

Annual Report 2021



AEROPORTO G. MARCONI DI BOLOGNA S.P.A.



Consolidated Financial Statements of
Aeroporto Guglielmo Marconi di Bologna Group and
Financial Statements of
Aeroporto G. Marconi di Bologna S.p.A.
At December 31, 2021

*“This financial statements constitute a non-official version which is not compliant with the provisions of the
Commission Delegated Regulation (EU) 2019/815”*

This document is a courtesy translation from Italian into English.

*In case of any inconsistency between the two versions, the Italian original version - compliant with the
European Single Electronic Format and the Transparency Directive - shall prevail”*

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Dear Shareholders,

after a 2020 which was as an “*annus horribilis*” for our airport and our sector, 2021 was the year in which we began to emerge from the pandemic - even if the recovery was slow and disjointed and, particularly, was not sufficiently strong to fully regain the Group’s previous profit levels.

Two years from the outbreak of the pandemic and at a time at which it seemed that we could again look to the future with a certain degree of optimism, a new, tragic emergency faces Europe in the form of the violent attack on Ukraine beginning on the night of February 24.

We will begin to understand the fallout from this war over the coming weeks, although the world’s geopolitical landscape has been severely shaken and the consequences will materialise over time.

In this setting today however, we focus on the traffic and operating results for 2021 and on the equity-financial structure of the company and of the AdB Group at December 31, 2021, within the framework of recovering air traffic in Europe (+36.9% on 2020), although significantly down on pre-COVID levels (-59% on 2019).

with **4,103,816 passengers**, Bologna’s traffic in 2021 significantly outperformed the European average (**+63,7%**) in comparison with 2020, although declining 56.4% on 2019.

The **Cargo traffic** performance was significantly better (**+15.5%** on 2020 and **+2.6%** on 2019); this segment over two years has recovered pre-pandemic traffic volumes, thanks to the significant development of the couriers.

Service quality performances - in a still “anomalous” year in view of the pandemic emergency and even amid certain normalisations - made any comparison with the previous year, or in terms of the target indicators, of little significance. So much so, that for the second consecutive year ENAC ordered that the Service Charter not be published. Nonetheless, customer satisfaction surveys have confirmed that passengers' expectations have also changed somewhat following the pandemic, with greater attention being paid to hygiene, sanitation, distancing and compliance with infection prevention regulations. The Group has made every effort to comply with **measures to protect the health and safety of employees** and passengers and to inform passengers promptly and effectively of the latest updates on the anti-COVID-19 measures and their impact on air travel.

Although amid a traffic volume recovery, the Group - although reporting a **loss of Euro 6.7 million** - saw an improvement on the 2020 result (loss of Euro 13.6 million). **Consolidated revenues** overall declined 13.3%, from Euro 67.5 million to Euro 58.5 million, although considering **revenues adjusted** for revenues from construction services (which were impacted by the reduced investment), **growth of 33.6%** is reported, from Euro 37.8 million in 2020 to Euro 50.4 million in 2021.

Consolidated EBITDA returned to **positive territory** (from a loss of Euro 3.9 million in 2020 to a profit of **Euro 3.5 million in 2021**), while the **result for the year** (although still a loss) significantly improved on 2020 (**loss of Euro 6.7 million in 2021**, compared to Euro 13.6 million in 2020).

From an **equity and financial** viewpoint, the Group undertook principally **infrastructural investments and cyclical maintenance actions for approximately Euro 9 million** and reacted to the significant pressure on liquidity from the drop in incoming cash by completing the sourcing of additional funding to the drawdown in 2020 of two SACE-backed loans for Euro 58.9 million; AdB in fact at the end of 2021 agreed with the **European Investment Bank (EIB) a long-term loan** up to a maximum Euro 90 million to support the infrastructural development plan.

The Group also focused on utilising **sector support measures** through the introduction first of the Extraordinary Temporary Lay-off Scheme, and subsequently of the Exceptional Temporary Lay-off Scheme until December 2021, in addition to presenting an application to access the **airport sector support fund set up under the 2021 Budget Law** which should ensure, once the approval phase is completed, the offsetting of the losses caused by COVID-19 in the March 1 - June 30, 2020 period.

Dear Shareholders, in thanking all of the Group's stakeholders for their utmost commitment and responsibility in supporting the Bologna airport's operations over these two years of crisis, I wish to particularly thank on their conclusion of mandate the Board of Directors and the Board of Statutory Auditors.

A particular thanks goes finally to all the Group's personnel for contributing to keeping our airport, in this very particular period, fully efficient and operating in safe conditions against this pandemic risk.

To conclude, the financial statements of the company Aeroporto Guglielmo Marconi di Bologna Spa, which we present for your approval, report **a loss of Euro 7,542,353.77**, which the Board of Directors proposes to carrying forward to 2022.

The Chairperson of the Board of Directors
(Enrico Postacchini)

Aeroporto Guglielmo Marconi di Bologna Spa
Registered office: Via Triumvirato, 84 - 40132 Bologna Italy
Operational offices: Via Triumvirato, 84 - 40132 Bologna Italy
Bologna Economic and Administrative Register No.: 268716
Bologna Company Registration Office, Tax and VAT No.: 03145140376
Share capital: Euro 90,314,162.00 fully paid-in

Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A.

According to the shareholder register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at December 31, 2021:

SHAREHOLDER	% Held
BOLOGNA CHAMBER OF COMMERCE	39.10%
ATLANTIA S.P.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%

The following have been considered in presenting the Parent Company's ownership structure:

- interests held by the party reporting the holding, or by the party at the head of the chain of control of the holding
- interests deriving from notices submitted by shareholders or notices relating to significant shareholdings pursuant to Article 152 of the CONSOB Issuers' Regulation.

Furthermore, on June 5, 2018 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce entered into a shareholders' agreement governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A. This Shareholders' Agreement, with duration until June 4, 2021, provided for a Voting Agreement and a Transfer Restriction Agreement.

The Shareholders' Agreement was resolved upon its conclusion on June 4, 2021.

On August 2, 2021, a new shareholders' agreement was signed by the same shareholders. This Shareholders' Agreement, filed at the Bologna Companies Registration Office on August 5, 2021 and sent to Consob on the same date, includes provisions on voting and transfer restrictions, binding the following interests:

PUBLIC SHAREHOLDERS	% Share Capital subject to Voting Agreement
BOLOGNA CHAMBER OF COMMERCE	39.10%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%
REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA CHAMBER OF COMMERCE	0.22%
REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

PUBLIC SHAREHOLDERS	% Share Capital subject to Transfer Restriction Agreement
BOLOGNA CHAMBER OF COMMERCE	37.5325326%
MUNICIPALITY OF BOLOGNA	3.8477737%
METROPOLITAN CITY OF BOLOGNA	2.2972543%
REGION OF EMILIA ROMAGNA	2.0210297%
MODENA CHAMBER OF COMMERCE	0.0835370%
FERRARA CHAMBER OF COMMERCE	0.0627298%
REGGIO EMILIA CHAMBER OF COMMERCE	0.0427747%
PARMA CHAMBER OF COMMERCE	0.0314848%

Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting of April 29, 2019 and in office until the approval date of the financial statements as at December 31, 2021 are:

Name	Office
Enrico Postacchini	Chairperson
Nazareno Ventola	Chief Executive Officer (*)
Silvia Giannini	Director (B)
Giada Grandi	Director (A)
Eugenio Sidoli	Director (A)
Valerio Veronesi	Director
Marco Troncone	Director (B)
Giovanni Cavallaro	Director
Laura Pascotto	Director (A) (B)

(*) Chief Executive Officer and General Manager He has also been appointed as Director responsible for the Internal Control and Risk Management System.

- (A) Member of the Remuneration Committee (Chairman Eugenio Sidoli)
- (B) Member of the Control & Risks Committee (Chairperson Silvia Giannini)

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 29, 2019 and in office until the approval date of the financial statements as at December 31, 2021 are:

Name	Office
Pietro Voci	Chairperson
Samantha Gardin	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Violetta Frasnedi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

Auditing Firm

EY S.p.a. was appointed as the auditing firm by the Shareholders' Meeting of May 20, 2015 for the financial years 2015-2023.

Directors' Report of the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for year ended December 31, 2021

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INTRODUCTION

Dear Shareholders,

this report, accompanying the Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the year ended December 31, 2021, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004. Given the drastic drop in traffic at Italy's airports due to COVID-19, Article 102, Paragraph 1-*bis* of Law Decree No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport's concession is extended to December 2046.

The Group's structure at December 31, 2021 and a brief description of the type and businesses of its subsidiaries and associates is presented below:



- Tag Bologna S.r.l. (hereinafter also “TAG”), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company on October 2, 2018, taking the opportunity to better control the dedicated airside flight infrastructure, acquired 49% of TAG to gain full ownership;
- Fast Freight Marconi Spa (hereinafter also “FFM”), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna Spa with effect from April 1, 2017), following the contribution of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009.

The amounts in the tables in this Directors' Report are in thousands of Euro, whereas those in the comments are in millions of Euro, unless otherwise indicated. The data is from internal Parent Company sources unless otherwise indicated.

Business Description

The Group operates in the airport management business area, which can be broken down into aviation and non-aviation activities. Aviation activities primarily consist of managing, maintaining and developing airports, which also includes security checks and surveillance, as well as aviation services for passengers, other users and airport operators and marketing activities to develop passenger and cargo traffic. Non-aviation activities primarily consist of developing airport real estate and commercial potential.

Based on the nature of operations, the Group manages the airport through the following Strategic Business Units (SBU's):

- *Aviation Strategic Business Unit*
- *Non-Aviation Strategic Business Unit.*

Aviation SBU

The Aviation SBU's main activities involve managing and developing airport infrastructure and in particular of:

- providing customers and operators with efficient access to all infrastructure, both land side (terminal, baggage sorting, car parking, traffic and cargo storage) and air side (aircraft runways and aprons);
- providing security services and services for passengers with reduced mobility (PRM's);
- informing the public and airport users;
- developing, revamping and expanding airport infrastructure, including installations and equipment, ensuring compliance with applicable legislation.

Consideration for such services takes the form of airport charges of the following types paid by airlines, airport operators and passengers:

- passenger service fees: these fees are due for the use of infrastructure, installations and common areas required for passenger boarding, disembarkation and hospitality and are based on the number of departing passengers, as well as whether they are bound for destinations within or outside the EU, with reductions for minors;
- take-off and landing fees: these fees are due for all aircraft that take off and land and are calculated on the basis of the aircraft's maximum authorised weight at take-off and the type of flight (commercial or general aviation);
- aircraft parking fees, calculated according to maximum weight at take-off and the duration of stay;
- freight fees for boarding and disembarking cargos based on the weight of the cargo carried by aircraft;
- refuelling fees, assessed per cubic metre of fuel supplied to aircraft.

The Aviation SBU's other major revenue sources are:

- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;
- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;
- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);

- fees for the exclusive use of premises: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;
- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

Non-Aviation SBU

The Non-Aviation SBU's main activities relate to parking management, retail sub-concessions, advertising, services for passengers and real estate management.

Parking

Bologna airport's directly operated paid parking areas offer approximately 5,300 car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away. The latter has been temporarily closed, taking account of the sharp reduction in demand due to the COVID-19 emergency. The sharp drop in traffic following the outbreak of the pandemic meant that many more parking spaces were supplied than demanded, resulting in the closure of outlying car parks in order to continue reducing costs while ensuring the minimum level of airport service.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,200 m² and includes 38 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources. In 2020 because of the spread of the pandemic and the resulting dramatic fall in traffic most sub-concession holders closed their commercial establishments, only starting to reopen gradually in July. At December 31, 2021, following a gradual recovery in traffic, most of the retail spaces are now operating.

Advertising

Advertising is managed using digital and large-format back-lit displays located in areas of the terminal's interior and exterior where the advertisements are highly visible. Campaigns involving the personalisation of particular areas or furnishings located in the airport are sometimes conducted.

Passenger services

Passenger services include a business lounge operated directly by the Parent Company. The *Marconi Business Lounge* (MBL) is an exclusive, comfortable environment used mostly by business passengers travelling with the major legacy carriers. The "You First" service provides arriving and departing passengers with access to exclusive services such as check-in and baggage collection assistance, portering, gate assistance and priority boarding.

Among the other services offered to passengers is car hire: nine rental companies offer a total of 16 specialised brands, with a total of 489 vehicle spaces available for their fleets. Car rental services remained available at all times, despite the drastic reduction in traffic caused by the pandemic.

Real Estate

Real estate activity is divided into two general areas: sub-concession revenues for aviation-related commercial activities, above all express couriers, and sub-concession revenues for handling services, which are subject to regulated tariffs.

The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas. In June 2021, areas under sub-concession increased following the start of operations of a new area for a cargo operator, which was created by the airport operator on a parcel of land within the airport measuring about 17,000 sq. m. and includes a building with a surface area of about 6,000 sq. m. used for offices and warehousing.

1 STRATEGIES AND RESULTS

1.1 AIR TRANSPORT GENERAL SECTOR AND PERFORMANCE: G. MARCONI AIRPORT OVERVIEW AND POSITIONING

Following the economic slowdown in many areas in Q3 2021 - which did not hit the Eurozone - at the end of the year signs of a return to a more sustained recovery in the United States and in the other advanced countries emerged, against the prolonged weakness of the emerging economies.

According to the OECD's December forecasts, global GDP would grow 5.6% in 2021, with growth expected to slow to 4.5% in the current year. The outlook continues to vary by country, with GDP for the advanced economies expected to again be in line with pre-pandemic trends by next year, while the recovery shall remain more fragile in the emerging economies, particularly in those less-developed countries.

In the Eurozone, after strong expansion for two quarters, economic output slowed decisively towards the end of the year, due to the rise in the number of infections and the consequent introduction of increasingly stringent containment measures, in addition to continued supply difficulties which are hampering manufacturing. Inflation hit its highest level since the start of the monetary union, impacted particularly by the exceptional energy component price rises.

Eurozone GDP growth is estimated at 5.1% for 2021, with growth of 4.2% forecast for 2022 and of 2.9% for 2023.

Growth in Italy was again strong in Q3 2021 (+2.6%), supported particularly by household consumption. GDP significantly slowed in Q4 (+0.5%), impacted by the resurgence of the pandemic, in addition to persisting business procurement difficulties. Overall, GDP growth in 2021 was 6.6% (Source: ISTAT).

The rapid spread of the Omicron variant and the related fears of possible new lockdowns and the consequent weakening of global demand significantly impacted oil prices: on November 26, the day on which the outbreak of the new variant was announced, the price of Brent dropped approximately 12% to slightly over USD 70 per barrel. On the supply side, both the US decision to tap into oil reserves and the willingness of the OPEC+ countries to meet their commitment to increase production have led to downward pressures. However, since the beginning of January the price of oil has shown signs of recovery - with the price of Brent again above USD 80 per barrel - following indications that Omicron's impact on crude demand would be more limited than expected. Prices are therefore expected to rise slightly in early 2022, followed by a decline from mid-year.

Natural gas prices remain high in Europe, driven by multiple factors. Tensions with Russia relating to the temporary suspension of the use of the Nord Stream 2 pipeline, which escalated in mid-November, the cold temperatures experienced in the Nordic countries and high demand for power generation significantly reduced inventory levels. However, the increased inflow of liquefied gas by cargo ships from the US during the final days of 2021 contributed to lower prices. It is expected that the increases observed in the second half of 2021 may partially recede in 2022. (Source: *Economic Bulletin, Bank of Italy, January 2022*).

The rising cost of energy and the recent Russian attack on Ukraine risk significantly impacting the outlook for a recovery of the Italian and European economies. It is currently difficult to estimate the extent of the effects, which will depend on the duration of the crisis and the architecture and impact of the sanctions. Oxford Economics has published early estimates of the downturn in global growth prospects caused by the invasion of Ukraine. The main impact would be for Russia, with GDP falling by 0.7% in 2022, 1.2% in 2023 and 1.1% in 2024. But even in the Eurozone, GDP recovery forecasts would be cut by 0.3% in 2022, and by more than 1% between 2023 and 2024. (Source: *Il Sole 24 Ore*)

Against this backdrop, according to the IATA, global passenger traffic in 2021 was 58.4% lower than pre-COVID volumes, although improving over 2020 when traffic had contracted 65.8% compared to 2019. It was domestic traffic that once again drove the recovery, with volumes 28.2% lower than in 2019 and international traffic still 75.5% below pre-COVID volumes. The very strong cargo component performance continues: cargo traffic in fact in 2021 was up 6.9% over 2019 and 18.7% on 2020 (Source: *IATA, Air Passenger and Air Freight Market Analysis, December 2021*).

The decline in passenger traffic in Europe in 2021 was 59% overall on 2019, while on 2020, according to ACI Europe, volumes were down 36.9% (Source: *ACI Europe*). In line with the global trend, European freight traffic has also already recovered its pre-Covid volumes (+3.7% compared to 2019, Source: *IATA, Air Freight Market Analysis, December 2021*).

The Italian airports in 2021 reported 80.7 million passengers, up 52.4% on 2020. Volumes still remain lower than 2019 (-58.2%), in which passengers exceeded 193 million. Due to the second and third waves, the serious effects of the pandemic were felt until as far as May 2021. In the first 5 months of last year, traffic at domestic airports contracted 86% compared to 2019, settling at values close to those observed in Spring 2020, during the months of generalised lockdown. The first weak signs of recovery were not seen until June 2021 (-65% on pre-COVID levels), and then strengthened in the second half of the year (-38% on the second half of 2019). There is also a partial recovery in the domestic segment, which in 2021 was 35.1% down on pre-pandemic volumes. On the other hand, international traffic struggled, with a drop of 70.4% and thus highlighting a two-speed recovery in the sector.

Cargo traffic, on the other hand, again performed better than passenger traffic: the volume of cargo transported by air reached 2019 levels, +0.2%, and the entire cargo segment, including by road, totalled 1 million tonnes, -1.9% on pre-COVID levels (+28.6% on 2020) (Source: *Assaeroporti, Aeroporti2030, December 2021*).

Finally, European general aviation traffic in 2021 had already recovered pre-COVID volumes, with movements up 6% on 2019 (+41.4% on 2020, Source: *European Business Aviation Association*). General aviation traffic was also on the up in Italy. In particular, in the January-October 2021 period general aviation movements had already exceeded 2019 levels by 5.2% (the latest complete available figures are for October, Source: *Assaeroporti*). General aviation traffic at Bologna airport saw movements up 58.5% on 2020, exceeding 2019 levels (+4.8%).

Bologna airport in 2021 reported passenger traffic increase of 63.7% on 2020. Volumes however remain down (-56.4%) on 2019. In 2021, Bologna Airport was ranked eighth in Italy in terms of passenger numbers.

1.2 IMPACTS OF THE COVID-19 PANDEMIC ON BOLOGNA AIRPORT AND INITIATIVES BY THE ADB GROUP IN RESPONSE TO THE EMERGENCY

Group results for 2021 were heavily influenced by the ongoing COVID-19 pandemic, which slowed traffic volumes in the initial months of 2021 and again at the end of the year due to the fresh wave of infections.

Also in 2021, continuing from the previous year, the Group has implemented measures to ensure the safety of passengers, employees and the entire airport community.

From the early stages of the pandemic, in order to both contain costs and protect jobs, the Group introduced a plan to encourage employees to take accrued holidays, and subsequently the Extraordinary Temporary Lay-off Scheme was introduced for all employees for a period of 12 months beginning March 21, 2020. These measures came in addition to moves designed to cut outsourced operating costs. The Exceptional Temporary Lay-off Scheme entered into force from March 22, 2021 to December 26 2021 for AdB employees, and from April 1, 2021 until December 31, 2021 for the subsidiary FFM. In January 2022, AdB signed at regional level an agreement with the Trade Unions/Workers' Representative Body (RSU) for the introduction of an additional period of the Extraordinary Temporary Lay-Off Scheme, with a maximum duration of 12 months (from February 1, 2022 until the end of January 2023). In a situation of profound market uncertainty and still impacted by the pandemic, the government has permitted the airport sector to utilise a special Extraordinary Temporary Lay-Off Scheme for "sudden and unforeseen events" related to the latest COVID variant (Omicron), which in the final months significantly dampened air traffic.

From a financial viewpoint, the Group entered this critical period with a solid and balanced equity and financial structure, which has allowed it to meet its commitments even in those months of greatest pressure on liquidity. Among the main measures introduced to tackle the crisis, in addition to cost reductions, the Group focused on revising the timeframes for investments and non-urgent replacement/upgrade work. In mid-2020, the Parent Company also signed two loans for a total of Euro 58.9 million, in order to ensure adequate resources for the Group to meet its financial needs, related to the increase in working capital and support for its business plan. In addition, last December, AdB signed with the European Investment Bank (EIB) a long-term loan up to a maximum amount of Euro 90 million to support the infrastructural development plan.

All of the Group's cost streamlining measures remain in place for 2021 in order to limit liquidity pressure resulting from the continuing crisis.

1.3 STRATEGIC OBJECTIVES

The Group's strategic objectives which underlie the development of all operations are outlined below. Since the outbreak of the pandemic, the Group has inevitably been forced to concentrate on managing first the emergency, then the subsequent crisis. This continues to have profound effects on air transport and the airport sector, the industry which has been hardest hit. 2021 therefore was a year of transition towards recovery and with a new focus on the following strategic objectives:

“Connect”

The Group seeks to maintain a varied range of flight offerings suited to various types of users by adding to the number of airlines operating out of the airport, while continuing to maintain good margins also on the new traffic generated. In terms of traffic development, the Group targets the adding of routes, with the introduction of new Eastern and long-haul destinations, while boosting frequencies to existing destinations. The Group also focuses on improving airport accessibility, through the development of ground connections and the expansion of its catchment area.

“Develop”

The investments outlined in the Master Plan and Regulatory Agreement are fundamental to the development of the Group's business. The strategy in question calls for an efficient use of the existing infrastructure's capacity and modular implementation of new investments to ensure that infrastructure capacity keeps pace with expected traffic development. The passenger terminal expansion project is a key part of the infrastructure development plan, permitting the development of - in particular - the security control areas and the boarding gates, in addition to extending dedicated commercial space.

The Group also plans to develop non-aviation business with the opening of new stores, new car spaces and the extension of the range of services available to passengers.

“Experience”

The Group is focused on ensuring the constant improvement of the services offered to airport users in its fields of operation, both directly and indirectly, while also constantly improving its standards of security, quality and respect for the environment. In order to support and improve all aspects of operations and generate Customer loyalty, the Group considers it key to develop a culture of innovation which revolves around the installation of technology that facilitates greater interaction with passengers and optimises the airport travelling experience.

“Care”

The Group is committed to all aspects of sustainability, ranging from those of an environmental nature to compliance with ethical and social principles, in view of the important role which Bologna airport plays as a vital hub for the region. The Group also strives to develop those who work at the Airport and build an organisation which responds to the evolving demands of the market and which supports the individual in their work.

The Group has furthermore identified two overarching guidelines to the strategic objectives identified above which are viewed as a touchpoint for company operations:

“Maximise financial performance”

The Group is focused on consistently improving the financial performance and on ensuring an adequate return for shareholders.

“Performing and sustainable corporation”

The Group aims to improve the efficiency and efficacy of its processes and internal structure, with a view to improving company performance and development, while paying increasing attention to sustainability in its environmental, social and governance components.

1.4 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.

The following graphs present:

- the share performance between January 1, 2021 and December 31, 2021;

- tracking of the company's share performance against the FTSE Italia all-share index.

On December 31, 2021, the official share price was Euro 8.80 per share, resulting in an AdB Group market capitalisation of approximately Euro 317.9 million at that date.

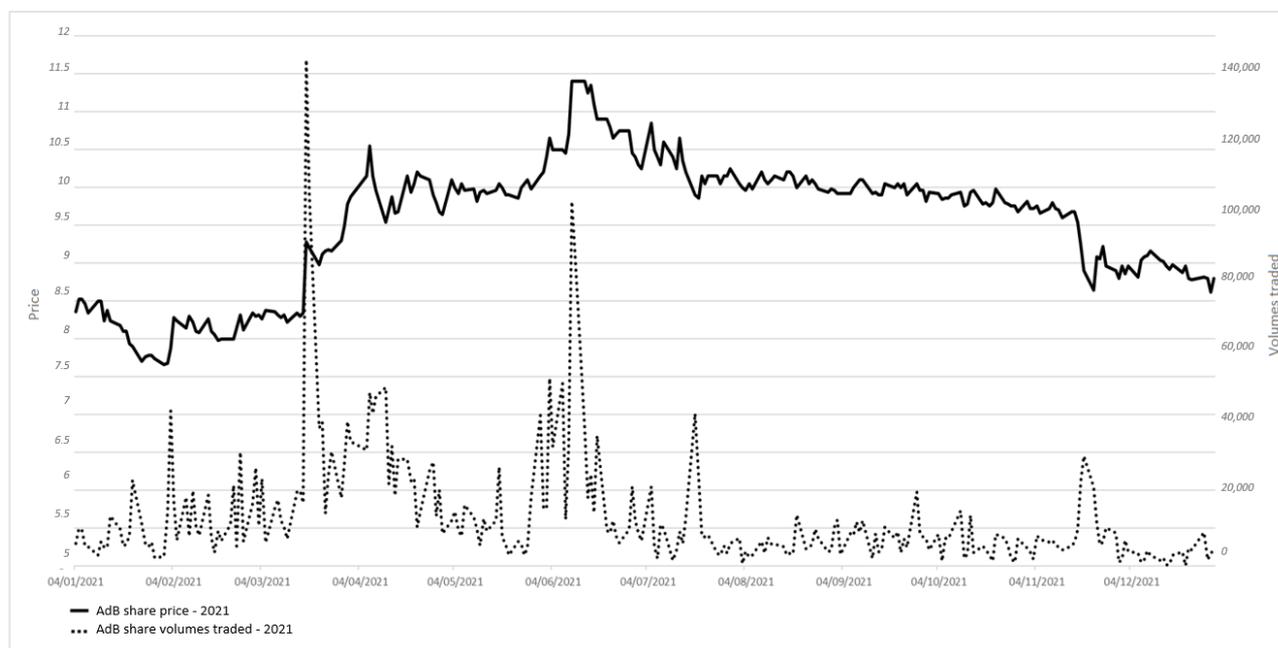
AdB share performance (01/01/2021-31/12/2021)



AdB share and FTSE Italia All-Share performance (01/01/2021-31/12/2021)



AdB share performance – prices and volumes (01/01/2021-31/12/2021)



The AdB share price and volumes in 2020-2021 in the two-year period were heavily impacted by the COVID-19 health emergency.

After a sharp drop in price in early 2020 following the outbreak of the pandemic, the arrival of the second wave of infections in early autumn saw AdB's share price fall to an all-time low of Euro 5.58, down 54% on the closing price in 2019 (Euro 12.12).

Only towards the end of the year did the share begin to make a partial recovery - improving to Euro 8.48 at December 30, 30% below 2019's closing price. This value remained more or less stable for most of Q1 2021.

From the second half of March, alongside an increase in the volume of shares traded on the market, the price gradually rose, which in mid-June, with a new peak of shares traded, exceeded Euro 11.00 per share, and then closed the half-year at Euro 10.40.

After a slight reduction in first half of July, during the third quarter of the year the share price remained more or less stable at values between Euro 9.80 and Euro 10.20 per share, with limited volumes of shares traded on the market.

In the second half of November, the share price fell, alongside the fresh wave relating to the Omicron variant, to approximately Euro 8.90 per share. Subsequently, the price remains substantially unchanged, amid contained trading. At year-end, the price stood at Euro 8.80 per share (+3.8% from the 2020 closing price).

2. KEY OPERATING RESULTS ANALYSIS

2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

Although the first quarter of 2021 did not show signs of improvement over 2020, with the exception of the cargo segment, as travel restrictions were gradually loosened in response to the decrease in infections and the continuation of the vaccine roll-out, we began to see a recovery in traffic in late spring. The second and third quarters of 2021 in fact posted an increase of more than 1.6 million passengers over the same period of 2020, which had been hit hard by the lockdown. In the fourth quarter, in October and November traffic volumes remained high, while in December - due to the further wave from the Omicron variant and the consequent reinstatement of a number of movement restrictions - traffic slowed.

In 2021, passengers totalled 4,103,816, down 56.4% on 2019 but up 63.7% on 2020, with 42,477 movements (-44.9% from 2019 and +40.9% on 2020) and 50,121 tonnes of cargo transported (+2.6% from 2019 and +15.5% on 2020).

The average load factor increased from 60.5% in 2020 to 68.7% for 2021, with an improvement throughout the year, going from 53.6% in the first quarter, to 64% in the second quarter, to 71.3% in the third and to 70.3% in the fourth. To offer a more useful comparison with pre-pandemic data, the following tables also provide figures for 2019.

Passenger traffic performance January-December 2021



	2021	2020	Change % 2021-2020	2019	Change % 2021-2019
Passengers	4,103,816	2,506,258	63.7%	9,405,920	(56.4%)
Movements	42,477	30,139	40.9%	77,126	(44.9%)
Tonnage	2,833,043	2,038,026	39.0%	5,086,505	(44.3%)
Cargo	50,121,148	43,377,968	15.5%	48,832,550	2.6%

Data includes General Aviation and transits

Passenger traffic breakdown	2021	% of total	2020	% of total	2019	% of total	Change % 21-20	Change % 21-19
Legacy	1,020,549	24.9%	851,146	34.0%	3,765,104	40.0%	19.9%	(72.9%)
Low cost	3,051,987	74.4%	1,628,630	65.0%	5,497,081	58.4%	87.4%	(44.5%)
Charter	18,179	0.4%	17,605	0.7%	121,033	1.3%	3.3%	(85.0%)
Transits	5,572	0.1%	4,197	0.2%	14,090	0.1%	32.8%	(60.5%)
Total Commercial Aviation	4,096,287	99.8%	2,501,578	99.8%	9,397,308	99.9%	63.7%	(56.4%)
General Aviation	7,529	0.2%	4,680	0.2%	8,612	0.1%	60.9%	(12.6%)
Total	4,103,816	100.0%	2,506,258	100.0%	9,405,920	100.0%	63.7%	(56.4%)

Legacy traffic saw a greater drop in passenger traffic in 2021 (-72.9% on 2019) compared to low-cost traffic (-44.5% on 2019), as a result of both a significant drop in movements and a lower aircraft load factor.

In line with 2020, and as a result of ongoing, stringent restrictions on international travel - particularly in the initial part of the year - domestic sector passenger numbers performed substantially better than international flights compared to the previous year.

A two-speed recovery is therefore confirmed, with passengers on domestic flights already reaching 80% of pre-pandemic levels in 2021 (-21.5% on 2019), while international passengers numbers continue to be subdued by uncertainties surrounding the international health situation and the different access rules among countries.

Passenger traffic breakdown	2021	% of total	2020	% of total	2019	% of total	Change % 21-20	Change % 21-19
Domestic	1,535,859	37.4%	803,289	32.1%	1,957,731	20.8%	91.2%	(21.5%)
International	2,560,428	62.4%	1,698,289	67.8%	7,439,577	79.1%	50.8%	(65.6%)
Total Commercial Aviation	4,096,287	99.8%	2,501,578	99.8%	9,397,308	99.9%	63.7%	(56.4%)
General Aviation	7,529	0.2%	4,680	0.2%	8,612	0.1%	60.9%	(12.6%)
Total	4,103,816	100.0%	2,506,258	100.0%	9,405,920	100.0%	63.7%	(56.4%)

37.4% of airport passenger traffic was domestic in 2021, a sharp increase on 2020 and 2019. Spain comes in at second place for the number of passengers transported, with 14.3%. Germany follows with 5.7%, Romania with 4.9% and France with 4.6%.

