	T.R. plus spread plus IPCA	2.1	
	BNDES	R\$	September 2032	Variable	T.R. plus spread plus IPCA	5.6	A
	BNDES	R\$	September 2022	Fixed	2.50%	1.5	
Inframérica Concessionaria do Aeroporto de Brasília S.A.	BNDES	R\$	July 2032	Variable	T.R. plus spread plus IPCA	2.6	
	BNDES	R\$	December 2033	Variable	TJLP ⁽¹⁾ plus spread	270.5	A
	Bradesco	R\$	July 2022	Variable	TJLP ⁽¹⁾ plus spread	0.1	D
Terminal Aeroportuaria de Guayaquil S.A.	Votorantim	USD	June 2020	Variable	CDI plus spread	9.0	C
	Banco Guayaquil SA	USD	December 2024	Variable	T.R.E. ⁽³⁾ plus spread	10.1	D
Terminal de Cargas de Uruguay S.A.	Banco Bolivariano CA	USD	November 2024	Variable	T.R.E. ⁽³⁾ plus spread	9.1	D
	Santander Uruguay	USD	June 2020	Fixed	4.25%	0.2	D
Toscana Aeroporti S.p.a.	Santander Uruguay	USD	April 2023	Fixed	4.40%	1.7	D
	Scotiabank Uruguay	USD	October 2024	Fixed	4.30%	2.0	D
MPS Servicio capital	Banco de Innovación de Infraestructuras y Desarrollo	Euro	June 2022	Variable	Euribor 6 month plus spread	5.2	B
	BPM	Euro	September 2027	Variable	Euribor 6 month plus spread	26.0	D
	Unicredit	Euro	October 2020	Fixed	0.13%	1.7	D
	Unicredit	Euro	September 2020	Fixed	0.15%	8.4	D
	Unicredit	Euro	October 2020	Fixed	0.15%	1.1	D
	BNL	Euro	November 2020	Fixed	0.15%	2.8	D
	BNL	Euro	December 2020	Fixed	0.15%	2.8	D
	CREDEM	Euro	October 2020	Fixed	0.60%	5.8	D
Armenia International Airports C.J.S.C.	BPM	Euro	June 2022	Variable	Euribor 3 month plus spread	0.3	D
	BPM	Euro	June 2023	Variable	Euribor 3 month plus spread	0.4	D
Aeropuerto de Neuquén S.A.	Credit Suisse AG	USD	December 2022	Variable	Libor 6 month plus spread	36.1	B
	Credit Suisse AG	Euro	December 2022	Variable	Euribor 6 month plus spread	37.6	B
Aeropuertos Argentina 2000 S.A.	Banco Macro	USD	August 2021	Variable	Libor plus spread	2.8	A
	Banco de la Provincia de Buenos Aires	USD	June 2023	Fixed	7%	2.6	D
Aeropuertos Argentina 2000 S.A.	Industrial and Commercial Bank of China (Argentina) S.A., Banco Galicia and Buenos Aires S.A.U. and Banco Santander Río S.A. ⁽⁵⁾	USD	August 2022	Fixed	9.75%	84.1	A
	Citibank N.A. ⁽⁵⁾	USD	August 2022	Variable	Libor plus spread	34.5	A
Total						575.3	

⁽¹⁾ TJLP - Taxa de Juros de Longo Prazo (Brazilian Long term interest rate)
 IPCA: corresponds to the Brazilian Consumer Price index)

⁽²⁾ A - Secured/guaranteed
 B - Secured/unguaranteed
 C - Unsecured/guaranteed
 D - Unsecured/unguaranteed

ARS - Argentine Pesos
 R\$ - Brazilian Reales

⁽³⁾ T.R.E - Tasa Referencial Ecuador (Ecuadorian reference interest rate)

⁽⁴⁾ Effective interest rate is 5.5% as 50% of interest rate is subsidized by Armenian Government

⁽⁵⁾ Comprises loans with Industrial and Commercial Bank of China (Argentina) S.A., Banco Galicia and Buenos Aires S.A.U., Banco Santander Río S.A. ("the onshore credit facility") and Citibank N.A. ("the offshore credit facility").

22 Borrowings (Cont.)

- The Credit Facility Agreement between Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. (“ICASGA”) and the Banco Nacional do Desenvolvimento Economico e Social (“BNDES”) is secured by the pledge of the shares of Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A, together with any dividends and distributions in connection therewith, as well as the fiduciary assignment of rights arising from the Natal Airport concession agreement and certain letters of guarantees issued by indirect shareholders and affiliates of Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. for an amount of USD 6.1 million which was released during 2018. It also establishes a required pre-authorization by BNDES on payments of Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. dividends if exceeding 25% of net profits.

The Credit Facility Agreement between Inframerica Concessionária do Aeroporto de Brasília (“ICAB”) and BNDES is secured by the pledge of Inframerica Concessionária do Aeroporto de Brasília and Inframerica Participações S.A. shares, the fiduciary assignment of rights arising from the Brasília airport concession agreement and letters of guarantee issued by indirect shareholders and affiliates of Inframerica Concessionária do Aeroporto de Brasília. It also establishes under certain circumstances a required pre-authorization by BNDES on payments of Inframerica Concessionária do Aeroporto de Brasília dividends if exceeding 25% of net profits and compliance of certain financial ratios.

During 2017 and 2018 ICAB and ICASGA entered into amendments and extension agreements with BNDES with respect to their loans, in the case of ICASGA including an early repayment of a large part of the original debt and in ICAB including the extension of the final maturity and increasing the size of the credit facility.

In connection with such amendments and extension agreements, ACI Airports S.à r.l. and CAAP have agreed not to create any encumbrances on their shares of Inframerica, and not to sell, acquire, merge or spin-off assets or undertake any other action that results or that may result in a change in the current corporate structure of Inframerica or any change of control in Inframerica, without the prior consent of BNDES. ACI Airports S.à r.l. has agreed not to undertake any change of control in CAAP without the prior consent of BNDES. In addition, ACI Airports S.à r.l. has agreed to maintain a minimum credit rating of at least B- (the “Minimum Rating”) or a stand-alone rating (without including the sovereign rating) of at least BB+. The amendment and extension agreements also require additional security equivalent to the amount of twenty-four months of debt service for at least a two-year period (in the form of a bank guaranty, letter of credit, guaranty insurance or other acceptable modalities of guarantee), if the Minimum Rating is not maintained for any annual testing period. As of June 30, 2020, the Minimum Rating was not achieved and ICAB and ICASGA requested BNDES to provide a waiver regarding this obligation. Nevertheless, non-compliance with the Minimum Rating does not constitute an event of default under the agreements but additional security would be required. As of December 31, 2020, BNDES has authorized extensions of the term to meet the obligation for additional security or for obtaining a waiver from BNDES till March 15, 2021.

In March 2020, BNDES made available a program for joining a Standstill for the suspension of payments of principal and interest for six months. The amount of debt service suspended pursuant to the Standstill must be capitalized and paid in the remaining period of the financing contracts. ICAB and ICASGA applied for this program and obtained the approval on April 14, 2020. On October 14, 2020, ICAB and ICASGA succeeded in negotiations with BNDES for a new standstill of six months (October 2020 to March 2021) of payments of principal and interest on its financing contracts. These amounts must be capitalized and will be paid in the remaining period of the financing contracts.

On June 5, 2019, ICAB entered into a loan with Banco Votorantim S.A. - Bahamas Branch for an amount of USD 8.9 million due in June 2020. This loan was secured with a guarantee signed by Banco Votorantim S.A. Brazil with ICAB (“Contrato de Prestação de Garantia”). This guarantee agreement, dated June 14, 2019, was secured by a guarantee letter issued by CAAP for a total amount of USD 8.9 million or its equivalent in Brazilian Real which shall not be lower than R\$ 36 million plus interest. Future payments of the loan were protected from the exposure to U.S. dollars exchange rate fluctuation with a cash flow swap derivative with Banco Votorantim S.A. from Brazil that denominated future payments in Brazilian Real for a total amount of R\$ 36 million.

The USD operation with Banco Votorantim was settled as well as the derivative operation contracted together and ICAB entered into loans for working capital with Banco Votorantim in the amount of R\$ 18 million. These loans are secured by the guarantee letter issued by CAAP.

22 Borrowings (Cont.)

- On December 15, 2015 Armenia International Airports C.J.S.C. entered into a senior secured dual-currency facility agreement with Credit Suisse AG (and other banks) for a principal amount up to USD 160 million, which is secured by the collateral assignment of all present and future rights arising from the Armenian Concession Agreement and other related agreement, a pledge over all present and future cash collateral bank accounts, a pledge over certain movable and immoveable assets related to the Zvartnots Airport and the pledge of Armenia International Airports C.J.S.C. shares.

According to the loan agreement Armenia International Airports C.J.S.C. has restrictions to distribution of dividends, has to maintain the following ratios at a certain level: debt to EBITDA, Debt service coverage and adjusted debt service coverage ratio. According to this agreement, the analysis of the accomplished of these ratios must be made as of June 30 and December 31.

On December 23, 2020, AIA changed its facility agent from Credit Suisse AG to Ameriabank C.J.S.C. re-structuring its debt modifying its maturity date to June 25, 2024, and including some additional clauses that modify the original loan agreement restrictions and covenants.

As of December 31, 2020 Armenia International Airports C.J.S.C. pledged cash held in bank accounts for USD 28,780 (USD 40,287 at December 31, 2019) and all intangible assets and property and equipment for a total of USD 142,384 (USD 167,583 at December 31, 2019).

- Toscana Aeroporti S.p.A. ("TA"), pursuant to the loan agreement with Banco de Innovación de Infraestructuras y Desarrollo/ MPS Servicio capital is required to comply with certain financial ratios. Cash and cash equivalents of the Consolidated Statement of Financial Position includes € 1 million, to secure the abovementioned loan.

On November 6, 2020, € 85 million of proceeds were disbursed to TA under a loan signed with a pool of leading financial institutions comprising Intesa Sanpaolo and BNL-BNP Paribas. The loan is 90% backed by SACE guarantees pursuant to the provisions of Decree-Law No. 23/2020 within the framework of the programme "*Garanzia Italia*", an Italian guarantee scheme intended to support Italian companies affected by the Covid-19 emergency. The loan has a term of six years, with a two-year grace period and TA is required to comply with certain financial covenants and restrictions.

- Aeropuerto de Neuquén S.A. ("ANSA") loan with Banco Macro is secured with a guarantee letter of Corporación América S.A. In addition, ANSA entered into an assignment of collection rights agreement in favor of Banco Macro.

- On August 9, 2019, AA2000 entered into two credit facility agreements: (a) the onshore credit facility agreement, by and among AA2000, as borrower, Banco Galicia and Buenos Aires S.A.U., Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC") and Banco Santander Río S.A., as lenders (collectively, the "Lenders"), Citibank N.A. ("Citibank"), as administrative agent and Citibank Argentina, as local collateral agent, local disbursement agent and local paying agent, for an aggregate principal amount of USD 85 million and (b) the offshore credit facility agreement, by and among AA2000, as borrower, Citibank acting through its international banking facility, as lender, Citibank N.A., as administrative agent and Citibank Argentina as local collateral agent and local custodian agent for an aggregate principal amount of USD 35 million (collectively, the "2019 Credit Facilities").

The term for the credit facility agreements was thirty-six months as from the borrowing date. The principal amount under the credit facility agreements has to be repaid in nine quarterly equal and regular installments, the first one being payable twelve months from the borrowing date, and bears interests: (i) regarding the onshore credit facility agreement, at a fixed annual nominal rate of 9.75%; (ii) regarding the offshore credit facility agreement, at a variable rate equivalent to (a) the LIBOR rate plus (b) an interest rate of an annual nominal 5.5% plus (c) any applicable withholding tax.

To secure its obligations under the two credit facility agreements, pursuant to the Argentine Collateral Trust Agreement dated August 9, 2019 (under Argentine law), AA2000 transferred and assigned to the collateral trustee, acting on behalf of the Trust, for the benefit of the Lenders, acting as the beneficiaries, all: (a) rights, title and interest in, to and under each payment of the cargo airport charges payable by the user of such services in connection with all proceeds derived from export and import services carried out by Terminal de Cargas Argentina (a business unit of AA2000); and (b) any residual amount that AA2000 could be entitled to receive pursuant to article 11.4 of the collateral trust agreement dated January 17, 2017, entered into AA2000 and Citibank, in respect of the rights to receive payment in the event of a termination, expropriation or redemption of the concession agreement entered by and between the National Government and AA2000 on February 9, 1998 and approved by Decree No. 163/1998; including the right to receive and withhold all the payments pursuant to them and any other produced by them, assigned in trust to secure the Existing Notes issued by AA2000.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

22 Borrowings (Cont.)

On April 29, 2020, AA2000 entered into a framework agreement (“Framework Agreement”) with the branch of Citibank established in the Republic of Argentina (“Citibank Argentina”) and the Lenders, in order to, among other things, effectively defer principal payments of the 2019 Credit Facilities. The Framework Agreement effectively defers payments of principal due by AA2000 under the 2019 Credit Facilities on August 19, 2020 and November 19, 2020, each of which amounts to USD 13.3 million. Such deferred amounts will be effectively payable by AA2000 in quarterly installments beginning in September 2021 and ending in June 2022.

Additionally, under the Framework Agreement, AA2000 signed the bilateral contracts with each of the financial institutions and signed an amendment to the aforementioned agreement where the obligation to comply with certain ratios foreseen in the 2019 Credit Facilities has been waived.

In accordance with the aforementioned renegotiation and the alternative adopted by ICBC, AA2000 has contracted derivative financial instruments with this financial institution for U.S. dollars futures purchases in order to hedge the exposure to exchange rate fluctuations between Argentine pesos and U.S. dollars of the two installments refinanced. As of December 31, 2020, there are no transactions pending execution.

On August 19, 2020, AA2000 obtained four loans for a total amount of ARS 987 million to pay the installment of the renegotiated 2019 Credit Facilities agreement due in August. 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 will be paid in four equal and consecutive quarterly installments beginning on September 19, 2021.

On November 19, 2020, AA2000 extended 60% of the 2019 Credit Facilities installment corresponding to Citibank N.A. due in November 2020 for a total amount of USD 2.3 million, which will be fully repaid on November 19, 2022. For the remaining 40% AA2000 obtained a loan for a total amount of ARS 125 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 September 19, 2021.

Additionally, AA2000 obtained three loans for the total amount of ARS 778 million to pay the installment of the renegotiated 2019 Credit Facilities agreement due in November. 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 September 19, 2021 and the remaining 60% will be paid in full on November 19, 2022.

On January 21, 2020, AA2000 obtained a loan of USD 10 million with Banco Macro payable in 180 days at a nominal annual rate of 6%. On May 11, 2020, AA2000 agreed to reschedule the loan extending its term to July 24, 2021 with a nominal annual compensatory rate of 10%, subject to the payment of interest due on July 24, 2020 and a guarantee assignment of the future receivables for air station usage fees (for domestic flights) to be collected from Aerolíneas Argentinas S.A. On July 24, 2020, AA2000 cancelled the interest due on its USD 10 million loan with Banco Macro and the ORSNA issued Resolution No. 49/2020 authorizing the assignment of credits as a guarantee.

- Consorcio Aeropuertos Internacionales S.A., pursuant to the credit facilities with Banco Santander S.A. and Banco Itaú Uruguay S.A. is required to comply with certain financial ratios as well as certain restrictions. Assignment of certain revenues has been given to secure the aforementioned credit facilities.

As of December 31, 2020, conversations with financial entities for the approval of temporary waivers of compliance, when necessary, have taken place and the Group’s entities that entered into negotiations regarding their financing conditions reached agreements avoiding events of default.

In general, waivers obtained during 2020 mainly include an exemption from the requirements to comply with ratios provided for in the borrowing agreements and changes to the method for calculating ratios but some conditions could be applicable while the waivers are in force such as ensuring minimum cash balances, delivering additional information to noteholders or financial institutions or the inability to pay dividends.

As of December 31, 2019, the Group was in compliance with all of its borrowing covenants.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

23 Other liabilities

	At December 31,	
	2020	2019
Non-current		
Concession fee payable ⁽¹⁾	655,221	777,093
Advances from customers	15,469	21,437
Provisions for legal claims ⁽⁴⁾	4,251	5,319
Provision for maintenance costs ⁽²⁾	17,081	20,034
Other taxes payable	1,139	2,548
Employee benefit obligation ⁽³⁾	8,694	8,079
Salary payable	721	488
Other liabilities with related parties (Note 27)	1,398	1,726
Other payables	24,772	11,686
	728,746	848,410
Current		
Concession fee payable ⁽¹⁾	86,483	120,578
Other taxes payable	23,033	22,956
Salary payable	22,061	37,976
Other liabilities with related parties (Note 27)	7,143	5,812
Advances from customers	4,522	4,848
Provision for maintenance cost ⁽²⁾	10,114	8,887
Expenses provisions	2,018	1,934
Provisions for legal claims ⁽⁴⁾	932	1,159
Other payables ^(*)	24,507	25,972
	180,813	230,122

(*) As of December 31, 2020, includes deferred income for a total amount of USD 8,751 (USD 8,112 as of December 31, 2019)

Maturity of the other liabilities is as follows:

	1 year or less	1 - 2 years	2 - 5 years	Over 5 years	Total
At December 31, 2020	180,934	106,290	239,243	1,730,532	2,256,999
At December 31, 2019	230,181	90,917	275,982	1,867,441	2,464,521

The fair value of financial liabilities within current and non-current other liabilities approximates to its carrying amount.

(1) The most significant amounts included in *Concession fee payable* line are generated by the concession agreement between The Brazilian National Civil Aviation Agency – ANAC and Inframerica Concessionária do Aeroporto de Brasília S.A. and Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

23 Other liabilities (Cont.)

The Brazilian concession agreement establishes the payment of a fixed and variable concession fee.

a) Fixed concession fee

The Brasilia Airport concession agreement established a fixed concession fee of R\$ 4,501,132, payable in 25 equal annual installments since inception of the concession period. The concession fee is adjusted for inflation annually based on the changes in the Brazilian IPCA. The Natal Airport concession agreement established an annual fixed concession fee of R\$ 6,800, payable as from the 37th month of the inception of the concession, and adjusted periodically by the Selic rate.

The Group initially recognized the present value of fixed concession fee against a concession asset in intangible assets. The liability is presented as current and non-current concession fee payable within other liabilities.

The Group estimates this fixed concession fee to be divided in two parts:

- (a) Right of use if the airport operates at the existing operating capacity at the beginning of the concession, and
- (b) the second portion relates to the Group estimation of the value of the right of use after the infrastructure works that increase capacity of the airport.

Changes in the liability related to the increase capacity of the airport or contract modifications are accounted for against the “Concession asset”. Changes in the liabilities due to passage of time and inflation adjustment are recognized against profit or loss of the period.

b) Variable concession fee

The concession agreement for the Brasilia Airport requires payment of an annual fee of 2% of aeronautical and commercial revenues with a cap annually established by the regulatory authority in Brazil (ANAC). After that limit, concession fee is calculated at 4.5%.

Changes in the year of the Concession fee payable is as follows:

	2020	2019
Balances at the beginning of the year	897,671	907,954
Concession fee payable due to concession extension	-	4,359
Financial result	75,211	88,488
Concession fees	59,331	146,884
Payments (*)	(59,171)	(208,310)
Payments in advance	-	(3,595)
Re-equilibrium compensation (Note 8)	(35,326)	-
Translation differences and inflation adjustment	(196,012)	(38,109)
Balances at the end of the year	741,704	897,671

(*) In light of Covid-19 pandemic context, some governments have implemented measures aligned to the current environment such as the deferral of payment periods to relieve the liquidity situation of the airport sector.

On April 23, 2020, the Italian *Ente Nazionale per l'Aviazione Civile* (“ENAC”), in agreement with the Ministry of Infrastructure and Transport, ordered the suspension of the payment of airports concession fees, due in July. For 2020, the payment will be commensurate with the traffic actually recorded during the year and must be paid by January 31, 2021.

On October 23, 2020, the *Ministério da Infraestrutura* of Brazil issued an order (*Portaria No. 157*) that allow companies to re-schedule at least 50% of their 2020 concession fee payment. On November 2, 2020, ICAB re-scheduled 50% of its fixed concession fees payment of 2020, in accordance with the provisions of the aforementioned order, to the six final years of the concession. The Government order (*Portaria No. 157*) determined that re-scheduling the payments of the concession fee must not exceed, for each financial year, 75% above the original value and 50% above the original value for the last five years of the concession.

On December 17, 2020 AA2000 reached an agreement with 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.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

23 Other liabilities (Cont.)

(2) Changes in the year of the Provision for maintenance costs is as follows:

	2020	2019
Balances at the beginning of the year	28,921	29,097
Accrual of the year	2,303	3,134
Use of the provision	(6,300)	(2,750)
Translation differences and inflation adjustment	2,271	(560)
Balances at the end of the year	27,195	28,921

(3) TAGSA and Toscana have post-employment benefits which are defined benefit obligation. The amount of termination benefit has been calculated using the “Projected Unit Credit Method”, making actuarial valuations at the end of the period.

The assumptions used for the purposes of valuation of Toscana Aeroporti long term benefits at December 31, 2020 are:

- Annual discount rate: 0.39% (0.77% in 2019)
- Annual inflation rate: 1.0% (1.0% in 2019)
- Annual employee termination benefit increase rate: 2.25% (2.25% in 2019)

The iBoxx Eurozone Corporate AA 10+ index has been selected as the discount rate to be used, as the term of 10 or more years is comparable to the average remaining period of service of the personnel subject to the long term benefit.

The sensibility in relation with the provision of Toscana is as follows:

Assumption	Annual discount rate		Annual rate of inflation		Annual turnover rate	
Variation rates	0.5%	(0.5)%	0.25%	(0.25)%	2.5%	(2.5)%
Provision for salary payable	6,704	7,392	7,133	6,940	6,877	7,104

The assumptions used for the valuation of TAGSA at December 31, 2020 are:

- Annual discount rate: 3.33% (4.21% in 2019)
- Annual turnover rate: 12.32% (10.22% in 2019)
- Annual employee termination benefit (in years): 8.33 (7.50 in 2019)
- Annual employee mortality and disability rate: TM IESS 2002 (TM IESS 2002 in 2019) (*)
- Annual employee future wage increase: 1.31% (2.00% in 2019)

(*) Mortality Table “Instituto Ecuatoriano de Seguridad Social”

The sensibility in relation with the prevision of TAGSA is as follows:

Assumption	Annual discount rate		Annual employee future wage increase		Annual turnover rate	
Variation rates	0.5%	(0.5)%	0.5%	(0.5)%	5%	(5)%
Provision for salary payable	1,530	1,718	1,720	1,528	1,588	1,656

Changes of the provision in the year is as follows:

	2020	2019
Balances at the beginning of the year	8,079	8,038
Actuarial gain/loss (in other comprehensive income)	19	227
Interest for services	99	136
Service Cost	372	304
Amounts paid in the year	(467)	(495)
Translation differences and inflation adjustment	592	(131)
At the end of the year	8,694	8,079

The amounts shown in the Consolidated Statement of Comprehensive Income for USD (188) in 2020 (USD (208) in 2019) correspond to the actuarial (loss)/income of USD (244) (USD (257) in 2019), net of taxes of USD 56 (USD 49 in 2019).

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

23 Other liabilities (Cont.)

(4) Changes in the year of the provision for legal claims is as follows:

	2020	2019
Balances at the beginning of the year	6,478	9,683
Accrual of the year	1,488	1,153
Use of the provision	(1,962)	(3,485)
Translation differences and inflation adjustment	(821)	(873)
Balances at the end of the year	5,183	6,478

24 Trade payables

	At December 31,	
	2020	2019
Non-current		
Trade payable with suppliers	9,162	798
	9,162	798
Current		
Trade payables with suppliers	146,907	145,740
Trade payables with related parties (Note 27)	3,945	3,017
	150,852	148,757

Fair value of trade payables does not materially differ from book value.

25 Equity

a) Share capital

The movements of share capital for the year is as follows:

	At December 31,		
	2020	2019	2018
At the beginning of the period	160,022	160,022	1,500,000
Reverse stock split ⁽¹⁾	-	-	(1,351,883)
Initial Public Offering ⁽²⁾	-	-	11,905
Capital Increase ⁽³⁾	3,201	-	-
At the end of the year	163,223	160,022	160,022

⁽¹⁾ On January 19, 2018, ACI Airports S.à r.l. (the "Shareholder") approved a 1-to-10.12709504 reverse stock split of its common shares, consequently decreasing the outstanding common shares from 1,500,000,000 common shares to 148,117,500 common shares (the "Reverse Stock Split"). The nominal value of USD 1.00 of each common share did not change as a result of the Reverse Stock Split. It implied a reduction of share capital of USD 1,351,883 and an increase in Non-Distributable Reserves. In accordance with the provisions of the amended and restated articles of association of the Company, the non-distributable reserve may be distributed to its shareholders, from time to time, on a *pro rata* basis.

⁽²⁾ On February 2, 2018, CAAP submitted the final prospectus to the U.S. Securities and Exchange Commission as an initial public offering of common shares of Corporación América Airports S.A. which was declared effective by such commission. The offering was of 11,904,762 common shares with a nominal value of USD 1 and the Shareholder offered 16,666,667 common shares which were fully subscribed. As a consequence of the Initial Public Offering, the share capital of CAAP has increased to 160,022,262 shares. The initial public offering price per common share was USD 17.00. As a result, CAAP had proceeds of USD 195,601 net of underwriting discounts and commissions but before other issuing expenses.

On February 5, 2018, the Executive Committee; in accordance with (i) the provisions of the articles of associations of the Company, and (ii) the resolutions taken by the Company's board of directors which determined and confirmed the creation and composition of the Executive Committee and also the powers delegated to it with respect of the Initial Public Offering; resolved to approve the issuance of the new shares, acknowledged having received sufficient evidence showing that the subscription price of the new shares had been paid, and the amendment of the articles of associations in respect of the new share capital of USD 160,022,262.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

25 Equity (Cont.)

a) Share capital (Cont.)

⁽³⁾ On August 20, 2020, the Company approved a management share compensation plan. On October 9, 2020, as part of the aforementioned plan, CAAP has increased its share capital by the amount of USD 3.2 million through the issuance of 3,200,445 new shares having a nominal value of USD 1 each. As a result of the issuance, the share capital of the Company increased from 160,022,262 to 163,222,707 shares. The New Shares were subscribed for a total price of USD 6.1 million (a subscription price of USD 1.92 per new share, being the market price as of October 8, 2020).

As of December 31, 2020, the new shares are held in treasury until their allocation to key employees in accordance with the Management Compensation Plan.

b) Share premium

	At December 31,		
	2020	2019	2018
At the beginning of the period	180,486	180,486	-
Share premium	-	-	190,476
Underwriting discounts and expenses	-	-	(9,990)
Capital Increase (Note 25 a)	2,944	-	-
At the end of the year	183,430	180,486	180,486

As of December 31, 2020, includes the differences between the nominal value of USD 1 per common share and subscription price of the capital increase of USD 1.92.

