

AEROPUERTOS ARGENTINA 2000 ANNOUNCES 3Q21 RESULTS

Buenos Aires, November 15, 2021— Aeropuertos Argentina 2000 (“AA2000” or the “Company”) the largest airport operator in Argentina, reported today its unaudited, consolidated results for the three-month and nine-month periods ended September 30, 2021. Financial results are expressed in millions of Argentine pesos and are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”).

Commencing 3Q18, the Company began reporting results IFRS rule IAS 29. See section “Hyperinflation Accounting” on page 8.

Third Quarter 2021 Highlights

- Consolidated Revenues of AR\$6,507 million, up 61.4% YoY, or 63.2% below 3Q19, mainly driven by the impact of the COVID-19 pandemic on Aeronautical and Commercial revenues.
- Key operating metrics improved YoY benefitting from easier comparisons against 3Q20, but were still below the levels reported in the same period of 2019:
 - Passenger traffic increased 37.5x to 3.1 million YoY, but declined 72% versus 3Q19
 - Cargo volume increased 40.2% YoY to 43.5 thousand tons, but decreased 18.3% compared with 3Q19
 - Aircraft movements reached 55.2 thousand, a 219.9% YoY increase, but declined 50.4% when compared to 3Q19
- Operating Loss was AR\$646 million, compared to a loss of \$4,144 million loss reported in 3Q20, mainly reflecting YoY easier comparisons, and the gradual recovery in revenues, combined with effective cost control measures implemented since the beginning of the pandemic
- Adjusted EBITDA was \$1,140 million, versus a loss of \$1,019 million in the year-ago period, and declined 77.8% when compared to 3Q19, with Adjusted EBITDA margin ex-IFRIC12 of 17.5%.
- In September 2021, AA2000 issued a \$30.5 million dollar-linked bond in the local market, at an annual interest rate of 4% and a 2-year maturity.

Subsequent Events

- In October 2021, the Company completed an offer to exchange its international bonds, issuing a total principal amount of US\$ 208.9 million of new 8.5% Series 2021 Notes due in 2031. Simultaneously, AA2000 refinanced its bank loans, extending the final maturity of these loans until November 2024 (versus February 2023 before), with a 15-month grace period, for a total amount of US\$ 95 million.
- On November 1, 2021, the Company raised US\$126 million of new money in two tranches: i) \$64 million in additional Series 2021 Notes, and ii) \$62 million in new Senior Secured Notes due 2028.

Operating & Financial Highlights

(In millions of AR\$, unless otherwise noted)

	3Q21	3Q20	% Var	9M21	9M20	% Var
Passenger Traffic (Million Passengers)	3.1	0.1	3,753%	7.4	8.8	-16%
Revenue excluding construction services	6,507	4,031	61.4%	19,523	23,209	-15.9%
Aeronautical Revenues	1,711	560	205.4%	5,342	10,664	-49.9%
Commercial revenue	4,795	3,470	38.2%	14,181	12,545	13.0%
Operating Income	-646	-4,144	-84.4%	-1,832	-5,148	-64.4%
Operating Margin	-8.5%	-67.3%	5,882bps	-7.8%	-16.3%	850bps
Net Income Attributable to Owners of the Parent	809	-5,991	-113.5%	-755	-7,456	-89.9%

	3Q21	3Q20	% Var	9M21	9M20	% Var
Adjusted EBITDA	1,140	-1,019	-211.9%	3,298	4,795	-31.2%
Adjusted EBITDA Margin	17.5%	-25.4%	4,283 bps	16.9%	20.6%	-376 bps

Update on Action Plan to Mitigate Impact of COVID-19

Governmental Flight Restrictions

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. Since March 2020, governments around the world implemented measures to contain the spread, including the closing of borders and prohibition of travel, domestic lockdowns and quarantine measures. The overall situation remains volatile, as governments worldwide adjust travel bans or implement requirements to enter or leave their countries, including quarantines or negative Covid-19 PCR tests, based on the evolution of the sanitary situation.