<i>Passenger traffic by country</i>	2021	% of total	2020	% of total	2019	% of total
Italy	1,535,859	37.4%	803,289	32.1%	1,957,731	20.8%
Spain	585,652	14.3%	298,863	11.9%	1,302,254	13.8%
Germany	232,470	5.7%	188,983	7.5%	890,293	9.5%
Romania	202,040	4.9%	110,935	4.4%	478,390	5.1%
France	187,608	4.6%	123,012	4.9%	507,613	5.4%
Netherlands	154,290	3.8%	90,746	3.6%	336,994	3.6%
Albania	147,380	3.6%	67,575	2.7%	165,821	1.8%
Greece	145,280	3.5%	52,189	2.1%	315,159	3.4%
United Kingdom	111,398	2.7%	206,012	8.2%	904,859	9.6%
Morocco	104,907	2.6%	64,617	2.6%	195,246	2.1%
Other countries	696,932	17.0%	500,037	20.0%	2,351,560	25.0%
Total	4,103,816	100.0%	2,506,258	100.0%	9,405,920	100.0%

In 2021, 113 destinations were directly reachable from Bologna, slightly increasing on 2020.

<i>Destinations reachable from Bologna Airport</i>	2021	2020	2019
Destinations (airports) connected directly	113	107	120

Despite the restrictions which impacted international travel, in 2021 half of the top ten destinations were overseas cities, with Tirana the most popular with nearly 150 thousand passengers.

Main passenger traffic routes	2021	2020	Change % 2021-2020	2019	Change % 2021-2019
Catania	361,892	165,934	118.1%	397,194	(8.9%)
Palermo	260,791	120,118	117.1%	276,883	(5.8%)
Bari	177,011	60,369	193.2%	173,545	2.0%
Brindisi	163,511	69,369	135.7%	189,762	(13.8%)
Barcelona	158,058	74,816	111.3%	389,343	(59.4%)
Tirana	147,380	67,575	118.1%	165,821	(11.1%)
Madrid	137,922	84,265	63.7%	312,296	(55.8%)
Paris CDG	112,217	72,080	55.7%	298,900	(62.5%)
Amsterdam	104,796	66,708	57.1%	226,697	(53.8%)
Olbia	102,995	33,321	209.1%	48,744	111.3%

Passenger traffic including transits

The airport's network of main airlines has shrunk due to the outbreak of the pandemic.

<i>Number of carriers</i>	2021	2020	2019
Airlines	41	44	57

Analysis of carrier performance shows that Ryanair remains in the lead with 58.8% of total traffic, due to a smaller reduction in passenger numbers compared to other airlines. Wizz Air is in second place, with its share having grown from 5.4% in 2019 to 11.8% in 2021. Next come Air France, KLM, Volotea, Air Nostrum and Turkish Airlines, with shares between 2% and 3%.

<i>Passenger traffic by airline</i>	2021	% of total	2020	% of total	2019	% of total
Ryanair	2,412,272	58.8%	1,349,138	53.8%	4,317,628	45.9%
Wizz Air	482,689	11.8%	154,366	6.2%	507,595	5.4%
Air France	113,753	2.8%	79,863	3.2%	313,319	3.3%
KLM Royal Dutch Airlines	104,193	2.5%	66,535	2.7%	226,232	2.4%
Volotea	93,252	2.3%	33,413	1.3%	973	0.0%
Air Nostrum	80,362	2.0%	47,334	1.9%	169,328	1.8%
Turkish Airlines	80,234	2.0%	44,119	1.8%	199,708	2.1%
Lufthansa	79,821	1.9%	63,464	2.5%	310,707	3.3%
Vueling	76,314	1.9%	34,480	1.4%	197,294	2.1%
Alitalia	69,591	1.7%	113,649	4.5%	439,373	4.7%
Others	511,335	12.5%	519,897	20.7%	2,723,763	29.0%
Total	4,103,816	100.0%	2,506,258	100.0%	9,405,920	100.0%

Cargo Traffic

<i>(in KG)</i>	2021	2020	Change % 2021-2020	2019	Change % 2021-2019
Air cargo of which	38,853,926	34,673,841	12.1%	38,050,148	2.1%
Cargo	38,853,537	34,673,545	12.1%	38,027,623	2.2%
Mail	389	296	31.4%	22,525	(98.3%)
Road cargo	11,267,222	8,704,127	29.4%	10,782,402	4.5%
Total	50,121,148	43,377,968	15.5%	48,832,550	2.6%

Cargo traffic in 2021 totalled 50,121,148 kg, up 15.5% on 2020, and 2.6% on 2019. After Milan Malpensa and Rome Fiumicino, Bologna was Italy's third leading airport in the cargo segment in 2021 (vs. fifth place in 2019).

This performance follows a good recovery of the cargo business, which in two years has regained its pre-pandemic traffic volumes, in particular thanks to the strong development of courier traffic, supported by the buoyant e-commerce area.

Road traffic increased by 4.5% over 2019, while air traffic was up 2.1%.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Passenger Revenues	24,898	14,800	10,098	68.2%	60,500	-58.8%
Carrier Revenues	16,885	11,963	4,922	41.1%	25,777	-34.5%
Airport Operator Revenues	2,435	1,856	579	31.2%	3,510	-30.6%
Traffic Incentives	(14,334)	(7,164)	(7,170)	100.1%	(25,895)	-44.6%
Construction Service Revenues	5,715	19,632	(13,917)	-70.9%	12,715	-55.1%
Other revenues	1,283	1,523	(240)	-15.8%	1,552	-17.3%
Aeronautical and FSC Revenue Reduction	(237)	(119)	(118)	99.2%	(879)	-73.0%
Reduction in Other Revenues to FSC	(10)	0	(10)	n.a.	0	n.a.
Total AVIATION SBU Revenues	36,635	42,491	(5,856)	-13.8%	77,280	-52.6%

The Aviation Strategic Business Unit's revenues consist of fees paid by users (passengers and airlines) and airport operators for the use of the infrastructure and services provided on an exclusive basis by the Group for landing, take-off, lighting, aircraft parking and passenger and cargo operations, in addition to centralised infrastructure and exclusive-use premises.

Given the public utility aspect of airport services, airport charges are regulated by both national and EU legislation. The new regulations and implementation measures – including the models approved by the Transport Regulation Authority – require that changes to the system or amount of airport fees be made with the consent, on the one hand, of the airport manager, and of the airport's users on the other.

The decline in revenues in 2021 on 2020 is primarily due to the reduction in revenues from construction services due to reduced investments in Concession Rights. Excluding this component, revenues grew as a result of the increase in traffic volumes over 2020. The decline on 2019 is primarily due to the reduction in traffic volumes from the end of February 2020, in addition to a decrease in revenues for construction services.

Group revenues from the Aviation Strategic Business Unit were down 13.8% overall on 2020 and 52.6% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (+68.2% on 2020 and -58.8% on 2019): passenger revenues generally moved in line with passenger traffic;
- Carrier Revenues (+41.1% on 2020 and -34.5% on 2019): carrier revenues against 2019 fell less than total tonnage, due to higher take-off and landing tariffs; compared with 2020 the growth slightly exceeded that of tonnage due to the effect of higher cargo charges deriving from the growth in cargo traffic and higher handling revenues from General Aviation;
- Airport Operator Revenues (+31.2% on 2020 and -30.6% on 2019): revenues declined compared to 2019 due to the decrease in traffic volumes and the revision of fees for premises and operating equipment granted by the manager until the end of H1 2021 to support operators in the emergency phase; an increase is reported on 2020 due to the higher fuel sales revenues of a subsidiary;
- Incentives: the movement in incentives (+100.1% on 2020 and -44.6% on 2019) relates to the incentivised traffic performance;
- Revenues from Construction Services: the decline in this item (-70.9% on 2020 and -55.1% on 2019) relates to lesser investments considering the rescheduling of work required by the ongoing health emergency.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Retail and Advertising	5,823	4,732	1,091	23.1%	15,620	-62.7%
Parking	6,987	4,583	2,404	52.5%	16,818	-58.5%
Real Estate	2,622	2,167	455	21.0%	2,450	7.0%
Passenger services	2,412	1,887	525	27.8%	6,206	-61.1%
Construction Service Revenues	2,336	9,783	(7,447)	-76.1%	3,705	-37.0%
Other revenues	1,681	1,857	(176)	-9.5%	3,056	-45.0%
Non-Aeronautical and FSC Revenue Reduction	(7)	(10)	3	-30.0%	0	n.a.
Total NON AVIATION SBU Revenues	21,854	24,999	(3,145)	-12.6%	47,855	-54.3%

Total non-aviation business revenues in the period declined 12.6% on 2020 and 54.3% on 2019. As for the aviation business unit, the decline in revenues in 2021 on 2020 is primarily due to the reduction in revenues from construction services due to reduced investments. Excluding this component, revenues grew as a result of the increase in traffic volumes over 2020.

The individual areas of this business unit performed as follows.

Retail and Advertising

The performance of these revenues (+23.1% on 2020 and -62.7% on 2019) is mainly due to the review of the contractual basis agreed by the operator with the retail sub-concessionaires to support them in the emergency phase, according to which fees vary on the basis of changes in traffic on 2019 levels, which thereby increased on 2020. The Advertising sector has not however shown signs of recovery, with its results in fact declining even against 2020.

Parking

The trend in revenue from parking and rail access fees (+52.5% on 2020 and -58.5% on 2019) is strictly related to the trend in traffic, which remains significantly below 2019 levels due to the ongoing health emergency, despite recovering from 2020 levels.

Real Estate

The real estate revenue performance (+21% on 2020 and +7% on 2019) was less affected by the ongoing health emergency. Operators suffering from the reduction in traffic were offered discounts. The increase was due to a new sub-concession agreement related to new areas delivered from June.

Passenger services

In 2021, passenger services grew on 2020 (+27.8%), while contracting on 2019 (-61.1%), due to the performance of the self-hire business, recovering on 2020 thanks to increased traffic, while premium services (lounge and accessory services) were down also in comparison with 2020.

Premium services

The reduction in revenues for this segment is due to the drop in passenger traffic using the service, the dramatic fall in work travel and conventions, the temporary suspension of lounge services by some carriers, and the reduction in operations and total cancellation of routes that are particularly significant for the premium services segment.

Car hire sub-concessions

Car rental revenues declined on 2019 in both the variable component and for fixed fees, the latter granted by the manager to sub-concession holders to support them during this emergency phase. Compared to 2020, growth is reported due to the second half traffic recovery. Car rental activities were never suspended in order to guarantee service to passengers travelling through Bologna airport.

Revenues from Construction Services

The reduction in this account (-76.1% on 2020 and -37% on 2019) relates to reduced investment in the business unit on previous years.

Other revenues

The contraction in other revenues on 2020 (-9.5%) was mainly due to reduced maintenance activities carried out on airport operator vehicles and the reduced sales of energy efficiency certificates. Reduced maintenance activities carried out on airport operator vehicles and lower sales of energy efficiency certificates, as well as the reduced use of passenger trolleys and the provision of fewer training courses, all contributed to remaining below 2019 levels (-45%).

3 ANALYSIS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	29,820	21,548	8,272	38.4%	63,274	-52.9%
Revenues from non-aeronautical services	19,917	15,426	4,491	29.1%	44,295	-55.0%
Revenues from construction services	8,051	29,415	(21,364)	-72.6%	16,420	-51.0%
Other operating revenues and income	701	1,101	(400)	-36.3%	1,146	-38.8%
REVENUES	58,489	67,490	(9,001)	-13.3%	125,135	-53.3%
Consumables and goods	(1,976)	(1,359)	(617)	45.4%	(2,305)	-14.3%
Service costs	(15,553)	(15,387)	(166)	1.1%	(20,920)	-25.7%
Construction service costs	(7,667)	(28,015)	20,348	-72.6%	(15,639)	-51.0%
Leases, rentals and other costs	(4,569)	(3,422)	(1,147)	33.5%	(8,614)	-47.0%
Other operating expenses	(3,137)	(2,942)	(195)	6.6%	(3,260)	-3.8%
Personnel costs	(22,058)	(20,287)	(1,771)	8.7%	(29,460)	-25.1%
COSTS	(54,960)	(71,412)	16,452	-23.0%	(80,198)	-31.5%
EBITDA	3,529	(3,922)	7,451	n.a.	44,937	-92.1%
Amortisation of concession rights	(7,440)	(6,688)	(752)	11.2%	(6,243)	19.2%
Amortisation of other intangible assets	(890)	(1,409)	519	-36.8%	(1,576)	-43.5%
Depreciation of tangible assets	(2,225)	(2,531)	306	-12.1%	(2,750)	-19.1%
AMORTISATION, DEPRECIATION AND WRITE-DOWNS	(10,555)	(10,628)	73	-0.7%	(10,569)	-0.1%
Provisions for doubtful accounts	(504)	(508)	4	-0.8%	1	n.a.
Provision for renewal of airport infrastructure	(671)	(2,306)	1,635	-70.9%	(2,893)	-76.8%
Provisions for other risks and charges	(168)	(30)	(138)	460.0%	(409)	-58.9%
PROVISIONS FOR RISKS AND CHARGES	(1,343)	(2,844)	1,501	-52.8%	(3,301)	-59.3%
TOTAL COSTS	(66,858)	(84,884)	18,026	-21.2%	(94,068)	-28.9%
OPERATING RESULT	(8,369)	(17,394)	9,025	51.9%	31,067	n.a.
Financial income	499	198	301	152.0%	150	232.7%
Financial expenses	(1,079)	(1,218)	139	-11.4%	(1,125)	-4.1%
RESULT BEFORE TAXES	(8,949)	(18,414)	9,465	51.4%	30,092	n.a.
TAXES FOR THE YEAR	2,232	4,824	(2,592)	-53.7%	(9,240)	n.a.
PROFIT (LOSS) FOR THE YEAR	(6,717)	(13,590)	6,873	50.6%	20,852	n.a.
Profit (Loss) for the year - Minority interests	0	0	0	n.a.	0	n.a.
Profit (loss) for the year – Group	(6,717)	(13,590)	6,873	50.6%	20,852	n.a.

A consolidated loss of **Euro 6.7 million** was reported in 2021; although improving on the loss of **Euro 13.6 million** in 2020, this result owes to the persisting contraction in traffic due to the COVID-19 emergency and its economic and social consequences. In 2019, the last pre-COVID year, the Group reported a net profit of Euro 20.9 million.

Operating **revenues** overall declined 13.3% on 2020 and 53.3% on 2019. Specifically:

- **revenues from aeronautical services** dropped 52.9% on 2019 due to the reduction in traffic, but grew 38.4% on 2020 thanks to the recovery that began in late spring 2021;
- **revenues from non-aeronautical services** declined 55% on 2019, although up 29.1% on 2020, due to the performance of the various category components, as outlined in the relative section;
- **revenues from construction services** dropped (-72.6% on 2020 and -51% on 2019) due to the lower investments made in both the aviation and non-aviation sectors;
- other **operating revenues and income**: the decline (-36.3% on 2020 and -38.8% on 2019) derives mainly from the reduced sale of energy efficiency certificates and the lower revenues from the leasing of airport areas.

Period **costs** overall reduced 23% on the same period of 2020 and by 31.5% on 2019. The savings on 2019 are due to the decrease in traffic and the efficiency enhancement measures implemented to reduce the impact of the decline in volumes on profitability. The drop compared to 2020 is attributable entirely to costs for construction services, as all other cost categories have increased.

These break down as follows:

- ✓ **consumables and goods** increased 45.4% on 2020 and fell 14.3% on 2019, mainly due to aircraft fuel purchased resulting by a subsidiary in response to the trend in traffic. The increase over 2020 was slightly mitigated by a decrease in purchases of aircraft de-icing fluid, whereas lower purchases of consumables, office supplies, printed materials and maintenance materials contributed to the cost savings compared to 2019.
- ✓ **service costs** are generally in line with 2020 and 25.7% lower than 2019; the equilibrium with 2020 is attributable to:
 - maintenance costs, insurance and MBL services unchanged from the previous year;
 - increased costs for security, cleaning, snow ploughing, the PRM service and advertising and promotion expenses, offset by savings on consultancy and professional services, utilities and other services;the decline compared to 2019 is attributable to:
 - a reduction of some traffic-related services;
 - the drop in utility costs;
 - the lower costs for maintenance, development and promotion, professional services and consultancy, and the restructuring or suspension of some service contracts (e.g., cleaning and passenger and staff shuttles to outlying car parks);
- ✓ the movements in the **lease, rentals and other costs** account (+33.5% on 2020 and -47% on 2019) is mainly due to traffic volume movements, on whose basis the concession and security fees are calculated;
- ✓ **other operating expenses** increased on 2020 (+6.6%) due to costs connected with the aviation event (which were partially offset by revenue from sponsorships), due to higher tax charges and the increase in the fire prevention service fee, while the decline on 2019 (-3.8%) is mainly due to reduced tax charges.

Reference should be made to the personnel costs section of this report for further details.

Overall, 2021 reports an **EBITDA profit of Euro 3.5 million**, compared to a loss of Euro 3.9 million in 2020 and a profit of Euro 44.9 million in 2019, due to the revenue performance, entirely linked to traffic, and to more rigid costs, considering the high fixed cost structure characteristic of airport managers.

Looking to **overheads, amortisation and depreciation** decreased slightly (-0.7%) due to the advancement of the investment plan, which in 2021 mainly saw the construction of infrastructure under concession (concession rights), which have a low depreciation rate as linked to the duration of the concession. Moreover, the latter was extended by two years by Law No. 77 of July 17, 2020 and consequently the straight-line depreciation rates for assets under concession were re-set in 2020, taking into account the extension of the concession's conclusion to 2046, with application from the second half of 2020. In addition, the amortisation period for certain significant software development projects carried out in previous years was completed. **Provisions** also decreased, although more sharply (reducing 52.8%), due to a reduction in provisions for the renovation of airport infrastructure as a result of their lesser use during the year than planned and the consequent revision of the ten-year planning of works.

The 21.2% decrease in overall costs against the 13.3% reduction in revenues resulted in the **EBIT** improving from a loss of Euro 17.4 million in 2020 to a loss of **Euro 8.4 million in 2021** (+51.9%).

Financial management improved due to the discount rate changes in the provisions, from Euro -1 million to **Euro -0.6 million** in 2021.

As a result of that outlined above, the **Result before taxes** for 2021 was a **loss of Euro 8.9 million**, compared to a loss of Euro 18.4 million in 2020 and a profit of Euro 30.1 million in the last pre-COVID year.

Income taxes present income of **Euro 2.2 million**, compared to Euro 4.8 million in 2020, due to the recognition of deferred tax assets calculated on the IRES tax loss for the year of Euro 2.1 million. These latter are recognised assuming that the current situation is temporary and that a reasonable certainty therefore exists of generating in future periods sufficient assessable income to allow for their gradual reabsorption.

The **result** for the year, entirely concerning the Group, was therefore a **loss of Euro 6.7 million**, compared to a loss of Euro 13.6 million in 2020; the 50.6% improvement was significant, although still some way off the results of the last pre-COVID year, which reported a net profit of Euro 20.9 million.

The **EBITDA adjusted** for construction services and of the terminal value receivable revenues on interventions of the provision for renewal is presented in the table below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	29,820	21,548	8,272	38.4%	63,274	-52.9%
Revenues from non-aeronautical services	19,917	15,426	4,491	29.1%	44,295	-55.0%
Other operating revenues and income	701	785	(84)	-10.7%	1,065	-34.2%
ADJUSTED REVENUES	50,438	37,759	12,679	33.6%	108,634	-53.6%
Consumables and goods	(1,976)	(1,359)	(617)	45.4%	(2,305)	-14.3%
Service costs	(15,553)	(15,387)	(166)	1.1%	(20,920)	-25.7%
Leases, rentals and other costs	(4,569)	(3,422)	(1,147)	33.5%	(8,614)	-47.0%
Other operating expenses	(3,137)	(2,942)	(195)	6.6%	(3,260)	-3.8%
Personnel costs	(22,058)	(20,287)	(1,771)	8.7%	(29,460)	-25.1%
ADJUSTED COSTS	(47,293)	(43,397)	(3,896)	9.0%	(64,559)	-26.7%
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	3,145	(5,638)	8,783	n.a.	44,075	-92.9%
Revenues from construction services	8,051	29,415	(21,364)	-72.6%	16,420	-51.0%
Construction service costs	(7,667)	(28,015)	20,348	-72.6%	(15,639)	-51.0%
Construction Services Margin	384	1,400	(1,016)	-72.6%	781	-50.8%
Revenues from Terminal Value on Provision for Renewal	0	316	316	-100.0%	81	-100.0%
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	3,529	(3,922)	7,451	n.a.	44,937	-92.1%

(*) For further information on terminal value, refer to the note in the financial statements on accounting policies regarding intangible assets.

3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below for the financial years 2021 and 2020:

in Euro thousands	As at 31.12.2021	As at 31.12.2020	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	3,764	(5,351)	9,115
Cash flow generated / (absorbed) by net operating activities	(3,314)	(13,968)	10,654
Cash flow generated / (absorbed) by investing activities	(8,621)	(28,372)	19,751
Cash flow generated / (absorbed) by financing activities	(3,508)	56,745	(60,253)
Change in closing cash flow	(15,443)	14,405	(29,848)
Cash and cash equivalents at beginning of year	43,658	29,253	14,405
Change in closing cash flow	(15,443)	14,405	(29,848)
Cash and cash equivalents at end of the year	28,215	43,658	(15,443)

Cash flow generated by operating activities before working capital changes amounted to Euro 3.8 million compared to an absorption of Euro 5.4 million in the comparative year. The difference of Euro 9.1 million is essentially due to the improved net result for the year.

Working capital absorbed resources of Euro 7.1 million; this movement, reducing on that in 2020 (Euro -8.6 million) resulted in **net cash flow absorbed by operating activities of Euro 3.3 million**, compared to an absorption of Euro 14 million in 2020.

The absorption of working capital is mainly due to the increase in trade receivables for Euro 14 million, principally due to the higher revenues.

Investing activities absorbed **Euro 8.6 million** as a result of reduced infrastructural investment.

Finally, **cash flow generated by financing activities of Euro 3.5 million** principally concerns the repayment of maturing loan instalments, against a cash generation of Euro 56.7 million in 2020 due to the drawdown of the two medium-term loans of Euro 58.9 million by the parent company.

Consequently, the **change in closing cash** indicates the **absorption of Euro 15.4 million**, against an increase in cash of Euro 14.4 million in 2020; this latter however was impacted by incoming cash with the drawdown of the two new loans. Consequently, although an absorption, the cash movement in the year improved on 2020.

The Group's net financial debt for 2021, compared to 2020, is presented below, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 Recommendations of March 4, 2021.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
A Cash	28,215	43,658	(15,443)
B Other cash equivalents	0	0	0
C Other current financial assets	0	275	(275)
D Liquidity (A+B+C)	28,215	43,933	(15,718)
E Current financial debt	(1,732)	(1,473)	(259)
F Current portion of non-current debt	(6,191)	(3,064)	(3,127)
G Current financial debt (E + F)	(7,923)	(4,537)	(3,386)
H Net current financial debt (G - D)	20,292	39,396	(19,104)
I Non-current financial payables	(62,577)	(68,759)	6,182
J Debt instruments	0	0	0
K Trade payables and other non-current payables	(949)	(1,026)	77
L Non-current financial debt (I + J + K)	(63,526)	(69,785)	6,259
M Total financial debt (H + L)	(43,234)	(30,389)	(12,845)

The Group **Net Financial Debt** at December 31, 2021 was Euro **43.2 million**, increasing Euro 12.8 million on December 31, 2020.

In brief, the most significant movement is due to the extraordinary absorption of liquidity linked to the reduced activities, which also in 2021 strongly depressed the incoming cash flows linked to current operations, in addition to investments for Euro 8.6 million and the settlement of loans falling due for Euro 3.5 million.

3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to “sources” and “uses”, is presented below for the two-year period 2020-2021:

USES	As at 31.12.2021	As at 31.12.2020	Change Absolute	Change %
- Trade receivables	19,977	6,279	13,698	218.2%
- Tax receivables	142	1,299	(1,157)	-89.1%
- Other Receivables	5,251	2,494	2,757	110.5%
- Inventories	735	676	59	8.7%
Sub-total	26,105	10,748	15,357	142.9%
- Trade payables	(19,035)	(13,612)	(5,423)	39.8%
- Tax payables	(1,062)	(511)	(551)	107.8%
- Other payables	(28,032)	(22,923)	(5,109)	22.3%
Sub-total	(48,129)	(37,046)	(11,083)	29.9%
Net operating working capital	(22,024)	(26,298)	4,274	-16.3%
Fixed assets	216,303	217,457	(1,154)	-0.5%
- Deferred tax assets	13,093	10,732	2,361	22.0%
- Other non-current assets	13,560	13,262	298	2.2%
Total fixed assets	242,956	241,451	1,505	0.6%
- Provisions for risks, charges & severance	(17,154)	(17,567)	413	-2.4%
- Deferred tax liabilities	(2,691)	(2,618)	(73)	2.8%
- Other non-current liabilities	(55)	(41)	(14)	34.1%
Sub-total	(19,900)	(20,226)	326	-1.6%
Fixed Operating Capital	223,056	221,225	1,831	0.8%
Total Uses	201,032	194,927	6,105	3.1%

SOURCES	As at 31.12.2021	As at 31.12.2020	Change Absolute	Change %
Net financial (debt) position	(43,234)	(30,389)	(12,845)	42.3%
- Share Capital	(90,314)	(90,314)	0	0.0%
- Reserves	(74,201)	(87,814)	13,613	-15.5%
- Profit (loss) for the year	6,717	13,590	(6,873)	-50.6%
Group Shareholders' Equity	(157,798)	(164,538)	6,740	-4.1%
Minority Interests	0	0	0	0.0%
Total Shareholders' Equity	(157,798)	(164,538)	6,740	-4.1%
Total sources	(201,032)	(194,927)	(6,105)	3.1%

The Group's equity structure as at December 31, 2020 reported negative **net operating working capital** of Euro **22 million**, compared to Euro 26.3 million at the end of 2020: this difference is due to the increase in receivables of Euro 15.4 million, particularly trade receivables, which increased Euro 13.7 million, partly offset by the increase in payables of Euro 11.1 million.

Fixed operating capital amounted to **Euro 223 million**, increasing by Euro 1.8 million over December 31, 2020, mainly as a result of the increase in deferred tax assets due to the tax benefit stemming from the tax losses reported in the year.

Net capital employed totalled **Euro 201 million**, increasing Euro 6 million over December 31, 2020.

In terms of sources, the **net financial debt** at December 31, 2021 totalled Euro 43.2 million, while **Consolidated and Group Shareholders' Equity** was **Euro 157.8 million** (Euro 164.5 million at December 31, 2020).

3.4 KEY INDICATORS

The key consolidated financial indicators for the two-year period are presented below.

KEY INDICATORS		2021	2020
ROE	Net Result/ Average Net Equity	n.a.	n.a.
ROI	Adjusted Operating Result/ Average Net Capital Employed	n.a.	n.a.
ROS	Adjusted Operating Result/ Adjusted revenues	n.a.	n.a.
ROCE	Adjusted Operating Result/ Net Capital Employed	n.a.	n.a.
ROD financial	Financial expenses on financial debt/ Bank payables	1.5%	0.9%
Debt ratio	Financial expenses on financial debt/ Adjusted EBITDA	32.7%	n.a.
Liquidity ratio	Current assets and assets held-for-sale Current Liabilities	0.94%	1.27
Enlarged Solvency Margin	(Net equity+Non-current liability)/ Non-current assets	0.99	1.05
Financial independence	Net Equity/ Total Assets	0.53	0.56

The days sales outstanding and the days payable outstanding are presented below:

DSO and DPO	2021	2020	Change
Days sales outstanding (*)	79	97	(18)
Days payable outstanding (*)	54	49	5

(*) Data processed on the basis of client/supplier items issued/received only, without invoices to be issued/invoices to be received

Days sales outstanding stood at 79, significantly improving on 2020 (-18 average days), although nearly doubling on the pre-COVID years (44 average days in 2019), confirming the ongoing financial difficulties of clients and the payment deferrals granted also in 2021 to assist an air transport supply chain in significant difficulty.

Days payable outstanding were substantially stable (from 49 in 2020 to 45 in 2019) to 54 days in 2021.

3.5 AIRPORT INFRASTRUCTURE DEVELOPMENT AND INVESTMENTS

3.5.1 AIRPORT INFRASTRUCTURE DEVELOPMENT

In February 2021, the Airport Development Plan 2016-30 (known as the Masterplan) for Bologna's Guglielmo Marconi Airport received final approval from the National Civil Aviation Authority (ENAC).

The infrastructure development work included in the Masterplan for the airport will be planned and executed, in support of the airport's development and service levels, using technical solutions and according to timescales that accommodate traffic growth trends and full sustainability, in accordance with the prescriptions of the VAT Decree and the implementing acts and agreements at the local level.

The long-term Masterplan calls for the performance, in phases, of a series of projects, the salient points of which are the passenger terminal expansion, increasing floor space by more than 20,000 square meters (+50% approx.), construction of a multilevel parking garage for passenger cars and car rental companies offering 2,000 additional parking spaces (+38% approx.) and the creation of approximately 40 hectares of woodlands to the north of the airport to absorb carbon dioxide and other environmental compensation and mitigation initiatives.

Final approval of the Masterplan was an essential administrative step in the process of developing Bologna airport and was the result of active collaboration between the Ministry of Transport and Infrastructure, ENAC, the Ministry of the Interior, the Ministry for the Environment, Territory and Protection of the Sea, the Region of Emilia-Romagna, the Metropolitan City of Bologna, the Municipality of Bologna and the Municipality of Calderara di Reno.

During the 2021 financial year, important milestones were achieved on the project for the construction and commissioning of the new cargo building for DHL and the start of construction work on a new aircraft apron. Furthermore, despite a general reduction in investments due to the pandemic, some key interventions on the passenger terminal to be rolled out over the short term as they are necessary to support the re-establishment of traffic at pre-pandemic levels were further advanced and in particular:

- the completion of the executive project to extend and reconfigure the Schengen departure lounge and boarding gates, which will subsequently be submitted to ENAC for approval.
- the completion of the executive project for the new curbside on the first floor subsequently submitted to ENAC for approval.

3.5.2 INVESTMENTS

Total **investments** made at **December 31, 2021** amount to **Euro 8.3 million**, compared to Euro 29 million in 2020.

In particular, Euro 4.2 million concerned investments for the execution of the Masterplan, alongside Euro 4.1 million for investments in airport operations.

The main investments concluded in the year related to:

- **Cargo Building:** work concluded on a building dedicated to a specialist operator in the cargo sector; a number of minor interventions shall continue in 2022.
- **Check-in area offices:** construction of new offices in the check-in area has been completed;
- **New de-icing plant:** construction of a new plant for the storage, treatment and production of fluids for aircraft de-icing operations at the dedicated building was completed;
- **Upgrading of the hydraulic drainage system:** upgrading of part of the hydraulic system of the flight deck north of the runway was completed;
- **Waiting area for PRM:** a new waiting area was built near gate 13 for PRM, to be used for airside assistance;
- **"Anti-Covid19" measures:** measures to comply with regulatory requirements and safeguard the health of passengers and airport operators continued in 2021.

Among the principal works still underway at December 31 we report:

1. **Terminal extension:** during 2021 preliminary approval was obtained from ENAC with certain stipulations; in the final months of 2021, an update of the functional layout of the project incorporated these stipulations, with subsequent clearance from ENAC received at the end of December. This step implies a design review to be initiated over the coming months.
- **Expansion of third aircraft parking lot:** work on relocating the POL pipeline, which interferes with the construction of the apron, was completed and work began on the operational configuration of Apron 3.
 - **Upgrading of security and passport controls:** work began in September on upgrading the security and passport control area.
 - **Re-functionalization of cargo area:** work began in September on the construction of a roof over the cargo area in order to create a covered external area for the storage of goods.

Provisions for Renewal

The total works for the **renewal and maintenance cycle of the airport infrastructure** and plant in 2021 amounted to **Euro 628 thousand**, of which Euro 319 thousand for interventions on plant and Euro 278 thousand for landside interventions to maintain operations.