As of December 31, 2019 and 2018 includes the differences between the nominal value of USD 1 per common share and the initial public offering price of USD 17 deducted from the underwriting discounts and commissions and other expenses directly related to the offering.

c) Other reserves

The movements of Other Reserves of the owners of the Company is as follows:

	2020	2019	2018
At the beginning of the year	(1,324,887)	(1,324,731)	(1,344,008)
Change in participations (*)	2,027	(60)	19,112
Share-based compensation reserve (Note 29)	1,800	-	-
Remeasurement of defined benefit obligations net for income tax	(82)	(96)	165
	(1,321,142)	(1,324,887)	(1,324,731)

(*) This consists mainly in change in participations in Corporación América S.A. and in Italian subsidiaries, see Note 25 e).

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

25 Equity (Cont.)

d) Other comprehensive income

The movements of the reserve of other comprehensive income for the year of the owners of the Company is as follows:

	Currency translation adjustments	Remeasurement of defined benefit obligations (*)	Share of other comprehensive income from associates	Income Tax effect (*)	Transfer from shareholders equity – currency translation differences	Total
Balances at January 1, 2020	(414,777)	198	(40,726)	(63)	63,402	(391,966)
Other comprehensive (loss)/income for the year	(24,630)	(106)	(541)	24	-	(25,253)
For the year ended December 31, 2020	(439,407)	92	(41,267)	(39)	63,402	(417,219)
Balances at January 1, 2019	(401,444)	330	(40,761)	(99)	63,402	(378,572)
Other comprehensive (loss)/income for the year	(13,333)	(132)	35	36	-	(13,394)
For the year ended December 31, 2019	(414,777)	198	(40,726)	(63)	63,402	(391,966)
Balances at January 1, 2018	(241,091)	123	(39,611)	(57)	63,402	(217,234)
Other comprehensive (loss)/income for the year	(160,353)	207	(1,150)	(42)	-	(161,338)
For the year ended December 31, 2018	(401,444)	330	(40,761)	(99)	63,402	(378,572)

(*) Income tax relating to OCI amounts to Remeasurement of defined benefit obligations. The movement was recognized as other comprehensive income of other reserves.

e) Non – controlling interest

The movements of the non- controlling interest for the year is as follows:

	2020	2019	2018
At the beginning of the year	434,725	454,453	335,359
Adjustment on initial application of IAS 29	-	-	196,408
Adjustment on adoption of IFRS 9 (net of tax)	-	-	542
Adjusted balance at January 1,	434,725	454,453	532,309
Shareholder contributions ⁽¹⁾	-	27,506	43,703
Loss for the year	(108,840)	(14,919)	(17,724)
Other comprehensive (loss) / income			
Currency translation	(7,934)	(11,514)	(87,359)
Remeasurement of defined benefit obligations	(138)	(125)	137
Reserve for income tax	32	13	(25)
	(8,040)	(11,626)	(87,247)
Changes in non-controlling interest			
Changes in the participations – acquisitions ^{(2) (3)}	(1,968)	10	(32,442)
Changes in the participations – sales ⁽⁴⁾	-	-	29,611
Dividends approved	(1)	(20,699)	(13,757)
	(1,969)	(20,689)	(16,588)
Non-controlling interest at the end of the year	315,876	434,725	454,453

⁽¹⁾ Corresponds to contributions made by the non-controlling interest in Inframerica Concessionária do Aeroporto de Brasília S.A.

⁽²⁾ On February 19, 2018, CAI purchased an additional 4.568% (850,235 shares) of the share capital of Toscana Aeroporti S.p.A from Fondazione Pisa, for a purchase price of €15.80 per share, paying a total amount of € 13,434 (approximately USD 16,513). On June 25, 2018, CAI purchased an additional 6.58% (1,225,275 shares) of the share capital of Toscana Aeroporti S.p.A from Fondazione Cassa di Risparmio di Firenze, for a purchase price of €16.50 per share, paying a total amount of € 20,200 (approximately USD 24,218). As a result of these acquisitions, CAI holds approximately 62.28% of Toscana Aeroporti's share capital.

⁽³⁾ On November 24, 2020, Cedicor S.A.'s contributions in Corporación América S.A. were capitalized increasing its participation from 95.37% to 95.80%.

⁽⁴⁾ On July 25, 2018, CAAP entered into a share purchase agreement whereby CAAP sold 25% of its wholly owned subsidiary Corporación America Italia S.p.A. (“CAI”) to Investment Corporation of Dubai (“ICD”), the principal investment arm of the Government of Dubai. On September 12, 2018, the aforementioned transaction was completed, DICASA sold 25% of the share capital of CAI to ICD, for a seller price of € 1,504.3 per share, receiving a total amount of € 48,890 (approximately USD 56,638). As a result of the sale, DICASA holds 75% of CAI’s share capital.

26 Contingencies, commitments and restrictions on the distribution of profits

a. Contingencies

CAAP and its subsidiaries are, from time to time, subject to various claims, lawsuits and other legal proceedings, including customer claims, in which third parties are seeking payment for alleged damages, reimbursement for losses or indemnity. Some of these claims, lawsuits and other legal proceedings are subject to substantial uncertainties. Accordingly, the potential liability with respect to such claims, lawsuits and other legal proceedings cannot be estimated with certainty. Management, with the assistance of legal counsel, periodically reviews the status of each significant matter and assesses potential financial exposure. If a potential loss from a claim, lawsuit or proceeding is considered probable and the amount can be reasonably estimated, a provision is recorded. Accruals for loss contingencies reflect a reasonable estimate of the losses to be incurred based on information available to management as of the date of preparation of the financial statements, and take into consideration the Group's litigation and settlement strategies.

The Company believes that the aggregate provisions recorded for losses in these Consolidated Financial Statements, are adequate based upon currently available information.

Argentina legal proceedings

AA2000 legal proceedings

During 2013 and 2014 the Argentine Federal Administration of Public Income initiated three different tax assessments proceedings against AA2000. Two of the tax assessments proceedings were initiated against AA2000 with respect to income tax deductions from services rendered by third parties. On November 30, 2015, AA2000 agreed to pay the amounts claimed for these deductions through a facility payment regime set forth by General Resolution No. 3806. Pursuant to this regime, AA2000 had to pay ARS 18.4 million in 36 consecutive, monthly, installments. As of December 31, 2020 AA2000 has paid all of the monthly installments due to date under this facility.

The third and most significant claim was initiated by the Argentine Federal Administration of Public Income against AA2000 and its consolidated subsidiaries for income taxes and income tax on undocumented exemptions. The Argentine Federal Administration of Public Income considered that certain management and administrative services provided by Corporación América Sudamericana S.A. ("CAS"), one of its shareholders, were not actually rendered to AA2000. On August 3, 2016, AA2000 appealed the ruling of the assessment proceeding to the Argentine National Tax Court.

In addition, in 2013, a separate criminal proceeding was initiated by a third party against two former directors of AA2000 based on the same facts as this third assessment proceeding mentioned above. The Court of first instance dismissed the claim and the prosecutor appealed the ruling. The Court of Appeals reversed the prior ruling based on the lack of evidence obtained in the original proceeding and ordered the Court of first instance to expand the fraud investigation and to determine the possible connection with the assessment proceeding mentioned above. After further investigation, the Court of first instance ratified the dismissal against AA2000, which the prosecutor subsequently appealed. The Court of Appeals once again dismissed the case against AA2000 based on the connection of both proceedings and ordered the consolidation of the fraud and the tax investigations. Consequently, the Court of first instance on economic and criminal matters No. 11 is now the intervening court for both proceedings.

Given that the facts which originated both claims were the same, both proceedings continued as a unified criminal matter on income taxes and income tax on undocumented exemptions.

Although management and legal advisors had strong arguments to prove that the management and administrative services were in fact rendered to AA2000 by CAS, on February 21, 2017 AA2000 complied with the extraordinary regime of regularization of tax obligations provided by Law No. 27,260 published in the Argentine Official Gazette on July 22, 2016. The total amount that AA2000 must pay for such extraordinary regime was ARS 166.3 million in 60 consecutive, monthly payments as from March, 2017. AA2000 has paid all of the monthly installments due to date.

On August 25, 2017, the prosecutor challenged the request made by AA2000 to suspend the criminal proceeding, arguing that although AA2000 complied with the extraordinary regime for the services rendered by CAS, it failed to include under this extraordinary regime the services rendered by third parties. Legal advisors and management believe that once all the installments under the extraordinary regime are fully paid, the action to prosecute tax claims based on these facts will be fully extinguished.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

a. Contingencies (Cont.)

On December 27, 2018, the Court ordered: to (a) override the defendants' current cause related to the alleged tax payment evasion of the Profits for Undocumented Outputs tax corresponding to AA2000's 2006 and 2007 annual fiscal years and the 2008 Income Tax, with the scope provided for by articles 54 of Law No. 27,260 and 336 paragraph 1 of the CPPN; (b) suspend the criminal action initiated for payment evasion of the Income Tax for Undocumented Exits corresponding AA2000's 2009 annual fiscal year, with the scope provided by art. 54 of law No. 27,260.

In December 2020, the Court decided to return the proceeding to the first instance court in order to apply the regime foreseen under Law No. 27,562 for the 2006, 2007 and 2008 periods. The judge of first instance has now to decide whether this regime is indeed applicable or, where appropriate, to analyze the origin of other proposals made by the defense to achieve the dismissal.

Regarding the periods 2009 to 2012, the Court confirmed that the criminal action continues to be suspended until all the installments under the payment plan committed by AA2000 are paid.

Pursuant to the Final Memorandum of Agreement entered into with the Argentine Government, dated April 3, 2007, AA2000 is required to assess and remediate environmental damage at their airports in Argentina.

In August 2005, a civil action was brought by *Asociación de Superficiarios de la Patagonia*, a non-governmental organization, against Shell Oil Company for alleged environmental damages caused by an oil spill at Ezeiza Airport and, in September 2006, AA2000 was called to intervene as a third party at the request of the plaintiff. The lawsuit alleges that AA2000 is jointly liable with Shell due to the fact that AA2000 manages the real property at which the environmental damages occurred. AA2000 has asserted that Shell is solely responsible for any damages. As of the date of these Consolidated Financial Statements, Shell Oil Company and the ORSNA are currently jointly working in the damage remediation activities.

In August 2011, *Asociación de Superficiarios de la Patagonia* brought a civil action against AA2000 in an Argentine administrative federal court in the City of Buenos Aires (*Justicia Federal en lo Contencioso Administrativo de la Capital Federal*), under the General Environmental Law No. 25,675, requesting compensation for environmental damage caused in all of the airports under the AA2000 Concession Agreement. The administrative federal court appointed the Argentine University of the City of La Plata (*Universidad de la Plata*) to conduct research studies in connection with the required remediation works. In connection with this proceeding, *Asociación de Superficiarios de la Patagonia* obtained an injunction for compensation for environmental damages. In order to guarantee the injunction, an insurance policy was filed for an amount equals to ARS 97.4 million.

The aforementioned do not constitute a contingency as soon as their execution is ordered, the disbursements must be considered and included in the contractual investment plan.

Aeropuertos del Neuquén S.A. ("ANSA") legal proceedings

On October 26, 2018, ANSA was served with a complaint from a supplier alleging ANSA's breach of contract for the financing of the construction of a hangar, by such supplier, at the airport of Neuquén. The complaint was answered on November 21, 2018. On December 4, 2018, the first instance court ordered a seizure on the ANSA's accounts for the amount of approximately USD 0.5 million. The seizure was replaced by an insurance policy. On December 3, 2019, the evidence stage started which, as of the date of these Consolidated Financial Statements, is still ongoing. The total amount of the claim currently arises to USD 4.7 million.

Administrative Proceedings – lawsuit against Organismo Regulador del Sistema Nacional de Aeropuertos ("ORSNA")

On July 25, 2019, AA2000 held a shareholders meeting where it was unanimously approved to consider the outstanding amount of preferred shares and the payment of dividends on them, based on the value calculated as adjusted by inflation instead of the nominal value, as the Argentine National Government had proposed. The dividend approved payable on additional preferred shares was for an amount of ARS 118 million based on the adjusted by inflation amount of ARS 5,914 million.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

a. Contingencies (Cont.)

Argentina legal proceedings (Cont.)

Administrative Proceedings – lawsuit against Organismo Regulador del Sistema Nacional de Aeropuertos (“ORSNA”) (Cont.)

The legal representative of the shareholder Corporación América S.A. (“CASA”) accepted that valuation criteria in order to avoid a corporate conflict and requested the Board of Directors to file an administrative claim with ORSNA requesting that said increase in the number of preferred shares to be considered for purposes of determining the economic-financial equation of the AA2000 Concession Agreement and to properly adjust the Financial Projections of Income and Expenses approved for the years 2016 and 2017, through Resolutions No 75/19, 92/19 and 93/19. In the event that the increased number of preferred shares, as adjusted for inflation, was not considered by ORSNA for the purpose of determining the remunerated basis of the economic-financial equation, CASA reserved its right to reconsider the criterion of the adjusted value for both the payment of interests and the future, as well as to take proceedings before Court in order to claim for its rights and for damage compensation. Such reservation of rights was made by CASA in accordance with the review procedure of the Financial Projection of Income and Expenses set forth in the AA2000 Concession Agreement. The claim was filed before the National Court of First Instance No. 9 for Administrative Disputes.

CASA understood that the referred resolutions, as well as the “criterion of adjusted value” for the distribution of dividends in preferred shares, contained errors that prevent the balance of the financial economic equation, and therefore, they were challenged before the National Court of First Instance No. 9 for Administrative Disputes.

On December 29, 2020, Decree 1009/20 - which formalized the extension of AA2000 Concession Agreement – was issued, and consequently the judicial proceeding was finalized.

Conflict with Aerolíneas Argentinas (“ARSA”)

This air operator is currently AA2000’s main customer and records an outstanding debt with AA2000. The singularity of ARSA lies in its status as state-owned company, since it is owned by the Argentinian State, which is in turn the grantor of AA2000 Concession Agreement.

Claims have been made before ORSNA as well as formal presentations before the Ministry of Transportation, requesting mechanisms to resolve the situation through different alternatives such as payment plans, compensation and agreements. Considering this situation and in accordance with IFRS 15, as from October 1, 2019, only revenue from passenger fees related to ARSA is being recognized.

See agreement reached in Note 32.

Brazil legal proceedings

Administrative Proceedings against the Brazilian ANAC

Inframérica Concessionária do Aeroporto de Brasília S.A. (“ICAB”) filed claims before the Brazilian ANAC on December 29, 2015, in the total amount of R\$ 758.6 million, requesting the economic re-equilibrium of ICAB’s concession agreement based on (among other matters) additional construction works required to complete the terminals and the runway that were not provided for in the concession agreement, and the negative impact of new rules and regulations enacted by the Brazilian Ministry of Health, which reduced ICAB’s revenues in connection with the use of the cargo terminal. In addition, on June 29, 2017, ICAB filed new claims with the Brazilian ANAC in the amount of R\$ 196.8 million requesting the economic re-equilibrium of ICAB’s concession agreement based on (among other matters) the loss of revenues as a result of modifications to the rules and regulations affecting the air traffic system at the Brasília Airport.

Regarding the claim concerning the changes made in cargo tariffs, the ANAC's Collegiate agreed to the request and ICAB was granted the amount of R\$ 9.5 million to be deducted from fixed concession fees. Regarding the claim of reimbursement of expenses with security personnel requested by Brazilian ADUANA, ANAC's Collegiate agreed to the claim and ICAB was granted an amount of R\$1.6 million to be deducted from fixed concession fees.

As of December 31, 2020 claims in the amount of R\$ 944.5 million were denied by the Brazilian ANAC. ICAB hired external consultants in order to evaluate the convenience to initiate an arbitration or judicial proceeding regarding the denied claims. After joint evaluation, ICAB agreed that it is not advisable to move forward with arbitral or judicial proceedings due to the high level of risks and costs involved.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

a. Contingencies (Cont.)

Brazil legal proceedings (Cont.)

Administrative Proceedings against the Brazilian ANAC (Cont.)

On November 17, 2015, ICAB was notified by ANAC about the end of the administrative proceeding regarding a penalty for the breach of the provision 10.1 c/c – 10.8 D of Annex 2 of ICAB’s Concession Agreement for not submitting the Quality Services Plan (“PQS”) within the provided deadline. According to ANAC’s criteria, the PQS has to be submitted on an annual basis, before each June 24 and 30 days before the annual readjustment of tariffs. In 2013, ICAB did not follow such criteria since ICAB understood that the deadline was October 23, 2013. Considering the foregoing, ANAC imposed a fine of R\$ 10.6 million. On March 9, 2016, ICAB brought this discussion to the judicial appreciation and on July 9, 2019, after several stages, the appeals court suspended the application of the fine until the matter is fully analyzed by such court.

On December 29, 2015, Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. (“ICASGA”) filed claims in the total amount of R\$ 1.0 billion before the Brazilian ANAC requesting the economic re-equilibrium of ICASGA’s concession agreement based on inconsistencies in the parameters related to the viability study prepared by the government (*Estudo de Viabilidade Técnica, Econômica e Ambiental* “EVTEA”) under the tender documents, inconsistencies related to the control tower and additional capital expenditures required to complete the airport that were not provided for in the concession agreement.

As of December 31, 2020, all ICASGA claims, filed on December 29, 2015, totaling the amount of R\$ 1.0 billion were denied by the Brazilian ANAC. ICASGA hired external consultants in order to evaluate the convenience to initiate an arbitration or judicial proceeding regarding the denied claims. After joint evaluation, ICAB agreed that it is not advisable to move forward with arbitral or judicial proceedings due to the high level of risks and costs involved.

On June 25, 2019, ICASGA filed a new independent claim in the total amount of R\$ 12.1 million before the Brazilian ANAC requesting the economic re-equilibrium of ICASGA’s concession agreement based on extraordinary expenditures on the renovation and correction of constructive mistakes of the airport landing strip (runway). The ANAC granted ICASGA economic re-equilibrium in the amount of R\$ 8.8 million in connection with the landing strip renovation to be received through the increase of boarding fees in 2021.

Civil Proceedings

Inframerica and its subsidiaries are defendants in various civil lawsuits, which individually and in the aggregate are not material. In addition, an ordinary action against the Brazilian ANAC was filed to suspend the payment of the annual granting fees for 2016 and 2017 related to Inframerica Concessionária do Aeroporto de Brasília S.A.’s concession (*outorga anual*), in the amount of R\$ 245.7 million and R\$ 253.0 million respectively. However, as the process of rescheduling the annual fees payable for the remainder of the concession was agreed, on December 6, 2017, ICAB requested a waiver to terminate the proceeding. As of December 31, 2019, this waiver request was granted, but the proceeding still was standing in order to conclude an existing discussion regarding legal fees. As of December 31, 2020, those legal fees were paid and the lawsuit was concluded.

Inframerica Participações S.A.

Inframerica Participações S.A. identified three payments totaling R\$ 858 made during 2014 by ICAB, when Infravix Participações S.A. was still an indirect shareholder of the Inframerica, to individuals or entities for which Inframerica was unable to clearly identify a proper purpose. On September 14, 2019, Receita Federal imposed Inframerica to pay the amount of R\$1.3 million in late taxes, claiming that these alleged payments were allegedly without cause or did not identify a beneficiary. ICAB is contesting the fine through an administrative procedure. The outcome of this procedure is still uncertain.

If these payments are ultimately found to have been improper, additional fines and sanctions may be applied, as well as other penalties.

During 2020, *Tribunal de Contas da União* (“TCU”) instructed Infraero (ICAB’s shareholder), to conduct an audit on ICAB with respect to the contract Inframerica signed with Helvix (a joint venture between Helport and Engevix) for the major remodeling on the Brasília Airport between 2012-2014, pursuant to the terms of the Brasília Concession Agreement. On September 9, 2020, Infraero informed ICAB about the audit results and although no evidence of excessive pricing was found, Infraero mentioned the potential existence of certain irregularities in connection with the fourth amendment to the agreement. On September 22, 2020, Inframerica filed a response alleging the inexistence of the referred irregularities. Infraero is currently reviewing the document and a final determination about the case is still pending. If confirmed, Inframerica may be subject to fines from R\$ 40 million to R\$ 150 million.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

a. Contingencies (Cont.)

Brazil legal proceedings (Cont.)

Tax Proceedings

On November 1, 2017, ICASGA initiated a lawsuit before the Municipality of São Gonçalo do Amarante to dispute the legality of the Property and Urban Territorial Tax (“IPTU”) collected by the City of São Gonçalo do Amarante. On January 18, 2018, the judge granted a provisional decision by suspending the tax collection, and on August 27, 2019, a further ruling found the collection as unfounded. The Municipality appealed and obtained a provisional decision, which allowed for the collection of such tax up to the amount of approximately R\$ 17 million. On December 11, 2019, ICASGA appealed said provisional decision which was granted on May 27, 2020 and, consequently, the tax collection was suspended. The Municipality appealed again before the Brazilian Supreme Court and, on June 16, 2020, such appeal was denied. The tax collection remains suspended until trial by the State Court is suspended.

On November 17, 2020, the State Court made its final decision and denied the Municipality’s appeal. Therefore, the judgement dismissing the collection of IPTU was confirmed. The Municipality can still file a final appeal before the Brazilian Supreme Court.

On September, 2014, ICAB initiated a lawsuit that dispute the legality of the IPTU collected by the Federal District. On October, 2014, the judge granted a provisional decision by suspending the tax collection, and on April, 2015, a further ruling found the collection as unfounded.

The Federal District initiated a new lawsuit, demanding the payment of R\$ 5 million on pending IPTU. On January 21, 2020, ICAB was notified about this new proceeding and on March of 2020, ICAB filed a response arguing that such tax cannot be collected by a local government over an airport that belongs to the Federal Government. This lawsuit is pending as of the date of these Consolidated Financial Statements. Many airports in Brazil are facing the same discussion.

Peruvian Proceedings

Unilateral Termination

On July 13, 2017, the Government of Peru notified the unilateral decision to rescind the concession agreement for the Nuevo Aeropuerto Internacional de Chinchero.

On July 18, 2017, Kuntur Wasi formally notified the Peruvian Government of its disagreement with the unilateral resolution because: (i) Kuntur Wasi had fulfilled all of its contractual commitments, (ii) there was no valid justification to unilaterally terminate the Kuntur Wasi Concession Agreement and (iii) if the unilateral termination were exercised, the Peruvian Government would be obliged to compensate all the damages suffered by Kuntur Wasi. Likewise, Kuntur Wasi notified the Peruvian Government of its decision to begin the direct treatment procedure to resolve the controversy in accordance with the provisions of section 16.5 of the Concession Agreement.

On September 11, 2017, Corporación América S.A. sent written notice to the Peruvian Government notifying of its non-compliance with certain obligations under the 1996 Bilateral Investment Agreement between Peru and Argentina for the promotion and protection of investments (“BIT”) caused by the mentioned unilateral resolution, which (i) constitutes a dispute between CASA (as a shareholder of Kuntur Wasi and an investor in Peru) and the Peruvian Government under the BIT, and (ii) has caused damages to CASA.

On January 18, 2018, the Peruvian Government unilaterally terminated this treatment procedure without reaching an agreement. Pursuant to the terms of the Concession Agreement, under these circumstances negotiations should continue through an arbitration procedure.

After the 15-day term granted by Kuntur Wasi, the State did not comply with its obligations and, therefore, Kuntur Wasi declared the termination of the Concession Agreement, as communicated to the Peruvian State on February 7, 2018.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

a. Contingencies (Cont.)

Peruvian Proceedings (Cont.)

On June 21, 2018, the arbitration procedure request was submitted to the competent authority CIADI, who answered the request assuming jurisdiction in Peru. On the same date, Corporación América S.A. also submitted to CIADI a request for the arbitration procedure under the BIT framework. Both procedures before CIADI shall be carried out in a single docket.

The Arbitral Court was already appointed and CIADI issued the final procedure and timeframe to be followed by all the involved parties (definitions on language, presentations, translations, experts and witness hearings, among other matters).

Kuntur Wasi and CASA filed their Memorial (complaint) and presentations of both parties are already done and certain preliminary issues regarding the hearings are pending to be resolved by the Arbitration tribunal. Both parties have agreed to carry out the process under rules of confidentiality.

State and Money Laundering Complaint

On February 24, 2017, the Peruvian Prosecutor initiated an investigation under Peruvian Law against certain management members of Kuntur Wasi, for alleged conspiracy with governmental authorities to obtain the concession for the operation of the new Cusco International Airport in Chinchero. On October 10, 2017, upon expiration of the statutory term for the completion of the initial investigation the Peruvian prosecutor filed an amendment to the complaint, which was based on alleged instances of crimes against the state and money laundering by Kuntur Wasi under the Organized Crime Law.

On August 2019, the Prosecutor in Perú formalized the complaint against some officers of Kuntur Wasi and some government officials for collusion in the signing of the addendum.

However, on February 12, 2020 the local court (*Primera Fiscalía Superior Especializada en delitos de corrupción de funcionarios del Distrito Judicial de Lima*) confirmed the process was definitely closed and the involved parties were released from any further action in this regard.

Ecuadorian Proceedings

Tax Proceedings

On October 12, 2020, the Ecuadorian tax authority (*Servicio de Rentas Internas del Ecuador*, “SRI”) determined through Act No. D28-A50ADBC20-00000040 that TAGSA should pay an amount of up to approximately USD 0.9 million with respect to withholding income tax practices for the year 2017. Pursuant to SRI, TAGSA should have made the withholdings on dividend payments corresponding to the shares of Corporación Aeroportuaria S.A. in the aforementioned amount at source, on the basis that dividends were paid directly or through intermediaries to companies domiciled in tax havens, due to the fact that Luxembourg is considered a tax haven in Ecuador.

On November 10, 2020, TAGSA filed an administrative complaint against such determination which was denied. After careful analysis, in order to challenge SRI’s criteria, on March 4, 2021, TAGSA filed a judicial claim involving an amount of approximately USD 1.4 million.

All the proceedings disclosed in this note are, at the opinion of each local counsel, “possible” according to classification of procedures due to probability of success.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments

Country	Concession	Number of Airports	Concession Start Date	Current Concession End Date	Extension Details
Argentina	AA2000	35 ¹	1998	2038 ²	
	NQN	1	2001	2021	5 years
	BBL	1	2008	2033	10 years
Italy	TA (SAT)	1	2006 (2014)	2048 ³	
	TA (ADF)	1	2003 (2014)	2045 ³	
Brazil	ICASGA	1	2012	2040	5 years
	ICAB	1	2012	2037	5 years
Uruguay	Puerta del Sur	1	2003	2033	
	CAISA	1	1993 (2008) (2019)	2033	
Ecuador	TAGSA	1	2004	2029	
	ECOGAL	1	2011	2026	
Armenia	AIA	2	2002	2032	Option to renew every 5 years
Peru	AAP	5	2011	2036	Extendable to 2071
Total		52			

1. Includes Termas de Rio Hondo Airport, which is operated by AA2000 but is pending government approval to be included in the AA2000 concession.
2. In 2020 AA2000 executed an amendment to the AA2000 Concession Agreement extending the concession term for additional ten years.
3. Includes 2020 additional two-year extension.

Argentine Concession Agreement

In February 1998 AA2000 was awarded the concession agreement for the use, operation and management of 33 airports in Argentina (the “Group A” airports). The concession agreement was subsequently amended and supplemented by the memorandum of agreement it entered into with the Argentine National Government on April 3, 2007 (the “Memorandum of Agreement”). References to the concession agreement amended and supplemented by the Memorandum of Agreement are carried out as the “Argentine Concession Agreement”.