During 2020 and 2021, the company's operations were strongly impacted by the COVID19 and travel restrictions to mitigate infections. Borders remained closed to foreigners through October 31, 2021, and government restrictions included a basket for international arriving passengers, which was limited to 1,700 a day, for most part of the third quarter and was extended to 2,300 and then 3,000 passengers in October 2021. Since October 19, 2021, the basket was fully lifted. In addition, travelers with a complete vaccination schedule and a negative PCR test within 72 hours prior to boarding will no longer have to undergo an antigen test upon entering the Argentine territory, nor will they have to remain in quarantine. Furthermore, effective November 1, 2021, borders are open to all foreigners, regardless of their origin country. Following the lifting of travel restrictions on international traffic and the opening of borders to non-resident foreigners starting November 1, 2021, we expect better passenger dynamics, an increase in flights and destinations already announced by the airlines, and higher tourism activity, heading into the summer season. .

Implementation of Mitigation Initiatives Focused on Preserving Financial Position

Since the onset of the pandemic, AA2000 has consistently made progress on the implementation of its action plan to mitigate the impact of the crisis, including:

Cost controls and cash preservation measures: The Company achieved a 43% reduction in cash operating costs and expenses in the quarter against 3Q19. Note this excludes concession fees and construction costs.

Financial position and liquidity: As cash preservation is a critical focus, since the beginning of the pandemic the Company has renegotiated a significant portion of its debt maturing in 2020 and 2021, renegotiated debt covenants, and secured additional debt financing. In addition, in April 2021, AA2000 renegotiated a total of \$40.0 million in principal payments under a syndicated bank loan, maturing in May, August and November 2021 for an amount of \$13.3 million each, deferring those payments to May, August and November 2022. Furthermore, in July 2021, AA2000 renegotiated \$10.0 million in principal payments under a bilateral bank loan originally due in July 2021, now maturing under a new schedule in July, October and December 2022.

In September 2021, AA2000 issued a \$30.5 million dollar-linked bond in the local market, at an annual interest rate of 4% and a 2-year maturity. The offering was expanded from an original amount of \$10 million and has a local credit risk rating of A(Arg) by FIX SCR Argentina

In October 2021, the Company announced an offer to exchange its international bonds, originally issued in February 2017 and later exchanged in 2020, at the beginning of the pandemic. In summary, the Company completed the following transactions:

- An issuance of 8.5% Series 2021 Notes due in 2031 (extending from 2027 before), issued pursuant the exchange offer and with a 4-year grace period for a total principal amount of US\$ 208.9 million. The Series 2021 Notes will have an enhanced collateral package, which includes an offshore reserve account, and a second lien on revenues from the cargo terminal. The transaction closed on October 28, 2021 with a 66.83% and 24.61% participation from holders of the Series 2020 and Series 2017 Notes, respectively.

- On November 1, 2021, the Company raised US\$126 million of new money in two tranches: i) \$64 million in additional Series 2021 Notes, which are fungible with the bonds issued pursuant to the exchange offer, and ii) \$62 million in new Senior Secured Notes due 2028. The latter have a 3-year grace period, quarterly amortization starting February 2025, and a final payment in November 2028.
- Simultaneously, AA2000 refinanced bank loans, extending the final maturity of these loans until November 2024 (versus February 2023 before), with a 15-month grace period, for a total amount of US\$ 95 million.

3Q21 Operating Performance

Passenger Traffic

Passenger Traffic increased 37.5x YoY reflecting easier comparisons as passenger traffic in 3Q20 declined almost 100% YoY due to government-imposed air travel restrictions introduced to contain the spread of the COVID-19 pandemic. International passenger traffic increased 4.15x YoY while domestic traffic increased 122.7x YoY.

Compared to 3Q19, however, passenger traffic declined 72%, with international travel down 91.5% impacted by prolonged government restrictions, including the continued closure of borders to non-resident foreigners and the limit to the number of international arriving passengers. Domestic passenger traffic was down 63.0% compared to 3Q19.