3.6 PERSONNEL

Workforce breakdown

	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	428	444	-16	-4%	492	-64	-13%
Executives	9	9	0	0%	9	0	0%
Managers	36	35	1	3%	33	3	9%
White-collar	302	316	(14)	-4%	354	(52)	-15%
Blue-collar	81	84	(3)	-4%	96	(15)	-16%

	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	Total change vs 2019	% change vs 2019
Average workforce	473	492	-19	-4%	543	-70	-13%
Executives	9	9	0	0%	9	0	0%
Managers	36	35	1	3%	33	3	9%
White-collar	343	360	(17)	-5%	402	(59)	-15%
Blue-collar	85	88	(3)	-3%	99	(14)	-14%

Source: Company workings

The reduction in the workforce of 16 full-time equivalent staff compared to 2020 and of 64 on 2019 is due to the lack of use, from April 2020 and until July 2021, of fixed-term contracts due to the reduction in traffic and to a number of early retirements.

Costs

	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Payroll	22,058	20,287	1,771	8.7%	29,460	-25.1%

Source: Company workings

In addition to the drop in staff numbers mentioned above, the Group has reduced its costs by 25.1% compared to 2019 by taking actions to limit personnel costs, given that they represent one of the Group's primary expenses. The maximum possible employment levels have however been maintained.

In particular, the Group took action to remove overtime and to encourage employees to take accrued holidays. In addition, from March 2020 and until March 20, 2021, the Group launched an Extraordinary Temporary Lay-off Scheme for all employees of AdB, followed by those of the subsidiary FFM, maintaining only the operational services deemed essential, resulting in a reduction in the activities of other employees. The Exceptional Temporary Lay-off Scheme entered into force from March 22, 2021 to December 26 2021 for AdB employees, and from April 1, 2021 until December 31, 2021 for the subsidiary FFM.

Other personnel costs also contributes to the saving, mainly for lower canteen service costs (in relation to reduced attendances at workplaces due to the Temporary Lay-off Scheme and remote working), training and travel, and the minimal use of temporary personnel.

Compared to 2020, despite the reduced workforce, personnel costs increased by 8.7% due to the reintroduction of variable remuneration, not present in 2020, the reduced use of the Temporary Lay-Off Scheme and increased leaving incentives.

Trade union relations

On February 26, 2021, an agreement for the Exceptional Temporary Lay-Off Scheme for AdB employees was signed by trade unions. This entered into force on March 22, 2021 and is valid until June 13, 2021. The agreement provided for a rotation system on the basis of the inter-changeability of tasks and with fairness criteria. The Extraordinary Temporary Lay-Off Scheme also ensured income support from the Air Transport Solidarity Fund, which covered remuneration up to an effective 80% of the average salary of every worker calculated in the 12 months prior to the pandemic period. AdB requested that the Scheme is extended by the further 28 weeks (14/6-26/12) provided for in the Support Decree. Differing from the Extraordinary Temporary Lay-off Scheme in effect between March and June 2021, for the additional weeks the option to advance the support to workers was permitted, including the supplementation of the Air Transport Solidarity Fund.

The same agreement was signed for the company FFM. It will be valid from April 1, 2021 to December 31.

In addition, on January 5, 2021 an agreement was signed with the trade unions to set up a voluntary incentivised redundancy plan, for both AdB and FFM, as a further measure to protect employment and, at the same time, to permit Group personnel cost savings. The deadline for voluntary redundancies, initially set for March 31, 2021 was extended by the subsequent supplements to the agreement until October 31 - in line with the extension of the redundancy freeze decided by the government.

Throughout the COVID emergency, the AdB Group maintained constant dialogue with the trade unions and with the Employees' Health and Safety Representatives (RLS) through a Regulatory Committee. Periodic update meetings were held on the infection protection and prevention measures adopted to combat the emergency.

In collaboration with the trade unions, and with the support of the Municipality and Metropolitan City of Bologna, AdB also produced and brought to the attention of the Italian Government, the Ministry of Transport, the Emilia Romagna Region and other interested bodies a document requesting support and job protection for the entire airport site with a view to asking for direct intervention, partly with a view to the exit from the health emergency.

AdB also took part in two working groups organised by local institutions: the "Safety Working Group", which addressed anti-COVID procedures and rules to be implemented in companies, and the "Work and Sustainable Growth Deal".

Training of personnel

A comparison with the same period of the previous year shows a similar amount of costs dedicated to training. Training in 2021 centred on mandatory training (involving the Prevention and Protection Service and the Security update for approximately 100 staff, who took the exam to renew their three-year certification with ENAC), and on a number of managerial initiatives, thanks to the use of professional provisions and public tenders.

With regard to management training, the following are highlighted:

- the Regulatory Compliance course regarding energy in the design of buildings, which involved the entirety of the Infrastructure Management department and the Maintenance Manager, on the subject of energy efficiency and the regional and national regulatory framework;
- a Team Coaching course for the entire Management Board on the subject of Pandemic Fatigue to manage the strong pressure due to the extended continuation of the pandemic and the resulting situation of uncertainty and difficulty in terms of strategy, management and leadership.

The specialist courses included:

- the CAST Terminal and Aircraft course for the “Cast Airport Simulation Team” working group, which seeks to simulate future scenarios which involve operating infrastructure and processes in order to provide support for management’s strategic decisions;
- the Auditor course for 6 new company auditors which focuses on both quality and security;
- the Runway Inspection course as per EU Reg. 139 ADR.OPS. B.015 on Movement Area monitoring and inspection, which involved 8 staff between Airside Supervisors and the Airside Maintenance Area.

Other training initiatives included:

- Security Culture: the ICAO has declared 2021 as the Year of Security Culture with the goal of raising awareness towards security culture. In addition to integrating security courses with this topic, aimed at both AdB personnel and outside staff working within the airport community, the Internal Aviseq Quality Auditor course was organised for a more "technical" group dealing with security, so as to maintain a high level of quality standards in security processes;
- data protection: as part of the Cyrano project co-financed by the European Union, the GDPR (General Data Protection Regulation) e-learning course on data protection was created. The training within the Cyrano project seeks to increase cyber awareness among employees, considered as the first access points to the IT network of companies and therefore subject to possible attacks at undermining their IT security. The GDPR course has been designed to reinforce the Cyber Risk, Privacy & Information Security-GDPR course, which in turn is delivered by an internal trainer and for all company roles on an annual basis, so as to raise the awareness of all staff in the field of airport cyber security.

Courses in sustainability, including Circular Economy and Taxonomy, have also been launched from the end of 2021.

3.7 KEY INFORMATION ON THE SUBSIDIARIES’ PERFORMANCES

Fast Freight Marconi Spa

The Parent Company acquired a 100% interest in FFM in 2009. The main activity of the subsidiary is cargo and mail handling at Bologna airport. In particular, FFM is the handling agent for cargo export and import operations of carriers moved through the airport via air and for surface cargo and manages the Temporary Customs Warehouse for Non-EU Cargo arriving at the airport. The Company thereafter in recent years has developed accessory services such as booking, operating as a regulated agent and customs services.

At December 31, 2021, the company had 16 employees (17 at December 31, 2020) and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.

Traffic served by FFM in 2021 recovered 14% on the previous year, following a contraction of 25% in 2020 compared to the pre-COVID 2019. The impact of the pandemic has also had an adverse effect on cargo, although less so than on passenger traffic and in 2021 demonstrated significant signs of recovery, particularly in terms of exports and road traffic, which points towards a gradual (although slow) recovery.

The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

Revenues in 2021 totalled Euro 2.6 million (Euro 2.7 million in 2020), reducing 4% as pre-pandemic levels have not returned for traffic volumes and for revenues of the more remunerative air traffic component, against a better recovery for road component revenues. Operating costs increased 5% due to higher service costs (+5%) and personnel costs (+6%). EBITDA consequently declined 38%, although remaining positive throughout the two years of the pandemic (Euro 607 thousand in 2020 and Euro 378 thousand in 2021). The profit for 2021 was Euro 278 thousand, compared to Euro 462 thousand in 2020 (-40%).

Tag Bologna Srl

TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018.

At December 31, 2021, the company, which assigned certain staff activities to the parent under a management & staffing contract covering the legal and personnel area, operated with 14 employees (11 at December 31, 2020). The growth is linked to the handling assistance activity awarded by the Parent Company from April 2021 for "non-scheduled" flights in the 00:00-05:00 hours bracket (24-hour assistance service).

The General Aviation traffic performance, which in 2020 was significantly impacted by the COVID-19 health emergency, in 2021 showed significant signs of recovery, both in terms of aircraft movements (+56%) and in terms of passengers (+62%).

The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

The company reported a profit of Euro 548 thousand in 2021, significantly recovering on the previous year (loss of Euro 88 thousand). In addition to the new 24-hour service, revenues from the management of General Aviation Terminal areas, handling services and the supply of aircraft fuel increased, in addition to the grants received under the "Support Decree" and the "Support Decree-bis", which totalled Euro 103 thousand.

Reference should be made to the specific paragraph of the Notes to the financial statements of the Parent Company's end-of-year accounts at December 31, 2021 for information concerning transactions undertaken during 2021 with subsidiaries and related parties.

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

4.1 SUSTAINABILITY

The Group continues to pursue its sustainability objectives with due focus, albeit updated to the pandemic context. This is also in compliance with the new Corporate Governance Code (2020 version), with the focus of the entire Board of Directors which seeks to guide the company through pursuing its sustainable success. In this regard, we indicate the allocation to the Control and Risks Committee - with also Related Party Transaction Committee functions - of the Sustainability Committee's functions. In the exercise of its sustainability functions, the Committee ensures that the Board of Directors is adequately supported in its goals of pursuing sustainable success with the analysis of issues relevant to the generation of long-term value within the Company's and the Group's plans.

The Group remains focused on all major sustainability issues: from its impact on air quality, to noise pollution, energy conservation and the use of alternative energy to foster environmental sustainability. The current critical context resulting from the pandemic and the impacts on the business segment is in addition particularly challenging, in particular the safeguarding of jobs as far as possible.

In 2021, the Parent Company set up an Internal Sustainability Committee with the task of drawing up the Sustainability Plan, which is based on three matrices - Planet, People and Governance. Starting with the already scheduled investment actions and projects, the Sustainability Plan was developed through numerous other initiatives and approved by the Board of Directors in December 2021. The Planet matrix specifically includes initiatives in the field of environmental protection, mobility and the fight against climate change. Specific initiatives centre on air pollution, discomfort for the population living close to the airport due to noise, care for biodiversity, green mobility and the fight against climate change through energy saving actions and the use of alternative resources.

The Sustainability Plan includes, among others, specific environmental offsetting works already set out in the Regional Agreement for the Decarbonization of the Airport, signed in 2015 with the regional entities and updated in January 2020. These works include the creation of a large wooded area to the north of the airport (including a cycle path that can be used by the community) covering an area of 40 hectares, a nature conservation project on the site of Community interest SIC IT4050018 "Golena San vitale" and the design and funding of a cycle path linking the airport to the residents of Bologna and Lippo di Calderara di Reno.

Within the scope of Planet sustainability management, we also report initiatives in the field of air quality, with the launch of a collaboration with the University of Bologna on air quality biomonitoring using bees. With regard to noise pollution, the airport's main environmental impact, despite the fact that in 2021 an even lower impact was recorded compared to pre-pandemic levels (2019), the Group has in any case maintained the utmost attention on monitoring this issue, responding to citizens' reports and maintaining dialogue with the representatives of the relative bodies and authorities.

Finally, in 2021, AdB was awarded (in 24th place out of 760 projects presented) resources under the #Conciliamo call, promoted by the Presidency of the Council of Ministers for projects on work-life balance, welfare and sustainable mobility. The funds will be used during 2022 to co-fund the welfare platform, integrated inter-modal regional transportation passes for employees, training activities and materials for remote working, and other support projects.

For further details on sustainable development, environmental protection, the focus on the needs of the local community and passengers and emphasis on individual development, reference should be made to the Non-Financial Information Report for 2021 published on the Parent Company's website.

4.2 AIRPORT SECURITY

Safety Management System (SMS)

In 2021 the Safety & Compliance Management System conducted a total of 48 audits, including both audits within the organisation, external audits of third parties and planeside checks, covering 33 of the processes mapped. In collaboration with the Quality and Prevention and Protection Service areas, throughout 2021 checks were again carried out on compliance with COVID prevention measures, in accordance with the provisions of the Internal Protocol and the Governance Document issued by the Manager.

Various change management activities relating to operational, organisational and maintenance and infrastructure activities were then coordinated, and the airport's hazard log was updated and circulated with the involvement of all postholders.

Additionally, various updates and publications of the Airport Manual were drafted and, in line with the current health situation, the primary objective of safety at the airport was implemented and consolidated, consisting in striking an effective balance between reporting and protective activities, also ensuring a blame/no blame culture designed to ensure ethical accountability for operators. Finally, an effective safety promotion policy was promoted which, although affected by the absence of direct contact with staff, featured use across the board of IT tools that enabled rapid and effective circulation of information and communications.

Moreover, in December 2021 the Safety and Compliance Management System was redefined as the Safety, Compliance and Security Management System: the new organisation will apply to security activities, the monitoring, analysis and reporting model typical of the Safety Management System with the introduction of an effective security promotion in the field, the establishment of periodic committees for discussion with the accountable manager and with the operations staff, as well as the establishment of a voluntary and anonymous reporting channel, which will ensure accurate and timely feedback to all reporters. This allows the concrete setting up of an efficient security system in line with the models regulated and approved by ENAC in the field of Safety, raising the quality and performance levels of security at Bologna airport.

Security

During 2021 the Parent Company maintained a high level of focus on the security process, in a landscape profoundly changed by the pandemic.

Following the spread of the virus and in order to guarantee passenger and employee safety, AdB introduced measures to reduce the risk of contagion. With specific regard to security checks, the Group was able to reduce face-to-face contact between staff members and passengers thanks to its patented BEST system. The BEST system makes use of a new methodology that has been authorised and successfully implemented. The system allows security staff to carry out checks on people by positioning themselves behind the passenger rather than in front of them, thereby limiting the opportunity for contagion.

In order to monitor the application of relevant legislation, AdB performs Quality Controls on a monthly basis. The control activity is carried out with the passage, through all airport checkpoints, of prohibited items and/or invalid access credentials. Cover Tests are carried out at least once a month, involving the passage of 'Sample Passengers' through control stations with simulation explosive devices and prohibited articles. A "Quality Test Cover Report" is prepared after each activity. This is designed to demonstrate levels of efficiency, efficacy and quality in safety procedures, identify the shortcomings and non-compliances of safety services, and offer recommendations and corrective actions to reduce or eliminate these instances of non-compliance.

For further details on safety and security topics, see the specific sections of the 2021 Non-Financial Information Report.

4.3 QUALITY

In terms of the quality of service provided and perceived at the airport, 2021 represents an "anomalous" year, like 2020, due to the pandemic emergency, but with some elements of normalisation. In fact, 2021 was marked by a partial recovery in traffic from June and a greater degree of clarity regarding vaccinations, requirements, certifications and Green Passes. Customer satisfaction surveys have confirmed that passengers' expectations have also changed somewhat following the pandemic, with greater attention being paid to hygiene, sanitation, distancing and compliance with infection prevention regulations.

The performances relating to the quality of service during 2021 indicate a clear trend related to traffic volumes - particularly in the summer quarter when the growth in traffic generated pressure on waiting times and aspects more directly related to comfort and information.

In order to monitor service quality more closely and offer timely interventions and solutions, at the beginning of the year AdB set up a new inter-functional Quality and Facilitation team with the task of intervening on aspects regarding comfort, ambience and information for a better passenger experience.

5. REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND NEW TARIFF DYNAMIC 2020-2023

2021 is the second year of the 2021-2023 regulatory period. In 2019 the Parent Company initiated preliminary activities with ENAC for the drafting of the Regulatory Agreement for the 2020-2023 four-year period and with the Transport Regulation Authority (TRA), for the calculation of the airport "tariffs" for the same four-year period.

In this connection, AdB has brought an Extraordinary Appeal to the Head of State in relation to the clause referred to in Article 19 of the draft Regulatory Agreement. Similar appeals have been lodged by other Italian management companies. In December 2020, the Council of State issued an opinion on this matter confirming that the grounds for appeal raised regarding this unlawful clause by the appellant companies were correct. Once the judgments have been transposed they will be decided by means of a Presidential Decree. The expectation and the hope - at this point - is that the relevant entities will carry out an internal review of the provisions of the above clause with all possible urgency.

As highlighted in previous reports, for various reasons independent of the Parent Company's motivation, which confirmed its full availability to ENAC in all settings and dealings, the Agreement was not formalised in writing – but its commitments were implemented in good faith in 2020 and in the current 2021, naturally being interpreted in line with the pandemic which had a strong adverse impact on the airport manager and concession holder. In relation to this, also ENAC on its part, similarly ensured full implementation of the Regulatory Agreement, carrying out the monitoring within its scope.

In this regard, the Parent Company will continue discussions with ENAC for an updated assessment of its particular position and an adequate preliminary investigation to update the situation in relation to the impact of the pandemic on the various fronts affected by the typical regulations of the Regulatory Agreement. The operator for the time being will proceed with the airport management, as up to now, in good faith and with loyal cooperation, even in the absence of formal constraints and also taking into account the sector's situation and the specific airport situation, which on the whole is very different from the targets and commitments underlying the preliminary assumptions of 2019 due to the still ongoing external event of the pandemic.

On May 20, 2021 the Transport Regulation Authority deferred the entry into force of the new Models for the regulation of airport fees (Resolution No. 136/2020 of July 16, 2020), originally planned to come into force on July 1, 2021, to January 1, 2023.

On October 27, 2021, an annual hearing was held with Users regarding the updating of airport fees for 2022. The new tariffs, which have been published on the Parent Company's website, will apply from January 1, 2022.

5.2 AIRPORT SECTOR SUPPORT MEASURES COMPENSATION FUND FOR DAMAGES SUFFERED DUE TO COVID-19

Law No. 178 of December 30, 2020 "State budget for the 2021 financial year and budget for the three-year period 2021-2023" (the 2021 Budget Law) was published in the Official Gazette. It entered into force on January 1, 2021.

During the approval process for the draft 2021 Budget Law two new specific measures were added to support the airport sector:

1. the first (paragraphs 715 to 720 of Article 1) concerns the creation at the MIT of a fund of Euro 500 million (Euro 450 million of which is earmarked for airport management companies and the remaining Euro 50 million for handlers) to offset damage suffered as a result of COVID-19;
2. the second (paragraph 714 of Article 1) guarantees the supplementary benefits of the "Solidarity fund for the air transport sector and the airport system" including wage subsidy payments on an exceptional basis, requested by the air transport and airport management companies for 12 weeks, in the period from January 1, to June 30, 2021.

Decree-Law No. 73 on "Urgent measures related to the COVID-19 emergency, for businesses, employment, young people, health and regional services" was published on May 25, 2021 in the Official Gazette (OG General Series No. 123 of May 25, 2021). Article 73, paragraph 2 of the measure provides for a Euro 300 million increase in the compensation fund established by the 2021 Budget Law, of which Euro 285 million is allocated to airport operators and the remaining Euro 15 million to airport ground handling service providers. It follows, therefore, that the fund provision to compensate the damages suffered by management companies amounts to a total of Euro 735 million.

On May 10, 2021 the Government notified the European Commission of the framework aid measure in favour of the airport sector, at the same time sending the outline of the implementing inter-ministerial decree.

On July 26, 2021, the European Commission approved, as per Article 107(2)(b) of the TFEU, the Euro 800 million Italian aid scheme designed to compensate airports and ground handling operators for damages suffered as a result of COVID-19.

In the Official Gazette General Series No. 307 of December 28, 2021, the Decree of November 25, 2021 of the Ministry of Infrastructure and Sustainable Mobility in agreement with the Ministry of the Economy and Finance was published, setting out the implementing procedures for compensation for damages suffered due to the COVID-19 emergency by airport operators and providers of airport ground handling services.

AdB and TAG presented an application to access the fund accompanied by a report drawn up by an independent expert certifying the overall loss incurred by the Group in the period from March 1 to June 30, 2020. The applications were presented according to the deadlines and means outlined in the Decree, whilst FFM decided not to proceed as the preliminary investigation revealed that the potential benefits would not exceed the costs.

The Group has examined the accounting treatment of this contribution, in accordance with IAS 20, deciding to recognise the state contribution and the corresponding receivable in the 2022 financial statements when the approval process will be concluded through the acceptance/rejection of the applications by the General Direction of the Ministry of Sustainable Infrastructure and Mobility.

5.3 FIRE PREVENTION FUND

Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 (2007 Finance Law) requires the payment by Italian airport management companies of an amount, to be calculated proportionally to its airline traffic, in order to lower the cost to the State for the provision of fire prevention services (so-called Fire Prevention Fund). This purpose was modified by Article 4, paragraph 3-*bis* of Law Decree No. 185/2008, entering into force on January 29, 2009, which separated the relationship between those required to fund the so-called Fire Prevention Fund and the benefit deriving from the activity financed, allocating the Fund to differing purposes than its original scope related to airport fire prevention services.

Following the entry into force, from January 1, 2016 of Article 1, paragraph 478, of Law No. 208 of December 28, 2015 implementing “Provisions for the drawing up of annual and multi-year budgets of the State” (2016 Stability Law), the Legislature, through Law Decree No. 159 of October 1, 2007 converted with modifications by Law No. 222 of November 29, 2007, introduced the qualification of “payments”, with reference to the contributions allocated to the Fire Prevention Fund. This latter was subject to a constitution legality opinion, following the deferral by the Court of Cassation, through reasoned ordinance issued on December 28, 2016. From July 26, 2018, as per Article 30 of Law No. 87 of 1953, the challenged provision of Article 1, paragraph 478 of Law No. 208 of 2015, declared illegal, with the Constitutional Court order No. 167/2018, may no longer be applied.

Within the judicial framework we must also mention the important judgement of the Court of Cassation of February 1, 2019, No. 3162, which outlines a definitive framework encompassing the complex Fire Prevention Fund, in which the following was definitively ascertained and declared:

- the nature of the tax contribution to be paid;
- the competent tax jurisdiction.

This pronouncement of the Cassation recalls, in addition, with particular importance from a general judicial principle viewpoint, the ruling handed down by the Rome Provincial Tax Commission No. 10137/51/14, which ascertained the “non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose as per Article 4, paragraph 3-*bis* of Legislative Decree No. 185 of 2008”.

Finally, in 2019 the Regional Tax Commission of Lazio rendered judgment no. 7164/2019 which, after reviewing all the facts and legal arguments examined by the various courts seized (Constitutional Court, Court of Cassation, Provincial Tax Commission, etc.), lays down a thorough legal basis and sets out the tax case law on the treatment of the Fire Prevention Fund.

An appeal of this ruling by the administrations and State’s Attorney is currently pending before the Court of Cassation, and the final decision is awaited. On February 8, 2022, after many years of civil dispute, AdB also obtained a ruling from Rome Civil Court (No. 2012 of 2022) that clarifies the jurisdiction of the tax court before which the entire dispute is to be taken up again.

For further details, reference should be made to the Disputes section.

5.4 CONSOLIDATED NON-FINANCIAL INFORMATION REPORT

The Group in accordance with Article 5, paragraph 3, letter b of Legislative Decree 254/2016 has since 2018 drawn up the consolidated disclosure non-financial information as a separate report. The 2021 consolidated disclosure of non-financial information, drawn up voluntarily as per Article 7 of Legislative Decree No. 254/2016, as per the “GRI Standards”, is available on the Group website.

5.5 PRIVACY COMPLIANCE

The Parent Company implemented on May 25, 2018 a specific model in order to ensure adequate compliance with European Regulation No 679/2016 (GDPR - General Data Protection Regulation) - and the necessary adjustment of the organisation, processes, company deeds and procedures. The model is implemented and developed in accordance with the principles outlined in the GDPR of privacy by design and privacy by default through a dedicated inter-departmental body (Data Protection Committee) comprising internal specialist personnel. The Company periodically updates its Register of processing operations and risk analysis in order to adopt adequate security measures. Periodic audits are undertaken to ensure correct compliance with legislation by the DPO team. The Company renewed the appointment of its Data Protection Officer (DPO) until 2023. Adopting a "privacy by design" approach, the Company implemented extensive security measures to contain the epidemic and stem the spread of COVID-19 in the workplace and airport community (such as thermo-scanners in passenger terminals, temperature measurements, SWEs, organisational measures and the distribution of PPE devices among employees, as well as molecular tests and rapid tests to screen passengers and airport employees).

5.6 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION

By order of the Ministry of Economic Development of May 2, 2017, published in edition No. 104 of Italy's Official Gazette dated May 6, 2017, Alitalia - Società Aerea Italiana S.p.A was admitted to the extraordinary administration procedure, with immediate effect and three Extraordinary Commissioners were appointed. The Court of Civitavecchia declared Alitalia - Società Aerea Italiana S.p.A. in extraordinary administration ("Alitalia SAI in EA") insolvent by judgment of May 11, 2017. The decree of the Ministry of Economic Development of May 12, 2017 was then published in edition No. 124 of the Official Gazette of May 30, 2017, also admitting Alitalia Cityliner S.p.A. to the extraordinary administration procedure and appointing the same panel of commissioners as for Alitalia.

The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured. At the statement of liabilities hearing fixed for February 6, 2018, only the receivables of employees were examined. For the examination of the various receivables, after various postponements, the hearing was fixed for February 20, 2019, but this date was again postponed for a date to be determined.

The tenth statement of liabilities, including the claim lodged by the Parent Company, was filed on December 17, 2019. At this juncture, full priority was granted to the airport fees accrued in the final months of operation prior to the declaration of insolvency, amounting to Euro 0.66 million.

Subsequently, following a Court Technical Consultant (CTU) appraisal under the procedure, the amount with preferential status was reduced to Euro 51 thousand as the receivables accrued on the aircraft used by Alitalia under lease agreements totalling Euro 0.6 million were deemed to be eligible for unsecured credit. Adb opposed this proposal, requesting full recognition such preferential status.

In relation to the debt situation of Alitalia SAI in a.s., in 2021 AdB sent requests and payment reminders, also constantly informing ENAC of the situation of significant risk and prejudice for the operator and also, finally, formally warning ENAC with the request to adopt measures to inhibit the carrier's airport operations. In addition - as no reply has been received from ENAC, despite the many registered e-mails sent - the necessary documentation was drawn up and sent in order to formalise a specific application pursuant to Article 802 of the Navigation Code to the local Bologna-Rimini Airport Management in order to obtain the prohibition order for the take-off of AZ fleet aircrafts. The Airport Management did not grant the above measure, considering the carrier's condition of extraordinary administration as an obstacle. In the meantime, Alitalia stopped all flights on October 14, leaving maintenance activities alone at the Bologna airport.

With regard to the debt positions of Alitalia SAI in a.s. at December 31, 2021, an exposure of approximately Euro 1.3 million exists, of which Euro 0.7 million are non-trade receivables, primarily relating to the municipal surtax on boarding fees.

Taking into account that the European Commission deemed illegitimate the measure regarding the Euro 900 million loan granted in 2017 by the Italian State to Alitalia pursuant to state aid rules and that the assessment of the further measure of Euro 400 million lent in 2019 is still in progress, the trade receivable from the carrier was almost entirely written down.

Through Decree of October 9, 2020, the company Italia Trasporto Aereo SpA was incorporated, with an opening share capital of Euro 20 million, fully paid-in by the Ministry of the Economy and Finance. ITA, the new national airline, began operations on October 15, 2021 and then suspended operations on November 22, 2021, until next April, when normal operations should resume with respect to the daily connection to Rome.

5.7 IMU - Municipality of Bologna

On November 28, 2018, the Municipality of Bologna invited the Parent Company for the first time to reconsider the cadastral classification of some properties (procedure ex L.311/2004) on airport land, based on a purported orientation of case law that would point to a different classification. This request was then reiterated on February 10, 2020, with amendments to the scope of the request, resulting, in certain cases, in the new and retroactive assessment of IMU property tax.

The Parent Company has always opposed these requests out of court within the scope of administrative procedure and with the filing, in July 2021, of a protective request with the Land Registry/Tax Administration and the Municipality of Bologna, disputing the merits and underscoring the fact that the original registration of the properties concerned was done in 2007 in coordination with and based on the instructions and authentic interpretation of applicable legislation by said local Land Registry. This initial registration was, in fact, carried out in concert with the competent authority and in accordance with the provisions of Law 262/2006 and circulars 4/T 2006 and 4/T 2007, which are still valid and unchanged, without even being able to point to the existence of changes in construction or other factors of non-conformity that could not be known since 2007.

Therefore, in the second half of 2021 and in early 2022, we reached the start of the concluding phase of this procedure by way of a potential proposed settlement with the Municipality of Bologna with regard to IMU, following the official measure for the cadastral assignment, as per Law 311/04, for these properties, as communicated on December 13, 2021, by the Bologna provincial office of the Italian Tax Administration responsible for land registration.

Therefore, the Group decided to submit a proposal for settlement, with limited and justified concessions in the interest of the company and without the assessment of the sanctions demanded by the Municipality of Bologna, in light of the provisions of Law 212/2000 (the Taxpayers Law), given the legitimate expectations of the companies of the Group. The voluntary settlement proposal is not an admission of guilt and is solely motivated so as to settle the 2015-2020 period of taxation without having to contest the individual assessments for each year and to avoid a tax dispute that would, in any event, be excessively costly. At the same time, on February 9, 2022, a tax appeal has been filed against the Land Registry and Tax Administration to contest the classification of December 13, 2021, for which we fundamentally dispute the assumptions and justifications. When 90 days have passed from the attempt at settlement, the appeal may be filed with the Bologna Provincial Tax Commission, and the related dispute will be established.

5.8 RETURN OF ENAV VISUAL AID LIGHTS (VALs), GOODS AND AREAS

On November 30, 2020 a decree was published that had been signed on April 3, 2020 by the Ministry of Economy and Finance on the “Return to the State of assets no longer instrumental for the institutional duties of ENAV and their subsequent reassignment to ENAC, under the combined provisions of Articles 692 and 693 of the Navigation Code, and subsequent provision under concession to the airport manager” (Official Gazette No. 297 of 30-11-2020, General Series).

The decree states:

- the airport managers shall take delivery of the VALs within 18 months of the decree’s publication in the Official Gazette, and they shall, under their own responsibility and at their own expense, manage, maintain and supply them with electricity, recovering the associated costs through the airport tariffs.
- The airport managers shall take delivery of the goods and areas and sole areas within 60 days of the decree’s publication in the Official Gazette, and they shall, under their own responsibility and at their own expense, manage, maintain and supply them with electricity, recovering the associated costs through the airport tariffs.

With specific reference to the tariff profile of the goods and areas comprising the VALs, the act provides in Article 2: “[...] Until the above-mentioned airport managers take responsibility for them, and in any event until the end of the above-mentioned period, ENAV shall be in possession of the VAL systems and shall manage, maintain and supply them with electricity, and is entitled to recover the associated costs through its terminal tariff. 2. From the publication date of this decree, ENAV may add to the terminal tariff the non-amortised book value of the assets covered by this decree, in accordance with a graduated mechanism agreed with ENAC.”

The return provision was adopted following a lengthy preliminary procedure involving the Ministry of Infrastructure and Transport (MIT), ENAC and ENAV, but not the airport managers.

Based on the above, AdB, like other Italian airport managers, brought an administrative appeal against this decree, highlighting the various grounds for deeming it unlawful, including the infringement of the right to be heard and requesting that an investigation be duly launched into what the equipment and assets returned consist of. In parallel, negotiations were launched with ENAC, with the additional help of Assaeroporti. They are currently addressing the issue of the local decentralised bodies, i.e. the ENAC airport offices.

In particular, we note the recent activity of the local ENAC department, which supported the verification and inspection, in the presence of representatives from ENAV and AdB, of certain assets that are no longer used for ENAV's institutional purposes and other than the VAL's, as a result of which the assets were legitimately consigned. This was done by introducing appropriate protections in the formal documents, given the poor state and condition of most of the assets, which will subsequently be demolished, in line with the Master Plan's provisions and, in any event, without settlement of the matter involved in the aforesaid dispute, for which the diligent arguing of positions will continue in order to safeguard the full legitimacy of the procedure and the position of AdB, given the particular nature of the ENAV infrastructure at the airport. This is also in the interest of the safe and uninterrupted airport operations.