Likewise, and in order to be able to continue with the policies related to the expansion of the aviation market, on December 27, 2017, AA2000 was awarded the concession for the operation of the El Palomar Airport, which was brought under the AA2000 Concession Agreement pursuant to Decree No. 1107/2017 and Resolution No. 894/2018 of the Ministry of Transportation.

The Argentine Concession Agreement was granted for an initial period of 30 years through February 13, 2028 and an additional extension period of up to 10 years.

In December 2020, the Argentine Government extended the term of the AA2000 Concession Agreement until February 2038.

Pursuant to the Technical Conditions of the Extension approved by Decree No. 1009/2020, AA2000 is obliged to comply with the several commitments.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Argentine Concession Agreement (Cont.)

The Financial Projection of Income and Expenses attached to the Technical Conditions of the Extension include the detail of the estimated dates in which the required commitments and capital expenditures would be performed. In addition, the amount of capital expenditures for the period comprised between 2028 and 2038 will be established by the ORSNA according to the operating needs of the aeronautical system and the equilibrium of the Concession.

According to the Technical Conditions of the Extension, the financial obligations and the availability of funds commitment established for March 2022 may be extended by the ORSNA to December 2022, provided that there are justified reasons or force majeure events, like the reinstatement of boundary closures due to Covid-19 pandemic which are detrimental to the air traffic.

Failure to comply with these commitments could result in the imposition of fines or the termination or revocation of the Concession.

Pursuant to the terms of the Argentine Concession Agreement, the Argentine National Government will have the right to buyout the concession at any time as from February 13, 2018. If such right is exercised, the Argentine National Government is required to indemnify AA2000 and assume in full any debts incurred by AA2000 to acquire goods or services for purposes of providing airport services, except for debts incurred in connection with the investment plan for which AA2000 would be compensated as part of the payment made to AA2000 by the Argentine Government.

Under the terms of the Argentine Concession Agreement, AA2000 is required to, on a monthly basis, allocate an amount equal to 15% of revenues (in Argentine pesos) to the Specific Allocation of Revenue, as follows:

-11.25% of total revenue to a trust for the development of the Argentine National Airport System to fund capital expenditures for the Argentine National Airport System. Of such funds, a 30% will be previously deducted for deposit in an account to the order of the ANSES. The ORSNA will determine which construction projects within the Argentine National Airport System shall be implemented with such funds, whether at airports operated by AA2000 or not. AA2000 may file proposals with the ORSNA which, together with the ORSNA's proposals, shall be communicated to the Secretary of Transportation, which shall decide the application of the trust funds.

- 1.25% of total revenue to a fund to study, control and regulate the Argentine Concession, which shall be administered and managed by the ORSNA.

- 2.5% of total revenue to a trust for investment commitments for the "Group A" airports of the Argentine National Airport System. (Those operated by AA2000).

AA2000 may cancel the obligations to provide amounts of money to the trust through the assignment of credits whose cause and/or title are the result of the provision of aeronautical and/or airport services performed within the framework of the concession, with the previous intervention of The Secretary of Transportation and the authorization of the ORSNA.

The Argentine Concession Agreement requires AA2000 to formulate a master plan for each of its airports. Each master plan establishes the investment commitments to be received by each airport during the term of the Argentine Concession Agreement, taking into account the expected demand of aeronautical and commercial services.

AA2000 has executed the capital expenditures committed under the investment plan submitted for the period 2006-2028. In order to strengthen the airport system, new investments commitments were established, listed in the Technical Conditions for the Extension, for the periods 2020-2021, 2022-2023; 2024-2027 and 2028-2038.

In order to guarantee performance of the works, AA2000 has contracted a surety bond to comply with the investment plan guarantee required by the Argentine Concession Agreement.

AA2000 sets up a guarantee for concession contract fulfilment for the total amount is for ARS 1.123,9 million (approximately USD 13.36 million) which is renewed on an annual basis.

In addition, AA2000 is required to maintain a civil liability insurance policy Covering personal and property damages, loss or injury in an amount of at least ARS 300 million (approximately USD 3.6 million). AA2000 has taken out insurance policy for an amount of USD 500 million covering liabilities that may arise under civil law in connection with the management and development of work in the airports.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Argentine Concession Agreement (Cont.)

As a result of the renegotiation of the concession contract, in 2006 AA2000 has delivered to the Argentine Government 496,161,413 preferred shares which are convertible into common shares of AA2000. Such preferred shares have a nominal value of ARS 1 each and have no voting rights. Such shares are redeemable by AA2000 at any time at nominal value plus accrued interest. Beginning in 2020, the Argentine Government has the option to convert all of the preferred shares into common shares of AA2000, up to a maximum amount of 12.5% per year of the total amount of the initial preferred shares issued to the Argentine Government, to the extent AA2000 has not previously redeemed such annual percentage for the respective year. In addition, according to the agreement for AA2000 Concession extension, AA2000 has the option to redeem the preferred shares during 2022. The preferred shares accrue an annual dividend of 2% of the nominal value of the preferred shares, which shall be paid in kind with delivery of additional preferred shares and will be accumulated in the event AA2000 does not have sufficient retained earnings during a given fiscal period. In addition, the preferred shares have a priority over common shares in the event of liquidation. There are 910,978,514 preferred shares outstanding at December 31, 2020 (747,529,409 at December 31, 2019).

In addition to the airports operated under the AA2000 Concession Agreement, the Group also operates the Neuquén Airport, the Bahía Blanca Airport and the Termas de Rio Hondo Airport.

In 2001, the Government of the Province of Neuquén together with the ORSNA awarded the Group the concession agreement to operate the Neuquén Airport for an initial term of 20 years, which is set to expire in 2021. Likewise, in 2008 the Municipality of Bahía Blanca together with the ORSNA awarded the Group the concession to operate the Bahía Blanca Airport for an initial term of 26 years, which is set to expire on 2033. Both concession agreements provide the possibility of extension upon approval.

The Group operates the Termas de Rio Hondo Airport in Argentina, pursuant to an agreement between AA2000 and the Province of Santiago del Estero, but there is no written concession agreement with the Argentine Government. As of the date of these Consolidated Financial Statements, there are certain regulatory approvals pending to include the Rio Hondo Airport within the AA2000 Concession Agreement. The Neuquén Airport, the Bahía Blanca Airport and the Termas de Rio Hondo Airport are not material to the Group's business.

Uruguayan Concession Agreements

Carrasco International Airport

Puerta del Sur S.A. ("PDS") signed with the Uruguayan Government a concession agreement which grants until the year 2033 the management, exploitation, construction, maintenance and operation of Carrasco International Airport "Gral. Cesáreo L. Berisso".

Obligations Assumed by PDS as Concessionaire

- Use the assets, facilities, material and human resources for associated with the provision of aeronautical and commercial services under the concession agreement exclusively for that purpose.
- Make investments in construction, new works, repair, upgrade, preservation and maintenance, as described in the technical attachments to the concession agreement, according to the investment schedule. In addition, perform the necessary investments in response to the growth in the national and international traffic of passengers and cargo.
- Take on all necessary measures so that the Carrasco International Airport is at least under the following categories: to be included in the following categories of the International Air Transport Association ("I.A.T.A"): (a) Category 1 Instrumental; (b) Category 4E regarding the state of the landing strip; (c) Category 9 regarding fire protection; and (d) at least in Category C of I.A.T.A).
- Pay the annual concession fee under the terms and conditions of the concession agreement.
- Maintain the guarantees and insurance policies valid and current. Keeping and maintaining the facilities received under concession in perfect operating conditions and in full operations (24 hours a day, seven days a week) and replacing them as deemed necessary in the event of destruction or obsolescence and updating them to reflect the latest technological advances.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Uruguayan Concession Agreements (Cont.)

The Integrated Management Contract also establishes:

- The contract term shall be 20 years as from November 21, 2003, and may be extended for a further 10-year term, at PDS's request and subject to the approval of the Uruguayan government.
- An amendment to the contract dated September 2, 2014, were the option to extend was exercised by PDS and the concession was extended until November 20, 2033.
- The maximum prices to be charged by PDS at the Carrasco airport for landing, aircraft, parking, cargo and aircraft services.
- The fee payable to the National Airport Infrastructure and Civil Aviation Authority in Uruguay ("DINACIA"), as well as the frequency of those payments.
- The amount of the guarantees to be provided in favor of the Uruguayan Ministry of Defense for:
 - the obligations of the purchaser (the Company) to hire an airport operator, investments and payment of capital; and
 - the obligations of PDS for performance under the concession agreement.
- PDS is required to engage and maintain an airport operator who, in turn, is in charge of providing advice to PDS in the following service areas; airplanes, passengers, mailing and cargo.

During the next five years, PDS expects to incur additional capital expenditures in the amount of USD 8.2 million in the Carrasco Airport, as required by contract.

Fees

Pursuant to the concession agreement, PDS is required to pay to the Uruguayan Government an annual fee, which will be the higher of: a) USD 4,555; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by USD 0.00419, plus applicable cargo fees. The aforementioned 2014 amendment established additional fees based on the number of passengers that use the Carrasco Airport and as long as the number of passengers exceed 1.5 million passengers per year. These additional fees are calculated by multiplying the number of passengers by a fix coefficient, depending on the volume of passengers.

Guarantees

Based on the above, PDS is required to provide the following guarantees: a guarantee securing the completion of the construction work of the new terminal (a USD 1.5 million guarantee is in place for Group 1 and 2 works) and a performance guarantee for USD 6 million, that will be returned to PDS six months after the expiration of the Carrasco Airport Concession Agreement.

Insurance

PDS must contract civil liability insurance against damages, losses or injuries that could be caused to persons or property in relation to the performance under the concession agreement, with itself and the Uruguayan Ministry of Defense as beneficiaries, to cover all risks until termination or expiration of the concession. The minimum coverage amount is USD 250 million.

Punta del Este Airport

Consorcio Aeropuertos Internacionales S.A. ("CAISA") signed with the Uruguayan Government a concession agreement which grants until the year 2019 for the reconstruction, maintenance and partial operation of the services of International Airport C/C Carlos A. Curbelo (Laguna del Sauce) – Punta del Este.

As of June 28, 2019, the concession agreement among CAISA and the Ministry of Defense was amended extending its term to March 31, 2033.

Terms of the Punta del Este Concession Agreement extension include a minimum annual concession fee of USD 500 thousand and incremental capital expenditures of approximately USD 35 million, including the construction of a new general aviation terminal building, remodeling of boarding areas and a new VIP lounge, together with implementation of technology and innovation to improve the passenger experience.

During the next five years and upon execution of the amendment, CAISA expects to incur in additional capital expenditures in the amount of USD 18.4 million, all required by contract.

Based on the above, CAISA was required to provide the following guarantees: a guarantee securing the completion of the construction works and a guarantee for concession contract fulfilment for USD 1.6 million and USD 4.2 million (secured by TCU S.A.) respectively.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Ecuadorian Concession Agreement

Terminal Aeroportuaria de Guayaquil S.A. (“TAGSA”) has a concession agreement which grants until July 27, 2029 the development, operation and maintenance of Guayaquil airport, José Joaquín de Olmedo (“JJO”).

Obligations Assumed by TAGSA as Concessionaire

The main obligations under the concession are:

- Design and construction of the works and investment specified in the Concession Agreement during the initial, intermediate and final phases, and expansion of the national terminal.
- Operate and manage the JJO from the date of commencement of operations.
- Establish regulations for the normal development of JJO.
- Preventive and corrective maintenance of the JJO, including (i) all necessary repairs of the facilities, equipment and other concession assets built, acquired or incorporated by the TAGSA or pre-existing in the JJO and (ii) maintaining the facilities, equipment and other assets to prevent deterioration.- Taking all the necessary measures to protect the environment of the Guayaquil Airport and avoid or limit pollution disturbances to individuals and properties and other harmful results to the environment due to the rendering of aeronautic services and non-aeronautic services.
- Payment of the annual concession amount.
- Provision of other non-aeronautic services, which include common commercial services such as food, beverages, counters, check-in desks at the terminal, etc., and facultative commercial services such as VIP lounges, souvenirs sale, cargo, etc. Rates for such services are fixed directly by TAGSA.

On July 6, 2018, TAGSA amended the concession agreement (the “Guayaquil Concession Agreement”) which established new additional works for an amount of USD 32.2 million to be completed by TAGSA prior to the end of the concession’s term which was extended to 2029. As of December 31, 2020, USD 9.0 million remain pending.

Fees

TAGSA is required to pay the annual concession amount to a trust, which amounts to 55.25% of gross revenues from tariffs and charges, and certain other commercial revenues from the operation of JJO to the Trust Fund for Development of the New Airport of Guayaquil, plus a fixed amount of USD 1.5 million per year for administrative services. The Guayaquil Concession Agreement included an increase of USD 524.6 thousand (for the six-month period from August 2019 to January 2020) on a one-time basis, thereafter the amount and calculation applied in the previous period will be maintained.

Guarantees

TAGSA is required to maintain a performance bond as security for the timely fulfillment of the obligations under the concession agreement of USD 3 million for the rest of the concession. In addition, TAGSA is required to maintain a performance bond for the payments to the Trust for the development of the new Guayaquil Airport that corresponds to an amount of 20% of the amount that is required to be paid by TAGSA to the Trust minus the amount of the performance bond of Guayaquil Concession Agreement. The current amount of the performance bond is USD 2.2 million.

ECOGAL is required to deliver a performance bond of USD 700 to the *Dirección General de Aviación Civil de Ecuador* (“DGAC”), which should be in place during the term of the Galapagos Concession Agreement. This bond is renewed annually.

Restoration of economic and financial equilibrium request

On September 7, 2020, TAGSA formally requested to the AAG the restoration of economic and financial equilibrium, and the application of compensation mechanisms under the concession agreement invoking “force majeure” or “fortuitous event”. In addition, TAGSA requested the postponement of payment of its contractual financial obligations including concession fees, administrative service fees and investments pending execution.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Brazil Concession Agreement

Inframerica Concessionária do Aeroporto de Brasília S.A. and Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. signed with the Brazilian regulatory authority (the Brazilian ANAC) a concession agreement which grants the construction, operation and maintenance of the airports of Brasília, for a period of 25 years from 2012, and the airport of Natal (São Gonçalo do Amarante) for a period of 28 years, since 2012. They can be extended for another five years if necessary to reestablish economic equilibrium.

Obligations Assumed by Inframerica Concessionária do Aeroporto de Brasília S.A. and Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. as Concessionaires

- Providing adequate service to passengers and users of the airport, as defined in Article 6 of Federal Law 8.987/95 (the Brazilian Concessions Law), using all means and resources available, including, but not limited to, making any necessary investments to expand airport operations to sustain the required service levels, based on the existing demand and the provisions set forth in the Airport Operation Plan.
- Implementing services and management programs, and offering training programs to its employees for purposes of improving services and the convenience of users in order to meet the requirements set forth in the applicable Airport Operation Plan.
- Providing proper service, defined under the Airport Operation Plan as regular, continuous, efficient, safe, up to date, broad and courteous services at a fair price, to the general public and airport customers.
- Performing all services, controls and activities related to the concession agreement, with due care and diligence, employing the best available practices in every task performed.
- Presenting ANAC with an Infrastructure Management Plan and Service Quality Plan every five years for the entire term of each of the Brazilian Concession Agreements.
- Submitting to the approval of the Brazilian ANAC any proposal for the implementation of service improvements and new technologies, as provided for under the concession agreement and applicable regulations.
- Developing and implementing plans for dealing with emergencies at the airports, and maintaining for such purposes the human resources guidelines and other training materials required by industry regulations and the applicable Airport Operation Plan.

Fees

Grant payment obligations arising from these concession agreements are described in Note 23.

Guarantees

Under the Brazilian Concession Agreements, the Brazilian concessionaires are required to provide certain performance bonds in the amounts and for the events listed below:

Event	Amount of the Performance Bond (in R\$)	Amount of the Performance Bond (in USD)
Natal Concession Agreement		
Phase I of the Natal Concession Agreement	65 million	12.1 million
Phase II of the Natal Concession Agreement (from the formal commencement of Phase II until the end of the contract)	6.5 million	1.3 million
Current amount of Phase II ⁽¹⁾	14.2 million	2.7 million
Investment Trigger of the Natal Concession Agreement	10% of the amount of planned investments	
Brasilia Concession Agreement		
During Phase I-B of the Brasilia Concession Agreement	266.7 million	51.3 million
After completion of Phase I-B of the Brasilia Concession Agreement or at the termination of the contract	133.3 million	25.7 million
Current amount of Phase II ⁽²⁾	206.5 million	39.7 million
Investment Trigger of the Brasilia Concession Agreement	10% of the amount of planned investments	
Upon termination of the Brasilia Concession Agreement, for a period of 24 months after the termination of the agreement.	19.1 million	3.7 million

⁽¹⁾ Performance bonds for R\$ 14.2 million, with CAAP as guarantor.

(2) Insurance granted by a Guarantee letter of CAAP signed with Sampo Brazil on October 4, 2019 for R\$ 206.5 million.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Brazil Concession Agreement (Cont.)

Economic and financial re-equilibrium

In Brazil, the pandemic was recognized as a case of "force majeure" or "fortuitous case", and for that reason the loss is not part of the risks assumed by the private sector and must be compensated by the Government, which may use alternatives such as: reduction in the value of concession fee, increase in fees charged or extension of the contract.

On July 9, 2020, ICAB and ICASGA filed an Administrative process to formally require the economic and financial re-equilibrium of their concessions for the year 2020. See further information in Note 8.

Re-bidding of Natal Airport Concession

On March 5, 2020, CAAP announced that its subsidiary ICASGA filed a request to the Agência Nacional de Aviação Civil ("ANAC") to commence the re-bidding process of the International Airport of São Gonçalo do Amarante ("Natal Airport"), pursuant to Law No. 13,448 of July 5, 2017, and the ANAC Resolution No. 533 of November 7, 2019. This process will take several stages until the operation of the Natal Airport is transferred to a different operator after a new bidding process, and an indemnification payment is made to ICASGA. The amount of this payment will be determined by the authorities, based primarily on non-amortized capital expenditure investments. In the interim, ICASGA will maintain all airport operations, with the same safety and service quality, as well as commercial and employment contracts. The re-bidding request is limited to the Natal Airport concession.

On May 26, 2020, the ANAC issued its affirmative vote to the technical and legal feasibility on the request of the re-bidding process initiated by ICASGA.

On June 3, 2020, the process obtained the approval of the Ministério da Infraestrutura and on June 10, 2020, the Conselho do Programa de Parcerias de Investimentos of the Ministério da Economia expressed a favorable opinion and submitted the qualification for re-bidding to the President of Brazil.

On August 24, 2020, Natal Airport was qualified to go through the re-bidding process. On November 20, 2020, ICASGA and ANAC signed a concession agreement amendment setting forth the rules and proceedings for the re-bidding (the "Amendment") effective until August 24, 2022 or when the new operator wins the re-bidding, whichever occurs first. In case the re-bidding remains vacant on or after August 24, 2022, the Brazilian Government could extend the initial term. In case this term is not extended, the concessionaire will be responsible for continuing with the operation of the airport under the same conditions in place before the Amendment.

As previously mentioned, the process of re-bidding is still in progress and will go through several stages, at this moment there is no accounting impact of this operation in ICASGA nor CAAP financial figures, the measurement and the accounting will be carried out according to the terms of the upcoming contracts, when signed.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

The AAP Concession Agreement

AAP is required to provide a guarantee with respect to compliance of all of its obligations under the AAP Concession Agreement, including the payment of any penalties and the levels of quality and service of the works. The AAP Concession Agreement performance bond does not cover the obligations guaranteed by the AAP Construction performance bond specified below. The AAP Concession Agreement performance bond required amounts is USD 4.5 million on the date of the execution of the AAP Concession Agreement, and must be renewed annually until two years after the termination of the AAP Concession Agreement.

AAP is required to provide a guarantee of the execution of the works, including the payment of any penalties. The AAP Construction performance bond will guarantee (i) during the initial construction period, a total of 10% of the sum of the amounts established in the work execution program, that must be renewed annually during the duration of this stage and the following three months, and (ii) during the remaining period, a total of 20% of the sum of the amounts established in the Annual Investment Plan for the Remaining Period Works, and must be renewed annually until 12 months after the complete execution of the works. As of December 31, 2020 and 2019, the amount guaranteed is approximately USD 1 million.

Based on the above, Corporación América Sudamericana S.A. issued guarantees in favor of AAP for concession contract fulfilment, works to be performed and equipment with three standby letters of credit of with Morgan Stanley for a total amount of USD 2.25, USD 0.5 and USD 0.1 respectively.

Other guarantees in favor of AAP

AAP entered into a loan agreement as borrower with VolcomCapital Deuda Perú II Fondo de Inversión (administered and managed by VolcomCapital Administradora General de Fondos S.A.) (“Volcom”) in the amount of USD 10.5 million. Andino Investment Holdings S.A.A. and CAAP as shareholders of AAP were established as joint and several guarantors of AAP for the obligations that could be generated by virtue of the loan agreement. For this purpose, CAAP issued an irrevocable first demand guarantee letter in the amount of USD 5.25 million in favor of Volcom.

Banco de Crédito del Perú (“BCP”) issued guarantees in favor of AAP for equipment acquisitions for the concession for a total amount of USD 240 thousands.

TCU S.A. issued a guarantee in favor of AAP for working capital loans with *Banco Internacional del Perú - Interbank* for a total amount of USD 2 million.

Armenian Concession Agreement

Armenia International Airports CJSC has been awarded a concession agreement which grants until year 2032 the exclusive rights of exploitation, administration, maintenance and operation of Yerevan airport, Zvartnots. At the end of the concession period, the Company has the option to indefinitely extend the term of the concession agreement for additional periods of five years. The Armenian Concession Agreement does not require Armenia International Airports C.J.S.C to pay any fee or other consideration of any kind whatsoever for the rights granted to it under the Armenian Concession Agreement.

Within the scope of the Armenian Concession Agreement the Company planned to build a new terminal in three phases. The first two phases are completed, which mainly included the construction of a new terminal for arrivals and departures.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Armenian Concession Agreement (Cont.)

Obligations Assumed by the Concession Manager

Under the terms of the Armenian Concession Agreement, the Concession Manager shall:

- Undertake and warrant the normal and permanent rendering of aviation services.
- Manage and operate the airports according to internationally accepted airport standards.
- Comply with the Master Plan.
- Obtain, at its own cost and risk, adequate financing and management resources to modernize the physical infrastructure of the airport, to ensure compliance with applicable regulatory standards and to improve the quality of their management.
- Provide the Armenian Government with the ground spaces required for the performance of customs, migration, defense, security, safety, phyto-zoo sanitary and bromatological controls and public health activities, as long as they are and remain activities directly performed by Armenian Government agencies and bodies. If the Armenian Government decides to delegate any of such activities to the private sector, the Concession Manager shall have a right of first refusal for the performance of such activities, which right must be exercised within a period of 30 days as from the announcement of any bid by a third party.
- Provide the Armenian Government with an annual report (and such other reports as the Armenian Government may reasonably request) on the development of the management, exploitation and operation of the airport, which will include data regarding traffic, revenues and investments.
- Manage, operate and exploit the airport activities, directly or through contracts with third parties, subject to the limitations set forth in the Armenian Concession Agreement.
- Collect from all of the users (including the airlines and all other public or private persons performing activities or exercising any authority in the airport) the corresponding airport charges and the fees which the Concession Manager may establish from time to time.
- Construct, maintain and/or operate, on its own account or through any third parties, any hangars, fuel storage plants or aircraft supply plants, customs warehouses and/or any other warehouses or premises related to the handling of air cargoes or the aeronautical operation in general.

Every five years during the term of the concession, the Company is required to submit a Master Plan to the Government of the Republic of Armenia, which describes the works to be executed in that five-year period, including the corresponding preliminary estimates and also sets forth the guidelines for the works and operations related to improvement and maintenance of the Airport during the remaining part of the term, as well as the description of actual works. The Master Plan will be updated every five years and extended to cover the 30-year term of the Armenian Concession Agreement.

During the next five years, AIA expects to incur USD 13.2 million in capital expenditures in Zvartnots Airport and Shirak Airport in accordance with the master plan to be approved by the Armenian Government as presented by AIA's management. Some of these investments are conditioned upon reaching certain passenger level thresholds.

Italy Concession Agreement

Toscana Aeroporti S.p.A. ("TA") has the concession of the airports of Pisa and Florence.

The concession for Pisa Airport ("Pisa Concession") was approved on December 7, 2006, with the Inter-Ministerial Decree issued by the Ministry of Transportation, the Ministry of the Economy and the Ministry of Defense. The Concession Agreement initially expired on December 7, 2046.

The Florence Concession was approved on March 11, 2003, with the Inter-Ministerial Decree issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance. In order to meet the urgent need to implement the relevant legal framework, the abovementioned Inter-Ministerial Decree provided the extension of the duration of the concession to 40 years. The Concession Agreement initially expired on February 10, 2043.

In view of the drop in traffic at Italian airports deriving from the Covid-19 virus outbreak and in order to contain the consequent economic effects, the term of all the current concessions for the management and development of airport activities was extended by two additional years under Law No. 77 of July 17, 2020, which amends Article 202 paragraph 1-bis of Decree-Law No. 34 of May 19, 2020, extending Pisa and Florence concessions until 2048 and 2045, respectively.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Italy Concession Agreement (Cont.)

Obligations Assumed by TA as Concessionaire

Under the terms of the Pisa and Florence Concession Agreement, TA is responsible for developing, managing, exploiting, operating and maintaining Pisa Airport, which includes, *inter alia*, the performance of the following obligations and activities:

- Paying the annual concession fee.
- Adopting all appropriate measures in favor of the neighboring territorial communities and their security.
- Organizing and managing the airport business, ensuring the optimal use of available resources for the purpose of providing an adequate level of services and activities, to be carried out in compliance with the principles of security, efficiency, cost effectiveness and environmental protection.
- Providing its services under conditions of continuity and regularity, in compliance with the impartiality principle and in accordance with the applicable non-discrimination rules.
- Obtaining prior authorization from ENAC to appoint sub concessionaires to carry out airport activities and to give prior written communication to ENAC of the sub concession of other activities (e.g., commercial activities), in any case ensuring that the relative third party sub concessionaires take out an insurance policy to cover the risks related to their respective activities.
- Providing all of the necessary support for the relevant public administrations to carry out their emergency and health services within the context of the airport business and management.
- Adopting all necessary measures to ensure the provision of the fire-fighting service.
- Ensuring the carrying out of airport security control services.
- Complying with the relevant obligations provided under the applicable framework and periodically communicating data on the quality of offered services to ENAC.
- Preparing and presenting to ENAC a report on the implementation status of the operations program and related investment plan.
- Guaranteeing the suitability of the standards of offered services.

Fees

As consideration for both airport concessions granted by ENAC, TA is required to pay annual fees to be determined pursuant to Law No. 662/1996, which states that the relevant fees shall be the subject of the joint determination of the Ministry of Finance and the Ministry of Infrastructure and Transport. The fees are established by Inter-Managerial Decree (*decreto interdirigenziale*) dated June 30, 2003, which provides the adoption of a work load unit criteria, where each unit corresponds to one passenger or 100 kg of goods or post.