Domestic passenger traffic accounted for 87.8% of total traffic, while international passenger traffic represented 9.2% of total traffic.

Cargo Volume & Aircraft Movements

Cargo volume increased 40.2% YoY to 43.5 thousand tons, but decreased 18.3% compared with 3Q19, while **Aircraft Movements** reached 55.2 thousand, a 219.9% YoY increase, but declined 50.4% when compared to 3Q19, mainly driven by the impact of the COVID-19 pandemic.

Operational Statistics: Passenger Traffic, Cargo Volume and Aircraft Movements

	3Q21	3Q20	3Q19	% Var. ('21 vs '20)	% Var. ('21 vs '19)
Domestic Passengers (in millions)	2.7	0.0	7.4	12,266.3%	-63.0%
International Passengers (in millions)	0.3	0.1	3.3	415.4%	-91.5%
Transit Passengers (in millions)	0.1	0.0	0.4	2,721.7%	-76.5%
Total Passengers (in millions)	3.1	0.1	11.1	3,753.1%	-72.0%
Cargo Volume (in thousands of tons)	43.5	31.0	53.2	40.2%	-18.3%
Total Aircraft Movements (in thousands)	55.2	17.3	111.2	219.9%	-50.4%

Review of Consolidated Results

Revenues

Revenues increased 61.4% YoY reflecting easier comparisons as 3Q20 was the second quarter fully impacted by the COVID-19 pandemic. When compared to 3Q19, revenues declined 63.2% to AR\$6,507 million, mainly impacted by the COVID-19 crisis.

Revenue Breakdown (in AR\$ million)

	3Q21	3Q20	% Var	9M21	9M20	% Var
Aeronautical Revenue	1,711	560	205.4%	5,342	10,664	-49.9%
Commercial revenue	4,795	3,470	38.2%	14,181	12,545	13.0%
Total Revenues Excluding IFRIC12	6,507	4,031	61.4%	19,523	23,209	-15.9%

Aeronautical Revenues declined 84.2% against 3Q19, to AR\$1,711 million, primarily reflecting the decline in passenger traffic as a result of the COVID-19 pandemic, partially offset by a higher international passenger fee introduced on March 15, 2021.

Commercial Revenues fell 29.9% compared to 3Q19, or \$2,050 million, to AR\$4,795 million, mainly driven by the following:

- 66.7%, or AR\$1,247 million, in passenger-related services, including Duty Free, Parking, VIP Lounge, Catering and F&B revenues, due to lower passenger traffic, and
- 68.9%, or AR\$297 million, in Rental of space, due to discounts granted to airlines in relation with hangar space.

Operating Costs and Expenses

Total Costs and Expenses excluding Construction Service cost declined 11.6% YoY to AR\$7,314 million in 3Q21, mainly reflecting a decline in in Amortization and Depreciation as the amortization of intangible assets is calculated over a longer period, as a result of the extension of the concession. When compared to 3Q19, Total Cost and Expenses declined 52.6%, or AR\$ 8,113 million, primarily due to lower operating expenses and Concession Fees.

Costs and Expenses (in AR\$ million)

	3Q21	3Q20	% Var	9M21	9M20	% Var
Cost of Services Excluding Construction Costs	6,131	7,421	-17.4%	18,233	25,651	-28.9%
Salaries and social security contributions	1,493	1,280	16.6%	4,823	5,297	-8.9%
Concession fees	956	603	58.6%	2,882	3,436	-16.1%
Maintenance expenses	1,378	2,157	-36.1%	3,993	5,483	-27.2%
Amortization and depreciation	1,775	3,077	-42.3%	5,088	9,795	-48.1%
Other	529	304	74.1%	1,447	1,640	-11.8%
Selling, general and administrative expenses	773	596	29.7%	2,302	3,038	-24.2%
Other op. expenses, net (1)	411	261	57.7%	1,309	253	418.0%
Total Costs and Expenses Excluding Construction Service Costs	7,314	8,277	-11.6%	21,844	28,942	-24.5%

(1) One-time item of AR\$ 888.3 million impacted 1Q21, which will be repaid over a five-year period.