In February 2022, Italian airports formalised a specific filing with ENAC that underscores the obsolescence of a large part of these assets and the lack of specific maintenance and laments the future problem of the necessary joint airports/ENAV management of the auxiliary visual aid systems and the potential negative impact on rates for users and airport managers given the permanence of the rates required by ENAV, which would be unduly added to the airport fees to be paid by airport managers.

6 DISPUTES

This section outlines the main - fundamental in financial terms - disputes and/or those which in the period saw significant legal and/or non-legal developments, without therefore providing an exhaustive outline of all positions for which specific amounts have been allocated to the disputes risk provision.

Fire Prevention Fund

In relation to the contribution to the Fund set up by the 2007 Finance Act in order to reduce the cost to the State for the organisation and provision of the **fire prevention service** at Italian airports, the Parent Company promoted, in 2012, a specific judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defence, as well as for financing salary increases of the Fire Prevention Service.

While awaiting the civil procedure, which extended over numerous years across a series of different judges and postponements, a consolidated jurisprudence (*ex pluris* Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 and, latterly, by the Lazio Regional Tax Commission No. 7164/2019, affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, the Company is awaiting a definitive pronouncement of non-competence by the civil judge. In relation to the above-mentioned civil case, promoted by the Company before the Rome Court, the Tax Administrations notified however on January 16, 2015 an injunctive decree relating to the presumed contribution to the Fire Prevention Fund for the years 2007, 2008, 2009 and 2010. This decree, containing clear material and formal errors, was immediately opposed, requesting the cancellation of the decree or, in replacement, to declare upon its jurisdiction and to order the reinstatement of the case before the Rome Court. On December 20, 2017, the Bologna Court issued a jurisdiction ordinance, declaring the Tax Commission as the competent judge, which cancelled Injunction Decree No. 20278/14. Unexpectedly and incomprehensibly, on May 24, 2018, the State District Lawyer notified an appeal against the ordinance of the Bologna Court of December 20, 2017.

The Company therefore appealed (RG No. 2020/18), fully outlining its defence and invoking, preliminarily, the clear lack of jurisdiction of the Bologna Court. The appeal was definitively rejected as inadmissible by the Bologna Court of Appeal in judgment No. 1718/19. This judgment became *res judicata* on October 28, 2019, definitively ending the dispute initiated by the administrations, which, additionally, were ordered to reimburse AdB in full for all legal costs incurred.

In October 2020, the statement of conclusions was then held before the Civil Court of Rome. On December 27, 2021, a motivated motion to receive funds was filed and, on February 2, 2022, a specific request was submitted to the section chairman of the Rome Court, who, on February 4, 2022, promptly assured us of a rapid resolution of the dispute. Finally, on February 8, 2022, the Rome Court issued its ruling No. 2012/2022 clarifying the jurisdiction of the tax court. The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court will present the cases currently before the Rome Court (RG No. 22375/12).

In parallel, a process of promoting dialogue and discussion with the administrations continues aimed at promoting a potential settlement, with legislative coverage.

Alitalia – Revocatory Action

At the beginning of May 2020, the Company received notification of the revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in limited partnership. As such, Alitalia is essentially rescinding its application to file for bankruptcy by submitting a request to the court to render it ineffective. As a consequence, Alitalia would obtain a refund of any payments made during the “suspect period,” i.e. the six months before bankruptcy was declared (November 1, 2016 - May 1, 2017), starting on the date the company entered into extraordinary administration.

The Company appeared in the proceedings, both strongly condemning and challenging the legal basis and timing of such an action, and will launch an appropriate legal defence to effectively oppose the lawsuit. The first hearing of the proceedings was duly held on February 24, 2021, and judgement was postponed to the hearing to be held on November 11, 2021. At this hearing, various witness testimonies were admitted and are to be examined further at a hearing set for April 6, 2022.

Out-of-court dispute - TE2C design company reserves

The Parent Company received a request for higher compensation from Tecno Engineering 2C, an engineering company tasked with designing the Group's “terminal expansion” project, which amounts to approximately Euro 2.2 million. AdB considers this an unfounded request. On September 16, 2020 the Company was served with an injunction that was not provisionally enforceable for the payment of a portion of the consideration claimed by the counterparty to have been accrued in relation to the assignment. The Parent Company has taken legal action to oppose the injunction, firmly contesting the legal basis of the counterparty’s claims, since not all the conditions for the payment of the invoice in dispute have yet arisen. A number of hearings were held in this regard and the case awaits a decision. On May 6, 2021, the Parties formalised a second addendum for Euro 1.1 million to conclude, to all intents and purposes, the relations between the Awarding company and the appointee in a manner deemed balanced and correct by both Parties, to avoid subsequent reciprocal claims or requests of any kind. The deed - for settlement purposes - was fulfilled by the Parties. Civil Litigation (General Roll Number: 13643/2020) was declared extinct by a certified email of the Court of Bologna on June 9, 2021.

Action before AGA proposed in relation to the Decree of April 3, 2020 concerning ENAV assets, including the VAL equipment

On January 27, 2021 the Parent Company filed an appeal with Emilia-Romagna Regional Administrative Court for the annulment of the Decree of April 3, 2020, adopted by the Director-General of the Department of Finance at the Ministry of Economy and Finance together with the Head of the Department for transport, navigation, general affairs and staff of the Ministry of Infrastructure and Transport, published in Italian Official Gazette No. 297 of November 30, 2020, General Series, on the: “ the “Return to the State of assets no longer instrumental for the institutional duties of ENAV and their subsequent reassignment to ENAC, under the combined provisions of Articles 692 and 693 of the Navigation Code, and subsequent provision under concession to the airport manager”; and of ENAC note Ref. No. 114427 of October 7, 2019 and of any other deed founded or consequential upon and/or connected to the above inter-ministerial decree. The appeal has been registered and has been given the number RG. 98/2021.

Awaiting the administrative dispute, the airport management companies, in concert with ENAC and in discussion with ENAV, conducted an inspection of the airport systems and assets involved in the sale-back. In February 2022, Italian airports formalised a specific filing with ENAC that underscores the obsolescence of a large part of these assets and the lack of specific maintenance and laments the future problem of the necessary joint airports/ENAV management of the auxiliary visual aid systems and the potential negative impact on rates for users and airport managers given the permanence of the rates required by ENAV, which would be unduly added to the airport fees to be paid by airport managers.

Appeal of the new TRA Regulation Models

On October 15, 2020, the Parent Company served the appeal lodged with the Piedmont Regional Administrative Court seeking to quash resolution no. 163 of July 16, 2020 approving the new Tariff Regulation Models applicable to Italian airports on the Transport Regulation Authority, Ministry for Infrastructure and Transport and Ministry for the Economy and Finance. The Parent Company and other airport management companies consider the new models to be vitiated by illegitimacy and manifest injustice in various respects, and have also been approved without any consideration whatsoever of, nor any corrective measure for, the effects and very severe repercussions that the global COVID-19 pandemic is having and will continue to have on the air transport industry. The appeal was then filed and relative procedure recorded with the Piedmont Regional Administrative Court under R.G. 783/2020. On this matter, ART issued Resolution No. 68/2021 of May 20, 2021 in which the Authority, inter alia, (i) deferred the entry into force of the Models for the regulation of airport fees pursuant to Resolution No. 136/2020 from July 1, 2021 to January 1, 2023; (ii) provided an option to the airport operators that introduce the consultation procedure for the review of the fees during the two-year period 2021-2022 to: a) begin the related procedure as per the provisions of the Models as per Resolution No. 92/2017, or b) subject to a reasoned application to the Authority, propose the extension of the fees in force at the time of the application also to the following year. In order not to represent agreement in relation to that contested also with the proposal of the appeal against Resolution No. 136/2020 of July 16, 2020, Resolution No. 68/2021 was also challenged by the deadline, with the presentation of a supplementary appeal on additional grounds.

FFM customs dispute

On April 20, 2021, the Bologna Customs Office issued a notice of correction of several customs declaration assessments to the subsidiary FFM, following controls carried out in 2020 on behalf of third party importers on personal protective equipment, as part of the COVID-19 emergency and also to be delivered to Emilia-Romagna healthcare authorities. As Customs did not deem that the conditions for exemption from import duties and exemption from value added tax on importation had been met in the cases in question, the notices presented an invitation to FFM to settle the higher duties and VAT, together with interest on arrears, amounting to approximately Euro 4.3 million, within 10 days. The aforementioned notices identified FFM (indirect representation declarant courier) and, jointly and severally, the importers (legal and physical persons) as the parties obliged to pay.

FFM considers that it has always operated with absolute correctness and legality and, in particular, during the most critical phases of the spread of the pandemic, as a cargo sector operator, took action and did its utmost following requests and contacts from regional and local authorities, making the greatest operational and managerial efforts to provide assistance to the extraordinary cargo flights that imported into Italy the medical equipment that was highly sought after by local hospitals and healthcare authorities. The operations were carried out by the subsidiary in full compliance with procedures and regulations, insofar as they were the responsibility of the latter, and therefore strongly rejects the claims of the customs authorities. Consequently, FFM has assigned its defence to lawyers specialising in this area and has lodged an appeal against the above notices within the legal term of 60 days of notification. This is in order to put forward all possible defences, in view of the fact that it is not responsible whatsoever with the alleged failure, by the importer and in an action subsequent to importation and in no way verifiable by FFM at the time of its own operations, to fulfil the conditions regarding the destination of the goods and, therefore, with all the conditions legitimising the aforesaid exemption. Requests for suspension have also been made in connection with the proposed appeals. In particular, following the request filed with the Bologna Customs Authority pursuant to Article 45 of the UCC for the suspension of the notices of assessment, FFM obtained such a suspension subject to issuance of a bank or insurance guarantee.

FFM therefore proceeded to seek an adequate guarantee, which was finalised in October with a leading national institute in accordance with the conditions and terms prescribed by the Customs Agency. This guarantee included a co-obligation for the Parent Company. In the meantime, having verified the tax proceedings before the Bologna Provincial Tax Commission and following the outcome of the October 13, 2021 hearing, the suspension motion filed by FFM was rejected. This circumstance does not, in any event, affect the assessment of the likelihood of the Company losing the case, which continues, ahead of the setting of the relevant hearing.

Following the Company's submission of a further justified request accompanied by an addendum to the guarantee policy undertaken, the total amount guaranteed remaining unchanged, the Bologna Customs Office ordered the definitive suspension of the enforceability of the measures.

The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

Ernest Revocatory Action

On April 15, the airline's Insolvency Practitioner, Ernest, sent the Parent Company a request for the repayment of sums paid in the six months prior to submission of the request for composition with creditors, totalling Euro 299 thousand - including approximately Euro 80 thousand for the municipal surtax - pursuant to bankruptcy revocation legislation. AdB has already instructed the lawyers who assisted it in filing for bankruptcy to evaluate possible defence strategies. After discussions with our lawyers, it is believed that there are several arguments to resist the request of the Insolvency Practitioner, possibly even judicial, and it was not considered, therefore, to propose any settlement to the counterparty.

Notice of contestation by the Bologna Tax Agency regarding certain tax aspects of the relationship with the carrier Ryanair

On May 7, 2021 the Parent Company received a "Notice of objection from the Tax Agency - Bologna Provincial Department - Control Office", as the latter deemed certain findings of the Catanzaro Tax Police Department to be admissible following an audit of Ryanair DAC Italian Branch for VAT and direct tax purposes. The local territorial office has, in fact, assessed the results of the reports of the tax police in relation to the year 2015 and has identified sanctions for VAT purposes for AdB s.p.a.. Following appropriate in-depth investigations that appear to reconfirm the full legitimacy of the Parent Company's conduct, in light of the documentation in the files, the Company has submitted timely and detailed defensive briefs to the Bologna office of the tax authorities, as per Article 16, paragraph 4 of Legislative Decree No. 472/97, which have not yet been checked ahead of the deadline. Given the current uncertainty of the position, it should be noted that, in any event, the possible denial of a final sanction would not have a disruptive impact within the ordinary scope of litigation for the Parent Company.

7. PRINCIPAL RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

The COVID-19 health emergency has continued to have significant impacts on the airport industry in the first half of this year. However, with the start of the summer season, thanks to the drop in the number of infections and the simultaneous strong progress of the vaccination campaigns, air traffic has picked up significantly, despite a degree of uncertainty regarding future developments, mainly linked to the continued spread of variants of the virus. In the final weeks of 2021, due to the further infection wave from the Omicron variant and the consequent reinstatement of a number of movement restrictions - traffic slowed even further.

According to ACI Europe, the decline in passenger traffic in Europe in 2021 was 59% overall on 2019, while on 2020 volumes were down 36.9%. According to the former's estimates, 2019 traffic levels may return by 2025, with significant diseconomy of scales for airport managers who shall see their earnings significantly impacted. (Source: COVID-19 & AIRPORTS Traffic Forecast, Revised Q4 2021, FY 2021 & 2022 Scenarios, October 13, 2021).

The AdB Group's financial performance is strongly influenced by air traffic, which is, in turn, influenced by the economic environment, national and international health conditions, the economic and financial situation of individual airlines and airline alliances, as well as competition, on some routes, with alternative means of transport.

Depending on the specific way in which they evolve, these factors can have a particularly significant impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues, given the pervasive and uncertain nature of the developing pandemic.

In the context of such an extreme and prolonged crisis and given the considerable commitments to infrastructure developments, the **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing to cover the requirements of the operations plan and, at the same time, cover the new requirement for finance in the Net Working Capital cycle until the end of the crisis - a crisis first stemming from the pandemic and now additionally the war in Ukraine and its consequences. The Group has addressed this risk, on the one hand by strategically reviewing its investment plan in consultation with ENAC, identifying new priorities and implementation phases, and on the other by agreeing new loans, most recently with the European Investment Bank (EIB) up to a maximum of Euro 90 million. Thanks to these new sources, the current account balances at December 31, 2021, and the additional credit line of Euro 5 million, the Group believes to have a flexibility of financing in line with the progress of the infrastructure development plan and with actual funding needs. With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the COVID-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July shall apply from the 2022 financial statements. Finally, the new EIB financing agreement includes pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of AdB is acquired.

The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities. The EIB loan allows a choice between fixed and variable rates, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment.

The Group's **credit risk** is concentrated, in that 68% of its accounts receivable at December 31, 2021 are claimed from its top ten clients, a sharp increase compared to 49% at June 30, 2021, and 27% at December 31, 2020. This does not, however, represent a proportional increase in credit risk as these customers are carriers with incentives who also accrue debts as a result. It is undoubtedly as the current economic crisis has increased the Group's credit risk due to the general lack of liquidity throughout the chain and that in order to handle these difficulties, the Group has granted payment deferments to customers and has appropriately taken into account the greater risk for the provision for bad debts at December 31, 2021, and shall continue to monitor such as events unfold in the coming months. In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudence and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

The commercial policies pursued by the Group to limit its exposure involve:

- requesting immediate payment for transactions with end consumers or occasional counterparties (i.e., parking areas);
- requesting advance payment from occasional airlines or airlines without an appropriate credit profile or collateral;
- requesting performance bonds from sub-concession holder clients.

In accordance with the disclosure requirements set out in Article 2428(2), No. 6-bis of the Italian Civil Code, the Group holds financial instruments that qualify as significant in quantitative terms. However, considering the criteria that inform its choice of investments, such as:

- minimising the risk of the return of invested capital;
- the differentiation of the credit institutions;
- the duration, normally less than two years;
- the return offered;

the Group believes the **financial risks** – understood as the risks of changes in the value of the financial instruments – to be limited.

The Group is not subject to **foreign exchange risk** since it does not undertake transactions in foreign currencies.

Risks arising from the conflict in Ukraine

The impacts resulting from the conflict in Ukraine are only partially assessable at this time, as they will depend on the geographic extent and severity of the conflict and the duration and magnitude of sanctions and airspace closures.

The Group is exposed to the risk of a loss of traffic volumes to Eastern European countries due to the ongoing conflict between Russia and Ukraine. Therefore, negative consequences on the recovery of traffic volumes in the short term as a result of the pandemic are possible, but are currently difficult to assess. At the moment, connections from Bologna to Kiev, Lviv and Odessa in Ukraine, Chisinau in Moldova and Moscow in Russia are suspended for war-related reasons, with an estimated impact in terms of the passenger traffic decline from/to these destinations of approximately 150-180 thousand passengers for all of 2022.

This conflict could adversely affect consumer confidence, the propensity to travel and the economic recovery in general, including outside of Eastern Europe. The conflict in Ukraine could further exacerbate the rise in commodity prices, impacting utility costs and supplies of certain materials. Moreover, the Cyber Security risk is increased by a phase of international conflict, in particular for critical infrastructures such as airports.

Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 58.8% of the airport's total traffic volumes in 2021. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire at the end of October 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Group's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In view of the current air transport industry crisis, any redistribution of passenger traffic among other airlines is more complex and uncertain. However, the Parent Company maintains active relationships with all sector operators.

Risk related to the effect of incentives on revenue margins

The Parent Company is exposed to the risk of a decrease in the margins of its Aviation Business Unit due to an increase in traffic volumes by airlines that receive incentives.

In accordance with its incentive policy aimed at developing traffic and routes at the Airport, the Company pays some airlines – including both legacy and low-cost carriers – incentives tied to passenger traffic volumes and new routes. This policy limits incentives to levels compatible with positive margins on each airline's operations. However, should passenger traffic and the routes operated by airlines receiving incentives increase over time, the Aviation Business Unit's positive margins could decline proportionally, with a negative impact, possibly to a material degree, on the Group's financial performance and financial position.

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing traffic that generates a positive marginal contribution. Given the continuation of the pandemic crisis and the significant uncertainty and enduring discontinuity with the previous market situation, the Parent Company has introduced an ad hoc policy for the Summer Season 2021 to support the recovery of summer traffic, in the interest of users and the operator, in order to recover as much traffic as possible despite the exceptional contingency. Subsequently, the Company published a new annual incentive policy valid for Winter 2021/2022 and Summer 2022, so as to promote long-haul/intercontinental traffic, in addition to more environmentally sustainable traffic.

Risk relating to a reduction in the margin of non-aviation revenues

During lockdown, a national decree ordered the closure of the airport's commercial establishments (with very few exceptions, and a complete lack of customers, in any case). Given the above, and in the belief that air traffic recovery would also be very limited in the subsequent months of 2020, the Parent Company accepted requests submitted by sub-concession holders to revise certain contracts. AdB revised its contractual structure consisting of GARs (minimum guaranteed annuity rates) and ROYs (royalties) used to supplement "best performance" remuneration, which was previously guaranteed by high traffic levels. Instead, new conditions have been implemented based on variable fees.

Further negotiations have therefore been conducted, subsequently, to redefine the agreements and contracts with airport operators and sub-concession holders in light of updated forecasts and based on a progressive increase in fees in line with the gradual recovery of traffic at the airport.

As of the preparation date of this report, the sub-concession agreements for some retail outlets have been cancelled or have not been extended. The main retail outlets at the airport are food and beverage outlets.

Risks related to implementation of the Action Plan

The Parent Company invests in the airport as part of its overall management on the basis of an Action Plan approved by the Italian Civil Aviation Authority (ENAC). The Action Plan was drafted on the basis of the investments envisaged in the Master Plan according to a modular approach, the main driver of which is air traffic performance.

AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events, such as delays in the process of obtaining authorisation for and/or executing the works, delays in procurement processes for certain materials or components, with possible adverse effects on the amount of the tariffs that may be applied and possible risks of withdrawal from or termination of the Agreement. The execution of the planned interventions could be conditioned by the non-availability of raw materials or by sharply increasing costs. Recent international geopolitical tensions have, in fact, led to an increase in energy prices, which have reached exceptionally high levels, accompanied by a general rise in inflation. These effects, together with great uncertainty regarding the availability of raw materials, could lead to criticality in the supply of certain materials, an increase in operating costs linked to the functioning of airport infrastructure and an increase in the costs of carrying out certain investments.

An additional extraordinary risk that has also emerged in 2020 in this context is “pandemic risk”, with all its impacts (in terms of the airport company’s organisational capacity and performance, possible further slowdown in procedures, risk of unavailability of financial resources, etc. etc.).

On September 30, 2021, the Parent Company received approval from the National Civil Aviation Authority (ENAC) for the company’s proposal to implement the investment plan based on new priorities and executive stages, including postponement of the airport expansion. This is being done in order to respond consistently to the new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms, based on the COVID-19 health emergency and its significant impact on the operations and performance of the AdB S.p.A. Group.

The adjusted and now formally authorised investment plan is to be implemented, through 2023, with funds that are already available.

Risks related to the failure to guarantee user services by certain airport operators

The handling companies operating at the airport, in response to growing and intense competitive pressure and in order to ensure the economic sustainability of their operations, in recent years placed particular attention on containing personnel costs, as featuring a significant labour intensive component, in addition to their efficiency, even to detriment of their quality. The difficult market conditions in which these parties operate were thereafter further worsened by the crisis emerging with the Covid-19 outbreak which hits the entire air sector, making already fragile operating-financial conditions even more difficult. This situation may therefore compromise the quality and the continuity of services offered to passengers by handlers at Bologna airport. The Parent Company is working to draw up a contingency plan to ensure the continuity of services, also where difficulties arise among the airport operators currently providing the services.

Risks concerning the regulatory framework

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group's core business involves acting as concession holder operating under special exclusive rights to the Bologna airport grounds. Primarily for this reason, it operates in an industry that is highly regulated at the domestic, supranational and international levels. Any change to the regulatory framework (and in particular any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results.

Risk related to the high level of intangible assets in proportion to the Group's total assets and shareholders' equity

In terms of the risk of the non-recoverability of the carrying amount of the Concession Rights recognised to intangible assets consolidated at December 31, 2021 for Euro 199 million, as per IAS 36, the Group carried out an impairment test on the most recent cash flow projections approved by the Board of Directors of the Parent Company and based on assumptions considered reasonable and demonstrable, in order to present the best estimate of the future economic conditions that the current situation of uncertainty - in particular on the duration of the crisis - permits.

The impairment test did not identify any impairment of the carrying amounts of the concession rights as at December 31, 2021 and no impairment losses were therefore recognised on the assets concerned (please refer to Note 1 - Intangible Assets for further information).

On the recoverability of the value of assets please also see note 4 – other non-current financial assets – and note 8 – trade receivables.

Seasonality of revenues

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the third quarter rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period experiencing maximum usage levels. In addition, there is a strong business passenger component, due to the characteristics of the local business community and the presence of internationally renowned trade fair events, which offsets the seasonal peaks of tourist activity. Accordingly, financial performance figures for interim periods may not be representative of the Group's financial performance and financial position situation at the annual level.

8 OPERATING PERFORMANCE OF THE PARENT COMPANY

The table below summarises the economic and financial performance of the Parent Company in the two-year period under consideration; for the relevant comments, reference should be made to chapter 3 as the numbers are similar to the Group.

8.1 PARENT COMPANY RESULTS

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	25,396	18,209	7,187	39.5%	57,764	-56.0%
Revenues from non-aeronautical services	19,380	14,965	4,415	29.5%	43,721	-55.7%
Revenues from construction services	8,051	29,377	(21,326)	-72.6%	16,420	-51.0%
Other operating revenues and income	736	1,184	(448)	-37.8%	1,274	-42.2%
Revenue	53,563	63,735	(10,172)	-16.0%	119,179	-55.1%
Consumables and goods	(878)	(914)	36	-3.9%	(1,084)	-19.0%
Service costs	(14,480)	(14,119)	(361)	2.6%	(19,453)	-25.6%
Construction service costs	(7,667)	(27,978)	20,311	-72.6%	(15,639)	-51.0%
Leases, rentals and other costs	(4,492)	(3,346)	(1,146)	34.2%	(8,523)	-47.3%
Other operating expenses	(3,096)	(2,898)	(198)	6.8%	(3,200)	-3.3%
Personnel costs	(20,743)	(19,192)	(1,551)	8.1%	(28,076)	-26.1%
Costs	(51,356)	(68,447)	17,091	-25.0%	(75,975)	-32.4%
Gross Operating Profit/(loss) (EBITDA)	2,207	(4,712)	6,919	n.a.	43,204	-94.9%
Amortisation/Write-down concession rights	(7,255)	(6,498)	(757)	11.6%	(6,045)	20.0%
Amortisation of other intangible assets	(881)	(1,397)	516	-36.9%	(1,561)	-43.6%
Depreciation of tangible assets	(2,148)	(2,449)	301	-12.3%	(2,637)	-18.5%
Amortisation, depreciation & write-downs	(10,284)	(10,344)	60	-0.6%	(10,243)	0.4%
Provisions for doubtful accounts	(493)	(502)	9	-1.8%	5	n.a.
Provision for renewal of airport infrastructure	(646)	(2,309)	1,663	-72.0%	(2,814)	-77.0%
Provisions for other risks and charges	(200)	(2)	(198)	9900.0%	(267)	-25.1%
Provisions for risks and charges	(1,339)	(2,813)	1,474	-52.4%	(3,076)	-56.5%
Total Costs	(62,979)	(81,604)	18,625	-22.8%	(89,294)	-29.5%
Operating result	(9,416)	(17,869)	8,453	-47.3%	29,885	n.a.
Financial income	477	167	310	185.6%	129	269.8%
Financial expenses	(1,063)	(1,192)	129	-10.8%	(1,089)	-2.4%
Result before taxes	(10,002)	(18,894)	8,892	-47.1%	28,925	n.a.
Taxes for the year	2,460	4,931	(2,471)	-50.1%	(8,857)	n.a.
Profit (loss) for the year	(7,542)	(13,963)	6,421	-46.0%	20,068	n.a.

The **EBITDA adjusted** for construction services and the revenues due to terminal value credits on provisions for renewal (*) in the three years is presented below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Total change vs 2020	% change vs 2020	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	25,396	18,209	7,187	39.5%	57,764	-56.0%
Revenues from non-aeronautical services	19,380	14,965	4,415	29.5%	43,721	-55.7%
Other operating revenues and income	736	868	(132)	-15.2%	1,194	-38.4%
Adjusted revenues	45,512	34,042	11,470	33.7%	102,679	-55.7%
Consumables and goods	(878)	(914)	36	-3.9%	(1,084)	-19.0%
Service costs	(14,480)	(14,119)	(361)	2.6%	(19,453)	-25.6%
Leases, rentals and other costs	(4,492)	(3,346)	(1,146)	34.2%	(8,523)	-47.3%
Other operating expenses	(3,096)	(2,898)	(198)	6.8%	(3,200)	-3.3%
Personnel costs	(20,743)	(19,192)	(1,551)	8.1%	(28,076)	-26.1%
Adjusted costs	(43,689)	(40,469)	(3,220)	8.0%	(60,336)	-27.6%
Adjusted Gross Operating Profit (Adjusted EBITDA)	1,823	(6,427)	8,250	-128.4%	42,343	-95.7%
Revenues from construction services	8,051	29,377	(21,326)	-72.6%	16,420	-51.0%
Construction service costs	(7,667)	(27,978)	20,311	-72.6%	(15,639)	-51.0%
Construction Services Margin	384	1,399	(1,015)	-72.6%	781	-50.8%
Revenues for receivable from Terminal Value on Provision for Renewal	(0)	316	(316)	-100.0%	80	-100.0%
Gross Operating Profit/(loss) (EBITDA)	2,207	(4,712)	6,919	-146.8%	43,204	-94.9%

(*) For further information on terminal value, refer to the comment in the notes on accounting policies regarding intangible assets.

The table below shows the quarterly **passenger traffic** performance and **EBITDA adjusted** for the margin on construction services and terminal value receivable on the provision for renewal.

	Q1 2021	Change % vs 2020	Change % vs 2019	Q2 2021	Change % vs 2020	Change % vs 2019	Q3 2021	Change % vs 2020	Change % vs 2019	Q4 2021	Change % vs 2020	Change % vs 2019
Passenger Traffic	210,617	-84.9%	-89.3%	563,003	1320.6%	-77.3%	1,743,672	152.3%	-36.1%	1,586,524	317.8%	-28.9%
INCOME STATEMENT (in thousands of Euro)												
ADJUSTED REVENUES	4,709	-72.4%	-78.8%	7,425	228.5%	-72.3%	16,842	101.5%	-42.8%	16,536	161.0%	-31.7%
Revenues from aeronautical services	2,513	-72.1%	-79.5%	3,792	333.9%	-75.3%	9,779	110.9%	-42.4%	9,312	153.4%	-29.4%
Revenues from non-aeronautical services	2,037	-74.3%	-79.0%	3,336	164.6%	-70.1%	6,929	104.8%	-43.3%	7,078	194.1%	-33.6%
Other operating revenues and income	159	3.9%	-32.9%	297	137.6%	-16.1%	134	-60.1%	-42.7%	146	-42.5%	-60.4%
ADJUSTED COSTS	-9,707	-26.3%	-32.2%	-9,864	26.6%	-35.6%	-11,125	16.5%	-24.0%	-12,993	30.5%	-19.0%
Personnel costs	-4,748	-23.5%	-30.3%	-4,881	28.5%	-34.5%	-4,950	10.9%	-26.0%	-6,164	30.5%	-13.5%
Other operating expenses	-4,959	-28.8%	-34.0%	-4,983	24.9%	-36.7%	-6,175	21.4%	-22.3%	-6,829	30.5%	-23.5%
ADJUSTED EBITDA	-4,998	n.a.	n.a.	-2,439	-55.9%	n.a.	5,717	n.a.	-61.4%	3,543	n.a.	-56.7%
ADJUSTED EBITDA MARGIN	-106.1%	n.a.	n.a.	-32.8%	n.a.	n.a.	33.9%	n.a.	n.a.	21.4%	n.a.	n.a.