Guarantees

Suretyships provided to third parties on behalf of TA (€ 10.8 million as of December 31, 2020 and € 10.8 as of December 31, 2019) mainly refer to performance bonds with ENAC (Italian regulatory authority) as beneficiary, in order to guarantee full and exact fulfillment of the obligations established with the two 40-year Conventions signed; of the Municipalities of Pisa and Florence to ensure compliance with municipal regulations in the execution of works for the expansion of the airports infrastructure by TA and other items.

Insurance

Under the Pisa and Florence Concession Agreement, TA shall procure an insurance policy, for an amount to be determined in agreement with ENAC, in order to cover a series of risks related to the assets used either directly or indirectly in the airport management business (e.g., fires, aircraft crashes, damages due to transported goods, machinery or natural events).

Investment plan

Under the terms of the Italian Concession Agreements, TA is required to present a long-term master plan for each individual airport. The master plan projections (including traffic, operating expenses, investment commitments, etc.) are used by ENAC to determine airport tariffs, and is revised every four years. Once approved by ENAC, the investment commitments in the master plan become binding obligations under the terms of the respective Concession.

On November 3, 2015, TA received the technical approval by ENAC of its 2014-2029 master plan for Florence Airport, and on December 28, 2017, the Ministry of Environment, after conducting an environmental impact assessment (*Valutazione di Impatto Ambientale*), approved such master plan. 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.

26 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

Italy Concession Agreement (Cont.)

On July 25, 2019, TA, jointly with the Ministry of Environment, ENAC and other authorities, appealed such judgement and on February 14, 2020, TA was notified by the Council of State that the appeal was rejected. Therefore, TA must undertake a new procedure regarding the environmental compliance of the works performed.

In relation with Pisa Airport, on October 24, 2017, ENAC approved and signed 2015-2028 master plan for Pisa Airport.

c. Restrictions to the distribution of profits and payment of dividends

As of December 31, 2020, 2019 and 2018, equity as defined under Luxembourg laws and regulations (“Lux GAAP”) consisted of:

	At December 31, 2020	At December 31, 2019	At December 31, 2018
Share capital	163,223	160,022	160,022
Share premium	183,430	180,486	180,486
Reserve for own shares	6,145	-	-
Legal reserve	176	176	176
Free distributable reserves	378,910	385,055	385,055
Non-distributable reserves	1,351,883	1,351,883	1,351,883
Retained earnings	(60,392)	(78,497)	(72,231)
Total equity in accordance with Luxembourg law	2,023,375	1,999,125	2,005,391

At least 5% of the Company’s net income per year, as calculated in accordance with Luxembourg law and regulations, must be allocated to the creation of a legal reserve equivalent to 10% of the Company’s share capital. Dividends may not be paid out of the legal reserve. The Company may pay dividends to the extent, among other conditions, that it has distributable retained earnings calculated in accordance with Luxembourg laws and regulations.

27 Related party balances and transactions

Corporación América Airports S.A. is controlled by ACI Airports S.à r.l., which is controlled by ACI Holding S.à r.l., which is controlled by Corporación América International S.à r.l. (previously denominated America Corporation International S.à r.l.), all of which are Luxembourg based companies.

Corporación América International S.à r.l. is controlled by Liska Investments Corporation, a company incorporated under the laws of the British Virgin Islands.

Liska Investments Corporation is controlled by Southern Cone Foundation (CAAP's ultimate parent company), a foundation created under the laws of Liechtenstein, having its corporate domicile in Vaduz. The foundation's purpose is to manage its assets through the decisions adopted by its independent board of directors. The potential beneficiaries of this foundation are members of the Eurnekian family and religious, charitable and educational institutions.

Interests in subsidiaries are set out in Note 2.B.

Transactions and balances with "Associates" are those carried out with entities over which CAAP exerts significant influence in accordance with IFRS, but does not have control. Transactions and balances with related parties, which are not associates and are not consolidated are disclosed as "Other related parties".

The Group receives services from related parties, such as internal audit, management control, financial assistance, technology outsourcing services and construction services.

Summary of balances with related parties are:

	At December 31,	
	2020	2019
Year-end balances		
(a) Arising from sales / purchases of goods / other		
Trade receivables with associates	1,579	1,555
Trade receivables with other related parties	845	687
Other receivables with associates	658	658
Other receivables with other related parties	8,850	8,611
Other financial assets with associates	2,609	2,494
Other financial assets with other related parties	14,135	14,573
Trade payables to other related parties	(3,945)	(3,017)
	24,731	25,561
(b) Other liabilities		
Other liabilities to other related parties	(8,541)	(7,538)
	(8,541)	(7,538)
(c) Other balances		
Cash and cash equivalents in other related parties	11,776	15,312
	11,776	15,312

	For the year ended		
	2020	2019	2018
Transactions			
Aeronautical/Commercial revenue	4,072	7,187	7,507
Fees	(6,791)	(8,256)	(6,056)
Interest accruals	712	654	(320)
Acquisition of goods and services	(11,516)	(19,002)	(23,909)
Others	(4,262)	(4,449)	(954)

The Group leases buildings to other related parties which are recognized under the scope of IFRS 16 and accounted in Lease liabilities line for an amount of USD 6,937 as of December 31, 2020 (USD 2,218 as of December 31, 2019). Additionally, the group has variable equipment leases with other related parties that are excluded from the lease liability according to IFRS 16. Transactions related to those leasing's are included in *Acquisition of goods and services* line for an amount of USD 3,284 (USD 6,272 as of December 31, 2019).

Remuneration received by the Group's key staff amounted to approximately 2.2% of total remunerations accrued at December 31, 2020, 1.7% accrued at December 31, 2019 and 1.8% accrued at December 31, 2018.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

28 Cash flow disclosures

Changes in working capital	At December 31,		
	2020	2019	2018
Other receivables and credits	46,571	(103,908)	(41,567)
Inventories	2,358	(1,395)	(999)
Other liabilities	(14,831)	(48,116)	(37,242)
	34,098	(153,419)	(79,808)

The most significant non-cash transactions are detailed below:

	For the year ended		
	2020	2019	2018
Intangible assets acquisition with an increase in Other liabilities / Borrowings / Lease liabilities	(3)	(4,368)	(595)
Right-of-use asset initial recognition with an increase in Lease liabilities	(7,878)	(12,273)	-
Income tax paid with tax certificates	(1,227)	-	(1,650)
Borrowings cost capitalization	(84)	(562)	-

Reconciliation of debt:

According to the IAS 7, the movements in the debt of the year that impact on the cash flow as part of the financing activities are detailed below:

	Bank and financial borrowings	Notes	Loans with related parties	Other	Total
Values at the beginning of the year	575,282	633,062	-	-	1,208,344
Proceeds from borrowings	184,527	39,783	-	-	224,310
Loans and interest paid	(81,384)	(31,231)	-	-	(112,615)
Debt renegotiation expenses	(2,624)	(8,351)	-	-	(10,975)
Foreign exchange and inflation adjustments	(52,215)	6,036	-	-	(46,179)
Other non-cash movements *	40,751	41,181	-	-	81,932
Balances as of December 31, 2020	664,337	680,480	-	-	1,344,817

	Bank and financial borrowings	Notes	Loans with related parties	Other	Total
Values at the beginning of the year	446,007	678,936	-	1,715	1,126,658
Adjustment on adoption of IFRS 16	-	-	-	(1,715)	(1,715)
Proceeds from borrowings	196,977	-	-	-	196,977
Loans and interest paid	(75,147)	(94,142)	-	-	(169,289)
Foreign exchange and inflation adjustments	(34,347)	699	-	-	(33,648)
Other non-cash movements *	41,792	47,569	-	-	89,361
Balances as of December 31, 2019	575,282	633,062	-	-	1,208,344

	Bank and financial borrowings	Notes	Loans with related parties	Other	Total
Values at the beginning of the year	765,330	682,415	34,651	4,049	1,486,445
Proceeds from borrowings	123,036	71,510	-	-	194,546
Loans and interest paid	(431,583)	(119,663)	(34,980)	(1,664)	(587,890)
Foreign exchange and inflation adjustments	(55,935)	(3,624)	-	(1,265)	(60,824)
Other non-cash movements *	45,159	48,298	329	595	94,381
Balances as of December 31, 2018	446,007	678,936	-	1,715	1,126,658

* This line mainly includes interest accrued.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

29 Share-based payments

Management share compensation plan

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.

The purpose of the plan is to permit executives and key employees of either the Company, or any of its subsidiaries or its affiliates acting as employers (together the “Company Group”) who are eligible to receive an annual incentive compensation consisting either of (i) a certain number of shares in the share capital of the Company or of (ii) contractual rights to receive, at a certain point in time, a certain number of Shares, thereby encouraging the employees to focus on the long term growth and its contribution to the success of the Company Group.

The plan shall be organized and implemented by an Organization and Compensation Committee of the Board of Directors.

The Committee will determine, in its sole discretion, whether Shares will be issued and allocated or rights will be granted to executives and key employees.

Shares allocated for the plan are held in treasury until they are assigned to key employees in accordance with the Management Compensation Plan.

Under the plan, executives and key employees awarded are granted shares which only vest if certain performance standards are met and are recognized as part of employee benefit costs in the period the shares are granted.

As of December 31, 2020, there were 3,200,445 shares held in treasury of which 590,000 shares have been assigned fully vested to employees on the closing share price of USD 3.05 at grant date. As of December 31, 2020, shares have not been delivered to the beneficiaries.

The value of shares granted was recognized on the grant date (grant date fair value) based on the closing share price at which the company’s shares are traded on the NYSE.

During the year ended December 31, 2020, USD 1,800 of share-based compensation was recorded in *Salaries and social security contributions* and as an increase in *Other reserves* in equity as services provided were received as consideration for the Company’s own equity instruments.

30 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of shares outstanding resulting from the Reverse Stock Split, the Initial Public Offering and the Capital Increase, which were implemented in three stages, less the weighted average number of treasury shares.

- Stage 1: Reverse stock split from 1-to-10.12709504 approved by the shareholder on January 19, 2018 that implies a reduction of the outstanding common shares from 1,500,000,000 to 148,117,500 common shares. The nominal value of USD 1 of each common share has not changed because of the Reverse Stock Split, which become effective as of the date of its approval.
- Stage 2: Issuance of 11,904,762 common shares in the Initial Public Offering on February 2, 2018.
- Stage 3: Capital Increase of 3,200,445 common shares for the purpose of the Management Share Compensation Plan on October 9, 2020.

The Reverse Stock Split has been given a retrospective effect.

The following tables shows the net income and the number of shares that have been used for the calculation of the basic earnings per share total:

	2020	2019	2018
(Loss)/ Income attributable to equity holders of the Group	(253,053)	9,099	7,125
Weighted average number of shares (thousands)	160,022	160,022	158,848
Basic earnings per share of the year	(1.58)	0.06	0.04
	2020	2019	2018
Weighted average number of shares outstanding	160,748	160,022	158,848
Weighted average number of treasury shares	(726)	-	-
Weighted average number of shares used as the denominator	160,022	160,022	158,848

As of the date of the issuance of these Consolidated Financial Statements, there are no CAAP instruments outstanding that imply the existence of potential ordinary shares. Thus the basic net income per share matches the diluted net income per share.

31 Restricted Net Assets

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. According to the information provided by the Company's subsidiaries and as a result of the impact of Covid-19 pandemic, the worldwide economic situation and the decrease in airport operations, together with the refinancing of debts for liquidity, strict conditions for the obtainment of waivers and government measures for employment protection have restricted the Company's subsidiaries ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances as of December 31, 2020.

Even though the Company currently does not require any dividends, loans or advances from its subsidiaries for working capital and other funding purposes, the Company may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development or merely to declare and pay dividends or distributions to the Company's shareholders.

The Company performed a test on the restricted net assets of its consolidated subsidiaries (the "restricted net assets") in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose its condensed financial information for the parent Company only. See Note 33.

32 Subsequent events

Acquisition of Cemes Aeroport 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.

There are no other subsequent events that could significantly affect the Company's financial position as of December 31, 2020.

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

33 Condensed Financial Information of the Company

The condensed financial information of the Company has been prepared in accordance with SEC Regulation S-X Rule 5-04 and Rule 12-04, using the same accounting policies as set out in the Group's Consolidated Financial Statements. The results of operations reflected in the financial statements prepared in accordance with IFRS differ from those reflected in the statutory financial statements of the Company prepared in accordance with Lux GAAP (see Note 26.c).

Certain information and footnote disclosures generally included in financial statements prepared in accordance with IFRS have been condensed or omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements are not the general-purpose financial statements of the reporting entity and should be read in conjunction with the notes to the Consolidated Financial Statements of the Group.

For the purpose of presenting parent only financial information, the Company records its investments in subsidiaries under the equity method of accounting. Such investments are presented on the separate condensed balance sheets of the Company as *Investments in subsidiaries* and the income/loss of the subsidiaries are presented as *Share of (loss) / income in subsidiaries and associates*. Certain information and footnote disclosures generally included in the Consolidated Financial Statements prepared in accordance with IFRS have been condensed and omitted.

As of December 31, 2020, the Company did not have significant capital commitments and other significant commitments, or guarantees, except for those which have been separately disclosed in the Consolidated Financial Statements, mainly included in Note 22 and 26.b.

CONDENSED STATEMENT OF INCOME

	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018
Selling, general and administrative expenses	(5,568)	(6,239)	(7,288)
Operating loss	(5,568)	(6,239)	(7,288)
Share of (loss) / income in subsidiaries and associates	(246,185)	16,250	33,839
(Loss) / Income before financial results and income tax	(251,753)	10,011	26,551
Financial income	99	462	2,343
Financial loss	(400)	(406)	(2,657)
(Loss) / Income before income tax	(252,054)	10,067	26,237
Income tax	1,028	(1,028)	-
(Loss) / Income for the year	(251,026)	9,039	26,237

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018
(Loss) / Income for the year	(251,026)	9,039	26,237
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive loss from subsidiaries and associates	(25,253)	(13,394)	(161,338)
Other comprehensive loss for the year, net of income tax	(25,253)	(13,394)	(161,338)
Total comprehensive loss for the year	(276,279)	(4,355)	(135,101)

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

33 Condensed Financial Information of the Company (Cont.)

CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>At December 31, 2020</u>	<u>At December 31, 2019</u>
ASSETS		
Non-current assets		
Property, plant and equipment, net	21	33
Right-of-use asset	102	153
Investments in subsidiaries	504,732	771,247
Investments in associates	3,081	8,046
Current assets		
Other receivables	319	82
Cash and cash equivalents	2,166	552
Total assets	<u>510,421</u>	<u>780,113</u>
EQUITY		
Share capital	163,223	160,022
Share premium	183,430	180,486
Treasury shares	(6,145)	-
Free distributable reserve	378,910	385,055
Non-distributable reserve	1,358,028	1,351,883
Currency translation adjustment	(417,272)	(392,101)
Legal reserves	176	176
Other reserves	(1,342,221)	(1,343,939)
Retained earnings	171,281	422,307
Equity	<u>489,410</u>	<u>763,889</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	-	1,028
Lease liabilities	66	99
Current liabilities		
Borrowings	19,508	13,513
Other liabilities	1,017	1,206
Lease liabilities	48	51
Trade payables	372	327
Total liabilities	<u>21,011</u>	<u>16,224</u>
Total equity and liabilities	<u>510,421</u>	<u>780,113</u>

(Amounts in thousands of U.S. dollars except share data or as otherwise indicated)

33 Condensed Financial Information of the Company (Cont.)

CONDENSED STATEMENT OF CASH FLOWS

	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018
(Loss)/Income for the year	(251,026)	9,039	26,237
Adjustments for:			
Amortization and depreciation	62	62	6
Deferred income tax	(1,028)	1,028	-
Share of income / (loss) in subsidiaries and associates	246,185	(16,250)	(33,839)
Interest expense	395	390	1,828
Net foreign exchange	(95)	(70)	(533)
Other financial results, net	4	(300)	(887)
Changes in working capital	(184)	(207)	(30,947)
Net cash used in operating activities	(5,687)	(6,308)	(38,135)
Purchase of Property, plant and equipment	-	(13)	(14)
Acquisition of other financial assets	-	(4,978)	(25,493)
Disposals of other financial assets	-	17,000	13,043
Cash contribution in subsidiaries and associates	(16,730)	(11,191)	(132,962)
Loans with related parties	-	3,672	(3,519)
Dividends from subsidiaries	15,944	-	9,737
Net cash (used in) / provided by investing activities	(786)	4,490	(139,208)
Proceeds from borrowings	8,100	-	-
Release of guarantee deposits	-	-	92,913
Leases payments	(56)	(53)	-
Loans paid	-	(4,494)	(97,680)
Initial Public Offering expenses paid	-	-	(5,495)
Initial Public Offering	-	-	195,601
Interest paid	-	(693)	(2,932)
Net cash provided by / (used in) financing activities	8,044	(5,240)	182,407
Increase / (Decrease) in cash and cash equivalents	1,571	(7,058)	5,064
Cash and cash equivalents			
At the beginning of the year	552	7,610	2,569
Effect of exchange rate changes in cash and cash equivalents	43	-	(23)
Increase / (Decrease) in cash and cash equivalents	1,571	(7,058)	5,064
At the end of the year	2,166	552	7,610

CORPORACIÓN AMÉRICA AIRPORTS S.A.*Société anonyme*4, rue de la Grève, L-1643 Luxembourg,
R.C.S. Luxembourg: B 174140**STATUTS COORDONNES AU 23 OCTOBRE 2020****1. Form, name and number of shareholders****1.1 Form and name**

There exists a public limited liability company (*société anonyme*) under the name of “**Corporación América Airports S.A.**” (the **Company**), governed by the laws of the Grand Duchy of Luxembourg and in particular the law dated 10 August 1915 on commercial companies, as amended (the **Companies Act**), and by the present articles of incorporation (the **Articles**, and a reference to an “Article” shall be construed as a reference to an article of these Articles).

1.2 Number of shareholders

The Company may have one shareholder (the **Sole Shareholder**) or several shareholders. The Company shall not be dissolved upon the death, suspension of civil rights, insolvency, liquidation or bankruptcy of the Sole Shareholder.

Where the Company has only one shareholder, any reference to the shareholders in the Articles shall be a reference to the Sole Shareholder.

2. Registered office**2.1 Place and transfer of the registered office**

The registered office of the Company is established in the municipality of Luxembourg. It may be transferred within such municipality or to any other place in the Grand Duchy of Luxembourg by a resolution of the board of directors of the Company (the **Board**), which is authorised to amend the Articles, to the extent necessary, to reflect the transfer and the new location of the registered office.

2.2 Branches, offices, administrative centres and agencies

The Board shall further have the right to set up branches, offices, administrative centres and agencies wherever it shall deem fit, either within or outside the Grand Duchy of Luxembourg.

3. Duration

The Company is formed for an unlimited duration.

4. Purpose

The corporate purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, partnership interests, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above).

The Company may borrow in any form. It may enter into any type of loan agreement and it may issue notes, bonds, debentures, certificates, shares, beneficiary parts, warrants and any kind of debt or equity securities including under one or more issuance programmes. The Company may further list all or part of its shares on a regulated or unregulated stock exchange in or outside of the European Union. The Company may lend funds including the proceeds of any borrowings and/or issues of securities to its subsidiaries, affiliated companies or any other company.

The Company may also give guarantees and grant security interests over some or all of its assets including, without limitation, by way of pledge, transfer or encumbrance, in favour of or for the benefit of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company.

The Company may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions. The Company may generally use any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

The Company may carry out any commercial, industrial, and financial operations, which are directly or indirectly connected with its purpose or which may favour its development. In addition, the Company may acquire and sell real estate properties, for its own account, either in the Grand Duchy of Luxembourg or abroad and it may carry out all operations relating to real estate properties.

In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its purpose.

The descriptions above are to be construed broadly and their enumeration is not limiting. The Company's purpose shall include any transaction or agreement which is entered into by the Company, provided it is not inconsistent with the foregoing matters.

5. Share capital

5.1 Issued share capital

The share capital is set at one hundred sixty-three million two hundred twenty-two thousand seven hundred and seven US dollars (USD 163,222,707), represented by one hundred sixty-three million two hundred twenty-two thousand seven hundred and seven (163,222,707) shares having a nominal value of one US dollar (USD 1) each.

5.2 Share capital increase and share capital reduction

The share capital of the Company may be increased or reduced by a resolution adopted by the general meeting of the shareholders of the Company (the **General Meeting**) in the manner required for amendment of the Articles, as provided for in Article 11.

5.3 Contributions to a non-distributable reserves account

The General Meeting is authorised to approve capital contributions to a non-distributable reserves account of the Company by way of a payment in cash or a payment in kind or otherwise. Such a capital contribution shall be booked in the non-distributable reserves account of the Company.

The capital contributions that are booked in the non-distributable reserves account of the Company may only be distributed and/or reduced in any other manner by a resolution of the General Meeting adopted in the manner required for the amendment of these Articles, as set out in Article 11. Such distributions and/or reductions shall be made in accordance with Article 22.3.

5.4 Pre-emptive rights

In the case of an issuance of (i) shares or (ii) those instruments covered in article 420-27 of the Companies Act, including, without limitation, convertible bonds that entitle their holders to subscribe for or to be allocated with shares in consideration for a payment in cash, in kind or by a conversion of reserves, the shareholders shall have *pro rata* pre-emptive rights with respect to any such issuance. The preferential subscription period is decided by the Board but must be of at least fourteen (14) days as from the date of the publication of the offering in the RESA (*Recueil électronique des sociétés et associations*) and a journal published in Luxembourg (the **Preferential Subscription Period**).

Third parties may take part in the capital increase at the end of the Preferential Subscription Period, except if the Board decides that preferential subscription rights (the **PSR**) shall be exercised in proportion to the capital represented by their shares, by the holders of such PSR (the **PSR Holders**) who already exercised their PSR during the Preferential Subscription Period. In that case, the subscription terms of the PSR Holders shall be determined by the Board.

The General Meeting may limit or withdraw the PSR or authorise the Board to do so (as the case may be) under the conditions prescribed for under article 420-26(5) of the Companies Act.

5.5 Authorisation for the Board to increase the share capital

(a) Size of the authorisation

The authorised capital of the Company is set at two hundred twenty-five million US dollars (USD 225,000,000) (the **Authorised Capital Amount**) represented by a maximum of two hundred twenty-five million (225,000,000) shares having a nominal value of one US dollar (USD 1.-) each.

(b) Terms of the authorisation

The Board is authorised, during a period starting on 19 January 2018, regardless of the date of publication of such deed, and expiring on the fifth anniversary of such date (the **Period**), to increase the current share capital up to the Authorised Capital Amount, in whole or in part from time to time: (i) by way of issuance of shares in consideration for a payment in cash, (ii) by way of issuance of shares in consideration for a payment in kind, and/or (iii) by way of capitalisation of distributable profits and reserves, including share premium.

The Board is authorised to determine the terms and conditions attaching to any subscription and issuance of shares pursuant to the authority granted under this Article 5.5, including by setting the time and place of the issuance or the successive issuances of shares, the issue price, with or without share premium, and the terms and conditions of payment for the shares under any documents and agreements including, without limitation, convertible loans, option agreements or stock option plans.

During the Period, the Board is authorised to issue convertible bonds, or any other convertible debt instruments, bonds carrying subscription rights or any other instruments entitling their holders to subscribe for or be allocated with shares, such as, without limitation, warrants (the **Instruments**), within the limits of the Authorised Capital Amount. The issuance of the shares to be issued following the exercise of the rights attached to the Instruments may be carried out by a payment in cash, a payment in kind or a capitalisation of distributable profits and reserves, including share premium during or after the Period.

The Board is authorised to (i) determine the terms and conditions of the Instruments, including the price, the interest rate, the exercise rate, conversion rate or the exchange rate, and the repayment conditions, and (ii) issue such Instruments.

(c) Authorisation to cancel or limit the pre-emptive rights

The Board is authorised to cancel or limit the pre-emptive rights of the shareholders set out in the Companies Act, as reflected in Article 5.4, in connection with an issue of new shares and Instruments made pursuant to the authority granted under this Article 5.5.

(d) Recording of capital increases in the Articles

Article 5 of the Articles shall be amended so as to reflect each increase in share capital pursuant to the use of the authorisation granted to the Board under this Article 5 and the Board shall take or authorise any person to take any necessary steps for the purpose of the recording of such increase and the consequential amendments to the Articles before a notary.

6. Shares

6.1 Form of the shares

The shares of the Company are in registered form (*actions nominatives*) only.

6.2 Share register and share certificates

A share register will be kept at the registered office, where it will be available for inspection by any shareholder. Such register shall set forth the name of each shareholder, its residence or elected domicile, the number of shares held by it, the nominal value or accounting par value paid in on each such share, the issuance of shares, the transfer of shares and the dates of such issuance and transfers. The ownership of the registered shares will be established by the entry in this register, or in the event separate registrars have been appointed pursuant to the below, in such separate register(s).

The Company may appoint registrars in different jurisdictions who will each maintain a separate register for the registered common shares entered therein and the holders of common shares may elect to be entered in one of the registers and to be transferred from time to time from one register to another. The Board may however impose transfer restrictions for common shares that are registered, listed, quoted, dealt in or have been places in certain jurisdictions in compliance with the requirements applicable therein.

6.3 Deposit

Notwithstanding the foregoing in this Article 6, where common shares are recorded in the register of shareholders in the name of or on behalf of a securities settlement system or the operator of such system and recorded as book-entry interests in the accounts of a professional depositary or any sub-depositary (any depositary and any sub-depositary being referred to hereinafter as a **Depositary**), the Company - subject to having received from the Depositary a certificate in proper form - will permit the Depositary of such book-entry interests to exercise the rights attaching to the common shares corresponding to the book-entry interests of the relevant shareholder, including receiving notices of General Meetings, admission to and voting at General Meetings, and shall consider the Depositary to be the holder of the shares corresponding to the book-entry interests for all purposes in these Articles. The Board may determine the formal requirements with which such certificates must comply.

Notwithstanding the other provisions of this Article 6, the Company will make any and all payments (including any dividend payments and any other distributions) in respect of shares recorded in the name of a Depositary, or deposited with any of them, as the case may be, whether in cash, shares or other assets, only to such Depositary, or otherwise in accordance with such Depositary's instructions, and that payment shall release the Company from any and all obligations for such payments.

6.4 Ownership and co-ownership of shares

The Company will recognise only one holder per share. In the event that a share is held by more than one person, the Company has the right to suspend the exercise of all rights attached to that share until one person has been appointed as sole holder in relation to the Company. The person appointed as the sole holder of the shares towards the Company in all matters by all the joint holders of those shares shall be named first in the register.

Only the joint holder of a share first named in the register, as appointed by all the joint holders of such share, shall be entitled, in its capacity as sole holder towards the Company of that share jointly held, to exercise the rights attached to such share, including without limitation: (i) to be served notices by the Company, including convening notices relating to General Meetings, (ii) to attend General Meetings and to exercise the voting rights attached to the share jointly held at any such meetings, and (iii) to receive dividend payments in respect of the share jointly held.

6.5 Share redemptions

Unless otherwise indicated, the Company may redeem its own shares within the limits set forth by law.

Any shares redeemed in accordance with this Article 6.5 may be cancelled or held for an unlimited duration as treasury shares by the Company without any voting rights and, unless otherwise decided, as the case may be, by the Board or the General Meeting without any right to any distributions whatsoever, in which case the distributions otherwise payable under such treasury shares will be allocated, and become payable, on a pro rata basis to the benefit of the remaining outstanding shares).