Cost of Services excluding Construction Service Costs declined 45.2% compared to 3Q19, or AR\$ 5,062 million, reflecting the following declines:

- 63.6%, or AR\$1,671 million, in Concession Fees, in line with lower revenues,
- 44.4%, or AR\$1,101 million, in Maintenance expenses due to the renegotiation of agreements with suppliers to adjust services to reduced operational activity, coupled with lower maintenance of infrastructure,

- 40.9%, or AR\$1,033 million, in Salaries and Social Security Contribution expenses, primarily due to the reduction in salaries and a furlough scheme under which no social contributions are required to be paid, and
- 54.5%, or AR\$621 million, in other operating expenses, including lower office expenses and services and fees, reflecting a decrease in mobility and office general expenses.

Selling, General and Administrative Expenses (“SG&A”) decreased by 81.7% against 3Q19, or AR\$3.440 million, to AR\$773 million in 3Q21, mainly due to the following declines:

- AR\$2,591 million of bad debt provision, as 3Q19 was impacted by a \$ 2,291 million bad debt charge in relation with past due commercial revenues and aircraft fees from a local airline accumulated over more than one year,.
- 56.6% or AR\$620 million, decline in Taxes reflecting lower turnover taxes and banking transaction taxes, related to the decline in revenues.

Adjusted EBITDA and Adjusted EBITDA excluding Construction Service

Adjusted EBITDA increased AR\$ 2,159 million YoY, reaching AR\$1,140 million in the quarter, with Adjusted EBITDA margin ex-IFRIC of 17.5%, expanding 4,283 bps compared to 3Q20. Against 3Q19, however, Adjusted EBITDA declined 77.8%, or AR\$ 3,987 million from AR\$ 5,127 million, while Adjusted EBITDA margin EX-IFRIC12 contracted 658 bps in the quarter from 29% in 3Q19. As indicated above, a bad debt charge of \$2,291 million negatively impacted Adjusted EBITDA in 3Q19.

Adjusted EBITDA Reconciliation to Income from Continuing Operations (in AR\$ million)

	3Q21	3Q20	%Var	9M21	9M20	%Var
Income / (loss) from Continuing Operations	809	-6,042	-113.4%	-755	-7,510	-89.9%
Financial Income	-85	-809	-89.5%	-713	-1,527	-53.3%
Financial Loss	-820	1,851	-144.3%	-3,142	6,391	-149.2%
Inflation adjustment	-602	1,303	-146.2%	-197	1,891	-110.4%
Income Tax Expense	53	-446	-111.9%	2,975	-4,394	-167.7%
Amortization and Depreciation	1,786	3,125	-42.9%	5,131	9,944	-48.4%
Adjusted EBITDA (1)	1,140	-1,019	-211.9%	3,298	4,795	-31.2%
Adjusted EBITDA Margin	17.5%	-25.3%	4,280 bps	16.9%	20.7%	-377 bps
Adjusted EBITDA Margin excl. Construction Service	17.5%	-25.4%	4,283 bps	16.9%	20.6%	-376 bps

See “Use of Non-IFRS Financial Measures” on page 8.

(1) Excluding a one-time charge of AR\$ 888.3 million in Other Expenses in 1Q21, Adjusted EBITDA would have been AR\$ 4,186 in 9M21.

Financial Income and Loss

AA2000 reported a **Net Financial Income** of AR\$1,508 million in 3Q21, mainly as a result of the combination of inflation rate and depreciation effects over assets and debt held in US dollars.