8.2.1 CASH FLOW STATEMENT OF THE PARENT COMPANY

	<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
A	Cash	21,972	37,991	(16,019)
B	Other cash equivalents	0	0	0
C	Other current financial assets	0	275	(275)
D	Liquidity (A+B+C)	21,972	38,266	(16,294)
E	Current financial payables	(1,722)	(1,467)	(255)
F	Current portion of non-current bank payables	(5,669)	(2,545)	(3,124)
G	Current financial debt (E + F)	(7,391)	(4,012)	(3,379)
H	Net current financial debt (G - D)	14,581	34,254	(19,673)
I	Non-current financial payables	(60,874)	(66,536)	5,662
J	Debt instruments	0	0	0
K	Trade payables and other non-current payables	(945)	(1,026)	81
L	Non-current financial debt (I + J + K)	(61,819)	(67,562)	5,743
M	Total financial debt (H + L)	(47,238)	(33,308)	(13,930)

8.3 PARENT COMPANY STATEMENT OF FINANCIAL POSITION

USES	As at 31.12.2021	As at 31.12.2020	Change Ab.	Change %
- Trade receivables	19,590	5,687	13,903	244%
- Tax receivables	45	1,116	(1,071)	-96%
- Other Receivables	5,332	2,527	2,805	111%
- Inventories	695	649	46	7%
Sub-total	25,662	9,979	15,683	157%
- Trade payables	(18,643)	(12,859)	(5,784)	45%
- Tax payables	(1,000)	(480)	(520)	108%
- Other payables	(27,672)	(22,576)	(5,096)	23%
Sub-total	(47,315)	(35,915)	(11,400)	32%
Net operating working capital	(21,653)	(25,936)	4,283	-17%
Fixed assets	211,386	212,292	(906)	0%
- Deferred tax assets	12,807	10,428	2,379	23%
- Other non-current assets	15,618	15,336	282	2%
Total fixed assets	239,811	238,056	1,755	1%
- Provisions for risks, charges & severance	(16,430)	(16,780)	350	-2%
- Deferred tax liabilities	(2,080)	(2,073)	(7)	0%
- Other non-current liabilities	(55)	(41)	(14)	34%
Sub-total	(18,565)	(18,894)	329	-2%
Fixed Operating Capital	221,246	219,162	2,084	1%
Total Uses	199,593	193,226	6,367	3%

SOURCES	As at 31.12.2021	As at 31.12.2020	Change Ab.	Change %
Net Financial Position	(47,238)	(33,308)	(13,930)	42%
- Share Capital	(90,314)	(90,314)	0	0%
- Reserves	(69,583)	(83,567)	13,984	-17%
- Profit (loss) for the year	7,542	13,963	(6,421)	-46%
Total Shareholders' Equity	(152,355)	(159,918)	(7,563)	-5%
Total Sources	(199,593)	(193,226)	(6,367)	3%

9 STATEMENT OF RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND NET RESULT

Reconciliation between shareholders' equity and the result for the year of the Parent Company and the Consolidated shareholders' equity and result is shown below:

<i>(Euro thousands)</i>	Shareholders' Equity 31.12.2021	Net Result 31.12.2021
Net equity and result of Aeroporto G. Marconi S.p.A.	152,355	(7,542)
Net equity and result of the consolidated company Tag Bologna s.r.l.	2,617	548
Net equity and result of the consolidated company Fast Freight Marconi S.p.A.	5,973	278
Aggregated net equity and result	160,945	(6,717)
Carrying value of consolidated companies	(3,193)	0
Elimination and write-down of investments in subsidiaries	111	0
Valuation effects of associated companies under the equity method	0	0
Alignment costs and revenues of the subsidiaries consolidated to costs and revenues of the Parent Company	(1)	0
Elimination costs relating to the conferment capitalised to increase the investment in FFM	(66)	0
Consolidated net equity and result	157,798	(6,717)
Minority interest share of net equity and result	0	0
GROUP NET EQUITY AND RESULT	157,798	(6,717)

<i>(Euro thousands)</i>	Shareholders' Equity 31.12.2020	Net Result 31.12.2020
Net equity and result of Aeroporto G. Marconi S.p.A.	159,918	(13,963)
Net equity and result of the consolidated company Tag Bologna s.r.l.	2,071	(88)
Net equity and result of the consolidated company Fast Freight Marconi S.p.A.	5,695	462
Aggregated net equity and result	167,684	(13,590)
Carrying value of consolidated companies	(3,193)	0
Elimination and write-down of investments in subsidiaries	111	0
Valuation effects of associated companies under the equity method	0	0
Alignment costs and revenues of the subsidiaries consolidated to costs and revenues of the Parent Company	0	0
Elimination costs relating to the conferment capitalised to increase the investment in FFM	(66)	0
Consolidated net equity and result	164,538	(13,590)
Minority interest share of net equity and result	0	0
GROUP NET EQUITY AND RESULT	164,538	(13,590)

10 ALTERNATIVE PERFORMANCE INDICATORS

In this Directors' Report, various performance indicators are presented in order to permit a better assessment of operating performance and financial position.

On December 3, 2015, Consob published Communication No. 92543/15, rendering applicable the Guidelines issued on October 5, 2015 by the European Security and Markets Authority (ESMA) regarding the presentation of such indicators in regulated information circulated or financial statements published on or after July 3, 2016. These Guidelines, updating the previous CESR Recommendation (CESR/05-178b), seek to promote the utility and transparency of alternative performance indicators included in regulated information or financial statements within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

The criteria utilised for these indicators, in line with the above communications, are provided below:

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:
 - the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager and
 - with effect from 2019, terminal value receivable revenues on the provision for renewal, where this account is understood to refer to the consideration – equal to the present value of the terminal value credit – that the airport manager is entitled to be paid at the end of the concession from the new manager for renewal work on the assets under concession that at the date concerned have not been fully depreciated according to the regulatory accounting rules (Art. 703 of the Navigation Code, as amended by Art. 15-quinquies, para. 1, of Decree-Law No. 148/2017, converted, with amendments, by Law No. 172 of December 4, 2017).
- **Net Financial Debt:** the composition of the Net Financial Debt is represented in accordance with the Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 recommendations of March 4, 2021.

11 GUARANTEES PROVIDED

The following table summarises the guarantees provided in the two years by the Group.

in thousands of Euro	31/12/2021	31/12/2020	Change	Change%
Sureties	9,277	8,093	1,184	15%
Pledge on equity financial instruments	10,873	10,873	0	0%
Patronage letters	2,231	2,880	(649)	-23%
Total guarantees provided	22,381	21,846	534	2%

At December 31, 2021, the guarantees provided by the Group total Euro 22.4 million and principally concern:

- sureties, mainly:

- in favour of ENAC under the Full Management Agreement: it amounts to Euro 1.6 million, compared to Euro 5.6 million at December 31, 2020, due to the lower taxable base connected to the last airport concession fee paid which, being in 2020, reduced sharply due to the drop in traffic;
- in favour of the Bologna Customs Agency for various customs disputes involving the subsidiary FFM (see the Disputes section) for Euro 5.8 million and various customs deposits, also regarding FFM, for an additional Euro 0.1 million. The Parent Company, Aeroporto G. Marconi di Bologna Spa, has a co-obligation on these guarantees.

- a pledge of the equity financial instrument issued by Marconi Express S.p.A. and subscribed for by the Parent Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project; The Pledge on Equity Financial Instruments agreement was signed on September 30, 2016;

- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.2 million.

12 TREASURY SHARES IN PORTFOLIO

In accordance with Article 2428, paragraphs 2, 3 and 4 of the Civil Code, it is communicated that AdB and the Group do not hold treasury shares at December 31, 2021.

13 SHARES HELD BY DIRECTORS AND STATUTORY AUDITORS

Based on the legally required communications, the Directors and Statutory Auditors of Aeroporto Guglielmo Marconi di Bologna Spa directly and/or indirectly holding shares at December 31, 2020 were:

- the Chief Executive Officer Nazareno Ventola 2,750 shares.

14 OPT-OUT REGIMES

On April 13, 2015 the Board of Directors of the Parent Company decided, in accordance with Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the Issuers' Regulation, to opt out of publishing the disclosure documents provided for in Annex 3B to the Issuers' Regulation in the event of significant merger, spin-off, share capital increase through conferment of assets in kind, acquisition, and sales operations.

15 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to year end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at December 31.

Traffic performance

In January, the resurgence of infections related to the Omicron variant and new restrictions on flights (both domestic and international) dampened the resumption of traffic emerging in the Autumn and Winter of 2021. Bologna airport in fact reported 316,583 passengers in January, down 50.6% on January 2019 (last pre-COVID year), although up 307.6% on January of the previous year, in the "second wave". Specifically, in January 2022 110,214 passengers travelled on domestic flights (-24.2% on 2019, although up 207.8% on 2021) and 206,369 passengers on international flights (-58.4% on 2019, +392.8 on 2021). Air movements numbered 3,529, down 34.3% on 2019 (+208.5% on 2021), while air cargo transported totalled 3,223 tonnes, decreasing 2.6% on 2019, although up 8.1% on 2021.

In February 2022, Bologna airport reported 394,031 passengers, down 33.1% on February 2019 (last pre-COVID year) and up 550.0% on the same month of the previous year. Specifically, in February 2022 128,381 passengers travelled on domestic flights (-7.0% on 2019, although up 475.5% on 2021) and 265,650 passengers on international flights (-41.1% on 2019, +593.4 on 2021). Air movements numbered 3,509, reducing 30.0% on 2019 (+308.5% on 2021), while air cargo transported totalled 3,405 tonnes, up 6.7% on 2019 and 23.6% on 2021.

The ranking of the "most popular" destinations in February still saw 4 Italian airports in the "top ten", but Spain grew with 3 destinations. In the first three places we find Catania, Palermo and Madrid. These were followed by: Barcelona, Bari, Brindisi, Tirana, Paris Charles de Gaulle, Valencia and Amsterdam.

Progressive figures, for the number of passengers and flights in the first two months of 2022, still shows a decrease over 2019, but significant growth over 2021. In contrast, the cargo segment is however up on 2019. In detail, the first two months of the year recorded 710,614 passengers (down 42.2% on 2019 and up 413.8% on 2021), 7,038 movements (down 32.2% on 2019 and up 251.4% on 2021) and 6,628 tons of cargo transported (up 2.0% on 2019 and up 15.6% on 2021).

If Covid seems to have loosened its grip, with a drastic drop in infections and positive effects on air traffic, now it is the war in Ukraine that is worrying. In addition to the terrible loss of human lives and the destruction of houses and cities, it is bringing a halt to air traffic in a large area of the continent and giving rise to significant concern for the possible developments of the conflict. At the moment, connections from Bologna to Kiev, Lviv and Odessa in Ukraine, Chisinau in Moldova and Moscow in Russia are suspended for war-related reasons.

Operating and Financial Performance and Business Outlook

The outlook for 2022 is confirmed as of great uncertainty, with a recovery for the sector that will be conditioned by possible further waves of infection, the effectiveness and distribution of vaccines and changes in passenger habits (e.g. propensity to travel, spending power, business/leisure motivation, etc.).

Studies on the pandemic and its impact on the air transport sector suggest an uneven recovery over the coming years, with volumes likely to see-saw as coronavirus spreads through countries at different rates and as vaccine roll-outs also proceed at varying speeds. Currently there is a general consensus that air traffic will not fully recover to pre-COVID-19 levels before 2024-25.

At the moment it is difficult to estimate the impact of the Russia-Ukraine conflict on the recovery of air traffic. According to IATA, this conflict is unlikely to impact the long-term growth of air transport, which has always proved resilient to shocks. On the other hand, impacts are possible in the short term, in particular for markets directly exposed to the conflict, but these are currently difficult to assess. The impacts will depend on the geographic extent and severity of the conflict and the duration and magnitude of sanctions and airspace closures. These impacts will be felt most severely in Russia, Ukraine, and surrounding areas. Prior to the COVID-19 pandemic, Russia was the 11th largest market for air transport services in terms of number of passengers, including its large domestic market, while Ukraine ranked 48th. Also according to IATA, consumer confidence and economic activity are likely to be impacted outside of Eastern Europe (Source: IATA, Air Passenger Numbers to Recover in 2024, March 1, 2022).

For 2022, ACI Europe estimates a possible recovery ranging from 61% to 80% of annual pre-COVID19 traffic volumes, with a larger recovery estimated for the second half of the year. The Parent Company estimates that the recovery of volumes at Bologna airport is substantially in line with these forecasts, although 2022 will continue to be influenced by the resilience and recovery capacity of the various stakeholders (carriers, sub-concessionaires, handlers, etc.).

The non-aviation sector may continue to be adversely affected by the crisis, due to the not yet complete recovery of traffic volumes on which variable contract components are based, which have in the interim been redefined, substantially eliminating minimum guaranteed components.

As far as possible, the Group will continue its cost containment measures, taking account of the need to keep the airport fully operative despite the reduced traffic volumes.

In terms of social sustainability and the linked impact on personnel costs, the Parent Company can rely on the Extraordinary Temporary Lay-Off Scheme introduced from February 1, 2022 and with a maximum duration of 12 months. In a situation of profound market uncertainty and still impacted by the pandemic, the government has permitted the airport sector to utilise a special Extraordinary Temporary Lay-Off Scheme for “sudden and unforeseen events” related to the latest COVID variant (Omicron), which in the final months significantly dampened air traffic.

In 2022, the Group will be committed to overcoming the limits of the infrastructure capacity of certain subsystems, with a proactive focus on improving service quality. This is against a backdrop of fully functioning infrastructure and operational processes, albeit with lower traffic volumes than 2019. It will also work on implementing planned sustainability and digital transformation initiatives.

On March 7, 2022, ENAC announced the disbursement of Euro 300 million to the airport management companies, as an advance of 50% with respect to the requests for compensation, due to the damage caused by the COVID-19 health emergency, in accordance with the 2021 Budget Law.

In order to enable airport operators to deal with the financial difficulties they are experiencing, ENAC, while awaiting the completion of the preliminary investigations, decided, once it was ascertained that the overall availability of the fund had not been exceeded, to grant an advance of 50% of the claim for damages made by each company.

The Parent Company, on March 8, 2022, received payment of Euro 10.45 million as a 50% advance of the amount requested.

Finally, from a financial viewpoint, the obtaining from the EIB loan - together with the cash from the compensation fund - creates the conditions for the Group to continue to develop infrastructure and services without delay, to the benefit of customers and the local area.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, March 14, 2022

Consolidated Financial Statements for the year ended December 31, 2021

Statement of Consolidated Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Cash Flow Statement
Statement of changes in Consolidated Shareholders' Equity

Statement of Consolidated Financial Position

<i>in thousands of Euro</i>	<i>Note</i>	<i>As at 31.12.2021</i>	<i>As at 31.12.2020</i>
Concession rights		199,364	198,470
Other intangible assets		914	1,569
Intangible assets	1	200,278	200,039
Land, property, plant and equipment		11,293	12,686
Investment property		4,732	4,732
Tangible assets	2	16,025	17,418
Investments	3	44	44
Other non-current financial assets	4	13,306	12,946
Deferred tax assets	5	13,093	10,732
Other non-current assets	6	210	272
Other non-current assets		26,653	23,994
Non-current assets		242,956	241,451
Inventories	7	735	676
Trade receivables	8	19,977	6,279
Other current assets	9	5,393	3,793
Current financial assets	10	0	275
Cash and cash equivalents	11	28,215	43,658
Current assets		54,320	54,681
Assets held-for-sale		0	0
Total assets		297,276	296,132
Share capital		90,314	90,314
Reserves		74,201	87,814
Loss for the year		(6,717)	(13,590)
Group Shareholders' Equity	12	157,798	164,538
Minority interest		0	0
Total shareholders' equity	12	157,798	164,538
Severance and other personnel provisions	13	3,841	4,251
Deferred tax liabilities	14	2,691	2,618
Provision for renewal of airport infrastructure	15	10,097	10,316
Provisions for risks and future charges	16	1,517	1,399
Non-current financial liabilities	17	63,526	69,785
Derivative financial instruments		0	0
Other non-current liabilities		55	41
Non-current liabilities		81,727	88,410
Trade payables	18	19,035	13,612
Other liabilities	19	29,094	23,434
Provision for renewal of airport infrastructure	15	1,676	1,578
Provisions for risks and charges	16	23	23
Current financial liabilities	17	7,923	4,537
Current liabilities		57,751	43,184
Total liabilities		139,478	131,594
Total Shareholders' Equity & liabilities		297,276	296,132

Consolidated Income Statement

<i>in thousands of Euro</i>	<i>Note</i>	for the year ended 31.12.2021	for the year ended 31.12.2020
Revenues from aeronautical services		29,820	21,548
Revenues from non-aeronautical services		19,917	15,426
Revenues from construction services		8,051	29,415
Other operating revenues and income		701	1,101
Revenues	20	58,489	67,490
Consumables and goods		(1,976)	(1,359)
Service costs		(15,553)	(15,387)
Construction service costs		(7,667)	(28,015)
Leases, rentals and other costs		(4,569)	(3,422)
Other operating expenses		(3,137)	(2,942)
Personnel costs		(22,058)	(20,287)
Costs	21	(54,960)	(71,412)
Amortisation of concession rights		(7,440)	(6,688)
Amortisation of other intangible assets		(890)	(1,409)
Depreciation of tangible assets		(2,225)	(2,531)
Depreciation, amortisation and impairment	22	(10,555)	(10,628)
Provisions for doubtful accounts		(504)	(508)
Provision for renewal of airport infrastructure		(671)	(2,306)
Provisions for other risks and charges		(168)	(30)
Provisions for risks and charges	23	(1,343)	(2,844)
Total costs		(66,858)	(84,884)
Operating result		(8,369)	(17,394)
Financial income	24	499	198
Financial expenses	24	(1,079)	(1,218)
Non-recurring income and charges		-	-
Result before taxes		(8,949)	(18,414)
Taxes for the year	25	2,232	4,824
Net result from discontinued operations			
Loss for the year		(6,717)	(13,590)
Minority interest profit (loss)		-	-
Group loss for the year		(6,717)	(13,590)
Undiluted earnings/(loss) per share (in Euro)		(0.19)	(0.38)
Diluted earnings/(loss) per share (in Euro)		(0.19)	(0.38)

Consolidated Statement of Comprehensive Income

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020
Loss for the year (A)	(6,717)	(13,590)
<i>Other profits (losses) that will be reclassified in the net result for the year</i>	0	0
<i>Total other profits (losses) that will be reclassified in the net result for the year (B1)</i>	0	0
<i>Other profits (losses) that will not be reclassified in the net result for the year</i>		
Actuarial profits (losses) on severance and other personnel provisions	(29)	(66)
Tax impact on actuarial profits (losses) on severance and other personnel provisions	5	18
<i>Total other profits (losses) that will not be reclassified in the net result for the year (B2)</i>	(24)	(48)
Total other losses, net of taxes (B1 + B2) = B	(24)	(48)
Total losses, net of taxes (A + B)	(6,740)	(13,638)
of which Minority Interests	0	0
of which Group	(6,740)	(13,638)

Consolidated Cash Flow Statement

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020
Core income-generating operations		
Result for the year before taxes	(8,949)	(18,414)
<i>Adjustments to items with no impact on cash and cash equivalents</i>		
- Margin from construction services	(384)	(1,400)
+ Depreciation and impairment of tangible assets and right-of-use assets	10,555	10,628
+ Provisions	1,343	2,844
+ Interest charges not involving cash outlays	(435)	465
+/- Interest income and financial expenses	1,015	555
+/- Losses/gains and other non-monetary costs/revenues	507	(171)
+/- Severance provisions and other personnel costs	112	142
Cash flow generated/(absorbed) by operating activities before changes in working capital	3,764	(5,351)
Change in inventories	(59)	(54)
(Increase)/decrease in trade receivables	(14,344)	10,029
(Increase)/decrease in other receivables and current assets (non financial)	(1,530)	2,172
Increase/(decrease) in trade payables	5,423	(4,925)
Increase/(decrease) in other liabilities, various and financial	6,093	(6,672)
Interest paid	(1,268)	(827)
Interest collected	2	80
Taxes paid	0	(2,252)
Severance paid	(572)	(244)
Utilisation of provisions for payments	(821)	(5,924)
Cash flow generated / (absorbed) by net operating activities	(3,314)	(13,968)
Purchase tangible assets	(426)	(1,025)
Payment from sale of tangible assets	0	3
Purchases of intangible assets/concession rights	(8,469)	(27,557)
Proceeds on sale of intangible assets/concession rights	0	0
Purchase/capital increase of equity investments	0	0
Payment from sale of equity investments	0	0
Changes in current and non-current financial assets	274	207
Cash flow generated / (absorbed) by investment activities	(8,621)	(28,372)
Proceeds from the issuance of shares	0	0
Dividends paid	0	0
Loans received	0	63,900
Loans repaid	(3,076)	(6,793)
Leases liability payments	(432)	(362)
Cash flow generated / (absorbed) by financing activities	(3,508)	56,745
Final cash change	(15,443)	14,405
Cash and cash equivalents at beginning of year	43,658	29,253
Final cash change	(15,443)	14,405
Cash and cash equivalents at end of the year	28,215	43,658

Statement of changes in Consolidated Shareholders' Equity

In thousands of Euro	Share capital	Share premium reserve	Legal reserve	Other reserves	Revaluation and realignment reserve	FTA Reserve	Profits (losses) carried forward	OCI reserve	Profit/(loss) for the year	GROUP SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
Shareholders' Equity at 31.12.2019	90,314	25,683	7,170	37,029		(3,272)	(988)	1,387	20,852	178,175	178,175
Allocation of the 2019 financial year result	0	0	1,009	19,626	0	0	0	217	(20,852)	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends distributed	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	(48)	0	(13,590)	(13,638)	(13,638)
Shareholders' Equity at 31.12.2020	90,314	25,683	8,179	56,655		(3,272)	(1,036)	1,604	(13,590)	164,538	164,538
Allocation of the 2020 financial year result	0	0	0	461	0	0	0	(14,049)	13,590	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends distributed	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	(24)	0	(6,717)	(6,740)	(6,740)
Shareholders' Equity at 31.12.2021	90,314	25,683	8,179	57,116		(3,272)	(1,060)	(12,445)	(6,717)	157,798	157,798

Notes to the Consolidated Financial Statements for the year ended December 31, 2021

Group activities

The Group operates in the airport management business. Specifically:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter “AdB” or the “Parent Company”) is full manager of Bologna airport under Full Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004 and expiry in December 2046 following the extension of two years in accordance with Law No. 77 of July 17, 2020, which converted Article 102, paragraph 1-*bis* of Law Decree No. 34 of May 19, (Relaunch Decree) in order to contain the economic effects of the COVID-19 emergency. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register.
- Fast Freight Marconi S.p.A. (hereinafter FFM) operates in the cargo and mail handling business at Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..
- TAG Bologna S.r.l. (hereinafter TAG) operates in the general aviation business as a handler and manager of the related infrastructure at the Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..

Accounting Standards adopted in the preparation of the 2021 Consolidated Financial Statements

Basis of preparation

These consolidated financial statements concern the year ended December 31, 2021 and include the comparative figures for the year ended December 31, 2020 (hereafter “the Group consolidated financial statements” or “consolidated financial statements”).

The consolidated financial statements were prepared under the historic cost convention, except for any financial assets held-for-sale, and any Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle.

Impacts of the COVID-19 pandemic and going concern

As outlined in the Directors’ Report, the Group performance for the second consecutive year was heavily impacted by the crisis stemming from the multiple outbreaks of the COVID-19 pandemic. 2021 in fact began in a similar vein to the end of 2020, although the vaccination campaigns have been a key factor for a global recovery, together with the introduction of the Europe-wide Green Pass. The recovery in traffic volumes emerged in June. The second and third quarters in fact report over 1.6 million passengers more than the same period of 2020, although in December - due to the further infection wave from the Omicron variant and the consequent reinstatement of a number of movement restrictions - traffic slowed. Passenger traffic overall of Bologna airport in 2021 was up 63.7% on 2020, although the decrease compared to 2019 pre-COVID was still very significant (-56.4%).

Given the recovery in traffic (although fluctuating), considering the Italian and European support measures, as outlined in greater detail below, and taking account of all information currently available regarding the future, the Group believes that there are no significant uncertainties (as defined in paragraph 25 of IAS 1) regarding its ability to continue as a going concern, as the measures already put in place and those being implemented will enable it to overcome this crisis in the medium term. Although the scale and impact of the crisis has been disruptive, it must in any event be considered exceptional and temporary in nature. The 2021 Group results, although reporting a loss, reflect the recovery in train, which is hoped shall not be compromised by the shadows being cast over the future by the conflict in Ukraine.

The Group based its going concern assessment on several elements set out in greater detail below and took into account the existing and reasonably anticipated effects of the epidemic on all business activities.

The information on the future at the date of approval of this document are:

- the 2022-2026 business plan, approved by the Parent Company's Board of Directors on February 7, 2022, whose traffic growth forecasts over the time horizon are based on leading industry studies; the Group confirms the reasonableness of these estimates, based on traffic, revenue, cost and investment forecasts updated to the presentation date of these financial statements, sourced from the most recent information available;
- the post-COVID-19 infrastructure development strategy: the 2016-2030 Masterplan approved by ENAC in February 2021 provides for the phased introduction of a series of infrastructure development measures in line with traffic growth and full sustainability;
- sector support measures, such as exceptional wage subsidies for employees (Exceptional Temporary Lay-Off Scheme) from March 22 until December 26, 2021 and the introduction of the Extraordinary Temporary Lay-Off Scheme for a maximum period of 12 months (February 1, 2022 - January 30, 2023), on a flexible basis in view of the evolution of the pandemic and consequent air traffic movements;
- one of the most important sector support measures is undoubtedly the COVID-19 damage compensation fund (Article 128-bis of the 2021 Budget Law and Legislative Decree No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021) totalling Euro 800 million, of which Euro 735 million for airport operators and Euro 65 million for ground handling companies. At the end of July 2021, the European Commission approved this financial support in accordance with EU state aid rules, and on December 28, 2021 the Enacting Decree (Decree of the Ministry of Infrastructure and Sustainable Mobility of November 25, 2021) was published in the Official Gazette, setting a deadline of January 27, 2022 for the submission of applications for access to the fund. The request was submitted on time by the Parent Company and the subsidiary TAG, whilst FFM decided not to proceed as the preliminary investigation revealed that the potential benefits would not exceed the costs;
- the signing on December 16, 2021 of an EIB loan (European Investment Bank) up to a maximum amount of Euro 90 million to support infrastructural development plans, in addition to the liquidity held at December 31, 2021 and the credit line available, which is currently unutilised, of Euro 5 million, ensure the Group's financial solidity, also in view of the crisis situation and the highly restricted traffic numbers due to the COVID-19 pandemic also in the coming years, even if to a lesser extent;
- further action that can be taken to preserve liquidity (e.g. further investment plan adjustments).

In summary, the Group believes that measures outlined above, as well as its financial solidity will allow it to overcome the current crisis and meet the Aeroporto di Bologna Group's existing financial, contractual and concession obligations.

For further information on risk factors, assumptions and uncertainties, please refer to the relevant paragraph in the Directors' Report.

The consolidated financial statements are presented in thousands of Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

Compliance with IAS/IFRS and the enacting provisions of Article 9 of Legislative Decree 38/2005

The Group consolidated financial statements were prepared in compliance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) endorsed by the European Union and in force at the preparation date of the financial statements, in addition to the provisions issued in enactment of Article 9 of Legislative Decree 38/2005 (Consob Motions No. 15519 and 15520 of July 27, 2006).

In 2014, the Group voluntarily opted to prepare the consolidated financial statements in accordance with the International Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The accounting standards and policies utilised are those adopted for the preparation of the annual financial statements at December 31, 2020 with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2021, applied for the first time by the Group at the obligatory effective date and summarised in this document in the paragraph “Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group”. The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The publication of the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the year ended December 31, 2021 was approved by the Board of Directors on March 14, 2022.

Content and form of the consolidated financial statements

The Group opted to apply the Separate and Comprehensive Statement of Income, as permitted by IAS 1, considering such more representative of operations. In particular, the Statement of Consolidated Financial Position has been prepared by separating assets and liabilities into current and non-current categories.

An asset is current when:

- it is expected to be realised, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held principally for trading;
- it is expected to be realised within twelve months from the reporting date;
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from year-end.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it must be settled within twelve months of year-end; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of year-end.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Consolidated Income Statement has been prepared by classifying income and expenses by their nature, whereas the Consolidated Cash Flow Statement has been prepared using the indirect method, according to which cash flows are classified into operating, investing and financing categories.

Basis of consolidation

The Consolidated Financial Statements include the Statement of Consolidated Financial Position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity.

The Group opted to prepare the statement of comprehensive income which includes, in addition to the result for the period, also the changes to equity relating to income items which, in accordance with International Accounting Standards, are recognised under equity.

The consolidated financial statements were prepared based on the financial statements of the company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS.

The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control. An entity may exercise control if it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee.

Specifically, an entity is able to exercise control if, and only if, it has:

- power over the investment entity (or holds valid rights which confer it the current capacity to control the significant activities of the investment entity);
- exposure or rights to variable returns deriving from involvement with the investment entity;
- the capacity to exercise its power on the investment entity to affect its income streams.

When a company of the Group holds less than the majority of the voting rights (or similar rights) of an investee, it should consider all the facts and significant circumstances to establish whether control of the investment entity exists, including:

- Contractual agreements with other holders of voting rights;
- Rights deriving from contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders if it has control of an investee and if the facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the statement of comprehensive income from the date in which the Group obtains control until the date in which the Group no longer exercises control on the company.

The result for the period and each of the other comprehensive income statement items are allocated to the shareholders of the Parent Company and minority shareholders, even if this implies that the minority shareholder investments have a negative balance. Where necessary, appropriate adjustments are made to the financial statements of the subsidiaries, in line with the accounting policies of the Group. All assets and liabilities, shareholders' equity, revenues and costs, and inter-company cash flows relating to transactions between entities of the Group are completely eliminated on consolidation.

When the share in the equity held by the Parent Company changes, which does not result in a loss of control, this change must be recorded under equity. If the Group loses control, it must:

- eliminate the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminate the book value of all the minority shareholdings;
- eliminate the cumulative translation reserve recorded in equity;
- record the fair value of the amount received;
- record the fair value of any holding maintained in the former subsidiary;
- record the profit or loss in the income statement for the period;

- reclassify the share of the Parent Company of any items previously recorded in the statement of comprehensive income to the income statement or profits/(losses) carried forward, as required by specific accounting standards, as if the Group had directly sold the related assets or liabilities.

The following table summarises the information on the subsidiaries at December 31, 2021 and 2020 in terms of the Group's direct and indirect holding.

SUBSIDIARIES (in thousands of Euro)	Share capital	% Held	
		As at 31.12.2021	As at 31.12.2020
Fast Freight Marconi S.p.a. Società Unipersonale	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	316	100.00%	100.00%

Accounting policies

Business combinations and goodwill

Business combinations are recognised using the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

When the Group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any gain or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability must be recorded in the income statement or in the statement of comprehensive income. Where the potential payment is not within the scope of IAS 39, the amount is measured in accordance with the appropriate IFRS. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

Goodwill is initially recognised at cost represented by the excess of the total amount paid and the amount recognised for minority interests in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement.

After its initial recognition, goodwill is measured at cost net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the disposal. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Investments in associates and joint ventures

An associated company is one in which the Group exercises significant influence and is not classifiable as a subsidiary or joint venture. Investments of the Group in associates are measured using the equity method.

Under the equity method, the investment in an associated company is initially recognised at cost and the carrying amount is increased or decreased to recognise the associated company's share of the profit or loss after the date of acquisition.

Goodwill pertaining to associates is included in the carrying value of the investment and is not subject to amortisation or an impairment test.

The income statement reflects the Group's share of the associate's result for the period. If an associated company records adjustments with direct charges to shareholders' equity, the Group records its share and records such (where applicable) in the statement of changes in shareholders' equity. Profits and losses deriving from transactions between the Group and associated companies are eliminated in proportion to the investment held in the associated company.

The Group share of the results of the associated companies is recognised in the income statement. The share of the result represents the result of the associated company attributed to the shareholders; this refers therefore to the net result after taxes and the share attributable to the other shareholders of the associate. The reporting date of the financial statements of the associated company must coincide with the year-end of the Parent Company. The company's financial statements must be prepared using uniform accounting policies for like transactions and events in similar circumstances.

Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise a loss in value of investments in associates. The Group at each reporting date assesses whether an investment in an associate has incurred a loss in value. Where a loss arises, the Group calculates the amount of the loss as the difference between the recoverable value of the associate and the carrying value in the financial statements, recognising this difference in the income statement.

Once significant influence on the associate no longer exists, the Group values any residual investment at fair value. Any difference between the carrying value of the investment at the date significant influence no longer exists and the fair value of the residual investment and the amount received must be recorded in the income statement.

Conversion of accounts in foreign currencies

Transactions and balances

Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.

Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. The profits and losses deriving from the conversion are recorded in the income statement.

Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. The non-monetary accounts recorded at fair value in foreign currencies are converted using the exchange rate at the date the value was determined. The profit or loss deriving from the translation of non-monetary items is treated in line with the recognition of the profit or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes is recorded in the statement of comprehensive income or in the income statement are recorded, respectively in the statement of comprehensive income or in the income statement).

Intangible assets

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.

The useful life of the intangible assets is measured as finite or indefinite.

Intangible assets with a definite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.

The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.

The amortisation of definite intangible assets is recorded in the income statement.

The Group has not identified intangible assets with indefinite useful lives.

The useful life of an intangible asset deriving from contractual rights or other legal rights is determined on the basis of the lower between the duration of the contractual or legal rights (concession duration) and the utilisation period of the asset. The recoverability of the carrying value less amortisation is verified annually adopting the impairment test criteria.

The gains and losses deriving from the elimination of an intangible asset are measured as the difference between the net sales proceeds and the book value of the intangible asset, and are recorded in the income statement in the year in which they are eliminated.

“Concession rights” refer to the amount recognised under intangible assets against the airport infrastructure assets held in relation to the concession rights acquired for the management of the infrastructures which permits the right to charge for the utilisation of such infrastructure, in execution of a public service, in accordance with the provisions of IFRIC 12 – Service Concession Arrangements.