Such treasury shares may be distributed at any time to existing shareholders or third parties, subject to compliance with Article 7, by a decision of the Board.

7. Transfer of registered shares

A transfer of registered shares may be effected by a written declaration of transfer entered in the share register of the Company, such declaration of transfer to be executed by the transferor and the transferee or by persons holding suitable powers of attorney, and in accordance with the provisions applying to the transfer of claims provided for in article 1690 of the Luxembourg civil code.

The Company may also accept as evidence of transfer other instruments of transfer evidencing the consent of the transferor and the transferee satisfactory to the Company.

8. Debt Securities

Debt securities issued by the Company shall be in registered form only.

9. Powers of the General Meeting

As long as the Company has only one shareholder, the Sole Shareholder has the same powers as those conferred on the General Meeting. In such a case, any reference in these Articles to decisions made or powers exercised by the General Meeting shall be a reference to decisions made or powers exercised by the Sole Shareholder. Decisions made by the Sole Shareholder are documented in the form of minutes or written resolutions, as the case may be.

In the case of a plurality of shareholders, any regularly constituted General Meeting shall represent the entire body of shareholders of the Company.

10. Annual General Meeting of the shareholders – Other meetings

The annual General Meeting shall be held, in accordance with Luxembourg law, in the Grand Duchy of Luxembourg at the address of the registered office of the Company or at such other place in the Grand Duchy of Luxembourg.

Other General Meetings may be held at such a place as specified in the respective convening notices of the meeting.

11. Notice, *quorum*, convening notices, powers of attorney and vote

11.1 Right and obligation to convene a General Meeting

The Board may convene a General Meeting. They shall be obliged to convene it so that it is held within a period of one month, if shareholders representing one-tenth of the capital require this in writing, with an indication of the agenda. One or more shareholders representing at least one-tenth of the subscribed capital may request that the entry of one or more items be added to the agenda of any General Meeting. This request must be addressed to the Company at least five (5) days before the relevant General Meeting.

11.2 Procedure to convene a General Meeting

General Meetings shall be convened in accordance with the provisions of the Companies Act and as long as the common shares of the Company are listed on a foreign stock exchange, in accordance with the requirements of such foreign stock exchange applicable to the Company.

If all shareholders are present or represented at a General Meeting and state that they have been informed of the agenda of the meeting, the General Meeting may be held without prior notice.

The documents mentioned under article 461-6 of the Companies Act shall be made available at the registered office of the Company for inspection by the shareholders at least eight (8) days prior to the General Meeting.

11.3 Voting rights attached to the shares

Each share entitles its holder to one vote, subject to the following:

- (i) If the common shares of the Company are not listed on any foreign stock exchange, all shareholders recorded in the register of shareholders on the date of the General Meeting are entitled to be admitted to the General Meeting.
- (ii) If the common shares of the Company are listed on a foreign stock exchange, all shareholders recorded in any register of shareholders of the Company are entitled to be admitted and vote at the General Meeting based on the number of shares they hold on a date and time preceding the General Meeting as the record date for admission to the General Meeting, which the Board may determine as specified in the convening notice.

The Board may, in its sole discretion, suspend the voting rights of any shareholder in the case that such shareholder has, by action or omission, failed to fulfil its obligations under the Articles or under its subscription agreement.

Any shareholder may, partly or entirely, waive the exercise of its voting rights with respect to some or all of its shares. Such waiver will be binding on the relevant shareholder and will be enforceable towards the Company following its notification by the relevant shareholder in writing.

11.4 **Quorum, majority requirements and reconvening of General Meeting for lack of quorum**

Except as otherwise required by law or by these Articles, resolutions at a General Meeting will be passed by the majority of the votes expressed by the shareholders present or represented, no quorum of presence being required.

However, resolutions to amend the Articles or to change the nationality of the Company may only be passed in a General Meeting where at least one half of the share capital is represented (the **Presence Quorum**) and the agenda indicates the proposed amendments to the Articles and, as the case may be, the text of those which pertain to the purpose or the form of the Company. If the Presence Quorum is not reached, a second General Meeting may be convened by an announcement filed with the Trade and Companies Register and published in the RESA (*Recueil électronique des sociétés et associations*) and in a Luxembourg newspaper at least fifteen (15) days before the relevant meeting. Such convening notice shall reproduce the agenda and indicate the date and the results of the previous General Meeting. The second General Meeting shall deliberate validly regardless of the proportion of the capital represented. At both meetings, resolutions, in order to be passed, must be carried by at least two-thirds of the votes expressed at the relevant General Meeting.

In calculating the majority with respect to any resolution at a General Meeting, the votes expressed shall not include the votes relating to shares in which the shareholder abstains from voting, casts a blank (*blanc*) or spoilt (*nul*) vote or does not participate.

The commitments of the shareholders may only be increased with the unanimous vote of all the shareholders.

A mere dilution shall not be considered a triggering event for the special majority rules provided for in article 450-4 of the Companies Act.

11.5 **Participation by proxy**

A shareholder may act at any General Meeting by appointing another person, who need not be a shareholder, as its proxy in writing. Copies of written proxies that are transmitted by telefax or e-mail may be accepted as evidence of such written proxies at a General Meeting.

11.6 **Vote by correspondence**

The shareholders may vote in writing (by way of a voting bulletin) provided that the written voting bulletins include (i) the name, first name, address and signature of the relevant shareholder, (ii) an indication of the shares for which the shareholder will exercise such right, (iii) the agenda as set forth in the convening notice with the proposals for resolutions relating to each agenda item and (iv) the vote (approval, refusal, abstention) on the proposals for resolutions relating to each agenda item. In order to be taken into account, a copy of voting bulletins must be received by the Company at least five (5) days before the relevant General Meeting.

11.7 **Participation in a General Meeting by conference call, video conference or similar means of communications**

Any shareholder may participate in a General Meeting by conference call, video conference or similar means of communication whereby: (i) the shareholders attending the meeting can be identified, (ii) all persons participating in the meeting can hear and speak to each other, (iii) the transmission of the meeting is performed on an on-going basis, and (iv) the shareholders can properly deliberate. Participation in a meeting by such means shall constitute presence in person at such meeting.

11.8 **Bureau**

The shareholders shall elect a chairman of the General Meeting. The chairman shall appoint a secretary and the shareholders shall appoint a scrutineer. The chairman, the secretary and the scrutineer together form the bureau of the General Meeting.

11.9 Minutes and certified copies

The minutes of the General Meeting will be signed by the members of the bureau of the General Meeting and by any shareholder who wishes to do so.

However, where decisions of the General Meeting have to be certified, copies or extracts for use in court or elsewhere must be signed by the chairman of the Board or the secretary of such General Meeting (as may be appointed from time to time) or by any two (2) other directors.

12. Management

12.1 Minimum number of directors and term of directorship

The Board of the Company shall be composed of up to nine (9) directors, appointed by the General Meeting. The members of the Board shall be elected for a term not exceeding six (6) years and shall be eligible for re-appointment.

12.2 Permanent representative

Where a legal person is appointed as a director (the **Legal Entity**), the Legal Entity must designate a natural person as permanent representative (*représentant permanent*) who will represent the Legal Entity as a member of the Board in accordance with article 441-3 of the Companies Act.

12.3 Appointment, removal and co-optation

The director(s) shall be elected by the General Meeting. The General Meeting shall also determine the number of directors, their remuneration and their term of office.

A director may be removed with or without cause and/or replaced, at any time, by a resolution adopted by the General Meeting.

In the event of vacancy in the office of one or more directors because of death, resignation or otherwise, the remaining directors may elect at a meeting of the Board the director(s), by a majority vote, to fill such vacancy or vacancies, as the case may be, until the following General Meeting.

12.4 Internal regulation and corporate governance code

The Board may from time to time approve corporate governance code(s) that may establish various rules and regulations of corporate governance of the Company for the Board, the executive committee (*comité de direction*) and any other committees of the Company that the Board may establish, including, but not limited to, an audit committee and a business and acquisitions committee, as designated from time to time.

13. Meetings of the Board

13.1 Chairman

The Board may appoint a chairman (the **Chairman**) from among its members and may choose a secretary, who need not be a director, and who shall be responsible for keeping the minutes of the meetings of the Board. The Chairman will chair all meetings of the Board. In his/her absence, the other members of the Board will appoint another chairman *pro tempore* who will chair the relevant meeting by simple majority vote of the directors present or represented at such meeting.

13.2 Procedure to convene a board meeting

The Board shall meet upon call by either of the Chairman, the secretary of the Board (as may be appointed from time to time), the Company secretary or any two directors at the place indicated in the meeting notice.

Written meeting notice of the Board shall be given to all the directors at least twenty-four (24) hours in advance of the day and the hour set for such meeting, except in circumstances of emergency, in which case the nature of such circumstances shall be set forth briefly in the convening notice of the meeting of the Board.

No such written meeting notice is required if all the members of the Board are present or represented during the meeting and if they state they have been duly informed and have had full knowledge of the agenda of the meeting. In addition, if all the members of the Board are present or represented during the meeting and they agree unanimously to set the agenda of the meeting, the meeting may be held without having been convened in the manner set out above.

A member of the Board may waive the written meeting notice by giving his/her consent in writing. Copies of consents in writing that are transmitted by telefax or e-mail may be accepted as evidence of such consents in writing at a meeting of the Board. Separate written notice shall not be required for meetings that are held at times and at places determined in a schedule previously adopted by a resolution of the Board.

13.3 Participation by proxy

Any member of the Board may act at any meeting of the Board by appointing in writing another director as his or her proxy. Copies of written proxies that are transmitted by telefax or by e-mail may be accepted as evidence of such written proxies at a meeting of the Board.

13.4 Participation by conference call, video conference or similar means of communication

Any director may participate in a meeting of the Board by conference call, video conference or by similar means of communication whereby (i) the directors attending the meeting can be identified, (ii) all persons participating in the meeting can hear and speak to each other, (iii) the transmission of the meeting is performed on an on-going basis and (iv) the directors can properly deliberate. Participation in a meeting by such means shall constitute presence in person at such meeting. A meeting of the Board held by such means of communication will be deemed to be held in Luxembourg.

13.5 Proceedings

(a) Quorum and majority requirements

The Board may validly deliberate and make decisions only if at least one half of its members are present or represented. Decisions are made by the majority of the votes expressed by the members present or represented. If a member of the Board abstains from voting or does not participate to a vote, this abstention or non-participation are not taken into account in calculating the majority.

(b) Participation by proxy

A director may represent more than one director by proxy, under the condition however that at least two directors are present at the meeting.

(c) Casting vote of Chairman

In the case of a tied vote, the Chairman or the chairman *pro tempore*, as the case may be, shall have a casting vote.

13.6 Conflicts of interest

(a) Procedure regarding a conflict of interest

In the event that a director of the Company has, directly or indirectly, a financial interest opposite to the interest of the Company in any transaction of the Company that is submitted to the approval of the Board, such director shall make known to the Board such opposite interest at that board meeting and shall cause a record of his statement to be included in the minutes of the meeting. The director may not take part in the deliberations relating to that transaction, will not count in the quorum, and may not vote on the resolutions relating to that transaction. The transaction and the director's interest therein, shall be reported to the next following General Meeting.

(b) Exceptions regarding a conflict of interest

Article 13.6(a) does not apply to resolutions of the board of directors concerning transactions made in the ordinary course of business of the Company which are entered into on arm's length terms.

A Director of the Company who serves as director, manager, officer, agent or employee of any company or firm with which the Company shall contract or otherwise engage in business shall not, solely by reason of such affiliation with such other company or firm, be held as having an interest conflicting with the interest of the Company for the purpose of this Article 13.6.

(c) Impact on quorum

Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate and vote is not met, the Board may decide to submit the decision on this specific item to the General Meeting.

13.7 Written resolutions

Notwithstanding the foregoing, a resolution of the Board may also be passed in writing. Such resolution shall consist of one or more documents containing the resolutions, signed by each director, manually or electronically by means of an electronic signature which is valid under Luxembourg law. The date of such resolution shall be the date of the last signature.

14. Minutes of meetings of the Board**14.1 Signature of board minutes**

The minutes of any meeting of the Board shall be signed by the Chairman or the chairman *pro tempore*, as the case may be or by all the directors present at such meeting.

14.2 Signature of copies or extracts of board minutes

Copies or extracts of minutes or resolutions in writing from the Board, which may be produced in judicial proceedings or otherwise shall be signed by either the Chairman, the secretary of the Board (as may be appointed from time to time), or any two members of the Board.

15. Powers of the Board

The Board is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company. All powers not expressly reserved by the Companies Act or by the Articles to the General Meeting fall within the authority of the Board.

16. Delegation of powers**16.1 Daily management**

The Board may appoint one or more persons (*délégué à la gestion journalière*), who may be a shareholder or not, or who may be a member of the Board or not, who shall have full authority to act on behalf of the Company in all matters pertaining to the daily management and affairs of the Company.

16.2 Executive committee (*comité de direction*)

The management of the Company shall be delegated to an executive committee (*comité de direction*), consisting of a minimum of four (4) members including, *inter alia*, a Chief Executive Officer, a Chief Financial Officer and other members of the senior management, designated from time to time by the Board.

The executive committee (*comité de direction*) shall have the broadest powers possible under Luxembourg law, including in particular the following:

- managing all day-to-day operations of the Company from an operational perspective;
- assessing and proposing business strategies, and implementing strategies and policies approved by the Board;
- 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;
- analysing and proposing the full year budget, and assessing mitigation of internal and market variables;
- identifying and implementing business synergies among the Company and the Company's subsidiaries;
- proposing the delegation of powers to agents and supervising managers, which are consistent with the policies and procedures established by the Board; and
- approving and implementing (i) any borrowings in any form by the Company, (ii) lending of any funds to the Company's subsidiaries, affiliated companies or any other company, (iii) any guarantees by the Company and the granting of security interests over any of the Company's assets including, without limitation, by way of pledge, transfer or encumbrance, in favour of or for the benefit of third parties to secure the Company's obligations or the obligations of the Company's subsidiaries, affiliated companies or any other company and (iv) any other swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions.

When an executive committee (*comité de direction*) is appointed, the Board is in charge of the supervision and control of the executive committee (*comité de direction*).

16.3 Permanent representative of the Company

The Board may appoint a person, who may be a shareholder or not, and who may be a director or not, as permanent representative for any entity in which the Company is appointed as a member of the board of directors. This permanent representative will act with all discretion, in the name and on behalf of the Company, and may bind the Company in its capacity as a member of the board of directors of any such entity.

16.4 Delegation to perform specific functions

The Board is also authorised to appoint a person, either a director or not, for the purposes of performing specific functions at every level within the Company.

16.5 Delegation to special committees

The Board may decide to put in place special committees in accordance with article 441-6 of the Companies Act including, without limitation, an audit committee, a remuneration committee and/or a nomination committee. The composition of the special committees and the powers conferred to them are determined by the Board. The special committees perform their duties under the Board's responsibility.

17. Binding signatures**17.1 Signatory powers of directors**

The Company shall be bound towards third parties in all matters by the joint signatures of any two members of the Board.

17.2 Signatory powers in respect of the daily management

In respect of the daily management, the Company will be bound by the sole signature or the joint signatures of the persons appointed to that effect in accordance with Article 16.1.

17.3 Signatory powers of the members of the executive committee (*comité de direction*)

The Company shall be bound towards third parties by the joint signature of (i) any two members of the executive committee (*comité de direction*) or (ii) any member of the executive committee (*comité de direction*) together with any member of the Board.

17.4 Grant of specific powers of attorney

The Company shall further be bound by the joint signatures of any persons or by the sole signature of the person to whom specific signatory power is granted by the Company, but only within the limits of such power.

18. Indemnification of directors and agents**18.1 No liability for breach of fiduciary duty**

To the fullest extent permitted by Luxembourg law or any other applicable law as it now exists and as it may hereafter be amended, no director of the Company shall be personally liable to the Company or its shareholder(s) for monetary damages for breach of fiduciary duty as a director.

18.2 Indemnification in actions brought by others

The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that the person is or was a director or agent of the Company, or is or was serving at the request of the Company as a director or agent of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful; provided, that, except for proceedings to enforce rights to indemnification or advancement of expenses, the Company shall not be obligated to indemnify any such director or agent (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, has reasonable cause to believe that the person's conduct was unlawful.

18.3 Indemnification in actions by or in the right of the Company

The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that the person is or was a director or agent of the Company, or is or was serving at the request of the Company as a director or agent of another Company, partnership, joint venture, trust or other enterprise against expenses (including counsels' and attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper; provided, that, except for proceedings to enforce rights to indemnification or advancement of expenses, the Company shall not be obligated to indemnify any such director or agent (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board.

18.4 Advancement of Expenses

The right to indemnification conferred in Articles 18.2 and 18.3 shall include the right to advancement by the Company of any and all expenses (including, without limitation, attorneys' fees and expenses) incurred in defending any such proceeding in advance of its final disposition (an **Advancement of Expenses**); provided, however, that, if applicable law so requires, an Advancement of Expenses incurred by an indemnitee in his or her capacity as a director or agent shall be made only upon delivery to the Company of an undertaking (an **Undertaking**), by or on behalf of such indemnitee, to repay, without interest, all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses.

18.5 Insurance and other similar protection

The Company may purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit or surety bond on behalf of the Company's directors or agents against any liability asserted against them in their capacity as a director or agent of the Company.

19. Approved statutory auditor(s) (*réviseur d'entreprises agréé or cabinet de révision agréé*)

The General Meeting shall appoint one or more approved statutory auditors (*réviseurs d'entreprises agréés or cabinets de révision agréés*) to perform the statutory audit of the annual accounts in accordance with applicable Luxembourg law. The approved statutory auditor(s) shall be appointed by the General Meeting in accordance with the terms of a service agreement to be entered into from time to time by the Company and the approved statutory auditor(s). The approved statutory auditor(s) may only be removed by the General Meeting for serious causes (*justes motifs*).

20. Accounting year

The accounting year of the Company shall begin on 1 January and shall end on 31 December of each year.

21. Annual accounts

21.1 Responsibility of the Board

The Board shall draw up the annual accounts of the Company that shall be submitted to the approval of the General Meeting at the annual General Meeting.

21.2 Submission of the annual accounts to the approved statutory auditor

At the latest one (1) month prior to the annual General Meeting, the Board will submit the annual accounts together with the report of the Board (if any) and such other documents as may be required by law to the approved statutory auditor(s), who will thereupon draw up its (their) report(s).

21.3 Availability of documents at the registered office

At the latest eight (8) days prior to the annual General Meeting, the annual accounts, the report(s) of the Board (if any) and of the approved statutory auditor(s) and such other documents as may be required by law shall be deposited at the registered office of the Company, where they will be available for inspection by the shareholders during regular business hours.

22. Allocation of results

22.1 Allocation to the legal reserve

From the annual net profits of the Company (if any), five per cent (5%) shall be allocated to the reserve required by law. This allocation shall cease to be required as soon as such legal reserve amounts to ten per cent (10%) of the share capital of the Company, but shall again be compulsory if the legal reserve falls below ten per cent (10%) of the share capital of the Company.

22.2 Allocation of results by the General Meeting at the annual General Meeting

At the annual General Meeting, the General Meeting shall decide on the allocation of the annual results and the declaration and payments of dividends, as the case may be, in accordance with Article 22.1 and the rules regarding distributions set out in this Article 22.

22.3 Rules regarding distributions

Unless otherwise provided herein or decided by the General Meeting, distributions to the shareholders, whether by dividend, share redemption or otherwise, out of profits and distributable reserves available for that purpose, including share premium and the non-distributable reserve, if and when decided by the General Meeting, shall be made on all the shares on a pro rata basis considering the total number of outstanding shares.

22.4 Interim dividends

(a) Distribution of interim dividends by the Board

In accordance with article 461-3 of the Companies Act, interim dividends may be distributed, at any time, by the Board if all of the following conditions are satisfied:

- (i) an interim accounting statement (*état comptable*) is drawn up by the Board (the **Interim Accounting Statement**), which shall be reviewed by an approved statutory auditor (*réviseur d'entreprises agréé* or *cabinet de révision agréé*), as the case may be;
- (ii) the Interim Accounting Statement shows that sufficient profits and other reserves (including without limitation the share premium) are available for distribution, it being understood that the amount to be distributed may not exceed net profits made since the end of the last financial year for which the annual accounts have been approved, if any, increased by carried forward profits and distributable reserves, and decreased by carried forward losses and the amount to be allocated to the legal reserves;
- (iii) the decision to distribute interim dividends must be taken by the Board within two (2) months from the date of the Interim Accounting Statement; and

(iv) the rights of the creditors of the Company are not threatened, taking into account the assets of the Company.

Where the interim dividends paid exceed the distributable net profits at the end of the financial year, the relevant excess as acknowledged at the annual General Meeting, shall, unless otherwise decided by the Board at the time of the dividend declaration, be deemed to be an advance payment for future dividends.

(b) Distribution of interim dividends by the General Meeting

Without prejudice to the authority of the Board set out under Article 22.4(a), the General Meeting may also distribute interim dividends from time to time, subject to complying with the same conditions (including review of an Interim Accounting Statement).

22.5 Payment of dividends

Dividends may be paid in US dollars or any other currency chosen by the Board or the General Meeting and they may be paid at such places and times as may be determined by the Board within the limits of any decision made by the General Meeting (if any).

Dividends may be paid in kind in assets of any nature, and the valuation of those assets shall be set by the Board according to valuation methods determined at its discretion.

23. Dissolution and liquidation

23.1 Principles regarding the dissolution and the liquidation

The Company may be dissolved, at any time, by a resolution of the General Meeting adopted in the manner required for amendment of these Articles, as set out in Article 11. In the event of dissolution of the Company, the liquidation shall be carried out by one or more liquidators (who may be physical persons or legal entities) appointed by the General Meeting deciding such liquidation. The General Meeting shall also determine the powers and the remuneration of the liquidator(s).

23.2 Distribution of liquidation surplus

Under the liquidation of the Company, the surplus assets of the Company available for distribution among shareholders shall be distributed in accordance with the rules on distributions set out in Article 23, by way of advance payments or after payment (or provisions, as the case may be) of the Company's liabilities.

24. Applicable law

All matters not expressly governed by these Articles shall be determined in accordance with Luxembourg law.

Suit la traduction française de ce qui précède :

1. Forme, dénomination et nombre d'actionnaires

1.1 Forme et dénomination

Il est établi une société anonyme sous la dénomination de “**Corporación América Airports S.A.**” (la **Société**), régie par les lois du Grand-Duché de Luxembourg et, en particulier, par la loi du 10 août 1915 sur les sociétés commerciales, telle que modifiée (la **Loi de 1915**), et par les présents statuts (les **Statuts**, et toute référence à un « Article » s’entend comme une référence à un article de ces Statuts).

1.2 Nombre d'actionnaires

La Société peut avoir un actionnaire unique (l’**Actionnaire Unique**) ou plusieurs actionnaires. La Société n’est pas dissoute par le décès, la suspension des droits civiques, l’insolvabilité, la liquidation ou la faillite de l’Actionnaire Unique.

Lorsque la Société n’a qu’un seul actionnaire, toute référence aux actionnaires dans les Statuts est une référence à l’Actionnaire Unique.

2. Siège social

2.1 Lieu et transfert du siège social

Le siège social de la Société est établi dans la commune de Luxembourg. Il peut être transféré dans cette commune ou en tout autre lieu au Grand-Duché de Luxembourg par simple décision du conseil d’administration de la Société (le **Conseil d’Administration**), qui est autorisé à modifier les Statuts, dans la mesure nécessaire, pour prendre en compte le transfert et la nouvelle localisation du siège social.

2.2 Succursales, bureaux, centres administratifs et agences

Le Conseil d’Administration a par ailleurs le droit de créer des succursales, bureaux, centres administratifs et agences en tous lieux appropriés, tant au Grand-Duché de Luxembourg qu’à l’étranger.

3. Durée de la société

La Société est constituée pour une période indéterminée.

4. Objet social

La Société a pour objet social (i) l’acquisition, la détention et la cession, sous quelque forme que ce soit et par tous moyens, par voie directe ou indirecte, de participations, droits, et intérêts, ainsi que les obligations de sociétés luxembourgeoises ou étrangères, (ii) l’acquisition par achat, souscription ou de toute autre manière, ainsi que l’aliénation par vente, échange ou de toute autre manière, de titres de capital, parts d’intérêts, obligations, créances, billets et autres valeurs ou instruments financiers de toutes espèces (notamment d’obligations ou de parts émises par des fonds communs de placement luxembourgeois ou étrangers, ou tout autre organisme similaire), de prêts ou toute autre ligne de crédit, ainsi que les contrats y relatifs et (iii) la détention, l’administration, le développement et la gestion d’un portefeuille d’actifs (composé notamment des actifs décrits aux points (i) et (ii) ci-dessus).

La Société peut emprunter sous quelque forme que ce soit. Elle peut être partie à tout type de contrat de prêt et elle peut procéder à l’émission de titres de créance, d’obligations, de certificats, d’actions, de parts bénéficiaires, de warrants et de tous types de titres de dettes et de titres de capital, y compris en vertu d’un ou plusieurs programmes d’émissions. La Société peut également coter toutes ou une partie de ses parts sur des marchés réglementés ou non-réglementés dans ou à l’extérieur de l’Union Européenne. La Société peut prêter des fonds, y compris ceux résultant d’emprunts et/ou d’émissions de titres, à ses filiales, à ses sociétés affiliées et à toute autre société.

La Société peut également consentir des garanties et octroyer des sûretés réelles portant sur tout ou partie de ses biens, notamment par voie de nantissement, cession, ou en grevant de charges tout ou partie de ses biens au profit de tierces personnes afin de garantir ses obligations ou les obligations de ses filiales, de ses sociétés affiliées ou de toute autre société.

La Société peut conclure, délivrer et exécuter toutes opérations de swaps, opérations à terme (futures), opérations sur produits dérivés, marchés à prime (options), opérations de rachat, prêts de titres ainsi que toutes autres opérations similaires. La Société peut, de manière générale, employer toutes techniques et instruments liés à des investissements en vue de leur gestion efficace, y compris des techniques et instruments destinés à la protéger contre les risques de crédit, de change, de taux d'intérêt et autres risques.

La Société peut accomplir toutes les opérations commerciales, industrielles et financières se rapportant directement ou indirectement à son objet ou susceptibles de favoriser son développement. De plus, la Société peut faire l'acquisition et procéder à la vente de propriétés immobilières pour son compte, tant au Grand-Duché de Luxembourg qu'à l'étranger et elle peut réaliser toutes les opérations afférentes à ces propriétés immobilières.

D'une façon générale, la Société peut prendre toutes mesures de surveillance et de contrôle et effectuer toute opération ou transaction qu'elle considère nécessaire ou utile pour l'accomplissement et le développement de son objet social de la manière la plus large.

Les descriptions ci-dessus doivent être interprétées dans leur sens le plus large et leur énumération n'est pas restrictive. L'objet social couvre toutes les opérations auxquelles la Société participe et tous les contrats passés par la Société, dans la mesure où ils restent compatibles avec l'objet social décrit ci-avant.