Financial Income / Loss (in AR\$ million)

	3Q21	3Q20	% Var	9M21	9M20	% Var
Financial Income	85	809	-89,5%	713	1.527	-53,3%
Interest income	430	556	-22,7%	1.607	1.737	-7,5%
Foreign exchange income	-344	253	-236,0%	-894	-211	324,0%
Inflation adjustment	602	-1.303	-146,2%	197	-1.891	-110,4%

	3Q21	3Q20	% Var	9M21	9M20	% Var
Inflation adjustment	602	-1.303	-146,2%	197	-1.891	-110,4%
Financial Loss	820	-1.851	-144,3%	3.142	-6.391	-149,2%
Interest Expenses	-1.875	-1.800	4,2%	-5.574	-3.877	43,8%
Foreign exchange transaction expenses	2.696	-36	-7.503,5%	8.717	-2.483	-451,0%
Financial Income/Loss, Net	1.508	-2.345	-164,3%	4.053	-6.756	-160,0%

Income Tax Expense

During 3Q21, the Company reported an **income tax expense** of AR\$ 53 million compared to income tax benefit of AR\$ 446 million in the year ago quarter, mainly due to a change in the corporate income tax rate established in the country in 2Q21.

Net Income and Net Income Attributable to Owners of the Parent

During 3Q21, AA2000 reported a **Net Income** of AR\$ 809 million compared to a Net Loss of AR\$ 6,042 million in 3Q20 and Net Loss of \$4,380 million in 3Q19.

Consolidated Financial Position

As of September 30, 2021, cash and cash equivalents amounted to AR\$ 3,061 million, while total liquidity position, which included cash and cash equivalents as well as other financial assets, was AR\$ 5,071 million, down from a total of AR\$ 5,988 million at June 30, 2021, mainly as a result of the debt service in 3Q21.

Total Debt at the close of the quarter remained flat at AR\$50.3 billion. An amount of AR\$45.7 billion, or 90.8% of total debt is denominated in U.S. dollars, while AR\$5.6 billion, or 9.2%, is denominated in Argentine Pesos.

The Net Debt to LTM EBITDA ratio stood at 10.68x as of September 2021, compared with Net Debt to EBITDA of 19.17x as of June 2021. As of September 30, 2021, AA2000 was in compliance with all its covenants.

Consolidated Debt Indicators (in AR\$ million)

	As of Sep 30, 2021	As of Jun 30, 2021
Leverage		
Total Debt / LTM Adjusted EBITDA (Times) ^{1,3}	10.68x	20.90x
Total Net Debt / LTM Adjusted EBITDA (Times) ^{2,3}	9.88x	19.17x
Total Debt	50,315	49,116
Short-Term Debt	17,196	12,200
Long-Term Debt	33,118	36,916
Cash & Cash Equivalents	3,797	4,061
Total Net Debt ³	46,518	45,054

1 The Total Debt to EBITDA Ratio is calculated as AA2000's interest-bearing liabilities divided by its EBITDA.

2 The Total Net Debt to EBITDA Ratio is calculated as AA2000's interest-bearing liabilities minus Cash & Cash Equivalents, divided by its EBITDA.

3 The Total Net Debt is calculated as Total Debt minus Cash & Cash Equivalents.

Maturity of borrowings - Breakdown (in AR\$ million):

	Currency	1 year or less	1-2years	2-5years	Over5years	Total
Principal	USD	14,332	10,324	18,082	3,011	45,750
Interest	USD	2,637	1,864	2,644	77	7,222

	Currency	1 year or less	1-2years	2-5years	Over5years	Total
Principal	ARS	2,924	1,999	-	-	4,923
Interest	ARS	2,126	310	-	-	2,436
Total		22,019	14,498	20,726	3,088	60,331

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.