The Concession under which the Group operates meets the requirement that the concession holder must construct and operate the infrastructure on the grantor's behalf. Accordingly, the Group may not recognise it among tangible assets.

The Group contracts with third parties responsible for constructing and improving the infrastructure. Accordingly, the increases in “Concession rights” are at cost, equal to the fair value of the fees for the construction/improvement services rendered by the Group and the fair value of the fees for the construction/improvement service rendered by third parties, plus a mark-up representative of the internal costs of planning and coordination of the work by a specific internal unit.

The external costs incurred to provide construction service are therefore recognised under the item “Construction service costs” of the income statement.

Together with these costs, the Group also recognises an increase in the item “Concession rights” equal to the fair value of the service rendered, with a balancing entry to the item “Revenues from construction services”.

The resulting concession rights are amortised on a straight-line basis over the term of the concession, starting when the asset constructed on the grantor's behalf becomes operational.

In accordance with Article 703 of the Navigation Code (Article 15-quinquies, paragraph 1, Legislative Decree No. 148 of October 16, 2017, converted with amendments by Law No. 172 of December 4, 2017), AdB, as an airport manager, shall receive on conclusion of the concession from the succeeding party, a fee equal to the residual value, where positive (Terminal Value) of the investments made on the concession areas, net of amortisation and depreciation, calculated according to the regulatory accounting rules. During 2019, the Parent Company undertook various analyses on the Terminal Value regulation both from a legal and accounting viewpoint, following which it applied this regulation from the 2019 annual financial statements.

From January 1, 2019 consequently, a receivable is recorded for the portion of fees from construction/improvement services provided by the Group regarding the investments which shall have a Terminal Value at concession conclusion, calculated according to the regulatory accounting rules. The Terminal Value is discounted and recognised to non-current financial assets. With regards to the concession rights recognised at December 31, 2018 and which shall have a Terminal Value in 2046, this amount remains within the “concession rights” category of intangible assets, although does not enter into the amortisation schedule to coincide at December 31, 2046 with the residual book value of the concession rights.

In addition, the Terminal Value rule is applicable also to interventions on the provisions for renewal, while calculated according to the regulatory accounting rules. This Terminal Value is an integration to the performance obligation fee, as per IFRS 15, concerning the concession contract.

Consequently, non-current financial assets are recorded, with counter entry to Other revenues and income in the income statement. Subsequent to the initial recognition, the Terminal Value receivable is valued at amortised cost on the basis of a “Hold to Collect” business model. For further details, reference should be made to the accounting policies for financial assets. Finally, also in relation to the Terminal Value receivable, this is subject to an impairment test as per IFRS 9, taking account of the default risk of the State counterparty.

“Software, licences and similar rights” primarily refers to the costs of implementing and customising management software and of purchasing software licences, amortised at a rate of 33%.

Tangible assets

Tangible assets are initially recognised at purchase price or construction cost and includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service.

Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life.

Tangible fixed assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life. Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

The depreciation rates used are as follows:

- Buildings and light construction: from 3% to 10%;
- Machinery, equipment and plant: from 10% to 31.5%;
- Furnishings, office machines and vehicles: from 12% to 25%.

The residual value of the asset, useful life and the methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

Losses in value are charged to the income statement under depreciation costs. Such losses are restated when the reasons for their write-down no longer exist.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Investment property

The Group classifies land purchased for the execution of future real-estate investments to be defined as investment property.

Such land is initially recognised at purchase cost and then measured at cost.

The items of tangible assets in question are not subject to depreciation because they refer to land. The Group uses technical appraisals to monitor the fair value of the property in question in order to determine whether it has become impaired.

Investment properties are eliminated from the financial statement when they are sold or when they are unusable on a long-term basis and no future economic benefits are expected from their sale. Any profits or losses due to the retirement or disposal an investment property are recognised in the income statement when the property is retired or disposed of.

Impairment of non-financial assets

The carrying amount of non-financial assets undergo an impairment test whenever there are signs internal or external to the entity which indicate the possibility of a loss in value of the assets or group of assets (defined as the Cash Generating Unit or CGU).

The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets.

If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Group at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset. In determining the fair value less selling costs, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.

At each reporting date, the Group evaluates, in relation to the assets other than goodwill, the existence of indicators of a reduction in the loss of value previously recorded and, where these indicators exist, makes an estimate of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation profit.

The following criteria are utilised for the recording of impairments on specific categories of assets:

Concession rights

The Group undertakes an impairment test on Concession rights annually at the year-end close or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value (whenever impairment indicators arise).

The loss in value on such intangible assets is determined through a valuation of the recoverable value of the cash generating unit (or group of units) to which they relate. When the recoverable value of the cash generating unit (or group of units) is lower than the carrying value of the cash generating unit (or group of cash-generating units) to which the intangible assets are allocated, a loss in value is recognised.

For impairment testing purposes, the Group has identified a single CGU (cash generating unit), which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group.

The impairment test compares the carrying amount of the asset or of the cash generating unit (CGU) with the recoverable value of the asset, arising from the higher between the fair value (net of selling costs) and the value of the net discounted cash flows which are expected to arise from the asset or from the CGU.

Each unit or Group of units to which the intangible asset is allocated represents the lowest level within the Group to which the goodwill is monitored at internal management level.

The conditions and the methods for any write-back of an asset previously written down applied by the Group, excluding in any case any recovery in the value of goodwill, are those as per IAS 36.

Financial assets

IFRS 9 provides for a single approach for the analysis and classification of all financial assets, including those contained in embedded derivatives. The classification and the relative measurement is made considering both the management model of the financial assets and the contractual characteristics of the cash flows from the asset.

The financial asset is measured using the amortised cost method where both of the following conditions are satisfied:

- the management model of the financial asset consists of holding the asset with the sole purpose of collecting the relative cash flows; and
- the financial asset generates, at pre-determined contractual dates, cash flows exclusively representative of the return from the financial asset and repayment of capital.

The financial asset is measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset in order to obtain the contractual cash flows or to sell the asset.

Finally, there is the residual category of financial assets measured at fair value with recognition of the effects through the income statement, which includes assets held for trading.

A financial asset which satisfies the requirements to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value, with recognition through the income statement, if this accounting treatment permits the elimination or significant reduction of the asymmetry in the measurement or recognition (so-called "accounting mismatch"), which would otherwise arise from the measurement of the asset or liability or from the recognition of the relative profits or losses on a different basis.

In addition, in the case of investments in equity instruments for which, therefore, it is not possible the recognition and measurement at amortised cost, where this concerns equity investments not held for trading purposes, but for strategic purposes, IFRS 9 provides that on initial recognition the entity may irrevocably choose to measure these at fair value, with recognition of any subsequent changes in the statement of comprehensive income without passing through profit or loss any gains or losses in the case of disposal.

Where the financial assets are only held for the Group's temporary needs to invest liquidity in order to obtain the contractual cash flows these are classified in the category "Held to collect - HTC".

Where the financial assets meet the Group's objective either to collect the contractual cash flows or the future sale these are classified in the category "Held to collect and sell – HTC&S".

The Group does not hold and did not hold during the two-year period derivative financial instruments.

Loans and receivables

Loans, similar to trade receivables, are held until their collection at the contractual maturities and generate cash flows relating to the collection of the principal and interest. The Group analysed the contractual cash flows of these instruments and concluded that they comply with the amortised cost measurement criteria in accordance with IFRS 9.

The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. Current trade receivables are not discounted as the effect of discounting the cash flows is immaterial. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is an impairment loss, also through the amortisation process.

Fair value

In the notes, the Group discloses the fair value of financial instruments at amortised cost and non-financial assets, such as investment property.

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date.

Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

- (a) in the principal market of the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Group.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or of selling to another market operator that would utilise the asset to its maximum or best use.

The Group utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- ▶ Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- ▶ Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- ▶ Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same hierarchical level of the fair value in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements on a recurring basis, the Group assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

Impairment of financial assets

IFRS 9 defines a new impairment model of financial assets, with the objective to provide useful information to the readers of the financial statements in relation to expected losses. In particular, the model requires verification and recognition of any expected losses at any time over the life of the instrument and the updating of the expected losses at each reporting date to reflect the changes in the credit risk of the instrument; therefore, it is no longer necessary that a particular event arises (“trigger event”) in order to verify and recognise losses on receivables.

The impairment test must be applied to all financial instruments, with the exception of those measured at fair value with recognition through the income statement.

The Group applies the simplified Provision Matrix approach and recognises the expected losses on all trade receivables based on the residual duration, defining a matrix for the provision based on the historical experience relating to the losses on receivables, adjusted to take into account specific forecast factors relating to the creditors and the economic environment (Expected Credit Loss – ECL concept).

The book value of the asset is reduced through the use of a provision and the amount of the loss recognised in the income statement.

Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

Derecognition of financial assets

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the balance sheet) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Non-current assets held-for-sale and discontinued operations

Non-current assets classified as held-for-sale are measured at the lower of their carrying value and the fair value less selling costs. They are classified as such if the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions. Management must be committed to the sale, whose completion must be expected within one year from the date of the classification.

In the consolidated income statement and the previous year comparative period, the profits and losses of discontinued operations must be classified separately from profits and losses from continuing operations, shown after taxes, even when the Group maintains a minority interest in the subsidiary after the sale. The resulting profit or loss, after taxes for the period, is shown separately in the income statement.

Plant, property and equipment and intangible assets once classified as held-for-sale are no longer amortised or depreciated.

Construction and service contracts work-in-progress

Construction contracts work-in-progress are measured on the basis of the contractual payments matured with reasonable certainty in relation to the advancement of work under the percentage of completion method, determined through the measurement of work completed, to be attributed to the revenues and economic result of the contract to each year in proportion to the advancement of work. The positive or negative difference between the value of the completed portion of the contracts and that of the advances received is recognised in the statement of financial position, as an asset or liability, respectively, while also taking account of any impairment losses recognised due to risks associated with non-payment for work done on behalf of clients.

The contract revenues, in addition to the contractual payments, include the variances, price revisions and any claims up to the amount it is probable that they represent effective revenues that can be determined reliably.

If a project is expected to yield a loss, this loss is immediately recognised in full, regardless of the progress on the project.

Construction services for the grantor relating to the concession agreement to which AdB is a party are also recognised in the income statement according to the state of progress, i.e. the assessment of progress towards complete fulfilment of the obligation over time. In particular, construction and/or improvement revenue – which represents the consideration due for the services rendered – is measured at fair value, determined on the basis of the total costs incurred, consisting primarily of the costs of external services and the costs of benefits for employees engaged in the activities concerned.

The balancing entry for such construction service revenue is to a financial asset or airport concession taken to concession rights among intangible assets, as discussed in the relevant section.

Inventories

Inventories are recorded at the lower of purchase or production cost and realisable value represented by the amount that the company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method.

Cash and cash equivalents

Cash and cash equivalents include those values which are available on demand at short notice, certain in nature and with no payment expenses.

Employee benefits

The benefits guaranteed to employees paid on the conclusion of employment (leaving indemnity) or other long-term benefits (e. g. non-competitive agreements, long-term incentive plans) are recognised in the period the right matures.

The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method.

The amount not only reflects the payables matured at the Consolidated Financial Statements date but also the future salary increases and related statistical data.

Revaluations, which include actuarial profits and losses, changes in the effect of the limit on the assets, not including net interest (not applicable to the Group) and the return on plan assets (not including net interest) are recognised immediately in the statement of financial position by debiting or crediting profits/(losses) carried forward through other comprehensive income in the year in which they occur. Revaluations are not reclassified to the income statement in subsequent years.

The cost of employee service in prior periods is recognised in the income statement on the later of the following dates:

- (a) the date on which the plan is changed or reduced; and
- (b) the date on which the Group recognises the related restructuring costs.

Net interest on the net defined-benefit liabilities/assets are calculated by multiplying the net asset/liability by the discount rate. The Group recognises the following changes in the net defined benefit obligation in the cost of goods sold, administrative expenses and selling and distribution costs in the consolidated income statement (by nature):

- Costs of employee service, inclusive of costs of both current and prior employee service, profits and losses on non-routine curtailments and settlements;
- Net interest income or charges.

Following the amendments to severance benefits introduced by Law No. 296 of December 27, 2006 (Finance Law 2007) and subsequent Decrees and Regulations, the severance benefits of Italian companies with more than 50 employees matured from January 1, 2007, or from the option date chosen by the employee, is included under defined contribution plans, both in the case of supplementary pension options and in the case of allocation to the INPS Treasury Fund. The severance benefits accrued until December 31, 2006 have been treated as defined-benefit.

The contributions to be paid into a defined-contribution plan in exchange for the employee service in question are treated both as a liability (account payable) after having deducted any contributions already paid, and as a cost.

Provisions for risks and charges

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present Consolidated Financial Statements date. The provisions are recorded when:

- (i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event;
- (ii) it is probable that compliance with the obligation will result in a charge;
- (iii) the amount of the obligation can be estimated reliably.

Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the reporting date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".

If the liability relates to a tangible fixed asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.

The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

Provision for renewal of airport infrastructure

In accordance with the obligations assumed under current agreements, the provision for renewal of airport infrastructure includes accruals relating to extraordinary maintenance, refurbishment and replacement to be undertaken at a future point in time to ensure that airport infrastructure remains duly functional and secure. Accruals to this provision are recognised according to the degree of use of the infrastructure, indirectly reflected in the expected date of replacement/renewal. The values recorded in this line item also take due account of a financial component, to be applied according to the intervals between the various renewal cycles, intended to ensure that the provisions set aside are adequate. The estimate of the provision for renewal of airport infrastructure therefore requires complex professional technical judgement, in particular in relation to the nature of the costs to be incurred, their amount and the timing of the expected interventions.

Trade payables and other non-financial liabilities

Short-term trade payables, which mature within the normal commercial terms, are recognised at cost (their nominal value) and are not discounted as the discounting of cash flows is insignificant.

The other non-financial liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability. After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).

Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Financial guarantee liabilities

Financial guarantee liabilities issued by the Group are contracts which require a specific payment to reimburse the holder of a debt security against a loss incurred following non-compliance of the debtor in the payment at the scheduled contractual maturity date. Financial guarantee contracts are initially recognised as a liability at fair value, increased by the directly attributable transaction costs to the issue of the guarantee. After initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised, less accumulated amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the underlying obligation of the liability is extinguished, settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

Recognition of revenues

Revenues are recognised for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer and are calculated on the basis of the following five phases:

1. identification of the contract;
2. identification of the performance obligations present in the contract;
3. Establishment of the sales price;
4. Allocation of the transaction price to each of the performance obligations identified;
5. Recognition of the revenues on the satisfaction of the performance obligation.

These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

The Group has identified the following revenue streams:

1. Airport fees
2. Commercial/non-comm. sublicense/lease
3. Parking
4. Construction Services
5. Others.

Revenues are recorded net of returns, discounts and premiums and promotional charges directly related to the sales revenue, in addition to direct sales taxes.

Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.

Royalties are recorded based on the accruals principle in accordance with the contracts in force and as per IFRS 15.

As per IFRS 16, operating lease income whereby the Group acts as lessee is recognised on a straight-line basis over the lease term, and is recognised as revenues to the income statement given its operating nature. The initial brokering costs are added to the carrying amount of the leased asset and recognised over the duration of the contract, on the same basis as lease income. Variable fees or rents are recognised as revenue in the period in which they mature.

Interest income is recognised in accordance with the accruals principle, which takes into account the effective yield of the assets to which it refers.

Dividends are recorded when the shareholders have the right to receive them.

Recognition of costs and expenses

Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Interest expense is recognised in accordance with the accruals principle, which takes into account the effective yield of the liabilities to which it refers. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which requires a lengthy period before availability for use shall be capitalised as part of the cost of that asset.

Taxes for the year

Current income taxes

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to shareholders' equity and not to the income statement. The Directors periodically assess the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.

In 2021, the National Tax Consolidation was renewed for 2021-2023, pursuant to Articles 117 to 129 of Presidential Decree No. 917 of December 26, 1986 (CFA), in which all Group companies have participated and which allows for IRES taxation at Group level. As of December 31, 2021, the companies FFM and TAG have an IRES payable to the Parent Company arising from the profit in the period.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present consolidated financial statements. The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

- the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- the reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal losses carried forwards, except:

- when deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for the purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- in the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient tax profits will be available in the future, so that some or all of the asset may be used. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent of the probability that the tax profit is sufficient to permit such deferred tax assets to be recovered.

Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realised or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements.

Deferred taxes concerning items recognised outside of the income statement are also recognised outside of the income statement and therefore to net equity or to the comprehensive income statement, in line with the item to which they refer.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes due to the same tax authority.

The fiscal benefits acquired following a business combination, but which do not satisfy the criteria for separate recognition at the acquisition date, may be recognised subsequently, when updated information is received on the facts and on the circumstances. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), where this is recorded during the measurement period, or in the income statement, if recorded subsequently.

The rates utilised for the calculation of deferred taxes, which reflect the expected rates on the basis of national legislation in force, are the following:

- IRES 24%
- IRAP 4.2% (in force for airport management companies)
- IRAP (3.9%).

Indirect taxes

Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the financial statements as receivables or payables.

Earnings per share

Undiluted

The earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.

Diluted

The diluted earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted in respect of the dilution potential of ordinary shares, while the profit or loss of the Group is adjusted to take into account the effects, net of income taxes, of the conversion.

Dividends and distribution of assets other than Cash and Cash Equivalents

The Group records a liability against the distribution to its shareholders of available liquidity or assets other than available liquidity when the distribution is appropriately authorised and is no longer at the discretion of the company. Based on company law in Europe, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recorded directly in shareholders' equity.

The distribution of assets other than available liquidity is measured at fair value of the assets to be distributed; the remeasurement of the fair value is recorded directly in shareholders' equity.

On the payment of the dividend, any difference between the book value of the assets distributed and the book value of the dividend payable is recorded in the statement of comprehensive income.

Cash Flow Statement

The Group presents its cash flow statement utilising the indirect method, as permitted under IAS 7 and has reconciled the pre-tax profit with the net cash flows from operating activities. IAS 7, paragraph 33 allows classification of interest income and expense as an operating activity or financial activity based on the presentation considered most representative by the entity; the Group classifies interest income received and interest expense paid as cash flows from operating activities.

Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group

From January 1, 2021 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force, which have not impacted the Group's consolidated financial statements:

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform – Phase 2

On August 27, 2020, the IASB introduced amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 to take into account the consequences of effectively replacing existing interest rate benchmarks with alternative benchmark rates, substantially the Risk Free Rate (RFR). The changes include the following practical expedients:

- ✓ A practical expedient that allows contractual changes, or changes in cash flows that are directly required by the reform, to be treated as changes in a variable interest rate, equivalent to a movement of an interest rate in the market;
- ✓ Allow changes, required by IBOR reform, to be made to the documentation for the designation of the coverage report without the coverage report having to be discontinued;
- ✓ Provides temporary relief to entities in having to comply with separate identification requirements when an RFR is designated as a hedge of a risk component. These amendments do not have an impact on the Group's financial statements.

The Group intends to use such practical expedients in future periods in which they are applicable.

Amendments to IFRS 16: Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The IASB issued an amendment to this standard on March 31, 2021 that extends for one year the May 2020 amendment that clarified the circumstance that a lessee, as a practical expedient, may assess that specific rate reductions (as a direct result of COVID-19) may not be considered as contractual changes, and are therefore accounted for accordingly. A lessee that chooses to use this expedient accounts for these reductions as if the reductions were not contractual modifications within the scope of IFRS 16. The new amendment is applied from April 1, 2021.

Amendment to IFRS 4: Insurance Contracts deferral of IFRS 9.

On June 25, 2020, the IASB published an amendment to IFRS 4 deferring the application of IFRS 9 for insurance companies to January 1, 2023, aligning this date with the date of first-time application of IFRS 17. This standard is not applicable to the Group.

New accounting standards and amendments not yet effective and not adopted in advance by the Group

The standards and interpretations which at the date of the preparation of this financial report were issued but not yet in force are reported below. The Group will adopt these standards when they enter into force, if applicable. No material impact to the Group is expected from these standards and amendments.

Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current

On January 23, 2020, the IASB issued an amendment to IAS 1 that seeks to clarify one of the criteria in IAS 1 for classifying a liability as non-current or the requirement that the entity must have the right to defer settlement of the liability for at least 12 months subsequent to the reporting date. The amendment includes:

- ✓ an indication that the right to defer settlement must exist at the reporting date;
- ✓ a clarification on the fact that the classification is not influenced by management's intentions or expectations regarding the possibility of using the right of deferral;
- ✓ a clarification on how the conditions of funding affect the classification and;
- ✓ a clarification of the requirements for the classification of liabilities that an entity intends to settle or could settle by issuing its own equity instruments.

The new amendment is applied from January 1, 2023 and must be applied retrospectively. The Group is currently assessing any impact from these amendments.

Amendment to IFRS 3 - "Business combinations", to IAS 16 – "Property, Plant and Equipment", to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Annual Improvements 2018-2020 Cycle

On May 14, 2020, the IASB published a package of amendments clarifying and making minor changes to the IFRS below, while the Annual Improvements 2018-2020 Cycle addresses IFRS 1, IFRS 9, IAS 41, and illustrative examples annexed to IFRS 16:

- ✓ IFRS 3: update of references to the Conceptual Framework of the IAS (no change in the accounting treatment of business combinations);

- ✓ IAS 16: the amendment clarifies the impossibility for a company to deduct from the cost of tangible fixed assets any income deriving from the sale of products in the period in which this activity is brought to the place or conditions necessary for it to be able to operate in the manner for which it was designed by management. In fact, revenues from the sale of such products, and their production costs, should be recognised separately to the income statement;
- ✓ IAS 37: the amendment provides clarification on the costs to be included in the valuation of the losses generated by a contract and, therefore, to assess whether the contract is to be considered as onerous or loss-making. The amendment calls for the application of the "directly related cost approach." Costs that relate directly to a contract to provide goods or services include both incremental costs and costs directly attributed to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the counterparty based on the contract.
- ✓ Annual Improvements 2018-2020 Cycle:
 - Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter". As part of the 2018-2020 Annual Improvements to IFRS process, the IASB issued an amendment to this standard that permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on amounts accounted for by the parent, considering the parent's date of transition to IFRS. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1;
 - Amendment to IFRS 9 "Financial Instruments -Fees in the "10 per cent" test for derecognition of financial liabilities": the IASB published an amendment to IFRS 9 that clarifies the fees that an entity must include when determining whether the conditions of a new or amended financial liability are substantially different from the conditions of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or lender on behalf of others. An entity applies this amendment to the financial liabilities that are modified or exchanged subsequent to the date in the first year in which it is applied;
 - IAS 41 Agriculture: the IASB published an amendment to this standard that removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxes when measuring the fair value of assets under IAS 41 where the Net Present Value method is applied. This standard is not applicable to the Group.

These amendments will be applied from January 1, 2022 or subsequently.

Amendment to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The IASB published an amendment to this standard on February 12, 2021 to support companies in choosing which accounting policies to disclose in their financial statements. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

Amendment to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB published an amendment to this standard on February 12, 2021, to introduce a new definition of an accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies, and errors. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

Amendment to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The IASB published an amendment to this standard on May 7, 2021, which requires companies to recognise deferred tax assets and liabilities on particular transactions that, upon initial recognition, give rise to equivalent (taxable and deductible) temporary differences - e.g. transactions related to leases. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

IFRS 17: Insurance Contracts

The IASB published the new standard on May 18, 2017, in addition to amendments on June 25, 2020, which replaces IFRS 4, issued in 2004. The new standard seeks to improve investors' understanding of, but not limited to, insurers' risk exposure, profitability and financial position. IFRS 17 will be applied from January 1, 2023; however, early application is permitted. This standard is not applicable to the Group.

Amendments to IFRS 17: Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information

The IASB published an amendment to this standard on December 9, 2021. The amendment is a transition option related to comparative disclosure on financial assets presented upon first-time application of IFRS 17. It is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the utility of comparative disclosure for users of financial statements. The amendment will be effective for fiscal years beginning January 1, 2023. This standard is not applicable to the Group.

Discretionary valuations and significant accounting estimates

The preparation of the financial statements requires the directors of the Group to undertake discretionary valuations, estimates and assumptions which impact upon the amount of revenue, costs, assets and liabilities and related disclosures, as well as potential liabilities. The uncertainty concerning these assumptions and estimates could result in significant changes in the book value of these assets and/or liabilities in the future.

IAS 8 Changes in accounting estimates and errors

Some elements in the financial statements may not be measured with precision and therefore are subject to estimates which depend on future and uncertain conditions of the company's operations. These estimates over time will incur revision to take into account data and information which is available subsequent to the initial estimates. The effect of the change of accounting estimates must be recorded prospectively in the year in which they occur, including them in the economic result of the year and of future years, where the change also affects this latter. The prospective recognition of the effects of the estimates means that the changes are applied to the transactions on the change in the estimate. The revision or change in the accounting estimate arises from new information or new developments in operating activities and for this reason they do not represent a correction of errors.

The errors of previous years are omissions and incorrect measurements of accounts in the financial statements of an entity for one or more years deriving from the non-utilisation or the erroneous utilisation of reliable information which was available when the financial statements were authorised for their publication and it is reasonable to consider that such information could have been obtained and utilised in the preparation and presentation of these financial statements. These errors include the effects of arithmetic errors, errors in the application of accounting policies, inaccuracies or distorted interpretations of facts, and fraud. The financial statements are not in accordance with IFRS if they contain significant errors or irrelevant if committed intentionally in order to obtain a specific presentation of the statement of financial position, of the economic result or of the cash flows of the entity. Potential errors of the current year, recorded in the same year, are corrected before the financial statements are authorised for publication. The errors uncovered in subsequent years, if considered significant and if the correction is considered feasible, must be corrected in the comparative disclosure presented in the financial statements for the following year, remeasuring the opening balances of assets, liabilities and shareholders' equity (restatement).

The restatement is not applied and the error is not recorded using the prospective method where the errors and the omissions are considered insignificant.

Omissions or incorrect measurements of accounts are recorded if, individually or overall, they may impact the economic decisions of the readers of the financial statements. The restatement depends on the size and nature of the omission or incorrect measurement assessed depending upon the circumstances.

Estimates and assumptions

Preparation of the financial statements requires the use of estimates and judgments that are reflected in the carrying amounts of assets and liabilities and the disclosures in the notes, including with regard to contingent assets and liabilities at the reporting date. The subsequently observed actual results for the period may differ from such estimates; estimates and assumptions are also revised and updated periodically and the effects of any changes are immediately reflected in the financial statements. The Group based its estimates and assumptions on information available at the preparation date of the consolidated financial statements. However, the current circumstances and assumptions on future developments may alter due to changes in the market and events outside of the Group's control, such as the worsening of the Covid-19 pandemic and the consequences of the war in Ukraine.

Compensation fund for damages suffered by operators due to COVID-19

The COVID-19 damage compensation fund (Article 128-bis of the 2021 Budget Law and Legislative Decree No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021) for airport managers and ground handling companies, had a long approval process, which was finalised on December 28, 2021 with the publication in the Official Gazette of the enacting Decree (Decree of the Minister for Infrastructure and Sustainable Mobility of November 25, 2021) that set a deadline of 30 days (January 27, 2022) for the presentation of applications for access to the fund.

The Group has examined the accounting treatment of this contribution, in accordance with IAS 20, deciding to recognise the contribution and the corresponding receivable in the 2022 financial statements when the approval process will be concluded through the acceptance/rejection of the applications by the General Direction of the Ministry of Sustainable Infrastructure and Mobility. The Group considers the process required by the standard to be material due mainly to the following considerations: the application to be filed January 27, 2022, was to include the report prepared by an independent expert in order to be admissible, and receipt of this report was out of the Group's control and took place on January 23, 2022. In the same way, receipt of the measure accepting the applications by the Directorate General of the Ministry of Infrastructure and Sustainable Mobility was out of the control of AdB and was not obtained until 2022. The request was submitted on time by both the Parent Company and the subsidiary, Tag, both accompanied by a report drawn up by an independent expert certifying the overall loss incurred by the Group in the period from March 1 to June 30, 2020.

On March 8, 2022, Adb received from ENAC the advance payment of 50% of the amount requested (Euro 20.9 million), equal to Euro 10.45 million, as a result of Enac's decision to proceed with the disbursement of three hundred million euros to the airport management companies, as an advance of 50% with respect to the requests for compensation, and we await definition of the preliminary investigations in order to face the arising financial challenges.

Impairment of non-financial assets

Reference should be made to that previously illustrated in the standard “impairment of non-financial assets” and that illustrated below in Note 1-Intangible Assets.

Fair value of investment property

The Group records investment property at cost, which approximates the fair value of the investment properties given their particular nature (absence of a comparable active market).

Fair value of financial instruments

The Group provides in the Notes the fair value of the financial instruments. When the fair value of a financial asset or financial liability may no longer be measured based on the prices on an active market, the fair value is determined utilising various valuation techniques, including the discounted cash flow model. The inputs inserted in this model are recorded from observable markets, where possible, but when this is not possible, a certain level of estimation is required to define the fair values. The estimates include considerations on variables such as the liquidity risk, the credit risk and volatility. The changes of the assumptions on these elements may have an impact on the fair value of the financial instrument recorded.

IAS 10 Events after the reporting period

The Group in the analysis of subsequent events to the reporting date analyses the conditions on which it is necessary to make changes on the accounting data and relative disclosures, depending on whether this concerns events occurring after the reporting date:

- to operations existing at the reporting date for which an adjustment to the financial statements is necessary (adjusting events);
- to operations which arose after the reporting date and for which no adjustment to the financial statements is necessary (non-adjusting events).

Operating Segment information

The Aeroporto Guglielmo Marconi di Bologna Group, in application of IFRS 8, identified its operating segments as the business areas which generate revenues and costs, whose results are periodically reviewed by the highest decision-making level in order to evaluate the outcome of the decisions concerning the allocation of resources and for which separate financial statements are available.

The Group operating segments as per IFRS 8 - Operating Segment are as follows:

- Aviation;
- Non-Aviation;
- Other.

The disclosure concerning operating segments for the Continuing Operations is outlined to reflect the future organisational structure of the Group, with separate disclosure for Discontinued Operations.

In relation to the operating segments, the Group evaluates their performance based on passenger revenues, separating those concerning the aviation sector from those concerning the non-aviation sector.

The account “Other” residually includes those businesses not directly attributable to the identified segments.

In Group operations, financial income and charges and taxes are not allocated to the individual operating segments.

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities.

The segment assets presented are measured utilising the same accounting policies adopted for the presentation of the Group consolidated financial statements.