5. Capital social

5.1 Capital social émis

Le capital social est fixé à cent soixante-trois millions deux cent vingt-deux mille sept cent sept dollars des Etats-Unis d'Amérique (163.222.707 USD), représenté par cent soixante-trois millions deux cent vingt-deux mille sept cent sept (163.222.707) actions ayant une valeur nominale d'un dollar des Etats-Unis d'Amérique (1 USD) chacune.

5.2 Augmentation du capital social et réduction du capital social

Le capital social de la Société peut être augmenté ou réduit par une résolution prise par l'assemblée générale des actionnaires de la Société (l'**Assemblée Générale**) statuant comme en matière de modification des Statuts, tel que prévu à l'Article 11.

5.3 Apports à un compte de réserve non-distribuable

L'Assemblée Générale est autorisée à approuver les apports effectués sur un compte de réserve non-distribuable de la Société, effectués au moyen de paiements en numéraires ou en nature ou de toute autre manière. Un tel apport en capital sera enregistré dans le compte de réserve non-distribuable de la Société.

Les apports en capital qui sont enregistrés sur ledit compte de réserve non-distribuable de la Société ne peuvent être distribués et/ou réduits qu'en vertu d'une résolution de l'Assemblée Générale adoptée comme en matière de modification des Statuts, conformément à l'Article 11. De telles distributions et/ou réductions peuvent être effectuées conformément à l'Article 22.3.

5.4 Droits préférentiels de souscription

En cas d'émission (i) d'actions ou (ii) d'instruments qui entrent dans le champ d'application de l'article 420-27 de la Loi de 1915, y compris et de manière non exhaustive, des obligations convertibles permettant à leur détenteur de souscrire à des actions ou de s'en voir attribuer libérées par apport en numéraire, en nature ou par incorporation de réserves, les actionnaires disposent de droits préférentiels de souscription au pro rata de leur participation en ce qui concerne toutes ces émissions. Le droit de souscription peut être exercé pendant un délai fixé par le Conseil d'Administration, mais ne peut être inférieur à quatorze (14) jours à compter de la date de publication de l'offre au RESA (Recueil électronique des sociétés et associations) et dans un journal publié au Luxembourg (la **Période d'Exercice**).

À l'issue de la Période d'Exercice, les tiers pourront participer à l'augmentation du capital, sauf au Conseil d'Administration de décider que le droit préférentiel de souscription (le **DPS**) doit être exercé, proportionnellement à la partie du capital que représentent leurs actions, par les détenteurs d'un DPS (les **Détenteurs de DPS**) qui avaient déjà exercé leur droit durant la Période d'Exercice. Les modalités de souscription par les Détenteurs de DPS sont, dans ce cas, définies par le Conseil d'Administration.

L'Assemblée Générale peut supprimer ou limiter le DPS ou autoriser le Conseil d'Administration à le faire (le cas échéant) sous les conditions prescrites à l'article 420-26(5) de la Loi de 1915.

5.5 Autorisation pour le Conseil d'Administration d'augmenter le capital social

(a) Montant de l'autorisation

Le capital autorisé de la Société est fixé à un montant de deux cent vingt-cinq millions de Dollars des Etats Unis d'Amérique (225.000.000 USD) (le **Montant de Capital Autorisé**) représenté par un maximum de deux cent vingt-cinq millions (225.000.000) actions, ayant une valeur nominale d'un Dollar des Etats Unis d'Amérique (1 USD) chacune.

(b) Conditions de l'autorisation

Le Conseil d'Administration est autorisé à augmenter le capital social existant jusqu'au Montant de Capital Autorisé, en une ou plusieurs fois, au cours d'une période commençant le 19 janvier 2018 et se terminant au cinquième anniversaire de cette date (la **Période**) au moyen de : (i) l'émission d'actions en raison d'apports en numéraire, (ii) l'émission d'actions en raison d'apports en nature, et/ou (iii) l'incorporation des bénéfices et réserves distribuables, y compris la prime d'émission.

Le Conseil d'Administration est autorisé à définir les conditions applicables à toute souscription et émission d'actions conformément au pouvoir qui lui est conféré aux termes de cet Article 5.5, et notamment de déterminer le lieu et la date de l'émission ou des émissions successives d'actions, le prix d'émission, l'existence ou non d'une prime d'émission, ainsi que les modalités de paiement des actions en vertu de tout document ou contrat y compris et de manière non-exhaustive un prêt convertible, un contrat d'option ou un plan d'options sur actions.

Durant la Période, le Conseil d'Administration est autorisé à émettre des obligations convertibles ou tous autres instruments de dettes convertibles, des obligations assorties d'un droit de souscription et autres instruments permettant à leur détenteur de souscrire à des actions ou de se voir attribuer des actions, tels que, de manière non-exhaustive, des warrants (les **Instruments**), dans les limites du Montant de Capital Autorisé. Les actions devant être émises en conséquence de l'exercice des droits attachés aux Instruments peuvent être payées par un apport en numéraire, un apport en nature, ou au moyen de l'incorporation de bénéfice et de réserves distribuables, en ce compris la prime d'émission, pendant ou après la Période.

Le Conseil d'Administration est autorisé à (i) déterminer les conditions applicables aux Instruments, y compris le prix, le taux d'intérêt, le prix d'exercice, le taux de conversion ou le taux de change, ainsi que les modalités de remboursement, et (ii) émettre lesdits Instruments.

(c) Autorisation de supprimer ou de limiter les droits préférentiels de souscription

Le Conseil d'Administration est autorisé à supprimer ou limiter les droits préférentiels de des actionnaires prévus par la Loi de 1915, tels que reflétés dans l'Article 5.4, portant sur l'émission de nouvelles actions et d'Instruments effectuée conformément à l'autorisation accordée en vertu de l'Article 5.5.

(d) Modification des Statuts consécutive à une augmentation de capital

L'Article 5 des présents Statuts sera modifié de façon à refléter chaque augmentation du capital effectuée en vertu de l'autorisation accordée au Conseil d'Administration conformément à l'Article 5, et le Conseil d'Administration prendra lui-même ou autorisera toute personne à prendre toutes les mesures nécessaires afin de faire constater par-devant notaire l'augmentation de capital social et les modifications consécutives des Statuts.

6. Actions

6.1 Forme des actions

Les actions de la Société sont exclusivement nominatives.

6.2 Registre des actionnaires et certificats constatant les inscriptions dans le registre

Un registre des actionnaires est tenu au siège social de la Société où il peut être consulté par tout actionnaire. Ce registre contient le nom de chaque actionnaire, sa résidence ou son domicile élu, le nombre d'actions qu'il détient, la valeur nominale ou le pair comptable payé pour chacune des actions, les émissions d'actions, les cessions d'actions et les dates desdites émissions et cessions d'actions. La propriété des actions nominatives est établie par l'inscription dans le registre ou dans les cas où des registres différents auraient été désignés, en vertu de ce qui est décrit ci-dessous.

La Société peut nommer des teneurs de registre dans différentes juridictions qui tiendront chacun un registre séparé pour les actions nominatives y inscrites et les détenteurs d'actions ordinaires pourront choisir d'être inscrits dans l'un des registres et d'être transférés au fil du temps d'un registre à un autre registre. Le conseil d'administration peut toutefois imposer des restrictions au transfert pour les actions ordinaires inscrites, cotées, traitées ou placées dans certaines juridictions conformément aux exigences applicables dans ces juridictions.

6.3 Dépôt

Sous réserve des dispositions de cet Article 6, lorsque les actions ordinaires sont enregistrées dans le registre des actionnaires au nom et pour le compte d'un système de compensation ou de l'opérateur d'un tel système et enregistré comme entrée dans les comptes d'un dépositaire professionnel ou d'un sous-dépositaire (tout dépositaire et sous-dépositaire désigné ci-après comme un **Dépositaire**), la Société - sous réserve d'avoir reçu du Dépositaire un certificat en bonne et due forme - permettra au Dépositaire de telles entrées en compte d'exercer les droits attachés aux actions ordinaires correspondant aux entrées en compte de l'actionnaire concerné, y compris de recevoir les convocations aux Assemblées Générales, l'admission et le vote aux Assemblées Générales et doit considérer le Dépositaire comme étant l'actionnaire des actions ordinaires aux fins des présents Statuts. Le Conseil d'Administration peut déterminer les conditions de forme auxquelles devront répondre ces certificats.

Sous réserve des dispositions de cet Article 6, la Société fera tous paiements (y compris les paiements de dividendes ou toutes autres distributions) en rapport avec les actions inscrites en le nom du Dépositaire, ou, le cas échéant, déposées auprès d'un d'entre eux, que ce soit en numéraire, en actions ou en d'autre bien, uniquement à un tel Dépositaire, ou selon les instructions d'un tel Dépositaire, et tout paiement effectué de cette façon à un Dépositaire libèrera la Société de toute obligation de paiement.

6.4 Propriété et co-propriété des actions

La Société ne reconnaît qu'un seul détenteur par action. Au cas où une action appartiendrait à plusieurs personnes, la Société aura le droit de suspendre l'exercice de tous droits y attachés jusqu'au moment où une personne aura été désignée comme détenteur unique vis-à-vis de la Société. La personne désignée par les codétenteurs des actions comme détenteur unique des actions envers la Société en toute circonstance doit être nommée en premier dans le registre.

Seul le détenteur unique d'une action nommé en premier dans le registre, tel qu'il a été désigné par tous les codétenteurs de cette action, pourra, en sa capacité d'unique détenteur envers la Société de cette action détenue collectivement, exercer les droits attachés à cette action, y compris mais de façon non limitative : (i) recevoir tout avis de la Société, y compris les convocations aux Assemblées Générales, (ii) assister aux Assemblées Générales et y exercer les droits de vote rattachés à l'action détenue collectivement, et (iii) percevoir les dividendes relatifs à cette action détenue collectivement.

6.5 Rachat d'actions

Sous réserve de dispositions contraires, la Société peut racheter ses propres actions dans les limites définies par la loi.

Les actions rachetées conformément à cet Article 6.5 seront annulées ou détenues pour une durée illimitée par la Société en tant qu'actions de trésorerie (treasury shares) et seront dépourvues de droits de vote et, à moins qu'il en soit décidé autrement par le Conseil d'Administration ou l'Assemblée Générale, selon le cas, de tout droit de distribution que ce soit, auquel cas les distributions exigibles en vertu de ces actions de trésorerie seront allouées, et deviendront exigibles au profit des actions restantes.

De telles actions de trésorerie peuvent être distribuées de temps à autres par le Conseil d'Administration, aux actionnaires existants ou à des tiers, sous réserve du respect de l'Article 7.

7. Transfert d'actions nominatives

Le transfert des actions nominatives peut se faire par une déclaration de transfert écrite qui sera inscrite au registre des actionnaires de la Société, après avoir été datée et signée par le cédant et le cessionnaire ou par des personnes détenant les pouvoirs de représentation nécessaires pour agir à cet effet, et conformément aux dispositions de l'article 1690 du code civil luxembourgeois relatives à la cession de créances.

La Société peut également accepter comme preuve de transfert d'actions d'autres instruments de transfert, dans lesquels les consentements du cédant et du cessionnaire sont établis de manière satisfaisante pour la Société.

8. Obligations

Les obligations émises par la Société seront exclusivement sous forme nominative.

9. Pouvoirs de l'Assemblée Générale

Aussi longtemps que la Société n'a qu'un seul actionnaire, l'Actionnaire Unique a les mêmes pouvoirs que ceux conférés à l'Assemblée Générale. Dans ce cas, toute référence aux décisions prises ou aux pouvoirs exercés par l'Assemblée Générale sera une référence aux décisions prises ou aux pouvoirs exercés par l'Actionnaire Unique. Les décisions de l'Actionnaire Unique sont enregistrées dans des procès-verbaux ou prises par des résolutions écrites, le cas échéant.

Dans l'hypothèse d'une pluralité d'actionnaires, toute Assemblée Générale valablement constituée représente l'ensemble des actionnaires de la Société.

10. Assemblée Générale annuelle des actionnaires – autres Assemblées Générales

L'Assemblée Générale annuelle se tient, conformément à la loi luxembourgeoise, au Grand-Duché de Luxembourg, au siège social de la Société ou à tout autre endroit au Grand-Duché de Luxembourg et à la date indiquée dans l'avis de convocation à l'assemblée.

Les autres Assemblées Générales peuvent se tenir aux lieux et dates spécifiés dans les avis de convocation des assemblées générales en question.

11. Convocation, *quorum*, avis de convocation, procurations et vote

11.1 Droit et obligation de convoquer une Assemblée Générale

Une Assemblée Générale peut être convoquée par le Conseil d'Administration ou par le(s) commissaire(s) aux comptes, le cas échéant. Ils sont obligés de la convoquer de façon à ce qu'elle soit tenue dans un délai d'un mois si des actionnaires représentant un dixième du capital social l'exigent par écrit, en précisant l'ordre du jour. Un ou plusieurs actionnaires représentant au moins un dixième du capital social souscrit peuvent demander l'inscription d'un ou de plusieurs points à l'ordre du jour de toute Assemblée Générale. Cette demande doit être envoyée à la Société au moins cinq (5) jours avant la tenue de l'Assemblée Générale en question.

11.2 Procédure de convocation d'une Assemblée Générale

Les Assemblées Générales sont convoquées conformément aux dispositions de la Loi de 1915 et pour autant que les actions ordinaires de la Société sont inscrites à la cote d'une bourse de valeurs étrangère, conformément aux exigences de ladite bourse étrangère applicables à la Société.

Si tous les actionnaires sont présents ou représentés à l'Assemblée Générale et déclarent avoir été informés de l'ordre du jour de l'Assemblée Générale, celle-ci peut être tenue sans avis de convocation préalable.

Les documents dont il est fait mention à l'article 461-6 de la Loi de 1915 doivent être mis à disposition au siège social de la Société pour consultation par les actionnaires au moins huit (8) jours avant l'Assemblée Générale.

11.3 Droits attachés aux actions

Chaque action confère une voix à son détenteur, sous réserve de ce qui suit :

- (i) Si les actions ordinaires de la Société ne sont pas inscrites à la cote d'une bourse de valeurs étrangère, tous les actionnaires inscrits au registre des actionnaires à la date de l'Assemblée Générale ont le droit d'être admis à l'Assemblée Générale.
- (ii) Si les actions ordinaires de la Société sont inscrites à la cote d'une bourse de valeurs étrangère, tous les actionnaires inscrits dans tout registre des actionnaires de la Société ont le droit d'être admis et de voter aux Assemblées Générales en fonction du nombre d'actions qu'ils détiennent à une date et à une heure précédant l'Assemblée Générale comme étant la date de clôture des registres pour l'admission à l'Assemblée Générale, que le Conseil d'Administration peut fixer telle qu'indiquée dans l'avis de convocation.

Le Conseil d'Administration peut, à sa seule discrétion, suspendre les droits de vote de tout actionnaire dans le cas où cet actionnaire a, par action ou omission, manqué au respect de ses obligations en vertu des Statuts ou de son acte de souscription.

Tout actionnaire peut renoncer, partiellement ou totalement, à l'exercice des droits de vote attachés à tout ou partie de ses actions. Une telle renonciation lie l'actionnaire concerné et s'impose à la Société dès sa notification, par écrit, par l'actionnaire concerné.

11.4 Conditions de quorum et de majorité, et nouvelle convocation d'une Assemblée Générale en cas de quorum non atteint

Sauf disposition contraire de la loi ou des présents Statuts, les décisions de l'Assemblée Générale sont prises à la majorité des voix exprimées par les actionnaires présents ou représentés, aucun quorum de présence n'étant requis.

Toutefois, les décisions visant à modifier les Statuts ou la nationalité de la Société ne peuvent être adoptées que par une Assemblée Générale représentant au moins la moitié du capital social (le **Quorum de Présence**) et dont l'ordre du jour indique les modifications statutaires proposées, et le cas échéant, le texte de celles qui touchent à l'objet ou à la forme de la Société. Si le Quorum de Présence n'est pas atteint, une nouvelle Assemblée Générale peut être convoquée par des annonces déposées auprès du registre de commerce et des sociétés et publiées quinze (15) jours au moins avant l'assemblée générale au RESA (Recueil électronique des sociétés et associations) et dans un journal luxembourgeois. Cette convocation reproduit l'ordre du jour et indique la date et le résultat de la précédente Assemblée Générale. La deuxième Assemblée Générale délibère valablement, quelle que soit la portion du capital représentée. Dans les deux assemblées, les résolutions, pour être valables, doivent réunir les deux tiers au moins des voix exprimées à chacune des Assemblées Générales.

Pour le calcul de la majorité concernant toute résolution d'une Assemblée Générale, les voix exprimées ne doivent pas inclure les voix attachées aux actions pour lesquelles l'actionnaire s'est abstenu de voter, a voté blanc ou nul ou n'a pas pris part au vote.

L'augmentation des engagements des actionnaires ne peut être décidée qu'avec l'accord unanime exprimé par un vote de tous les actionnaires.

Une simple dilution ne sera pas considérée comme un événement déclencheur pour les règles de super-majorité de l'article 450-4 de la Loi de 1915.

11.5 Participation par procuration

Chaque actionnaire peut prendre part à une Assemblée Générale de la Société en désignant par écrit une autre personne, actionnaire ou non, comme son mandataire. Des copies des procurations écrites envoyées par télécopie ou par courriel peuvent être acceptées par l'Assemblée Générale comme preuves de procurations écrites.

11.6 Vote par correspondance

Les actionnaires peuvent voter par écrit au moyen d'un formulaire, à condition que les formulaires portent : (i) les noms, prénoms, adresse et signature de l'actionnaire concerné, (ii) la mention des actions pour lesquelles l'actionnaire exerce son droit, (iii) l'ordre du jour tel que décrit dans la convocation ainsi que les projets de résolutions relatifs à chaque point de l'ordre du jour, et (iv) le vote (approbation, refus, abstention) pour chaque projet de résolution relatif aux points de l'ordre du jour. Pour pouvoir être pris en compte, une copie des formulaires devra être reçue par la Société au moins cinq (5) jours avant la tenue de l'Assemblée Générale.

11.7 Participation à une Assemblée Générale par conférence téléphonique, vidéo conférence ou tout autre moyen de communication similaire

Tout actionnaire de la Société peut participer à une Assemblée Générale par conférence téléphonique, vidéo conférence ou tout autre moyen de communication similaire grâce auquel : (i) les actionnaires participant à la réunion peuvent être identifiés, (ii) toute personne participant à la réunion peut entendre les autres participants et leur parler, (iii) la réunion est retransmise de façon continue, et (iv) les actionnaires peuvent valablement délibérer. La participation à une réunion tenue par un tel moyen de communication équivaudra à une participation en personne à ladite réunion.

11.8 Bureau

Les actionnaires élisent en leur sein un président de l'Assemblée Générale. Le président nomme un secrétaire et les actionnaires nomment un scrutateur. Le président, le secrétaire et le scrutateur forment le bureau de l'Assemblée Générale.

11.9 Procès-verbaux et copies certifiées des réunions de l'assemblée générale

Les procès-verbaux des réunions de l'Assemblée Générale sont signés par les membres du bureau de l'Assemblée Générale et par tout actionnaire qui exprime le souhait de signer.

Cependant, si les décisions de l'Assemblée Générale doivent être certifiées, des copies ou extraits à utiliser devant un tribunal ou ailleurs doivent être signés par le président du Conseil d'Administration, par le secrétaire de ladite Assemblée Générale (qui peut être nommé de temps à autre) ou par deux (2) administrateurs conjointement.

12. Administration de la société

12.1 Nombre d'administrateurs minimum et conditions du mandat d'administrateur

Le Conseil d'Administration est composé d'au moins neuf (9) Administrateurs désignés par le l'Assemblée Générale. Les membres du Conseil d'Administration sont élus pour un mandat de six (6) ans au maximum et sont rééligibles.

12.2 Représentant permanent

Lorsqu'une personne morale est nommée administrateur de la Société (la **Personne Morale**), la Personne Morale doit désigner une personne physique en tant que représentant permanent qui la représentera comme membre du Conseil d'Administration de la Société, conformément à l'article 441-3 de la Loi de 1915.

12.3 Nomination, révocation et cooptation

Les administrateurs sont élus par l'Assemblée Générale. L'Assemblée Générale détermine également le nombre d'administrateurs, leur rémunération et la durée de leur mandat.

Un administrateur peut être révoqué ad nutum et/ou peut être remplacé à tout moment par décision de l'Assemblée Générale.

En cas de vacance d'un poste d'administrateur pour cause de décès, démission ou toute autre motif, les administrateurs restants pourront lors d'une réunion du Conseil d'Administration élire à la majorité des voix un nouvel administrateur afin de pourvoir au remplacement du poste devenu vacant jusqu'à la prochaine Assemblée Générale.

12.4 Règlement intérieur et code de gouvernance sociale

Le Conseil d'Administration peut à tout moment décider d'adopter un/des code(s) de gouvernance sociale stipulant les diverses règles et règlements de gouvernance sociale de la Société applicables au Conseil d'Administration, au comité de direction, et à tous autres comités existant au sein de la Société, y inclus mais sans limitation un comité d'audit et un comité d'affaires et d'acquisitions, le cas échéant.

13. Réunions du conseil d'administration

13.1 Président

Le Conseil d'Administration peut nommer un président (le **Président**) parmi ses membres et peut désigner un secrétaire, administrateur ou non, qui sera en charge de la tenue des procès-verbaux des réunions du Conseil d'Administration. Le Président préside toutes les réunions du Conseil d'Administration. En son absence, les autres membres du Conseil d'Administration élisent un président pro tempore qui préside ladite réunion, au moyen d'un vote à la majorité simple des administrateurs présents ou représentés à la réunion.

13.2 Procédure de convocation d'une réunion du Conseil d'Administration

Les réunions du Conseil d'Administration sont convoquées par le Président, par le secrétaire du Conseil d'Administration (qui peut être nommé de temps à autre), par le secrétaire de la Société ou par deux administrateurs, au lieu indiqué dans l'avis de convocation de la réunion du Conseil d'Administration.

Un avis écrit de toute réunion du Conseil d'Administration est donné à tous les administrateurs au moins vingt-quatre (24) heures avant le jour et l'heure prévus pour la réunion, sauf en cas d'urgence, auquel cas la nature et les motifs de cette urgence sont mentionnés brièvement dans l'avis de convocation.

La réunion peut être valablement tenue sans avis de convocation préalable si tous les administrateurs de la Société sont présents ou représentés lors de la réunion du Conseil d'Administration et déclarent avoir été dûment informés de la réunion et de son ordre du jour. En outre, si tous les membres du Conseil d'Administration sont présents ou représentés à une réunion et décident à l'unanimité d'établir un ordre du jour, la réunion pourra être tenue sans convocation préalable effectuée de la manière décrite ci-dessus.

Tout membre du Conseil d'Administration peut décider de renoncer à la convocation écrite en donnant son accord par écrit. Les copies de ces accords écrits qui sont transmises par télécopie ou par courriel peuvent être acceptées comme preuve des accords écrits à la réunion du Conseil d'Administration. Une convocation écrite spéciale n'est pas requise pour une réunion du Conseil d'Administration se tenant aux lieux et dates prévus dans une résolution préalablement adoptée par le Conseil d'Administration.

13.3 Participation par procuration

Tout membre du Conseil d'Administration peut se faire représenter au Conseil d'Administration en désignant par écrit un autre administrateur comme son mandataire. Des copies des procurations écrites transmises par télécopie ou par courriel peuvent être acceptées comme preuve des procurations à la réunion du Conseil d'Administration.

13.4 Participation par conférence téléphonique, vidéo conférence ou tout autre moyen de communication similaire

Tout administrateur peut participer à une réunion du Conseil d'Administration par conférence téléphonique, vidéo conférence ou tout autre moyen de communication similaire grâce auquel (i) les administrateurs participant à la réunion peuvent être identifiés, (ii) toute personne participant à la réunion peut entendre les autres participants et leur parler, (iii) la réunion est retransmise de façon continue, et (iv) les administrateurs peuvent valablement délibérer. La participation à une réunion du Conseil d'Administration tenue par un tel moyen de communication équivaut à une participation en personne à une telle réunion. Une réunion du Conseil d'Administration tenue par un tel moyen de communication est réputée avoir lieu à Luxembourg.

13.5 Procédure

(a) Conditions de quorum et de majorité

Le Conseil d'Administration ne peut valablement délibérer et prendre des décisions que si la moitié au moins des administrateurs est présente ou représentée. Les décisions sont prises à la majorité des voix exprimées par les administrateurs présents ou représentés. Si un administrateur s'est abstenu de voter ou n'a pas pris part au vote, son abstention ou sa non participation ne sont pas prises en compte pour le calcul de la majorité.

(b) Participation par procuration

Un administrateur peut représenter plusieurs administrateurs en vertu d'une procuration, à condition toutefois que deux administrateurs au moins soient présents à la réunion.

(c) Voix prépondérante du Président

Au cas où lors d'une réunion, il existe une parité des voix pour et contre une résolution, la voix du Président ou du président pro tempore de la réunion, le cas échéant, est prépondérante.

13.6 Conflits d'intérêts

(a) Procédure relative aux conflits d'intérêts

Lorsqu'un administrateur de la Société a, directement ou indirectement, un intérêt de nature patrimoniale opposé à celui de la Société dans une opération de la Société soumise à l'approbation du conseil d'administration, ledit administrateur est tenu d'en prévenir le conseil d'administration lors de la réunion du conseil d'administration et de faire mentionner cette déclaration au procès-verbal de la réunion. L'administrateur ne peut pas prendre part aux délibérations portant sur cette opération, n'est pas comptabilisé dans le calcul du quorum, et ne peut pas voter les résolutions relatives à cette opération. L'opération et l'intérêt opposé de l'administrateur doivent être signalés à l'Assemblée Générale suivante.

(b) Exceptions concernant un conflit d'intérêts

L'Article 13.6(a) ne s'applique pas aux résolutions du Conseil d'Administration relatives à des opérations courantes de la Société et conclues dans des conditions normales.

Tout administrateur de la Société qui occupe des fonctions d'administrateur, gérant, agent ou employé de toute société ou entreprise avec laquelle la Société est ou sera engagée dans des relations d'affaires ou des contrats ne sera pas considéré, du seul fait de ces relations avec ces autres sociétés ou entreprises, comme ayant un intérêt opposé à celui de la Société dans le cadre du présent Article 13.6.

(c) Impact sur le quorum

Lorsque, en raison d'un conflit d'intérêts, le nombre d'administrateurs requis en vue de délibérer et de voter n'est pas atteint, le Conseil d'Administration peut décider de soumettre la décision sur le point en question à l'Assemblée Générale.

13.7 Résolutions écrites

Nonobstant les dispositions qui précèdent, une résolution du Conseil d'Administration peut également être prise par écrit. Une telle résolution doit consister en un seul ou plusieurs documents contenant les résolutions signées par chaque administrateur manuellement ou électroniquement par une signature électronique conforme aux exigences de la loi luxembourgeoise. La date d'une telle résolution est la date de la dernière signature.

14. Procès-verbaux des réunions du Conseil d'Administration

14.1 Signature des procès-verbaux

Les procès-verbaux des réunions du Conseil d'Administration sont signés par le Président ou le président *pro tempore*, le cas échéant ou par tous les administrateurs ayant assisté à la réunion.