Subsequent to quarter-end, the Company completed an exchange offer of its international bonds and refinanced the syndicated bank loans. The following table reflects the proforma maturity of borrowings:

Proforma maturity of borrowings - Breakdown (in AR\$ million):

	Currency	1 year or less	1 - 2 years	2 - 5 years	Over 5 years	Total
Principal	USD	6,434	8,415	8,308	22,593	45,750
Interest	USD	3,101	2,894	5,390	6,021	17,406
Principal	ARS	0	3,123	1,800	-	4,923
Interest	ARS	2,274	1,623	563	-	4,459
Total		11,809	16,055	16,060	28,614	72,538

Foreign Exchange Rate

Country	3Q21	3Q20	3Q21	3Q20	2Q21	2Q20	2Q21	2Q20
	Avg	Avg	EoP	EoP	Avg	Avg	EoP	EoP
Argentine Peso	97.23	73.31	98.74	76.18	94.06	67.66	95.72	70.46

Amounts provided by units of local currency per US dollar

CAPEX

During 3Q21, AA2000 made capital expenditures of AR\$1,074 million. The most significant investments include construction works of the new departure terminal building at Ezeiza Airport, together with the remodeling of the terminal building at Bariloche Airport and works at Aeroparque Airport.

Hyperinflation Accounting

Following the categorization of Argentina as a country with a three-year cumulative inflation rate greater than 100%, the country is considered highly inflationary in accordance with IFRS. Consequently, starting July 1, 2018, the Company reports results applying IFRS rule IAS 29. IAS 29 requires that results of operations in hyperinflationary economies are reported as if these economies were highly inflationary as of January 1, 2018, and thus year-to-date results should be restated adjusting for the change in general purchasing power of the local currency, using official indices, before converting the local amounts at the closing rate of the period (i.e. December 31, 2020 closing rate for 2020 results).

Use of Non-IFRS Financial Measures

This announcement includes certain references to Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA excluding Construction Service and Adjusted EBITDA Margin excluding Construction service, as well as Net Debt:

Adjusted EBITDA is defined as income for the period before financial income, financial loss, income tax expense, depreciation and amortization.

Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenues.

Adjusted EBITDA excluding Construction Service (“Adjusted EBITDA ex-IFRIC”) is defined as income for the period before construction services revenue and cost, financial income, financial loss, income tax expense, depreciation and amortization.

Adjusted EBITDA Margin excluding Construction Service (“Adjusted EBITDA Margin ex-IFRIC12”) excludes the effect of IFRIC 12 with respect to the construction or improvements to assets under the concession and is calculated by dividing Adjusted EBITDA excluding Construction Service revenue and cost, by total revenues less Construction service revenue.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA excluding Construction Service and Adjusted EBITDA Margin excluding Construction Service are not measures recognized under IFRS and should not be considered as an alternative 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. Accordingly, readers are cautioned not to place undue reliance on this information and should note that these measures as calculated by the Company, may differ materially from similarly titled measures reported by other companies.

Net debt is calculated by deducting “Cash and cash equivalents” from total financial debt.

About Aeropuertos Argentina 2000

Aeropuertos Argentina 2000 was founded in 1998 in order to develop and operate the airports throughout the Argentine territory, becoming one of the largest private sector airport operators in the world, with 35 airports under management. Today, more than 2,600 employees work in AA2000, working with the purpose of ensuring the best quality of service and complying with the highest international standards of quality, safety and comfort. In 2019, AA2000 served 41.8 million passengers. Over the last 20 years, AA2000 developed and modernized infrastructure in the main airports in the country, incorporating cutting-edge technology in relation with safety and services. It also contributes to the social, economic and cultural development of the country, thus becoming a regional and international example in the aviation industry. AA2000’s mission is to enable the connection of people, goods and cultures, to contribute to a better world. For more information, visit www.aa2000.com.ar

Forward Looking Statements

Statements relating to our future plans, projections, events or prospects are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “believes,” “continue,” “could,” “potential,” “remain,” “will,” “would” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements 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 COVID-19 impact, 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, general economic, political, demographic and business conditions in the country, decreases in passenger traffic, changes in the fees we may charge under the concession agreement, inflation, depreciation and devaluation of the Argentine Peso against the U.S. dollar, the early termination, revocation or failure to renew or extend our concession agreement, the right of the Argentine Government to buy out the AA2000 Concession Agreement, 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, terrorism in the international markets we serve, epidemics, pandemics and other public health crises and changes in interest rates or foreign exchange rates.

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