<i>in thousands of Euro</i>	for the year ended 31.12.2021 Aviation	for the year ended 31.12.2021 Non-Aviation	for the year ended 31.12.2021 Other	Total for the year ended 31.12.2021
Revenues	36,635	21,854	0	58,489
Costs	(43,861)	(11,099)	0	(54,960)
Gross operating profit/(loss)	(7,226)	10,755	0	3,529
Depreciation and amortisation	(7,210)	(3,345)	0	(10,555)
Provisions	(1,050)	(293)	0	(1,343)
Operating result	(15,486)	7,117	0	(8,369)
Financial income	0	0	499	499
Financial expenses	0	0	(1,079)	(1,079)
Result before taxes	(15,486)	7,117	(580)	(8,949)
Taxes for the year	0	0	2,232	2,232
Profit/(Loss) for the year	(15,486)	7,117	1,652	(6,717)
Minority interest profit (loss)	0	0	0	0
Group profit (loss)	0	0	0	(6,717)

<i>in thousands of Euro</i>	for the year ended 31.12.2020 Aviation	for the year ended 31.12.2020 Non-Aviation	for the year ended 31.12.2020 Other	Total for the year ended 31.12.2020
Revenues	42,491	24,999	0	67,490
Costs	(50,835)	(20,577)	0	(71,412)
Gross operating profit/(loss)	(8,344)	4,422	0	(3,922)
Depreciation and amortisation	(6,904)	(3,724)	0	(10,628)
Provisions	(2,307)	(537)	0	(2,844)
Operating result	(17,555)	161	0	(17,394)
Financial income	0	0	198	198
Financial expenses	0	0	(1,218)	(1,218)
Profit/(loss) before taxes	(17,555)	161	(1,020)	(18,414)
Taxes for the year	0	0	4,824	4,824
Profit/(loss) for the year	(17,555)	161	3,804	(13,590)
Minority interest profit (loss)	0	0	0	0
Group profit (loss)	0	0	0	(13,590)

The table below presents the segment information for assets:

<i>in thousands of Euro</i>	As at 31.12.2021 Aviation	As at 31.12.2021 Non-Aviation	As at 31.12.2021 Other	Consolidated As at 31.12.2021
Non-current assets	178,018	38,375	26,563	242,956
Intangible assets	173,922	26,356	0	200,278
Concession rights	173,313	26,051	0	199,364
Other intangible assets	609	305	0	914
Tangible assets	4,018	12,007	0	16,025
Land, property, plant and equipment	4,018	7,275	0	11,293
Investment property	0	4,732	0	4,732
Other non-current assets	78	12	26,563	26,653
Investments	0	0	44	44
Other non-current financial assets	0	0	13,306	13,306
Deferred tax assets	0	0	13,093	13,093
Other non-current assets	78	12	120	210
Current assets	22,032	3,597	28,691	54,320
Inventories	457	278	0	735
Trade receivables	17,001	2,976	0	19,977
Other current assets	4,574	343	476	5,393
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	28,215	28,215
Total assets	200,050	41,972	55,254	297,276

<i>in thousands of Euro</i>	As at 31.12.2020 Aviation	As at 31.12.2020 Non-Aviation	As at 31.12.2020 Other	Consolidated As at 31.12.2020
Non-current assets	176,938	40,608	23,905	241,451
Intangible assets	173,029	27,010	0	200,039
Concession rights	172,260	26,210	0	198,470
Other intangible assets	769	800	0	1,569
Tangible assets	3,847	13,571	0	17,418
Land, property, plant and equipment	3,847	8,839	0	12,686
Investment property	0	4,732	0	4,732
Other non-current assets	62	27	23,905	23,994
Investments	0	0	44	44
Other non-current financial assets	0	0	12,946	12,946
Deferred tax assets	0	0	10,732	10,732
Other non-current assets	62	27	183	272
Current assets	6,567	2,524	45,590	54,681
Inventories	360	316	0	676
Trade receivables	4,380	1,899	0	6,279
Other current assets	1,827	309	1,657	3,793
Current financial assets	0	0	275	275
Cash and cash equivalents	0	0	43,658	43,658
Total assets	183,505	43,132	69,495	296,132

Segment disclosure regarding the identified operating segments is undertaken as outlined below.

Aviation: refers to the airport's core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fuelling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and spaces assigned to airport operators.

Non-Aviation: operations not directly connected to the aviation business. This include sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.

The breakdown of revenues and costs between the Aviation and Non-Aviation SBU's follows ENAC's guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.

The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria.

The main differences were as follows:

- accounts not considered relevant for regulatory accounting purposes which are allocated through a specific review of the individual cost/revenue items;
- revenues and costs for construction services allocated according to an analytical breakdown of investments in the year between the two SBU's according to regulatory criteria;
- incentives for the development of air traffic, allocated entirely to the Aviation SBU in accordance with the financial statement breakdown.

Information concerning the Main Clients

In 2021, the Group's revenue was primarily from the customers shown in the table below compared to 2020:

<i>31/12/2021</i>	<i>31/12/2020</i>
RYANAIR DAC	RYANAIR DAC
WIZZ AIR HUNGARY LTD	WIZZ AIR HUNGARY LTD
EMIRATES	ALITALIA SAI SPA
HEINEMANN ITALIA SRL	BRITISH AIRWAYS PLC
SOCIETE' AIR FRANCE S.A.	EMIRATES
VECCHIA MALGA NEGOZI SRL	HEINEMANN ITALIA SRL
EUROPEAN AIR TRANSPORT LEIPZIG GMBH	SOCIETE' AIR FRANCE S.A.
TURKISH AIRLINES	GH BOLOGNA SPA
KLM CITYHOPPER B.V.	EUROPEAN AIR TRANSPORT LEIPZIG GMBH
VOLOTEA S.L.	LUFTHANSA LINEE AEREE GERMANICHE

A comparison of the two-year period confirms that Ryanair and Wizz Air are the Group's top clients, as carrying the highest number of passengers.

Alitalia, which in 2020 was ranked third in terms of the number of passengers carried from/to Bologna and in relative turnover, as noted discontinued flight operations from October 2020 and consequently, in 2021 saw their ranking taken over by Emirates which, in addition to passenger transport, has a strong cargo component.

Finally, compared to 2020, the client Vecchia Malga entered the top 10, a Food & Beverage sub-concessionaire to some of the Food & Beverage outlets at the Terminal, which as a result of the pandemic and the related reduction in traffic was closed for a number of months.

COMMENTS ON THE MAIN ITEMS ON THE STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS

1. Intangible assets

The following table breaks down intangible assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Concession rights	199,364	198,470	894
Software, licences and similar rights	404	1,027	(623)
Other intangible assets	50	55	(5)
Other intangible assets in progress	460	487	(27)
TOTAL INTANGIBLE ASSETS	200,278	200,039	239

The table below shows the changes in intangible assets for the year ended December 31, 2021 compared to December 31, 2020, by intangible asset category.

<i>in thousands of Euro</i>	31.12.2020			Changes of the year				As at 31.12.2021		
	Historic cost	Accumulated amortisation	Book value	Increases / Acquisitions	Amortisation	Decreases/ Disposals/ Write-downs	Decrease provision	Historical cost	Accumulated amortisation	Book value
Concession rights	246,554	(48,084)	198,470	8,619	(7,141)	(584)	0	254,589	(55,225)	199,364
Software, licences and similar rights	14,270	(13,243)	1,027	262	(885)	0	0	14,532	(14,128)	404
Other intangible assets	250	(195)	55	0	(5)	0	0	250	(200)	50
Energy Certificates	0	0	0	130	0	(130)	0	0	0	0
Other intangible assets in progress	487	0	487	(27)	0	0	0	460	0	460
TOTAL INTANGIBLE ASSETS	261,561	(61,522)	200,039	8,984	(8,031)	(714)	0	269,831	(69,553)	200,278

At December 31, 2021, Concession rights increased by Euro 8.6 million, of which Euro 8.2 million (equal to the fair value of construction services provided in the period) principally due to the following works:

- new cargo building and related annexes for a specialised sector operator;
- new aircraft apron;
- new aircraft de-icing system;

and the reconstruction of the main storm water collection system.

The increases in Concession Rights for the Parent Company include Euro 567 thousand of advances to suppliers for works.

Amortisation of concession rights amounted to Euro 7.1 million and was applied according to the residual duration of the concession; designs which can no longer be used were written down for Euro 0.3 million.

Software, licenses and similar rights increased Euro 262 thousand, mainly due to the introduction of the SAP application system for both outgoing and incoming electronic invoicing.

Other intangible assets in progress include software development not concluded at December 31, 2021.

Test on the recoverability of assets and group of assets

The Concession Rights are tested for impairment at least once a year, when the financial statements are approved, as well as periodically when there are internal and external indicators of the reduction in value of such assets in order to identify any loss in value.

For the entire year 2021, the Group updated the impairment test in order to assess the existence of any long-term losses in value with reference to the amounts recorded under Concession Rights, equal to Euro 199 million (corresponding respectively to 67.06% of the total assets).

The test, as per IAS 36, compares the carrying value of the asset or group of assets of the cash generating unit (CGU) with the recoverable value, arising from the higher between the fair value (net of selling costs) and the discounted net cash flows which are expected to be produced from the asset or group of assets of the CGU (value in use).

For impairment testing purposes, the Group has identified a single CGU which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group. The methodology and assumptions related to the impairment test were approved by the Board of Directors on February 21, 2022.

The test used the explicit operating and financial forecasts for the period 2022-2046 and the method applying the "Terminal Value" as the cash flow provided for in IAS 36, paragraph 39, letter c) for the disposal of assets at the end of the concession to which the Group is entitled under the regulations (Article 703 of the Navigation Code).

The method used is based on the presumption that the economic capital value of a company at a certain date (in the present case, December 31, 2021) is representative of the algebraic sum of the following elements:

- "operating' value", i.e. the present value of the cash flows from operating activities over a defined time period including the discounted cash flows of the Terminal Value receivable from the collection of the estimated Terminal Value receivable on conclusion of the concession (explicit projection period; in the present case this coincides with the end of the airport concession expected for 2046);
- value of the non-strategic surplus assets at the measurement date. It should be noted that there are no non-core or non-capital ancillary activities included in the projections.

The following is a summary of the main assumptions underlying the 2022-2046 economic-financial projections, which were determined taking into account the current Covid-19 crisis, the historical results of the operations and the principal industry analyses and studies, also utilising growth parameters consistent with the latter, not exceeding those expected within the industry.

The passenger traffic performance in the 2022-2026 five-year period was estimated on the basis of a significant recovery in volumes from summer 2022 and according to the traffic forecasts emerging from the main sector studies for the subsequent four-year period. The Group forecasts a recovery of pre-COVID volumes over 3 years. Slightly more prudent passenger traffic estimates were prepared for the medium-to-long term than the main industry studies, while taking account of the investments made by the Parent Company in further expansion of infrastructure capacity.

The revenues from aeronautical services underlying the calculation of cash flows for the purposes of the impairment test were calculated starting from tariffs simulated on the basis of the updated 2020-2023 Regulatory Agreement according to the current regulatory model and then from 2024 for two regulatory periods, on the basis of the initial simulations of the new regulatory model, which will enter into effect in 2023 and which is applied to the investments earmarked in the Masterplan. For the subsequent years, an inflation adjustment was applied to the tariffs.

For Revenues from non-aeronautical services and Other Revenues, a gradual recovery has been estimated based on 2022-2026 traffic growth, with assumptions of a return to revenues recorded in 2019 by the end of the period. For the subsequent period 2027-2046, forecasts were made based on historical trends, taking into account assumptions regarding traffic growth, increased passenger spend and available commercial space. With regards to the air sector damage compensation fund as per Law No. 178 of December 30, 2020 (2021 Budget law) the accrual and the relative cash flow in 2022 was included.

The operating cash flow was discounted utilising the UDCF (Unlevered Discounted Cash Flow) at a rate equal to the weighted average cost of debt and own funds (WACC - Weighted Average Cost of Capital), determined through the application of the Capital Asset Pricing Model ("CAPM") with:

- Italian risk-free rate of 1.00%;
- Equity risk premium of 6.5%;
- Average unlevered beta for peers (panel of listed airport companies) equal to 0.73.

The cost of debt was calculated as the weighted average of the cost of existing borrowings net of the tax effect (24%), amounting to 1.56%.

The weighting of own funds and of debt capital equal to respectively 66.1% and 33.9% was made on the basis of an average gearing of industry peers equal to 51.4%.

A premium was also applied on the additional risk equal to 1.0% taking into account the following factors:

- level of risk in the 2022-2046 Economic-Financial Forecasts, in particular considering forecasts relating to a period as long as 2027-2046;
- smaller size of the company compared to the listed companies in the sample.

Based on that outlined above the company therefore determined a WACC of 6.20%.

The impairment test performed did not identify any impairment of the carrying amounts of the concession rights for the year ended December 31, 2021 and no impairment losses were therefore recognised on the assets concerned.

The Group considered it appropriate to undertake some sensitivity analysis in order to verify the impacts on the recoverable amount deriving from changes considered reasonably possible in the following parameters considered significant:

- EBITDA Margin: -10 %;
- WACC: +2.5%

and analysing the impacts which this change has in relation to the differential with the value of the Net Capital Employed (“NCE”) and with the account Intangible Assets.

Neither of the sensitivities indicated any impairment loss.

The value of the EBITDA margin of the plan period used for the impairment test, which renders the value of the CGU equal to the book value of the Net Capital Employed is 28.08%.

The value of the WACC which renders the value of the CGU equal to the book value of the Net Capital Employed is 9.78%.

The Group did not consider it necessary to obtain a specific fairness opinion on the impairment tests undertaken on the Concession Rights recorded under Intangible Assets, also in consideration of the accounting criteria on the basis of the costs incurred and not on the basis of specific market values or fair values of these intangible assets.

2. Tangible assets

The following table breaks down tangible assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,151	3,487	(336)
Machinery, equipment & plant	2,085	2,716	(631)
Furniture, EDP and transport	1,405	1,925	(520)
Tangible fixed assets in progress	487	346	141
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	14,623	15,969	(1,346)
Land in leasing	855	1,252	(397)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	397	8	389
Leased furniture, office machinery, transport equipment	150	189	(39)
TOTAL LEASED TANGIBLE ASSETS	1,402	1,449	(47)
TOTAL TANGIBLE ASSETS	16,025	17,418	(1,393)

The table below shows the changes in tangible assets for the year ended December 31, 2021 compared to December 31, 2020, by asset category.

<i>in thousands of Euro</i>	<i>31.12.2020</i>			<i>Movement in the year</i>				<i>As at 31.12.2021</i>		
	<i>Historic cost</i>	<i>Accumulated depreciation</i>	<i>Book value</i>	<i>Increases/ Acquisitions</i>	<i>Depreciation</i>	<i>Decreases/ Disposals/ Reclassifications</i>	<i>Decrease provision</i>	<i>Historical cost</i>	<i>Accumulated depreciation</i>	<i>Book value</i>
Land	2,763	0	2,763	0	0	0	0	2,763	0	2,763
Buildings, light constructions and improvements	8,581	(5,094)	3,487	44	(380)	0	0	8,625	(5,474)	3,151
Machinery, equipment & plant	15,930	(13,214)	2,716	119	(750)	0	0	16,049	(13,964)	2,085
Furniture, EDP and transport	10,516	(8,591)	1,925	104	(622)	(22)	20	10,598	(9,193)	1,405
Tangible fixed assets in progress	346	0	346	159	0	(18)	0	487	0	487
Investment property	4,732	0	4,732	0	0	0	0	4,732	0	4,732
TOTAL TANGIBLE ASSETS	42,868	(26,899)	15,969	426	(1,752)	(40)	20	43,254	(28,631)	14,623
Land in leasing	1,957	(705)	1,252	(59)	(338)	0	0	1,898	(1,043)	855
Leased buildings and minor construction and improvements	0	0	0	0	0	0	0	0	0	0
Leased machinery, equipment & plant	81	(73)	8	407	(18)	0	0	488	(91)	397
Leased furniture, office machinery, transport equipment	385	(196)	189	60	(99)	0	0	445	(295)	150
TOTAL LEASED TANGIBLE ASSETS	2,423	(974)	1,449	408	(455)	0	0	2,831	(1,429)	1,402
TOTAL TANGIBLE ASSETS	45,291	(27,873)	17,418	834	(2,207)	(40)	20	46,085	(30,060)	16,025

At December 31, 2021, the overall increase in this category was Euro 834 thousand and mainly concerns the purchase of furniture, computers, security control systems in addition to investments in progress. This category includes right-of-use assets, recognised in accordance with IFRS 16, which the AdB Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles, De Icer plant and some equipment. The amount recognised at December 31, 2021 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.

This land is not subject to depreciation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the financial statements, there were no impairment indicators on these assets.

3. Investments

The following table breaks down other investments at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2020	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.12.2021
Other investments	44	0	0	0	44
TOTAL INVESTMENTS	44	0	0	0	44

The composition of the account is as follows:

<i>in thousands of Euro</i>	Holding	As at 31.12.2021	As at 31.12.2020	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	41	41	0
TOTAL OTHER INVESTMENTS		44	44	0

4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the year ended December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2020	Increases/ Acquisitions	Decreases / Reclass.	Write- downs	As at 31.12.2021
Receivables from Terminal Value	1,043	344	0	0	1,387
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,030	0	0	0	1,046
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	12,946	344	0	0	13,306

At December 31, 2021 the account “Other non-current financial assets” mainly comprises:

- Euro 1.4 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Group relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment, in addition to the interventions made on the provisions for renewal, both calculated according to the regulatory accounting rules.
- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group’s objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring at fair value the Equity Financial Instrument, the subsequent valuations of this EFI are at cost as the best fair value estimate and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement. With regards to the valuation at December 31, 2021 of the Equity Financial Instrument, no change on December 31, 2020 was applied in view of the anti-crisis measures indicated by Marconi Express Spa as the update to the operating-financial plan, with the redefinition of the bank debt repayment plan and the extension of the Concession approved by the Municipality of Bologna for an additional three years. On the basis of these and other factors, the Group considers that no impairment losses on the value of the equity instrument exist at December 31, 2021.
- Euro 1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category “Held to collect – HTC”, as this complies with the Group’s need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the year ended December 31, 2021 compared with December 31, 2020.

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Util./Reclass.	As at 31.12.2021
DEFERRED TAX ASSETS	10,732	3,339	(978)	13,093

The principal temporary differences on which deferred tax assets are recognised concern:

- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the provision for doubtful accounts;
- maintenance costs as per Article 107 of the CFA, deductible in future years;
- tax losses carried forward;
- adjustments related to the application of international accounting standards;
- other expense items concerning subsequent periods.

The increase recorded in 2021 was mainly due (Euro 2.1 million) to deferred tax assets on the tax losses recorded in 2021, which is reasonably certain to be recovered in the future in view of the Group's forecast financial performance. The recoverability of deferred tax assets is based on the 2022-2026 operating and financial forecasts approved by the Board of Directors on February 7, 2022

<i>IRES</i>	<i>Assessable</i>				<i>Tax</i>				
	<i>in thousands of Euro</i>	As at 31.12.2020	Increases	Uses	As at 31.12.2021	As at 31.12.2020	Increases	Uses	As at 31.12.2021
1) Other costs with deferred IRES deductibility		7,546	1,705	(2,319)	6,932	1,889	409	(634)	1,664
2) Provision for doubtful accounts		970	725	(148)	1,547	233	174	(36)	371
3) Provisions for IRES deferred taxation		1,175	198	0	1,373	282	47	0	329
4) Provision for renewal of airport infrastructure		10,941	2,013	(501)	12,453	2,641	483	(137)	2,987
5) Amort. Concession rights from ENAC - ENAV Agreement		193	0	(13)	180	48	0	(4)	44
6) Discounting of severance provision plus other long-term personnel costs		679	162	(196)	645	141	39	(50)	130
7) Amort. Set up and expansion costs		16	0	(2)	14	4	0	(1)	3
8) Recoverable tax losses		20,467	8,919	(273)	29,113	4,913	2,141	(66)	6,988
Total IRES		41,987	13,722	(3,452)	52,257	10,151	3,293	(928)	12,516

<i>IRAP</i>	<i>Assessable</i>				<i>Tax</i>				
	<i>in thousands of Euro</i>	As at 31.12.2020	Increases	Uses	As at 31.12.2021	As at 31.12.2020	Increases	Uses	As at 31.12.2021
IRAP deferred tax provisions		340	24	0	364	14	1	0	15
Provision for renewal of airport infrastructure		11,943	539	(660)	11,822	500	23	(27)	496
Amortisation FTA set-up and expansion costs		16	0	(2)	14	1	0	0	1
Amortisation concession rights from ENAC - ENAV Agreement		121	0	(13)	108	5	0	(1)	4
Discounting other long-term personnel costs		209	115	(100)	224	9	5	(4)	10
Total IRAP		12,629	678	(775)	12,532	529	29	(32)	526

The table below, on the other hand, shows the tax credits, within AdB, for the utilisation of the fiscal benefits in relation to energy recovery actions.

<i>Other</i>	<i>Tax Credit</i>				
	<i>in thousands of Euro</i>	As at 31.12.2020	Increases	Uses/Reclass.	As at 31.12.2021
Other receivables		52	17	(18)	51
Total "Other credits"		52	17	(18)	51

6. Other non-current assets

The following table breaks down other non-current assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Non-current prepaid expenses and accrued income	50	89	(39)
Guarantee deposits	93	89	4
Non-current tax receivables	67	94	(27)
OTHER NON-CURRENT ASSETS	210	272	(62)

No significant changes occurred between the two periods. "Non-current tax receivables" include the tax receivable due beyond one year for capital investments of the Parent Company, as per Law No. 160/2019 Article 1, paragraphs 184 to 197 and Law No. 178/2020, Article 1, paragraphs 1051 to 1063.

7. Inventories

The following table breaks down inventories at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Inventories of raw materials, supplies and consumables	562	572	(10)
Inventories of finished products	173	104	69
INVENTORIES	735	676	59

Supplies and consumables mainly concern inventories held of workshop materials and consumables, such as stationary and printing, in addition to heating fuel and de-icing liquid for the runway, while inventories of finished goods refer to antifreeze liquid for de-icing the aircraft. The increase in inventories at December 31, 2021 is due to the latter.

8. Trade receivables

The table below illustrates the trade receivables and the relative doubtful debt provision:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Trade receivables	21,616	7,271	14,345
Provisions for doubtful accounts	(1,639)	(992)	(647)
TRADE RECEIVABLES	19,977	6,279	13,698

At December 31, 2021, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 21.6 million, increasing Euro 14.3 million as a result of the higher traffic volumes and therefore of revenues, in addition to the slowing of payments from a number of primarily aviation sector clients. This principally refers to Alitalia which, as noted, discontinued flight operations in autumn 2021, without fully settling its payables to the Group.

An analysis of the aging of trade receivables of the Group at December 31, 2021 compared with December 2020 is reported below:

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2021
Trade receivables for invoices/credit notes issued	7,110	14,099	21,210
Trade receivables for invoices/credit notes to be issued	406	0	406
TOTAL TRADE RECEIVABLES	7,516	14,099	21,616

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60 days	Overdue 60-90 days	Overdue over 90 days	Total
TRADE RECEIVABLES	7,110	5,046	3,844	2,004	3,205	21,210

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2020
Trade receivables for invoices/credit notes issued	2,087	4,618	6,705
Trade receivables for invoices/credit notes to be issued	566	0	566
TOTAL TRADE RECEIVABLES	2,653	4,618	7,271

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60 days	Overdue 60-90 days	Overdue over 90 days	Total
TRADE RECEIVABLES	2,087	1,127	1,005	355	2,131	6,705

As may be seen from a comparison with the table that shows the ageing of receivables at December 31, 2020, the ageing of receivables improved during the year, not in actual terms but in percentage terms, confirming the reduction in average collection period for trade receivables after the significant slowdown in 2020. In particular, receivables overdue by more than 90 days rose from 32% of total overdue receivables at December 31, 2020, to 15% at December 31, 2021, and receivables due within 30 days account for 24%, compared to 17% at December 31, 2020. This indicates that the more vibrant activity has resulted in the gradual recovery of customer payment cash flows, even though average collection days are still far from the average of the pre-Covid years (40 days at December 31, 2019). In 2021, average collection days in fact decreased from 97 days at December 31, 2020 to 79 days at December 31, 2021 (2020 figure restated on the basis of only client items issued without invoices to be issued).

It should be noted in this regard that in addition to the slowdown due to the financial difficulties of operators in the sector, some payment extensions were granted by the Group in 2020 with impacts also in the initial months of 2021.

Gross trade receivables are shown net of the provision for doubtful accounts: this latter increased due both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute and to the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio (Provision Matrix).

The doubtful debt provisions in the year total Euro 0.8 million, of which Euro 0.2 million recorded as a direct reduction of the relative revenues as concerning amounts maturing in the period which are no longer considered collectible.

The movements in the provision for doubtful accounts were as follows:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses	Releases	As at 31.12.2021
PROVISIONS FOR DOUBTFUL ACCOUNTS	(992)	(816)	111	58	(1,639)

<i>in thousands of Euro</i>	As at 31.12.2019	Provisions	Uses	Releases	As at 31.12.2020
PROVISIONS FOR DOUBTFUL ACCOUNTS	(1,836)	(644)	1,482	6	(992)

In the initial two months of 2022, the trade receivables existing at December 31, 2021 had been collected for over 57%.

9. Other current assets

The following table breaks down other current assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
VAT Receivable	88	1,266	(1,178)
Direct income tax receivables	54	15	39
Other tax assets	0	18	(18)
Employee receivables	53	58	(5)
Other receivables	5,198	2,436	2,762
OTHER CURRENT ASSETS	5,393	3,793	1,600

The increase in this category is due mainly to the increase in other receivables connected with the growth in traffic and partly offset by the decrease in the VAT receivable due, which also relates to the recovery in business and therefore in revenues.

"Direct income tax receivables" relates to the short-term receivable for investments in capital goods pursuant to Law No. 160/2019 Article 1, paragraphs 184 to 197, and Law No. 178/2020 Article 1, paragraphs 1051 to 1063; the corresponding grant is recorded under "operating grants" in the category "other revenues and income".

The summary of "other receivables" is as follows:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Receivables for passenger boarding fees surtax	5,279	2,443	2,836
IRESA receivables	341	156	185
Other current receivables provision for doubtful accounts	(1,584)	(1,062)	(522)
Prepayments and accrued income	761	445	316
Advances to suppliers	7	22	(15)
Pension and social security institutions	77	127	(50)
Other current receivables	317	305	12
TOTAL OTHER RECEIVABLES	5,198	2,436	2,762

The receivable from carriers for the boarding fee surtax, as per Article 2, paragraph 11 of Law 350/2003 and subsequent integrations and modifications, is directly related to the traffic; the Group, once it collects the boarding fee, pays the amount to the State and to INPS respectively in the measure of Euro 1.50 and Euro 5.00 per passenger boarded. Again in 2021 there were no changes to the surtax. The increase is therefore related to higher aviation revenues.

The IRESA receivable is linked to the introduction, as of January 1, 2020, of the new regional tax on aircraft noise emissions, which the Group charges to carriers based on the noise certificate and the take-off/landing time of the aircraft and reimburses, once collected, to the Emilia Romagna Region.

The account "other current receivables provision for doubtful accounts" includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions/Increases	Uses	Releases	As at 31.12.2021
Municipal surtax/IRESA receivable provision	(1,062)	(564)	41	1	(1,584)
TOTAL OTHER RECEIVABLES PROVISIONS FOR DOUBTFUL ACCOUNTS	(1,062)	(564)	41	1	(1,584)

The item "Accrued income and prepayments" includes insurance premiums, data processing fees and other services invoiced in advance. This item includes Euro 384 thousand of SACE commissions on new loans drawn down by the Parent Company in 2020, paid in advance.

10. Current Financial Assets

"Current financial assets" reduced to zero at December 31, 2021, as the capitalisation policy recognised at December 31, 2020 for Euro 274 thousand was collected on contractual maturity (May 2021).

11. Cash and cash equivalents

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Bank and postal deposits	28,180	43,625	(15,445)
Cash in hand and similar	35	33	2
CASH AND CASH EQUIVALENTS	28,215	43,658	(15,443)

“Bank and postal deposits” represent the bank current account balances. For the comment on the absorption of liquidity in the period, reference should be made to Section 3.2 of the Directors’ Report.

In addition to bank current accounts, the Parent Company has an unutilised credit line of Euro 5 million available.

Net Financial Position

The following table shows the breakdown of the net financial debt at December 31, 2021 and December 31, 2020, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 Recommendations of March 4, 2021:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020
A Cash	28,215	43,658
B Other cash equivalents	0	0
C Other current financial assets	0	275
D Liquidity (A+B+C)	28,215	43,933
E Current financial debt	(1,732)	(1,473)
F Current portion of non-current debt	(6,191)	(3,064)
G Current financial debt (E + F)	(7,923)	(4,537)
H Net current financial debt (G - D)	20,292	39,396
I Non-current financial payables	(62,577)	(68,759)
J Debt instruments	0	0
K Trade payables and other non-current payables	(949)	(1,026)
L Non-current financial debt (I + J + K)	(63,526)	(69,785)
M Total financial debt (H + L)	(43,234)	(30,389)

Account A is equal to the account “cash and cash equivalents”; reference should be made to note 11 for further details.

The account G is equal to the balance of the account “current financial liabilities”; reference should be made to note 17 for further details.

The account L is equal to the balance of the account “non-current financial liabilities”; reference should again be made to note 17 for further details.

For a detailed analysis on the movements in the net financial debt in the two-year period 2020-2021, reference should be made to the analysis in the Directors’ Report.

LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Share capital	90,314	90,314	0
Reserves	74,201	87,814	(13,613)
Loss for the year	(6,717)	(13,590)	6,873
GROUP SHAREHOLDERS' EQUITY	157,798	164,538	(6,740)

i. Share capital

The share capital of the Parent Company at December 31, 2021 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

The following table outlines the calculation of the basic and diluted earnings per share:

<i>in Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020
Group loss for the year (*)	(6,739,017)	(13,639,104)
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	(0.19)	(0.38)
Diluted earnings/(losses) per share	(0.19)	(0.38)

(*) Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group December 31, 2021 and December 31, 2020 are the same due to the absence of potential dilutive instruments.

ii. Reserves

The following table breaks down the Reserves at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,116	56,655	461
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(12,445)	1,604	(14,049)
OCI reserve	(1,060)	(1,036)	(24)
TOTAL RESERVES	74,201	87,814	(13,613)

The share premium reserve comprises:

- Euro 14.35 million following the paid-in share capital increase approved by the Shareholders' Meeting of February 20, 2006;
- Euro 11.33 million following the public offering of shares in July 2015.

Pursuant to Article 2431 of the Civil Code this reserve is available but may not be distributed until the legal reserve has reached the limit established as per article 2430 of the Civil Code.

The extraordinary reserve increased due to the allocation of the 2020 profit of the subsidiary FFM.

The change in the profits/losses carried forward is due to:

- the profits/losses deriving from the IAS accounting entries of the subsidiary companies;
- the allocation of the loss for the previous year of the subsidiary Tag and of the Parent Company.

The OCI reserve records the changes deriving from the discounting of the severance provision in accordance with IAS 19 revised (note 13), net of the relative tax effect as per the following table:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
IAS 19 actuarial profits/losses	(1,395)	(1,366)	(29)
Deferred taxes on actuarial gains/losses as per IAS 19	335	330	5
OCI RESERVE	(1,060)	(1,036)	(24)
of which minority interest	0	0	0
of which Group	(1,060)	(1,036)	(24)

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Severance	3,616	4,041	(425)
Other personnel provisions	225	210	15
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,841	4,251	(410)

The table below shows the movements in the provisions in the period:

<i>in thousands of Euro</i>	As at 31.12.2020	Service cost	Net interest	Benefits paid	Actuarial profits/losses	As at 31.12.2021
Severance	4,041	19	21	(511)	46	3,616
Other personnel provisions	210	93	1	(61)	(18)	225
SEVERANCE AND OTHER PERSONNEL PROVISIONS	4,251	112	21	(572)	29	3,841

The actuarial valuation of severance provisions is carried out on the basis of the "benefits matured" with the support of actuarial experts.

The principal assumptions in the actuarial estimation process of the severance provisions for the years concerned are as follows:

- a) discount rate: 0.98% for the valuation at December 31, 2021 and 0.34% for the valuation at December 31, 2020;
- b) inflation rate: 1.75% for the valuation at December 31, 2021 and 0.80% for the valuation at December 31, 2020;
- c) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates. For invalidity, an INPS table based on age and gender was utilised;
- d) staff turnover rate: 1%.

As for any actuarial valuation the results depend on the technical bases adopted such as, among others, interest rate, inflation rate and expected turnover. The table below shows the sensitivity for each actuarial assumption at the end of the year, highlighting the effects of the changes of the actuarial assumptions reasonably possible at that date, in absolute terms.

<i>in thousands of Euro</i>	Valuation parameter					
	+1% ON turnover rate	-1% on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	3,587	3,648	3,670	3,563	3,531	3,704

For completeness the following table also shows the expected disbursements of the plan over a 5-year period:

Years	Estimated future disbursements (in thousands of Euro)
1	156
2	193
3	211
4	231
5	225

The other personnel provisions at December 31, 2021 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager of the Parent Company as governed by the Remuneration Policy commented upon in the Corporate Governance and Share Ownership Report, to which reference should be made.