14.2 Signature des copies ou extraits des procès-verbaux

Les copies ou extraits de procès-verbaux, ou les résolutions écrites du Conseil d'Administration ou de l'Administrateur Unique, le cas échéant, destinés à servir en justice ou ailleurs sont signés par le Président, par le secrétaire du Conseil d'Administration (qui peut être nommé de temps à autre) ou par deux membres du Conseil d'Administration.

15. Pouvoirs du Conseil d'Administration

Le Conseil d'Administration est investi des pouvoirs les plus étendus pour accomplir tous les actes nécessaires ou utiles se rapportant à l'objet de la Société. Tous les pouvoirs non expressément réservés par la Loi de 1915 ou par les Statuts à l'Assemblée Générale sont attribués au Conseil d'Administration.

16. Délégation de pouvoirs

16.1 Gestion journalière

Le Conseil d'Administration peut nommer un ou plusieurs délégués à la gestion journalière, qui peuvent être actionnaires ou membres du Conseil d'Administration ou non, et qui auront les pleins pouvoirs pour agir au nom de la Société pour tout ce qui concerne la gestion journalière de la Société.

16.2 Comité de direction

La direction de la Société sera déléguée à un comité de direction composé d'un minimum de quatre (4) membres, dont un directeur général, un directeur financier et d'autres membres de la haute direction, notamment, désignés de temps en temps par le Conseil d'Administration.

Le comité de direction dispose des pouvoirs les plus étendus en droit luxembourgeois, notamment pour :

- gérer toutes les opérations quotidiennes de la Société d'un point de vue opérationnel;
- évaluer et proposer des stratégies commerciales et mettre en œuvre des stratégies et des politiques approuvées par le Conseil d'Administration;
- élaborer des processus d'identification, d'évaluation, de surveillance et d'atténuation des risques;
- mettre en place des systèmes de contrôle interne appropriés et assurer le suivi de l'efficacité de ce système, et rendre compte au Conseil d'Administration de la conformité à ses objectifs;
- analyser et proposer le budget de l'exercice financier complet et évaluer l'atténuation des variables internes et de marché;
- identifier et mettre en œuvre des synergies commerciales entre la Société et les filiales de la Société;
- proposer la délégation de pouvoirs aux dirigeants et aux superviseurs, qui soit conforme aux politiques et aux procédures établies par le Conseil d'Administration; et
- approuver et mettre en œuvre (i) tout emprunt sous quelque forme que ce soit par la Société, (ii) le prêt de fonds aux filiales, sociétés affiliées de la Société ou autres sociétés, (iii) les garanties de la Société et l'octroi de sûretés sur tout actif de la Société y compris, sans limitation, par gage, transfert ou sûreté, en faveur ou au profit de tiers pour garantir les obligations de la Société ou les obligations de ses filiales, sociétés affiliées ou toute autre société et (iv) tout autre swap, contrat à terme, dérivé, option, rachat, prêt de titres et opérations similaires.

Lorsqu'un comité de direction est nommé, le Conseil d'Administration est responsable de la supervision et du contrôle du comité de direction.

16.3 Représentant permanent de la Société

Le Conseil d'Administration peut nommer une personne, actionnaire ou non, administrateur ou non, en qualité de représentant permanent de toute entité dans laquelle la Société est nommée comme membre du conseil d'administration. Ce représentant permanent agira de son propre chef, au nom et pour le compte de la Société, et engagera la Société en sa qualité de membre du conseil d'administration d'une telle entité.

16.4 Délégation de pouvoirs pour l'exercice de certaines missions

Le Conseil d'Administration est aussi autorisé à nommer une personne, administrateur ou non, pour l'exécution de missions spécifiques à tous les niveaux de la Société.

16.5 Délégation à des comités spécifiques

Le Conseil d'Administration peut décider la création de comités spécifiques conformément à l'article 441-6 de la Loi de 1915, y compris, sans y être limité, un comité d'audit, de rémunération et/ou de nomination. La composition de ces comités et les pouvoirs qui leurs sont conférés sont déterminés par le Conseil d'Administration. Les comités spécifiques exercent leurs activités sous la responsabilité du Conseil d'Administration.

17. Signatures autorisées

17.1 Pouvoir de signature des administrateurs

La Société est engagée en toutes circonstances vis-à-vis des tiers par la signature conjointe de deux membres du Conseil d'Administration de la Société.

17.2 Pouvoirs de signature concernant la gestion journalière

En ce qui concerne la gestion journalière, la Société sera engagée par la signature ou par la signature conjointe de deux personnes nommées à cet effet, conformément à l'Article 16.1 ci-dessus.

17.3 Pouvoirs de signature du directeur général ou des membres du comité de direction

la Société est engagée vis-à-vis des tiers par la signature conjointe (i) de deux membres du comité de direction ou (ii) d'un membre du comité de direction avec un membre du Conseil d'Administration.

17.4 Pouvoirs spécifiques

La Société est en outre engagée par la signature conjointe de toutes personnes ou la signature unique de toute personne à qui de tels pouvoirs de signature auront été délégués par la Société, et ce uniquement dans les limites des pouvoirs qui leur auront été conférés.

18. Indemnisation des administrateurs et agents

18.1 Non-responsabilité pour manquement à une obligation fiduciaire

Dans toute la mesure permise par la loi luxembourgeoise ou toute autre loi applicable telle qu'elle existe actuellement et telle qu'elle pourrait être modifiée, aucun administrateur de la Société ne sera personnellement tenu responsable envers la Société ou ses actionnaires des dommages pécuniaires pour violation de la responsabilité fiduciaire en tant qu'administrateur.

18.2 Indemnisation relative aux actions intentées par les tiers

La Société indemnifiera toute personne qui était ou qui est partie ou qui est menacée d'être partie à toute action, poursuite ou procédure, qu'elle soit civile, criminelle, administrative ou d'enquête, menacée, en instance ou terminée (autre qu'une action par ou au bénéfice de la Société) en raison du fait que la personne est ou était un administrateur ou un agent de la Société, ou est ou était en service à la demande de la Société en tant qu'administrateur ou agent d'une autre Société, partenariat, co-entreprise (joint-venture), fiducie ou toute autre entreprise, contre les dépenses (y compris les honoraires de conseils et d'avocats), jugements, amendes et montants payés en règlement réellement et raisonnablement engagés par la personne dans le cadre de cette action, poursuite ou procédure si la personne a agi de bonne foi et peut raisonnablement croire être dans l'intérêt supérieur de la Société ou ne pas s'y opposer, et, relativement à toute poursuite criminelle ou procédure, n'avoir aucun motif raisonnable de croire que la conduite de la personne était illégale; à l'exception des procédures visant à faire valoir des droits à l'indemnisation ou à l'avancement des dépenses, la Société ne sera pas tenue d'indemniser un tel administrateur ou agent (ou ses héritiers, exécuteurs ou représentants personnels ou légaux) dans le cadre d'une procédure (ou une partie de celle-ci) initiée par cette personne, sauf si cette procédure (ou une partie de celle-ci) a été autorisée ou consentie par le Conseil d'Administration. Le terme de toute action, poursuite ou procédure par jugement, ordonnance, règlement, déclaration de culpabilité ou sur un plaidoyer de nolo contendere ou son équivalent ne doit pas, en soi, créer une présomption que la personne n'a pas agi de bonne foi et d'une manière que la personne croit raisonnablement être ou non opposée à l'intérêt supérieur de la Société et, relativement à toute poursuite ou procédure criminelle, a des motifs raisonnables de croire que la conduite de la personne était illégale.

18.3 Indemnisation dans des actions par ou dans le droit de la Société

La Société indemnifiera toute personne qui était ou est partie ou qui est menacée d'être partie à toute action ou poursuite menacée, en cours ou terminée par ou au bénéfice de la Société d'obtenir un jugement en sa faveur en raison du fait que la personne est ou était un administrateur ou un agent de la Société, ou est ou servait à la demande de la Société en tant qu'administrateur ou agent d'une autre Société, partenariat, coentreprise (joint-venture), fiducie ou autre entreprise contre des dépenses (y compris des conseils et honoraires d'avocat) réellement et raisonnablement engagés par la personne dans le cadre de la défense ou du règlement d'une telle action ou poursuite si la personne a agi de bonne foi et d'une manière qu'elle croyait raisonnablement opposée ou non à l'intérêt supérieur de la Société et sauf qu'aucune indemnisation ne sera faite à l'égard de toute réclamation, question ou question quant à laquelle cette personne aura été déclarée responsable envers la Société à moins et dans la mesure où le tribunal auprès duquel une telle action ou une poursuite a été intentée, détermine, sur demande, que, malgré le jugement de responsabilité, mais compte tenu de toutes les circonstances de l'affaire, cette personne a droit à une indemnité raisonnable pour les frais qu'elle juge convenables; à l'exception des procédures visant à faire valoir des droits à l'indemnisation ou à l'avancement des dépenses, la Société ne sera pas tenue d'indemniser un tel administrateur ou agent (ou ses héritiers, exécuteurs ou représentants personnels ou légaux) dans le cadre d'une procédure (ou une partie de celle-ci) initiée par cette personne, sauf si cette procédure (ou une partie de celle-ci) a été autorisée ou consentie par le Conseil d'Administration.

18.4 Avance des dépenses

Le droit à indemnisation conféré aux Articles 18.2 et 18.3 inclura le droit à l'avance par la Société de tous les frais (y compris, sans limitation, honoraires et frais d'avocats) engagés pour défendre une telle procédure avant sa disposition finale (une **Avance**); toutefois, si la loi applicable l'exige, une Avance encourue par une personne à indemniser en sa qualité d'administrateur ou d'agent ne sera effectué que lors de la remise à la Société d'un engagement (l'**Engagement**), par ou au nom de ladite personne, de rembourser, sans intérêt, tous les montants ainsi avancés s'il est finalement déterminé par une décision judiciaire définitive dont il n'existe plus aucun droit de recours que cette personne n'a pas le droit d'être indemnisé pour de telles dépenses.

18.5 Assurance et autre protection similaire

La Société peut acheter et maintenir une assurance ou fournir une protection similaire ou prendre d'autres dispositions, y compris, mais sans s'y limiter, fournir un fonds en fidéicommis, une lettre de crédit ou un cautionnement au nom des administrateurs ou agents de la Société contre toute responsabilité en tant qu'administrateur ou agent de la Société.

19. Commissaire(s) – Réviseur d'entreprises agréé ou cabinet de révision agréé

L'Assemblée Générale désignera un ou plusieurs réviseurs d'entreprises agréés ou cabinets de révision agréés afin de procéder à l'audit des comptes annuels de la Société conformément à la loi luxembourgeoise applicable. Le ou les réviseur(s) d'entreprises agréé(s) ou cabinet(s) de révision agréé(s) est/sont nommé(s) par l'Assemblée Générale conformément aux dispositions des contrats de prestation de services conclus entre ces derniers et la Société. Le ou les réviseur(s) d'entreprises agréé(s) ou cabinet(s) de révision agréé(s) ne peuvent être révoqués par l'Assemblée Générale que pour justes motifs.

20. Exercice social

L'exercice social commence le 1^{er} janvier de chaque année et se termine le 31 décembre de chaque année.

21. Comptes annuels

21.1 Responsabilité du Conseil d'Administration ou de l'Administrateur Unique

Le Conseil d'Administration dresse les comptes annuels de la Société qui seront soumis à l'approbation de l'Assemblée Générale lors de l'Assemblée Générale annuelle.

21.2 Soumission des comptes annuels au(x) commissaire(s) aux comptes

Au plus tard un (1) mois avant l'Assemblée Générale annuelle, le Conseil d'Administration soumet les comptes annuels ainsi que le rapport du Conseil d'Administration (le cas échéant) et tous autres documents afférents prescrits par la loi à l'examen du ou des réviseur(s) d'entreprises agréé(s) qui rédige(nt) un rapport sur cette base.

21.3 Consultation des documents au siège social

Les comptes annuels, le rapport du Conseil d'Administration (le cas échéant), le rapport du/des réviseur(s) d'entreprises agréé(s)/cabinet(s) de révision agréé(s), selon le cas, ainsi que tous les autres documents requis par la loi sont déposés au siège social de la Société au moins huit (8) jours avant l'Assemblée Générale annuelle. Ces documents y sont mis à la disposition des actionnaires qui peuvent les consulter durant les heures de bureau ordinaires.

22. Affectation des résultats

22.1 Affectation à la réserve légale

Il est prélevé sur le bénéfice net annuel de la Société cinq pour cent (5%) qui sont affectés à la réserve légale. Ce prélèvement cessera d'être obligatoire lorsque la réserve légale aura atteint dix pour cent (10%) du capital social de la Société, et il deviendra à nouveau obligatoire si la réserve légale descend en dessous du seuil de dix pour cent (10%) du capital social de la Société.

22.2 Affectation des résultats par l'Assemblée Générale lors de l'Assemblée Générale annuelle

Lors de l'Assemblée Générale annuelle, l'Assemblée Générale décide de l'affectation des résultats annuels, ainsi que la distribution de dividendes, le cas échéant, conformément à l'Article 22.1 et aux règles applicables aux distributions prévues dans le présent Article 22.

22.3 Règles de distribution

Lorsque l'Assemblée Générale décide de distributions au profit des actionnaires, au moyen de distributions de dividendes, de rachats d'actions ou de toute autre manière, prélevées sur les bénéfices et les réserves distribuables disponibles à cet effet, y compris la prime d'émission, ces distributions sont effectuées sur toutes les actions au prorata.

22.4 Dividendes intérimaires

(a) Distribution de dividendes intérimaires par le Conseil d'Administration

Conformément à l'article 461-3 de la Loi de 1915, des dividendes intérimaires peuvent être distribués à tout moment, par le Conseil d'Administration, dans le respect des conditions cumulatives suivantes:

- (i) un état comptable est établi par le Conseil d'Administration (l'Etat Comptable Intérimaire) (l'Etat Comptable Intérimaire doit faire l'objet d'un examen par un commissaire ou un réviseur d'entreprises agréé, selon le cas;
- (ii) cet Etat Comptable Intérimaire montre qu'il y a suffisamment de bénéfices et d'autres réserves (y compris, et sans restriction, la prime d'émission) disponibles pour distribution, étant entendu que le montant à distribuer ne peut excéder les bénéfices réalisés depuis la fin du dernier exercice social pour lequel les comptes annuels ont été approuvés, le cas échéant, augmenté des bénéfices reportés et des réserves distribuables, et diminué des pertes reportées et du montant à allouer à la réserve légale;
- (iii) la décision de distribuer des dividendes intérimaires est prise par le Conseil d'Administration dans les deux (2) mois de la date de l'Etat Comptable Intérimaire ; et
- (iv) les droits des créanciers de la Société ne sont pas menacés, compte-tenu des actifs de la Société.

Si les dividendes intérimaires versés excèdent le montant des bénéfices distribuables à la fin de l'exercice, l'excès en question, tel que reconnu par l'Assemblée Générale annuelle, doit, sauf décision contraire du Conseil d'Administration lors de la déclaration de dividendes, être considéré comme étant un acompte sur les dividendes futurs.

(b) Distribution de dividendes intérimaires par l'Assemblée Générale

Sans préjudice de la compétence du Conseil d'Administration prévue à l'Article 22.4(a) ci-dessus, l'Assemblée Générale peut également distribuer des dividendes intérimaires de temps à autres, sous réserve de respecter les mêmes conditions (y compris l'examen de l'Etat Comptable Intérimaire).

22.5 Paiement des dividendes

Les dividendes peuvent être payés en Dollars der Etats Unis ou en toute autre devise choisie par le Conseil d'Administration ou l'Assemblée Générale et doivent être payés aux lieux et dates déterminés par le Conseil d'Administration, dans les limites de toute décision prise à ce sujet par l'Assemblée Générale (le cas échéant).

Les dividendes peuvent être payés en nature au moyen d'actifs de toute nature, et ces actifs doivent être évalués par le Conseil d'Administration selon les méthodes d'évaluation déterminés à sa seule discrétion.

23. Dissolution et liquidation**23.1 Principes applicables à la dissolution et la liquidation**

La Société peut être dissoute, à tout moment, par une décision de l'Assemblée Générale statuant comme en matière de modification des Statuts, tel que stipulé à l'Article 11. En cas de dissolution de la Société, il sera procédé à la liquidation par les soins d'un ou de plusieurs liquidateurs (qui peuvent être des personnes physiques ou morales), et qui seront nommés par délibération de l'Assemblée Générale décidant de cette liquidation. L'Assemblée Générale déterminera également les pouvoirs et la rémunération du ou des liquidateurs.

23.2 Distribution du boni de liquidation

Lors de la liquidation de la Société, les avoirs excédentaires de la Société disponibles pour être distribués aux actionnaires le seront distribués conformément aux règles sur la distribution tel que définit sous l'Article 23, au moyen de paiement d'acomptes ou après le remboursement (ou la consignation des sommes nécessaires, le cas échéant) des dettes de la Société.

24. Droit applicable

Toutes les questions qui ne sont pas régies expressément par les présents Statuts seront déterminées conformément au droit luxembourgeois.

DESCRIPTION OF SHARE CAPITAL

We are a limited liability company (société anonyme) incorporated in the Grand Duchy of Luxembourg. The following is a summary of the material terms of our common shares, par value U.S.\$1.00 nominal value per share (the “Common Shares”), which are the only type and class of securities of the Company that are registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”), as amended.

Type and Class of Securities

Our authorized share capital consists of 163,222,707 Common Shares, all of which have been validly issued, fully paid and are non-assessable. Our Common Shares are listed on the New York Stock Exchange under the symbol “CAAP” and may be freely transferred under our amended articles of association, subject to applicable law.

Common Shares

Common Shares are issued in registered form only and no certificates will be issued. The Company is entitled to treat the registered holder of any share as the absolute owner thereof and is not bound to recognize any equitable claim or other claim or interest in such share on the part of any other person.

Issuance of Common Shares

Our shareholders have authorized the board of directors to issue Common Shares up to the maximum amount of the authorized unissued share capital of the Company for a period of five years from the date of the deed granting such authorization, which period may be renewed, to such persons, and on such terms and for such consideration as the board of directors may determine.

Pre-emptive Rights

In the event of any capital increase whether in cash or in kind, the holders of our Common Shares shall have pre-emptive rights to subscribe for additional common shares proportionally to their existing equity in the share capital of the Company, except as noted below. The exercise period for such pre-emptive rights is determined by the board of directors, but must be at least 14 days from the date of the publication of the offering in the *Recueil électronique des sociétés et associations* and a journal published in Luxembourg. If holders of Common Shares do not elect to exercise their pre-emptive rights, the other holders of pre-emptive rights shall benefit from secondary pre-emptive subscription rights for unsubscribed shares; provided, however, that the general meeting (or the board of directors, as authorized by the general meeting) may limit or withdraw such pre-emptive subscription rights in accordance with applicable law and our articles of association. The board of directors is also authorized for a period of five years commencing on January 19, 2018, to cancel or limit the pre-emptive rights of the shareholders in accordance with our articles of association and in connection with the issuance of shares (i) for payment in cash or in kind, or (ii) in connection with a conversion of profits and reserves (including share premium and capital surplus).

Meetings of Shareholders

The board of directors shall convene at least one general shareholders meeting each calendar year (the “annual general meeting”) for the purpose of, among other things, approving the annual accounts, deciding on the allocation of the annual profit, if any, and as the case may be, electing or renewing the mandates of directors. Under Luxembourg law, the annual general meeting must be held within six months of the end of the fiscal year. A general meeting can be adjourned at the request of one or more shareholders representing at least 10.0% of the issued share capital.

The board of directors may convene a general meeting whenever in its judgment such a meeting is necessary. The board of directors must convene a general meeting within a period of one month upon notice, which notice must set forth certain information specified in the articles of association, to the Company from shareholders holding at least the 10.0% threshold on the date of such notice. In addition, one or more shareholders who together hold at least 10.0% of the issued share capital on the date of the notice to the Company, which notice must set forth certain information specified in the articles of association, may require that the Company include on the agenda of such general meeting one or more additional items. At least eight days’ notice to shareholders is required for a general meeting. No business may be transacted at a general meeting, other than business that is properly brought before the general meeting in accordance with our articles of association.

Voting Rights

Holders of our Common Shares are entitled to one vote per share on all matters submitted to a vote of holders of Common Shares. Luxembourg law does not provide for cumulative voting in the election of directors. Voting of shareholders at a general meeting may be in person, by proxy or by voting bulletin. Our articles of association specify how the Company shall determine the shareholders of record entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof.

Amendments to the Articles of Association

Except where our articles of association authorize the board of directors to approve an increase in share capital and change the registered office and subsequently record such change in the presence of a Luxembourg notary, our articles of association require a special resolution approved at an extraordinary general shareholders meeting to amend the articles of association. The agenda of the extraordinary general shareholders meeting must indicate the proposed amendments to the articles of association. Any resolutions to amend the articles of association must be taken before a Luxembourg notary and such amendments must be published in accordance with Luxembourg law. Resolutions to amend the articles of association may only be passed in a general meeting where at least one half of the share capital is represented, and the agenda indicates the proposed amendments to the articles of association, and the text of those which pertain to the purpose or the form of the Company. If the required quorum is not obtained, a second general meeting may be convened by an announcement filed with the Luxembourg Trade and Companies Register and published in the RESA and in a Luxembourg newspaper at least 15 days before the relevant meeting. The applicable majority shall be 66.67% of all votes validly cast.

Variation of Share Rights

Under Luxembourg law, where a resolution of an extraordinary general shareholders meeting will change the rights of our Common Shares or any other outstanding class of shares, the resolution must, in order to be valid, fulfill the quorum and voting requirements for an extraordinary general meeting with respect to each such class.

Permitted Transfers of Common Shares

The Common Shares are freely transferable subject to compliance with transfer formalities under applicable law.

Dividend Rights

Under Luxembourg law, dividends may only be declared from the freely available distributable reserves of the Company. Interim dividends may be declared by the board of directors, subject to certain mandatory legal requirements as detailed in the articles of association. The general shareholders meeting would in the normal course be asked to declare as final the interim dividends paid during the year. The shareholders may declare dividends at a general meeting, but, in accordance with the articles of association, such dividends may not exceed the amount recommended by the board of directors.

Dividends may be paid in U.S. dollars, Euro or any other currency chosen by the board of directors and dividends may be paid at such places and times as may be determined by the board of directors within the limits of any decision made at the general shareholders meeting. Dividends may also be paid in kind in assets of any nature, and the valuation of those assets shall be established by the board of directors according to valuation methods determined in its discretion.

Distributions on winding up of the Company

The Company may be dissolved, at any time, by a resolution of the general meeting adopted in the manner required for amendment of the articles of association. In the event of dissolution of the Company, the liquidation shall be carried out by one or more liquidators (who may be physical persons or legal entities) appointed by the general meeting which authorized such liquidation. The general meeting shall also determine the powers and the remuneration of the liquidator(s). Under the liquidation of the Company, the surplus assets of the Company available for distribution among shareholders shall be distributed in accordance with the rules on distributions set forth in our articles of association, by way of advance payments or after payment (or provisions, as the case may be) of the Company's liabilities.

Registration Rights and Indemnification Agreement

We entered into a registration rights and indemnification agreement with the Majority Shareholder. This agreement grants the Majority Shareholder the right to demand up to five registrations for the sale of our Common Shares. Additionally, the agreement provides the Majority Shareholder and its affiliate transferees customary "piggyback" registration rights. The registration rights and indemnification agreement also provide that we will pay certain expenses relating to such registrations and indemnify such holders of registrable securities against certain liabilities, which may arise under the Securities Act.

Common Shares

Board of Directors

Our articles of association provide that our business is to be managed and conducted by or under the direction of our board of directors. In managing the business of the Company, the board of directors is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company. All powers not expressly reserved by the Luxembourg Companies law or by the articles of association to the general shareholders meeting shall fall within the authority of the board of directors.

Our board of directors is composed of up to nine directors, appointed by the general shareholders meeting. The members of the board of directors shall be elected for a term not exceeding six years, and shall be eligible to stand for re-election. A director may be removed with or without cause and/or replaced, at any time, by a resolution adopted at the general shareholders meeting. The general shareholders meeting shall also determine the number of directors, the remuneration and their term of office. In the event of any director vacancy, the remaining directors may elect at a meeting of the board of directors, by majority vote, to fill such vacancy or vacancies, as the case may be, until the following general shareholders meeting.

Mergers and de-mergers

A merger by absorption whereby a Luxembourg company, after its dissolution without liquidation, transfers to the absorbing company all of its assets and liabilities in exchange for the issuance to the shareholders of the company being acquired of shares in the acquiring company, or a merger effected by transfer of assets to a newly incorporated company, must, in principle, subject to certain exceptions, be approved by a special resolution of shareholders of the Luxembourg company to be held before a notary. Similarly, a de-merger of a Luxembourg company is, in principle, subject to certain exceptions subject to the approval by a special resolution of shareholders.

Shareholder Suits and Information Rights

Class actions and derivative actions are generally not available to shareholders under Luxembourg law. Minority shareholders holding securities entitled to vote at the general meeting that resolved on the granting of discharge to the directors, and holding at least 10.0% of the voting rights of the Company may bring an action against the directors on behalf of the Company.

Minority shareholders holding at least 10.0% of the voting rights of the Company may also ask the directors questions in writing concerning acts of management of the Company or one of its subsidiaries, and if the Company fails to answer these questions within one month, these shareholders may apply to the Luxembourg courts to appoint one or more experts instructed to submit a report on these acts of management. Furthermore, consideration would be given by a Luxembourg court in summary proceedings to acts that are alleged to constitute an abuse of majority rights against the minority shareholders.

Indemnification of Directors and Officers

Our articles of association provide that we will, to the extent permitted by law, indemnify our directors and officers against liability and expenses reasonably incurred or paid by them in connection with claims, actions, suits or proceedings in which they become involved as a party or otherwise by virtue of performing or having performed as a director or officer, and against amounts paid or incurred by them in the settlement of such claims, actions, suits or proceedings, if such person acted in good faith and in a manner the person reasonably believed to be in, and not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The indemnification extends, among other things, to legal fees, costs and amounts paid in the context of a settlement. We intend to enter into separate indemnification agreements with our directors and executive officers. Except for proceedings to enforce rights to indemnification or advancement of expenses, we shall not be obligated to indemnify any such officer or director in connection with a proceeding initiated by such person when such proceeding (or part thereof) was consented to by the board of directors.

Our articles of association provide that we may purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit or surety bond on behalf of our directors or officers against any liability asserted against them in their capacity as a director or officer.

Access to Books and Records and Dissemination of Information

The register of shareholders of the Company is open to inspection, at the Company's registered office, by shareholders.

Each year, the shareholders have the right to inspect, at the Company's registered office, for at least eight calendar days prior to the annual general meeting, among other things, (i) the annual accounts, as well as the list of directors and of the statutory auditors, (ii) the report of the statutory auditors and (iii) in case of amendments to our articles of association, the text of the proposed amendments and the draft of the resulting consolidated articles of association. Each shareholder is entitled to obtain these free of charge, upon request. Under Luxembourg law, it is generally accepted that a shareholder has the right to receive responses to questions concerning items on the agenda for a general meeting of shareholders, if such responses are necessary or useful for a shareholder to make an informed decision concerning such agenda item, unless a response to such questions could be detrimental to our interests.

Registrar and Transfer Agent

We have appointed American Stock Transfer & Trust Company, LLC. as our U.S. registrar and transfer agent.

Repurchase of Common Shares

Pursuant to our articles of association, our board of directors may redeem our Common Shares in accordance with Luxembourg law on such terms and in such manner as may be authorized by the general meeting of shareholders in an ordinary resolution, subject to the rules of any stock exchange on which our Common Shares are traded.

Reduction of Share Capital

The share capital of the Company may be reduced by a resolution adopted by the general meeting of shareholders in the manner required for the amendment of the articles of association.

Non-Distributable Reserve

Our articles of association provide for the creation of a non-distributable reserve. We recorded this non-distributable reserve in the amount of U.S.\$ 1,351.9 million resulting from the Reverse Stock Split. The non-distributable reserve may be reduced by a resolution adopted by the general meeting of shareholders or by an amendment of the articles of association.

Annual Accounts

The board of directors shall draw up the annual accounts of the Company that shall be submitted to the approval of the shareholders at the annual general meeting. Except in some cases provided for by Luxembourg law, our board of directors must also annually prepare management reports on the annual accounts and consolidated accounts. The annual accounts and consolidated accounts are audited by an approved statutory auditor (*réviseur d'entreprises agréé*).

The annual accounts and the consolidated accounts, after approval by the annual ordinary general meeting of shareholders, will be filed with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés of Luxembourg*).

TECHNICAL CONDITIONS FOR THE EXTENSION

The Organismo Regulador del Sistema Nacional de Aeropuertos (hereinafter called, ORSNA), represented in this act by its President Carlos Pedro Mario Anibal Lugones Aignase and its Vice- president Fernando Muriel, and the Concessionaire Aeropuertos Argentina 2000 S.A. (hereinafter called, indistinctly, “the Concessionaire” or “AA2000”), represented in this act by its President Eng. Martín Antranik Eurnekian, both jointly called, “the Parties” meet to set forth the technical conditions for the Extension of the Concessions of the airports that are part of Group “A” of the National Airport System.

FIRST: CONCESSION PERIOD

Pursuant to the contract structure of the Concession, the ORSNA recommends the National Executive Power to extend the concession period for TEN (10) years, which shall thus expire on February 13, 2038.

SECOND: NECESSARY INFRASTRUCTURE

2.1 Given the need for short and medium term investments in airport infrastructure to strengthen the airport system, a non-excluding preliminary list of tentative projects and works (Annex I) is attached hereto. The ORSNA will prioritize the different items in this project bank and will decide the works that will be carried out in each period, pursuant to the financial goals set forth in the Economic- Financial Equation of the Concession. As regards the sources of funding for needed investments, the parties have made the following considerations:

2.1.1 The Concessionaire undertakes the commitment to assign a volume of funds amounting to USD 132 million (including VAT) as direct investment to cover unpaid expenses for physical progress certifications, to complete in 2020 and 2021 ongoing works currently considered as direct investment which are deemed necessary by the ORSNA, and to pay the VAT corresponding to unpaid certificates of works carried out with funds of the “Trust Fund for Works of Group A of Airports of the National Airport System”, of the “Additional Fund for Substantial Investments in Group A of Airports” and of the “Specific Trust fund for Works if the 2012 Project Bank.”

2.1.2 The Concessionaire promises to do its best effort and to contribute all expertise at hand to get the greatest leverage possible to obtain before 12/31/2021 funding that enables the company to have an early influx of up to USD 85 million in the “Trust Fund for Works of Group A of Airports of the National Airport System.” This volume shall neither include the balances of such account accrued up to December 2020 nor any income generated by other alternative sources other than aforementioned ones.

2.1.3 The Concessionaire promises to do its best effort and to contribute all expertise at hand to get the greatest leverage possible to obtain before 12/31/2021 funding that enables the company to have an early influx of up to USD 124 million in the “Additional Fund for Substantial Investments in Group A of Airports”. This volume shall neither include the balances of such account accrued up to December 2020 nor any income generated by other alternative sources other than aforementioned ones.

2.1.4 The Concessionaire promises to have before 03/31/2022 a volume of funds amounting to USD 406.5 million (VAT included). Such funds shall be used for the following purposes: (I) works considered as direct investment, to be carried out preferably during 2022/2023 and (ii) redemption of preferred shares of the National State performed by the Concessionaire before 03/31/2022, which shall be specifically allocated to airport infrastructure investments, as established in Decree 1799/07.

2.1.5 The Concessionaire undertakes the commitment to make Direct Investments for USD 200 million (VAT included) between the years 2024 and 2027 inclusive, at a rate of USD 50 million a year. This volume of investment shall be complementary to any Direct Investment balance carried forward from the 2021/2023 period, pursuant to the provisions of items 2.1.1) and 2.1.4) above, which are pending of execution by 2024.

2.1.6 Direct Investments for the 2028/2038 period shall be defined by the operative needs of the system and the balance of the concession.

2.2. With the purpose of providing an incentive to execute additional works, within the framework of the provisions of Clause 18 of the Memorandum of Agreement for Contract Renegotiation approved by Decree No 1799, of December 4, 2007 of the National Executive Power, the ORSNA may authorize the Concessionaire to execute contracts with third parties for a term longer than the term of effect of the Concession, as long as such term is justified by the magnitude of the investment and repayment thereof, and the Grantor or any person appointed by it may be subrogated to all rights and obligations of the Concessionaire at the end of the Concession.

THIRD: ECONOMIC-FINANCIAL EQUATION OF THE CONCESSION.

The indicative and conceptual REVENUE AND EXPENDITURE FINANCIAL PROJECTION OF THE CONCESSION (REFP) up to the year 2038 is attached hereto as Annex II.

The airport charges established in such financial projection aim to keep the balance of the Economic- Financial Equation of the Concession and the decision related to the final charges to be applied shall be based upon the Review Mechanism duly established and used by the ORSNA.

Financial obligations for March 2022, as stated in the previous clause, may be extended to December 2022, provided that there are external reasons not related to the parties that duly justify such extension, pursuant to ORSNA's resolution, without detriment to the Investment commitments undertaken by the Concessionaire, which shall remain unaltered.

FOURTH: EXCLUSIVITY

4.1. Pursuant to the provisions of clause 5.2 of the Concession Contract approved by Decree No 163 of the National Executive Power, of February 13, 1998, the exclusivity conferred pursuant to the provisions of clauses 3.11 and 4.1 of the Concession Contract shall be kept during the term of extension of the concession, with the following exceptions:

4.1.1. Airport influence areas in the interior of the country shall no longer be applicable. This provision does not include the Metropolitan Region of Buenos Aires (RMBA, as per the acronym in Spanish), which comprises the airports of Ezeiza, Aeroparque, San Fernando and El Palomar. Exclusivity for fiscal warehouse activities in the airport influence areas shall be kept in all the national territory.

4.1.2 New airport infrastructure projects in the Río de la Plata promoted by the National Public Sector, as stated in section 8 of Law 24 156, shall not be subject to exclusivity and included in the airport influence area when such activities cannot be funded and operated by the Concessionaire due to the characteristics thereof.

For such purposes, the ORSNA shall assess, after receiving the corresponding report from the Concessionaire, the possibility to carry out the project according to the provisions of clauses 4.3 or 4.4 of the Concession Contract.

4.1.3 Intercargo S.A. shall keep the concession of ground handling services, and shall thus pay the Concessionaire the agreed fees and prices. If the National State decides to terminate, cancel or conclude the concession contract for the service rendered by Intercargo S.A., the concession for such services shall be transferred to the Concessionaire, who shall render the services on its own or through a third party or parties hired for that purpose.

FIFTH: MAINTENANCE OF THE STATE'S SHARE OWNERSHIP.

The National State shall keep its 15% share of Aeropuertos Argentina 2000 S.A.'s ordinary capital and shall hold its rights to such shares up to the end of the Concession period, also keeping the intangibility of such shares with no need to pay any compensation whatsoever to the Concessionaire for them.

SIXTH: WAIVER OF CLAIMS

Within TEN (10) working days of the effective date of the present Agreement,

- 6.1. The Concessionaire shall prove its waiver of all claims, remedies and filed or ongoing lawsuits against the National State and/or its decentralized entities, both in administrative, arbitration or court proceedings, for any cause or, if applicable, it shall demonstrate it has obtained the corresponding judicial approval whenever the parties involved deem it necessary.
 - 6.1.1. Such waiver shall not imply an acknowledgment of the situation that originated the claim, remedy or lawsuit. In the specific case of fines imposed to the Concessionaire, in connection to which the Concessionaire has filed claims and/or legal proceedings, such actions shall be waived for the purpose of granting the extension that is the object of the present Agreement, and this waiver shall not be understood as an acknowledgment of the legitimacy of such fines.
 - 6.1.2. The waiver or judicial approval shall include a request that each party bears its own costs.
- 6.2. The Concessionaire shall submit to the ORSNA the duly certified and legalized instruments that expressly and fully state the waiver of rights and actions pursuant to the provisions of the preceding paragraph.
- 6.3. If upon the end of the term established in clause SIX the Concessionaire has not submitted proof of the corresponding waiver or judicial approval, the ORSNA shall cancel the application of the present Agreement. In such case, the ORSNA shall notify the Concessionaire of the breach and demand compliance with the committed waiver within a new term of 15 (fifteen) days.
- 6.4. After this term and upon failure by the Concessionaire to submit proof of the committed waivers or, if applicable, the corresponding judicial approval, the ORSNA may withdraw from the agreement for a cause attributable to the Concessionaire.

SEVENTH: TERM OF EFFECT.

7.1. The following conditions are necessary for this Agreement to be effective:

7.1.1. The submission of the Concessionaire's Minutes of the Meeting of the Board of Directors approving and authorizing the execution of the present Agreement.

7.1.2. The decision by the National Executive Power to issue a decree approving the extension of the Concession period in the conditions established herein and approving the present Agreement.

7.2. The Concessionaire hereby acknowledges and accepts that the extension is a discretionary decision of the National Executive Power and thus the Concessionaire expressly accepts that, if the National Executive Power decides not to extend the concession, the Concessionaire shall not be entitled to any compensation whatsoever for this reason.

7.3. Upon breach by the Concessionaire of the technical conditions established herein, the corresponding penalties established in the Concession Contract (Decree No 163/98) and the Memorandum of Agreement for Contract Renegotiation (Decree No 1799/07) shall be applied.

[Illegible signature]

M. EURNEKIAN

[Illegible signature]

MURIEL

[Illegible signature]

LUGONES

ANNEX

PRELIMINARY LIST OF WORKS AND PROJECTS - GROUP A OF THE NATIONAL AIRPORT SYSTEM

AEROPARQUE	INSTALLATION OF 400 HZ CONVERTERS
AEROPARQUE	CCTV SYSTEM AND PERIMETER INTRUSION DETECTION SYSTEM
AEROPARQUE	FIRE PROTECTION SYSTEM REFURBISHMENT FOR BUILDINGS II, V AND VI - DETECTION SYSTEM
AEROPARQUE	CONSTRUCTION OF NEW NORTHERN APRON - STAGE 1
AEROPARQUE	SECTOR C RELOCATION WORKS - PASSENGER TERMINAL
AEROPARQUE	SECTOR C DEMOLITION
AEROPARQUE	SOUTHERN APRON EXPANSION - STAGE 2
AEROPARQUE	CHECK-IN AREA EXPANSION
AEROPARQUE	SEWERAGE NETWORK
AEROPARQUE	SUPPORT SERVICE INFRASTRUCTURE
AEROPARQUE	NEW PAMPA - CHARLIE ENTRY STATION
AEROPARQUE	GAS NETWORK READJUSTMENT
AEROPARQUE	PASSENGER TERMINAL EXPANSION
AEROPARQUE	NEW TCA BUILDING / GROUND HANDLING SERVICES
AEROPARQUE	SOUTHERN APRON EXPANSION - STAGE 3
AEROPARQUE	NEW INSPECTION STATION PSA - DOMESTIC FLIGHT DEPARTURES
AEROPARQUE	NORTHERN COASTAL LANDFILL
AEROPARQUE	RAILWAY TRANSPORT CONNECTION (PEOPLE MOVER)
AEROPARQUE	NORTHERN MULTILEVEL PARKING LOT
AEROPARQUE	NORTHERN SERVICE AREAS
AEROPARQUE	INTERNAL ROADS
AEROPARQUE	NEW TAXIWAYS AND NORTHERN APRON
AEROPARQUE	RUNWAY STRIP - NORTH SECTOR
BARILOCHE	FIRE PROTECTION SYSTEM
BARILOCHE	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
BARILOCHE	REMOTE APRON EXPANSION
BARILOCHE	NEW WEATHER STATION
BARILOCHE	PASSENGER TERMINAL EXPANSION

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BARILOCHE	MAINTENANCE/SERVICE INFRASTRUCTURE
BARILOCHE	VEHICULAR PARKING LOT EXPANSION
BARILOCHE	COMMERCIAL APRON EXPANSION
BARILOCHE	RUNWAY - TAXIWAY - APRON PAVEMENT RENEWAL
CATAMARCA	APPROACH LIGHTING SYSTEM
CATAMARCA	PASSENGER TERMINAL RENOVATION
CATAMARCA	VEHICULAR PARKING LOT
CATAMARCA	SEWAGE TREATMENT PLANT
CATAMARCA	RUNWAY, TAXIWAYS AND APRON
C. RIVADAVIA	NEW WEATHER STATION
C. RIVADAVIA	APRON EXPANSION
CÓRDOBA	AIRFIELD LIGHTING SYSTEM, RUNWAY 18-36 - ALPHA, SOUTH AND BRAVO TAXIWAYS
CÓRDOBA	PARKING LOT EXPANSION
CÓRDOBA	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
CÓRDOBA	NEW TAXIWAY PARALLEL TO RUNWAY END 18
CÓRDOBA	COMMERCIAL APRON EXPANSION
CÓRDOBA	PASSENGER TERMINAL EXPANSION
CÓRDOBA	FULL RENOVATION OF COMMERCIAL APRON LIGHTING SYSTEM
CÓRDOBA	NEW PARALLEL TAXIWAY AIRFIELD LIGHTING
CÓRDOBA	NEW S.E.I. BUILDING
CÓRDOBA	APPROACH LIGHTING SYSTEM - CAB. 23
CÓRDOBA	MAINTENANCE/SERVICE INFRASTRUCTURE
ESQUEL	APPROACH LIGHTING SYSTEM
ESQUEL	NEW PASSENGER TERMINAL / TWR (CONSTRUCTION WORKS)
ESQUEL	NEW PARKING LOT
ESQUEL	SEWAGE TREATMENT PLANT
ESQUEL	RUNWAY - TAXIWAY - APRON PAVEMENT RENEWAL
EZEIZA	RUNWAY 11-29 RESTORATION - STAGE 2
EZEIZA	RUNWAY 11-29 AIRFIELD LIGHTING SYSTEM
EZEIZA	HOTEL TAXIWAY RESTORATION
EZEIZA	HOTEL TAXIWAY AIRFIELD LIGHTING SYSTEM READJUSTMENT
EZEIZA	HOTEL TAXIWAY EDGE AIRFIELD LIGHTING SYSTEM
EZEIZA	FULL ALPHA, CENTERLINE TAXIWAY REPAVING

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EZEIZA	GOLF TAXIWAY ADJUSTMENT FOR AIRCRAFT APRON (SECTOR 5)
EZEIZA	NEW TAXIWAYS (RAPID EXITS 11-29)
EZEIZA	NEW ALS SYSTEM (720 m) IN RUNWAY END 17
EZEIZA	AIRFIELD LIGHTING RING - STAGE III
EZEIZA	EXPANSION OF CCTV SYSTEM, BRIDGES AND OPERATIVE APRON
EZEIZA	NEW TAXIWAY PARALLEL TO RUNWAY END 35
EZEIZA	NEW WEATHER STATION
EZEIZA	RUNWAY 17/35 RESTORATION - STAGE 2
EZEIZA	BRITE SYSTEM REPLACEMENT FOR AGLAS SYSTEM
EZEIZA	FIRE PROTECTION SYSTEM INSTALLATION / EVACUATION FACILITIES - TERMINAL A
EZEIZA	ROADWAY SYSTEM
EZEIZA	PASSENGER TERMINAL EXPANSION
EZEIZA	APRON EXPANSION
EZEIZA	FUEL NETWORK EXPANSION
EZEIZA	SUPPORT SERVICE INFRASTRUCTURE
FORMOSA	RUNWAY EXPANSION AND REINFORCEMENT
FORMOSA	NEW AIRFIELD LIGHTING SYSTEM
FORMOSA	NEW WEATHER STATION
FORMOSA	PASSENGER TERMINAL
GRAL PICO	FIRE PROTECTION SYSTEM
GRAL PICO	MOVEMENT AREA PAVEMENT RENEWAL
IGUAZÚ	NEW PASSENGER TERMINAL
IGUAZÚ	GENERAL AVIATION APRON EXPANSION
IGUAZÚ	NEW TREATMENT PLANT
JUJUY	NEW PASSENGER TERMINAL
JUJUY	NEW CONTROL TOWER AND OPERATIONS BUILDING
JUJUY	VEHICULAR PARKING LOT AND ROADWAYS
JUJUY	MOVEMENT AREA PAVEMENT RENEWAL
LA RIOJA	NEW AIRFIELD LIGHTING SYSTEM
LA RIOJA	NEW PASSENGER TERMINAL
LA RIOJA	COMMERCIAL APRON EXPANSION
LA RIOJA	NEW VEHICULAR PARKING LOT
LA RIOJA	RUNWAY AND TAXIWAY REINFORCEMENT

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MALARGÜE	RUNWAY REPAVING
MALARGÜE	FIRE PROTECTION SYSTEM
MALARGÜE	AIRFIELD LIGHTING SYSTEM
MAR DEL PLATA	APPROACH LIGHTING SYSTEM
MAR DEL PLATA	MOVEMENT AREA PAVEMENT RENEWAL
MENDOZA	PASSENGER TERMINAL RENOVATION
MENDOZA	NEW TREATMENT PLANT
PARANÁ	NEW AIRFIELD LIGHTING SYSTEM
PARANÁ	RUNWAY REPAVING
PARANÁ	APPROACH LIGHTING SYSTEM
PARANÁ	FIRE PROTECTION SYSTEM
PARANÁ	PASSENGER TERMINAL RENOVATION
POSADAS	RUNWAY, APRON AND TAXIWAY REPAVING
POSADAS	RUNWAY STRIP LEVELLING WITH SOIL STABILIZATION IN RUNWAY AND TAXIWAYS
POSADAS	NEW AIRFIELD LIGHTING SYSTEM
POSADAS	PASSENGER TERMINAL
POSADAS	VEHICULAR PARKING LOT
PUERTO MADRYN	MOVEMENT AREA PAVEMENT RENEWAL
PUERTO MADRYN	PASSENGER TERMINAL RENOVATION
RECONQUISTA	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
RECONQUISTA	FIRE PROTECTION SYSTEM
RECONQUISTA	MOVEMENT AREA PAVEMENT RENEWAL
RECONQUISTA	PASSENGER TERMINAL RENOVATION
RESISTENCIA	PASSENGER TERMINAL RENOVATION
RESISTENCIA	FIRE PROTECTION SYSTEM
RESISTENCIA	MAIN TAXIWAY RECONSTRUCTION
RESISTENCIA	NEW WEATHER STATION
RESISTENCIA	MOVEMENT AREA PAVEMENT RENEWAL
RÍO CUARTO	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
RÍO CUARTO	FIRE PROTECTION SYSTEM
RÍO CUARTO	APPROACH LIGHTING SYSTEM + P.A.P.I.
RÍO CUARTO	MOVEMENT AREA PAVEMENT RENEWAL
RÍO GALLEGOS	NEW WEATHER STATION



RÍO GALLEGOS	APPROACH LIGHTING SYSTEM EXPANSION AND ENHANCEMENT
RÍO GALLEGOS	MOVEMENT AREA PAVEMENT RENEWAL
RÍO GALLEGOS	PASSENGER TERMINAL RENOVATION
RÍO GRANDE	NEW ATMOSPHERIC DISCHARGE SYSTEM
RÍO GRANDE	APPROACH LIGHTING SYSTEM
RÍO GRANDE	MOVEMENT AREA PAVEMENT RENEWAL
RÍO GRANDE	PASSENGER TERMINAL RENOVATION
SALTA	FIRE PROTECTION SYSTEM
SALTA	VEHICULAR PARKING LOT AND ROADWAY EXPANSION - STAGE 1
SALTA	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
SALTA	APRON RECONDITIONING
SALTA	NEW WEATHER STATION
SALTA	NEW REGULATOR ROOM
SALTA	PASSENGER TERMINAL EXPANSION
SALTA	MOVEMENT AREA PAVEMENT RENEWAL
SAN FERNANDO	NEW S.E.I. BUILDING
SAN FERNANDO	NEW CONTROL TOWER
SAN FERNANDO	COMMERCIAL APRON EXPANSION
SAN FERNANDO	NEW WEATHER STATION
SAN FERNANDO	CCTV SYSTEM AND PERIMETER INTRUSION DETECTION SYSTEM
SAN FERNANDO	SANITATION INFRASTRUCTURE
SAN FERNANDO	PASSENGER TERMINAL
SAN FERNANDO	MOVEMENT AREA PAVEMENT RENEWAL
SAN FERNANDO	AIRSIDE COMPLEMENTARY WORKS
SAN JUAN	NEW AIRFIELD LIGHTING SYSTEM
SAN JUAN	NEW PASSENGER TERMINAL
SAN JUAN	MOVEMENT AREA PAVEMENT RENEWAL
SAN LUIS	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
SAN LUIS	APPROACH LIGHTING SYSTEM
SAN LUIS	MOVEMENT AREA PAVEMENT RENEWAL
SAN LUIS	PASSENGER TERMINAL RENOVATION
SAN RAFAEL	FIRE PROTECTION SYSTEM
SAN RAFAEL	APPROACH LIGHTING SYSTEM
SAN RAFAEL	RUNWAY REINFORCEMENT AND MANEUVERING AREA

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SAN RAFAEL	PASSENGER TERMINAL RENOVATION
SANTA ROSA	PASSENGER TERMINAL
SANTA ROSA	APPROACH LIGHTING SYSTEM
SANTA ROSA	MOVEMENT AREA PAVEMENT RENEWAL
S. DEL ESTERO	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
S. DEL ESTERO	PASSENGER TERMINAL EXPANSION
S. DEL ESTERO	APPROACH LIGHTING SYSTEM
S. DEL ESTERO	AIRFIELD LIGHTING SYSTEM
S. DEL ESTERO	MOVEMENT AREA PAVEMENT RENEWAL
TUCUMÁN	APPROACH LIGHTING SYSTEM EXPANSION
TUCUMÁN	PASSENGER TERMINAL EXPANSION
TUCUMÁN	COMMERCIAL APRON EXPANSION
VIEDMA	ATMOSPHERIC DISCHARGE SYSTEM ADJUSTMENT
VIEDMA	FIRE PROTECTION SYSTEM
VIEDMA	PASSENGER TERMINAL RENOVATION
VIEDMA	APPROACH LIGHTING SYSTEM
VIEDMA	MOVEMENT AREA PAVEMENT RENEWAL
VILLA REYNOLDS	MOVEMENT AREA PAVEMENT RENEWAL
MISCELLANEOUS GROUP A	SUPPORT SERVICE INFRASTRUCTURE
MISCELLANEOUS GROUP A	AIRFIELD LIGHTING - VISUAL AIDS
MISCELLANEOUS GROUP A	RUNWAY STRIP AND RESA RENEWAL

Note: The present list of works and projects is of a tentative nature. It has been drawn for reference purposes for the period 2021/2038. Works will be defined in the annual planning based on their priority according to airport needs.

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List of Subsidiaries

• America International Airports, LLC	USA
• Yokelet S.L.U	Spain
• ACI Airports Italia S.A.	Spain
• ACI Airport Sudamérica S.A.	Spain
• ACI do Brasil S.A.	Brazil
• Inframérica Participações S.A.	Brazil
• Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A.	Brazil
• Armenia International Airports C.J.S.C.	Armenia
• Cedikor S.A.	Uruguay
• Abafor S.A.	Uruguay
• Cerealsur S.A.	Uruguay
• CAAirports International Services S.A.	Uruguay
• Dicasa Spain S.A.	Spain
• Corporación Aeroportuaria S.A.	Argentina
• Inframerica Concessionária do Aeroporto de Brasilia S.A.	Brazil
• Terminal de Cargas Uruguay S.A.	Uruguay
• Corporación América S.A.	Argentina
• Consorcio Aeropuertos Internacionales S.A.	Uruguay
• Puerta del Sur S.A.	Uruguay
• Corporación América Italia S.A.	Italy
• Terminal Aeroportuaria de Guayaquil S.A.	Ecuador
• Aeropuerto Ecológico de Galápagos S.A.	Ecuador
• Cedikor Sucursal Ecuador S.A.	Ecuador
• Corporación América Sudamericana S.A.	Panama
• Toscana Aeroporti S.p.A.	Italy
• Alatoscana Spa	Italy
• Immobili A.O.U. Careggi Spa	Italy
• Jet Fuel Co. SRL	Italy
• Parcheggi Peretola SRL	Italy
• Toscana Aeroporti Engineering SRL	Italy
• Toscana Aeroporti Handling S.r.l.	Italy
• Vola S.R.L	Italy
• Toscana Aeroporti Costruzioni S.r.l	Italy
• Corporación América Sudamérica Suc. Ecuador	Ecuador
• Aerocombustibles Argentinos S.A.	Argentina
• Aeropuerto de Bahía Blanca S.A.	Argentina
• Aeropuerto del Neuquén S.A.	Argentina
• Aeropuertos Argentina 2000 S.A.	Argentina
• Enarsa Aeropuertos S.A.	Argentina
• Paoletti américa S.A.	Argentina
• Texelrio S.A.	Argentina
• Servicios y Tecnología Aeroportuaria S.A.	Argentina
• Cargo & Logistics S.A.	Argentina
• Villalonga Furlong S.A.	Argentina
• Caminos del Paraná S.A.	Argentina
• Aeropuertos Andinos del Peru S.A	Perú
• Corporandino S.A.	Perú
• Sociedad Aeroportuaria Kuntur Wasi.S.A.	Perú

CERTIFICATION

I, Martín Francisco Antranik Eurnekian, certify that:

1. I have reviewed this annual report on Form 20-F of Corporación América Airports S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Martín Francisco Antranik Eurnekian

Name: Martín Francisco Antranik Eurnekian

Title: Chief Executive Officer

Dated: April 9, 2021

CERTIFICATION

I, Raúl Guillermo Francos, certify that:

1. I have reviewed this annual report on Form 20-F of Corporación América Airports S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Raúl Guillermo Francos

Name: Raúl Guillermo Francos

Title: Chief Financial Officer

Dated: April 9, 2021

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Corporación América Airports S.A. (the “Company”) on Form 20-F for the fiscal year ended December 31, 2020, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Martín Francisco Antranik Eurnekian, Chief Executive Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martín Francisco Antranik Eurnekian

Name: Martín Francisco Antranik Eurnekian

Title: Chief Executive Officer

Date: April 9, 2021

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Corporación America Airports S.A. (the “Company”) on Form 20-F for the fiscal year ended December 31, 2020, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Raúl Guillermo Francos, Chief Financial Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the

Company.

/s/ Raúl Guillermo Francos

Name: Raúl Guillermo Francos

Title: Chief Financial Officer

Date: April 9, 2021