The actuarial valuation at December 31, 2021 of the long-term incentive plan and the non-competition agreement of the CEO/GM was made with the support of actuarial experts utilising the “benefits matured” method based on IAS 19 (paragraphs 67-69) through the “Project Unit Credit” criterion. Under this method the valuation is based on the average present value of the obligations matured based on the employment service up to the time of the valuation.

The main valuation parameters were:

- a) discount rate: 0.98% for the valuation at December 31, 2021 (0.34% for the valuation at December 31, 2020) of the liability for the non-competition agreement equal to the yield on the comparable duration of the employment duration in the sector and -0.17% for the valuation at December 31, 2021 (-0.27% for the valuation at December 31, 2020) of the liabilities for the long-term incentive, yield in line with the three-year duration of the plans under consideration;
- b) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates.
- c) frequency voluntary resignations and dismissals by the company: 1%;
- d) probability of reaching objectives equal to 50-100% of the second cycle.

Finally, we report the sensitivity which highlights the effects on the other employee provisions, in particular on the provision relating to the non-competitive agreement, in the case of termination of employment with probability equal to 10%:

Finally, we report the sensitivity which highlights the effects on the other employee provisions, in particular on the provision relating to the non-competitive agreement, in the case of termination of employment with probability equal to 10%:

<i>in thousands of Euro</i>	Service cost
Other personnel provisions	45

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses	As at 31.12.2021
DEFERRED TAX LIABILITIES	2,618	73	0	2,691

The deferred tax liability provision amounts to Euro 2.7 million. The deferred tax liabilities were recorded on transition to IFRS following the application of IFRIC 12 “*Service concession arrangements*”, as illustrated in the note relating to the Transition to International Accounting Standards IFRS in the 2014 Financial Statements. The increase in the year is also attributable to the application of IFRIC 12 on the investments in concession rights without any tax impact.

IRES rate 24%	Assessable				Tax			
<i>in thousands of Euro</i>	As at 31.12.2020	Increases	Uses	As at 31.12.2021	As at 31.12.2020	Increases	Uses	As at 31.12.2021
Amortisation of concession rights	9,382	265	0	9,647	2,251	63	0	2,314
Total IRES	9,382	265	0	9,647	2,251	63	0	2,314

IRAP rate 4.2%	Assessable				Tax			
<i>in thousands of Euro</i>	As at 31.12.2020	Increases	Uses	As at 31.12.2021	As at 31.12.2020	Increases	Uses	As at 31.12.2021
Amortisation of concession rights	8,720	234	0	8,954	367	10	0	377
Total IRAP	8,720	234	0	8,954	367	10	0	377
Total					2,618	73	0	2,691

15. Provision for renewal of airport infrastructure (non-current and current)

The provision for renewal of airport infrastructure includes the provision allocated to cover the conservation maintenance expenses and renewal of the assets held under concession which the Group must return at the end of the concession period in perfect functioning state.

The changes in the provision in the year ending December 31, 2021 are reported below, divided between non-current and current.

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses	Reclassificati ons	As at 31.12.2021
Provision for renewal of airport infrastructure (non-current)	10,316	539	0	(758)	10,097
Provision for renewal of airport infrastructure (current)	1,578	0	(660)	758	1,676
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	11,894	539	(660)	0	11,773

Changes in the year were as follows:

- ✓ the provision (of Euro 671 thousand) net of the update to the discount rate of cash flows, with a positive impact of Euro 131 thousand;
- ✓ the utilisations (Euro 660 thousand) for works, mainly regarding the restoration of lifts, refrigeration units, automatic doors and gates and the resurfacing of an operating hanger's flooring;

The decreases from reclassifications concern the periodic reclassification to current liabilities of the disbursements expected in the twelve months subsequent to period end.

At December 31, 2021 the infrastructure renewal provision totals Euro 11.8 million.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provision for renewal of airport infrastructure at December 31, 2021:

<i>in thousands of Euro</i>	Financial (charges)/ financial income	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provision for renewal of airport infrastructure	131	79	142

The discounting curve utilised for the valuation includes the country risk. In this specific case the input data utilised was the short, medium and long-term zero-coupon government bonds (from 3 months to 30 years), sourced from the information provider Bloomberg.

16. Provisions for risks and charges (non-current and current)

The changes in the non-current and current provision for risks and charges in the year are reported below:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses/Other decreases	As at 31.12.2021
Risk provision for disputes	976	52	(50)	978
Provisions for other risks and charges	423	149	(33)	539
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	1,399	201	(83)	1,517
Employee back-dated provision	23	0	0	23
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	23	0	0	23
TOTAL PROVISIONS FOR RISKS AND CHARGES	1,422	201	(83)	1,540

“Provision for risks and future charges” were mainly impacted by the matter with the Municipality of Bologna concerning the request for a different cadastral classification of a number of buildings and the consequent impact on the property tax (IMU) on the buildings, for recent years.

In detail, this provision was established as a result of the notification of the invitation by the Municipality of Bologna, first received on November 28, 2018 and then reiterated with amendments, on February 10, 2020, to a different cadastral classification of some properties (procedure ex L.311/2004) compared to what has been registered with the Land Agency since 2007. This initial registration was carried out in coordination with the Land Registry and in accordance with the provisions of Law 262/2006 and circulars 4/T 2006 and 4/T 2007, which are still valid.

On this point, it should be noted that, in the second half of 2021 and in early 2022, we reached the start of the concluding phase by way of a potential proposed settlement with the Municipality of Bologna with regard to IMU, following the official measure for the cadastral assignment, as communicated on December 13, 2021, by the Bologna provincial office of the Italian Tax Administration responsible for land registration, by official measure as per Law 311/04.

The Group will, therefore, reach an agreed settlement, without admitting fault, but with the sole purpose of avoiding potential disputes with the Party and in order to avoid a dispute whose continuation would, in any case, be excessively onerous and uneconomic for the Group, given the request for the disapplication of sanctions. This request appears legitimate in light of the provisions of Law 212/2000 (the Taxpayers Law).

Given the outcome of the proposed settlement with the Municipality of Bologna, this provision, which totalled Euro 226 thousand last year, was updated to the current level of expected risk for a net increase of Euro 116 thousand. Therefore, at year end, the provision totalled Euro 342 thousand, including charges for the period on the properties involved in the dispute for 2021 plus the estimated legal and technical-support expenses.

The Group will continue to defend its opposition to the categorisation, but will pay IMU property taxes on said properties for 2021 and subsequent years until the definitive ruling on the dispute.

Finally, the employee back-dated provision relates to the subsidiary FFM and, in particular, the estimated economic impact of the renewal of the Handlers' Collective Bargaining Agreement, which concluded on June 30, 2017.

On the basis of the progress of litigation at the preparation date of this document, supported by an update from their advisors, the Group believes that the provisions set aside in the financial statements are adequate and represent the best estimate of liabilities for risks and charges.

Contingent liabilities

With regard to the customs dispute that involved the subsidiary FFM in 2021 and outlined in the "Disputes" section of the Directors' Report, it should be noted that a risk has arisen for this company, which operates in the cargo sector. The Euro 5.8 million guarantee issued by a leading bank in favour of the Customs Authority as requested by FFM, for the suspension of the assessment notices issued to the Company, includes a co-obligation for AdB. The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes for passenger boarding fees. At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action, the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, in view of the consideration that in this case the conditions in fact and in law for action by the creditor do not exist, while at the same time continuing its defensive action.

17. Non-current and current financial liabilities

The following table breaks down non-current and current financial liabilities at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Bank loans – non-current	62,577	68,759	(6,182)
Non-current financial liabilities for leasing	949	1,026	(77)
NON-CURRENT FINANCIAL LIABILITIES	63,526	69,785	(6,259)
Bank loans - current	6,191	3,064	3,127
Current financial liabilities for leasing	597	544	53
Payables due for boarding fee surtaxes and Iresa	1,112	896	216
Other current financial debt	23	33	(10)
CURRENT FINANCIAL LIABILITIES	7,923	4,537	3,386
TOTAL FINANCIAL LIABILITIES	71,449	74,322	(2,873)

Financial liabilities at December 31, 2021 totalled Euro 71.4 million, decreasing Euro 2.9 million compared to December 31, 2020, mainly due to the payment of the loan instalments maturing in the period (Euro 3.1 million).

At December 31, 2021 the account comprised:

- loan with SACE guarantee, maturing in 2026, issued by Intesa Sanpaolo Spa in July 2020 for Euro 33.9 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, which establishes a grace period of 3 years, was classified for Euro 33.9 million to non-current financial liabilities;

- loan with SACE guarantee, maturing in 2026, issued by Unicredit Spa in July 2020 for Euro 25 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, with a grace period of 2 years, is classified for Euro 21.9 million to non-current financial liabilities and for Euro 3.1 million, equating to the principal to be repaid over the coming 12 months, to current loans;
- fifteen-year bank loan with maturity 2026, with a residual balance of Euro 2.2 million at December 31, 2021 (Euro 2.7 million at December 31, 2020), issued by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 1.7 million under bank loans - non-current (Euro 2.2 million at December 31, 2020), and for Euro 0.5 million, equal to the principal to be repaid over the coming 12 months, under current loans (same amount at December 31, 2020);
- ten-year bank loan with December 2024 maturity, with a balance of Euro 7.7 million at December 31, 2021 (Euro 10.2 million at December 31, 2020), issued by Banca Intesa to fund the infrastructure investment plan. This loan is classified for Euro 5.1 million under non-current loans and for Euro 2.5 million under current loans.

In order to guarantee the necessary liquidity to support the airport infrastructure investment and development plan, the Parent Company signed a loan with the European Investment Bank (EIB). The loan agreement will provide AdB with the flexibility required for the progressive updated infrastructural development plan and funding requirements, with disbursement available up to 48 months from signing and in multiple tranches and in any case for a total amount not exceeding 50% of the total estimated project costs. This is alongside the flexibility of the option to choose between a fixed rate and a variable rate, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment. The last repayment date for each tranche shall fall no earlier than four years and no later than eighteen years from the relevant disbursement date, subject to the option for AdB to make voluntary early repayments. The contract includes negative pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of AdB is acquired.

Loans breakdown:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Bank loans – non-current	62,577	68,759	(6,182)
Bank loans - current	6,191	3,064	3,127
TOTAL LOANS	68,768	71,823	(3,055)

The contractual conditions of the loans in place at December 31, 2021 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	Yes
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor variable 3 Months + spread 0.9%	Quarterly	2026	No
Unicredit Spa Sace guarantee	Loan	Fixed rate of 0.77%	Quarterly	2026	Yes
Intesa San Paolo Spa - SACE-backed	Loan	Euribor variable 3 Months + spread 1.29%	Quarterly	2026	No

The annual nominal cost of the two bank loans with SACE guarantee granted in 2020, shown in the table above, is in addition to the cost of the SACE guarantee, which amounts to 0.5% in the first year, 1% in the second and third years and 2% from the fourth to sixth years of the guaranteed portion of the debt, equal to 90% of the loan.

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Group, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at December 31, 2021 the Group has not received any communication for application of cross default clauses by any of its lenders as the Group is in compliance with its existing contractual commitments.

With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July 2020 shall apply from the 2022 financial statements.

A sensitivity analysis is illustrated below on variable interest rate loans held at December 31, 2020.

Credit Institution	Type of loan	Interest rate applied	in Euro thousands			
			Balance 31.12.2021	Interest balance for year	Sensitivity Analysis (+0.5%)	Sensitivity Analysis: (-0.1%)
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Banking	Euribor 3 months/360 + 0.9%	2,231	9	22	7
Intesa San Paolo Spa - SACE-backed	Banking	Euribor 3 months/360 + 1.29%	33,900	258	387	232

The following table shows the liabilities for leases, in accordance with IFRS 16, representing the obligation to make the contractually-agreed payments for the right-to-use assets recorded under fixed assets in note 2.

in thousands of Euro	As at 31.12.2021	As at 31.12.2020	Change
Non-current lease liabilities	949	1,026	(77)
Current lease liabilities	597	544	53
TOTAL LEASE LIABILITIES	1,546	1,570	(24)

The Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.

The table above refers to these latter obligations broken down into financial liabilities for leases:

- non-current: Euro 1 million for contractual instalments due beyond 12 months
- current: Euro 0.6 million relating to contractual instalments due within the current year.

We illustrate below the table required by IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:

<i>in thousands of Euro</i>	31/12/2020	Cash flows	New contracts	Interest/Other Reclassifications	31/12/2021
Loans - current portion	3,064	(3,076)	0	6,203	6,191
Lease liabilities - current portion	544	(432)	149	336	597
Loans - non-current portion	68,759	0	0	(6,202)	62,557
Lease liabilities - non-current portion	1,026	0	319	(396)	949
Total	73,393	(3,508)	468	(59)	70,294

The passenger boarding fee surtax and IRESA payable concerns the portion received from carriers at December 31, 2021 and reversed to the Authority in January.

18. Trade payables

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
TRADE PAYABLES	19,035	13,612	5,423

Trade payables concern the purchase of goods and services, including investments and mainly concern Italian suppliers; the account increased on December 31, 2020, in line with the restart of operations following the major slowdown in 2020.

The table below shows the breakdown of trade payables at December 31, 2021 and December 31, 2020 by due date:

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2021
Invoices/credit notes received	5,112	1,148	6,260
Invoices/credit notes to be received	12,775	0	12,775
TOTAL TRADE PAYABLES	17,887	1,148	19,035

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	5,112	646	102	93	307	6,260

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2020
Invoices/credit notes received	4,319	2,772	7,091
Invoices/credit notes to be received	6,521	0	6,521
TOTAL TRADE PAYABLES	10,840	2,772	13,612

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	4,319	1,634	565	106	466	7,091

As per the above tables, the ageing of trade payables reduced at December 31, 2021 compared to December 31, 2020; at the end of the year in fact payables not yet due totalled 61% of the total, compared to 82% at December 31, 2020, while similarly, overdue payables declined from 39% to 18%. In confirmation of this, average payment days do not show significant changes between the two years, from 49 days in 2020 to 54 average days in 2021 (2020 figure adjusted based only on vendor invoices received without invoices to be received).

19. Other Liabilities

The following table breaks down current liabilities at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Current tax payables	1,062	511	551
Employee payables and social security institutions	3,873	2,470	1,403
ENAC concession fee and other State payables	18,971	17,891	1,080
Other current liabilities, accrued liabilities and deferred income	5,188	2,562	2,626
TOTAL OTHER CURRENT LIABILITIES	29,094	23,434	5,660

The principal changes were as follows:

i. Current tax payables

The following table breaks down tax payables at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
VAT payable	133	0	133
Direct income taxes	16	0	16
Other tax payables	913	511	402
TOTAL CURRENT TAX PAYABLES	1,062	511	551

Increase in tax payables mainly relates to the higher IRPEF payable for employees due to the rise in the relative cost.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Due to personnel remuneration	1,038	896	142
Employee deferred compensation	1,790	934	856
Social security payables	1,045	640	405
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	3,873	2,470	1,403

Employee payables and social security institution payables reported an increase due to the increased personnel costs. Reference should be made to the relative section for further details.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 17.1 million (Euro 15.6 million in 2020) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the chapter on Disputes in the Directors' Report;
- Euro 1.9 million as the variable airport concession fee payable regarding the second payment on account and the 2021 final settlement. The payable reduced on the previous year (Euro 2.2 million at December 31, 2020), despite an increase in the fee due to the increased traffic in 2021. This follows the extension in the previous year by ENAC of the 2019 final settlement payment and of the fee for the entire year of 2020, as a sector support measure, initially to January 31, 2021 and subsequently to April 30, 2021.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Payables due for boarding fee surtaxes and Iresa	4,035	1,539	2,496
Other current liabilities	1,068	952	116
Current accrued liabilities and deferred income	85	71	14
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	5,188	2,562	2,626

The main account concerns the passenger boarding fee surtax and, from January 1, 2020 for IRESA, relating to the receivables from carriers not yet received at December 31 for Euro 4 million. The portion of the municipality surtax payable and for IRESA relating to receivables collected from carriers, not yet paid to the creditor entities on the other hand is classified under current financial liabilities (Note 17). The significant increase in this account is due to higher aviation revenues after the collapse in traffic in 2020.

“Other current liabilities” include deposits and advances received from customers in addition to deferred income and miscellaneous payables; there were no significant movements in the account between the two years.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

REVENUES

20. Revenues

The tables below breakdown revenues for the years ending December 31, 2021 and 2020. In relation to the performance, reference should be made to the greater detail provided in the Directors' Report.

Overall, consolidated revenues of Euro 58.5 million decreased Euro 9 million on 2020 (-13.3%), as a result of lower "revenues from construction services"; this account depends on investments in concession rights in the year, which were significantly reduced in 2021 (Euro 8.1 million compared to Euro 29.4 million in 2020). Net of revenues from construction services, revenues in the year were in fact up 33.6%, from Euro 37.8 million in 2020 to Euro 50.4 million in the present year.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Revenues from aeronautical services	29,820	21,548	8,272
Revenues from non-aeronautical services	19,917	15,426	4,491
Revenues from construction services	8,051	29,415	(21,364)
Other operating revenues and income	701	1,101	(400)
TOTAL REVENUES	58,489	67,490	(9,001)

The reclassification of Group revenues based on revenue streams defined by IFRS 15, i.e. those from contracts with customers, is shown in the following table:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Airport fees	24,718	17,476	7,242
Parking	6,987	4,583	2,404
Revenues from construction services	8,051	29,415	(21,364)
Others	7,639	7,065	574
TOTAL IFRS 15 REVENUE STREAMS	47,395	58,539	(11,144)

The reconciliation between IFRS 15 revenue streams and total revenues is shown in the following table:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Airport fees	24,718	17,476	7,242
Parking	6,987	4,583	2,404
Revenues from construction services	8,051	29,415	(21,364)
Other	7,639	7,065	574
TOTAL IFRS 15 REVENUE STREAMS	47,395	58,539	(11,144)
Commercial/non-comm. sub-licenses	11,043	8,870	2,173
TOTAL NON IFRS 15 REVENUE STREAMS	11,043	8,870	2,173
TOTAL NON IFRS 15 Revenues	51	81	(30)
TOTAL REVENUES	58,489	67,490	(9,001)

i. Revenues from aeronautical services

The table below shows revenues from aeronautical services in 2021 and 2020.

This category of revenues presents the largest increase, at 38.4%, since it is the component directly correlated with traffic (passenger traffic +63.7%). This category of revenues were impacted by the more than proportional increase in traffic development incentives as a result of the alteration in the traffic mix, which saw the low cost component rise significantly.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Revenues from centralised infrastructure/other airport services	577	339	238
Exclusive use revenues	628	570	58
Airport fee revenues	36,149	22,858	13,291
PRM revenues	2,760	1,678	1,082
Air traffic development incentives	(14,334)	(7,164)	(7,170)
Handling services	2,087	1,769	318
Other aeronautical revenues	1,977	1,498	479
Reduction in revenues from aeronautical services to doubtful debt provision	(24)	0	(24)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	29,820	21,548	8,272

The breakdown of airport fee revenues is shown below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Passenger boarding fees	15,321	9,154	6,167
Landing, take-off and parking fees	13,444	9,162	4,282
Passenger security fees	4,977	2,987	1,990
Baggage stowage control fees	1,840	982	858
Freight loading and unloading charges	777	692	85
Reduction for provision	(210)	(119)	(91)
TOTAL AVIATION FEE REVENUES	36,149	22,858	13,291

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in 2021 and 2020.

This revenue category was up 29.1%, due to the recovery of parking services, which is closely connected to the traffic performance and sub-concession revenues, also connected with revenue and therefore traffic movements.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Commercial premises and spaces sub-license	9,566	7,345	2,221
Parking	6,987	4,583	2,404
Other commercial revenues	3,368	3,498	(130)
Reduction in revenues from non-aeronautical services to doubtful debt provision	(4)	0	(4)
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	19,917	15,426	4,491

Other commercial revenues, broken down as follows, saw advertising services contract as not showing signs of recovery in 2021 and, to a lesser extent, also Marconi Business Lounge services as a result of the major decline in business travel and trade shows.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Marconi Business Lounge	611	634	(23)
Advertising	948	1,082	(134)
Misc. commercial revenues	1,809	1,782	27
TOTAL OTHER COMMERCIAL REVENUES	3,368	3,498	(130)

Finally, the “other commercial revenues” account, which includes (among others) security services, vehicle maintenance, airport personnel training courses and Terminal access, was substantially in line with the 2020 results.

iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

These revenues amounted to Euro 8.1 million compared to Euro 29.4 million in 2020, due to the lower investments in airport infrastructure under concession; see Directors’ Report for further information.

iv. Other revenues and income

The table below shows other revenues and income in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Indemnities, reimbursement and misc. income	549	700	(151)
Operating and plant grants	162	84	78
Revenues from Terminal Value on Provision for Renewal	0	316	(316)
Capital gains	0	1	(1)
Reduction in other revenues to Provision for doubtful accounts	(10)	0	(10)
TOTAL OTHER REVENUES AND INCOME	701	1,101	(400)

The decline in this revenue category (-36.3%) is substantially due to the absence of “Revenues from Terminal Value on Provision for Renewal” which includes the income statement counter-entry of the receivable from Terminal Value, calculated on interventions and utilisations of the provision for renewal in the year; this latter, depreciated off the accounts according to the regulatory accounting rates, did not accrue a residual from the Terminal Value.

The account "Indemnities, reimbursement and misc. income", decreased mainly due to lower sales of energy efficiency certificates and lower "condominium expenses" recharged to sub-concessionaires.

The account “operating and plant grants” mainly concerns the grants to economic operators as per the “Support Decree and Supports Decree Bis” for Euro 103 thousand, of which the subsidiary TAG benefited, in addition to Euro 16.5 thousand as grant in the form of a tax credit on sanitising and PPE expenses, as per Article 32 of Legislative Decree No. 73/2021, benefiting AdB and for Euro 17 thousand the use of the ACE (Economic Growth Support) tax credit as per Article 19, of Legislative Decree No. 73/2021 (“Support Decree Bis”) by FFM. Finally, it includes the operating grants accruing in the year for new capital goods capex, as per Law No. 160/2019, Article 1, paragraphs 184 to 197 (Euro 9 thousand), and as per Law No. 178/2020, Article 1, paragraphs 1051 to 1063 (Euro 5 thousand) by the Parent Company.

COSTS

Total costs in 2021 contracted 23% on 2020 due to the reduced investment in concession rights, reflected in the “construction service costs” account. Adjusted costs (excluding this account) increased 9% on 2020, mainly due to the increase in the airport concession fee and personnel costs.

21. Costs

i. Consumables and goods

The table below presents consumables and goods in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Consumables and goods	776	792	(16)
Maintenance materials	121	121	0
Fuel and gasoline	1,079	446	633
TOTAL CONSUMABLES AND GOODS	1,976	1,359	617

This category of costs rose 45.4%, mainly related to increased purchase of fuel to service General Aviation aircraft.

ii. **Service costs**

The following table shows the breakdown of services costs for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Maintenance costs	4,198	4,203	(5)
Utilities	1,777	1,832	(55)
Cleaning and accessory services	1,717	1,564	153
Services	4,519	4,457	62
MBL Services	113	105	8
Advertising, promotion and development	377	326	51
Insurance	868	863	5
Professional and consultancy services	1,243	1,427	(184)
Statutory board fees and expenses	571	535	36
Other service costs	170	75	95
TOTAL SERVICE COSTS	15,553	15,387	166

This category of costs was substantially in line with 2020 (+1.1%). Certain items such as maintenance costs, MBL service costs and insurance costs were substantially unchanged, while costs for security, clearing, snow ploughing and the PRM service were absorbed by savings in consultancy and professional service costs and for portage/transport. Utility costs slightly reduced in 2021, despite the significant increase in tariffs at the end of the year, thanks to contractually fixed tariffs.

Maintenance expenses (substantially in line with 2020) were as follows:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Owned asset maintenance expenses	971	960	11
Airport infrastructure maintenance expenses	2,999	2,878	121
Third party asset maintenance expenses	228	365	(137)
TOTAL MAINTENANCE EXPENSES	4,198	4,203	(5)

The breakdown of services, which increase slightly, is illustrated below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Snow clearance	350	312	38
Porterage, transport third-party services	39	172	(133)
PRM assistance service	539	483	56
De-icing and other public service charges	323	358	(35)
Security service	1,632	1,213	419
Other outsourcing	1,636	1,919	(283)
TOTAL SERVICES	4,519	4,457	62

For the disclosure pursuant to Article 38, paragraph 1, letter o) of Legislative Decree No. 127/91, it should be noted that the remuneration of the sole director of Adb, who also serves on the Board of Directors of the subsidiary, FFM, amounts to Euro 102.5 thousand (Euro 92.5 thousand for Adb and Euro 10 thousand for FFM).

The table below reports the fees paid to the Board of Statutory Auditors and the Auditing Firm:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Statutory auditors fees	157	158	(1)
Independent auditors' fees	141	141	0
Total	298	299	(1)

The independent auditors' fees are illustrated below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Audit (*)	124	125	(1)
Certification work	6	6	0
Other services (**)	11	10	1
Total	141	141	0

(*) Including review of Non-Financial Information Report

(**) Certification of regulatory accounting

iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Concession fees	2,842	1,684	1,158
Hire charges	176	123	53
Rental charges	4	23	(19)
EDP processing charges	1,547	1,588	(41)
Other rental & hire costs	0	4	(4)
TOTAL LEASES, RENTALS AND OTHER COSTS	4,569	3,422	1,147

The increase in this cost category (+33.5%) is mainly due to the higher traffic volumes, on whose basis the concession and security fees are calculated.

v. **Other operating expenses**

The following table shows the breakdown of other operating expenses for 2021 and 2020 (no significant changes).

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Misc. and local taxes	1,179	1,151	28
Fire prevention service contribution	1,476	1,399	77
Capital losses	1	17	(16)
Other operating expenses	481	375	106
TOTAL OTHER OPERATING EXPENSES	3,137	2,942	195

Other operating expenses increased 6.6% due to a number of the items outlined above. In particular, “other operating costs and expenses” include the costs for the Aviation Event organised in Bologna in August 2021 by Bologna airport, with partial recovery of the costs thanks to reimbursements recognised to revenues.

vi. **Personnel costs**

The following table shows the breakdown of personnel costs for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Wages and salaries	14,693	13,643	1,050
Social security expenses	4,391	4,223	168
Severance provisions	1,236	1,300	(64)
Retirement pension and others	193	199	(6)
Other personnel costs	1,545	922	623
TOTAL PERSONNEL COSTS	22,058	20,287	1,771

The 8.7% increase in personnel costs, despite the reduction in the average workforce on the previous year and the focus on containing this cost through various actions, including the reduction of accrued holidays and the block on overtime, stems from a number of factors. The main factors were the lesser use of the Temporary Lay-Off Scheme due to the partial recovery of operations, the reintroduction of the variable remuneration component (which was absent in the previous year) and increased leaving incentive costs.

"Other personnel costs" are broken down in the following table:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Employee canteen	371	351	20
Personnel training and refresher courses	101	98	3
Employee expenses	41	44	(3)
Misc. personnel costs	940	307	633
Other personnel provisions	92	122	(30)
TOTAL OTHER PERSONNEL COSTS	1,545	922	623

The average headcount by category in the two periods under consideration is shown below:

<i>Average workforce (No.)</i>	<i>for the year ended 31.12.2021</i>	<i>for the year ended 31.12.2020</i>	<i>Change</i>
Executives	9	9	0
White-collar	379	395	(16)
Blue-collar	85	88	(3)
TOTAL PERSONNEL	473	492	(19)

The headcount at the end of the two financial years under consideration was as follows:

<i>Workforce (number)</i>	<i>As at 31.12.2021</i>	<i>As at 31.12.2020</i>	<i>Change</i>
Executives	8	9	(1)
White-collar	379	379	0
Blue-collar	88	83	5
TOTAL PERSONNEL	475	471	4

22. Depreciation, amortisation and impairment

The following table shows the movement of depreciation and amortisation for the periods ended December 31, 2021 and 2020.

<i>in thousands of Euro</i>	<i>for the year ended 31.12.2021</i>	<i>for the year ended 31.12.2020</i>	<i>Change</i>
Amortisation/impairment of Concession Rights	7,440	6,688	752
Amortisation of other intangible assets	890	1,409	(519)
Depreciation/write-down of tangible assets	2,225	2,531	(306)
TOTAL DEPRECIATION AND AMORTISATION	10,555	10,628	(73)

The depreciation and amortisation is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months (see Investment Chapter in the Directors' Report and notes 1 and 2). With regards to concession rights, we indicate on the one hand higher amortisation as a result of investments made in the year which almost entirely relate to this category and on the other the extension of the airport concession as per the Relaunch Decree from July 2020, with a consequent setting of the rates in line with the new airport concession conclusion date (December 2046).

Depreciation of tangible assets includes Euro 455 thousand of depreciation of the right-to-use assets in accordance with IFRS 16.

Finally, this category includes Euro 299 thousand of write-downs of projects that can no longer be used.

23. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Provisions for doubtful accounts	504	508	(4)
Provision for renewal of airport infrastructure	671	2,306	(1,635)
Provisions for other risks and charges	168	30	138
TOTAL PROVISIONS	1,343	2,844	1,501

This category of costs decreased due to the lower provision for renewal of airport infrastructure, which represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The lower provision was due to the postponement of works not executed in the year and the consequent review of the ten-year restoration and replacement plan.

With regard to the provision for doubtful accounts, these are made to take account of the perceived risk of loss expected from each receivable and on a lump-sum basis, as provided for by IFRS 9; there were no significant changes in the two years. Finally, in both years, the accrual to the provision for doubtful accounts was directly deducted from revenues, as relating to receivables maturing in the respective years. Reference should be made to the revenues section for further details.

The accrual to the other provisions for risks and charges mainly concern those made in view of the increased property tax (IMU) requested by the Municipality of Bologna as a result of the cadastral change for a number of airport buildings. Reference should be made to Note 16 for further details.

24. Net financial income and expenses

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Income from securities	19	26	(7)
Other income	4	94	(90)
Discounting income on provisions	476	78	398
TOTAL FINANCIAL INCOME	499	198	301
Interest expenses and bank charges	(747)	(578)	(169)
Discounting charges on provisions	(41)	(538)	497
Interest charges for discounting of liabilities for leasing	0	(6)	6
Other financial expenses	(291)	(96)	(195)
TOTAL FINANCIAL EXPENSES	(1,079)	(1,218)	139
TOTAL FINANCIAL INCOME AND EXPENSES	(580)	(1,020)	440

Net financial expenses amounted to Euro 0.6 million, improving on Euro 1 million in 2020, mainly due to changes in provision discounting rates. "Other financial expenses" mainly comprise the costs for the SACE guarantee for the loans drawn down in 2020 by the Parent Company.

25. Income taxes

The following table shows income taxes for the year for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Current income taxes	50	(340)	390
Deferred tax (assets) and liabilities	(2,282)	(4,484)	2,202
TOTAL INCOME TAXES FOR THE YEAR	(2,232)	(4,824)	2,592
% current taxes on results before taxes	n.a.	n.a.	n.a.
% income taxes for the year on results before taxes	n.a.	n.a.	n.a.

Income taxes are a positive component of the income statement at Euro 2.2 million (Euro 4.8 million in the previous year) due mainly to the estimated deferred tax assets in relation to the tax losses.

<i>IRES effective/theoretical Tax Rate Reconciliation</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Pre-tax result	(8,949)	(18,414)	9,465
Ordinary tax rate	24%	24%	0.00%
Ires surtax	3.5%	3.5%	0.00%
Theoretical tax charge / (recovery) 24%	(2,148)	(4,419)	2,271
Effect of increases and decrease to the ordinary rate			
Provisions deductible in future years	991	854	137
Costs deductible in future years	3,135	2,909	226
Other non-deductible costs	924	839	85
Utilisation provisions deductible in future years	(264)	(1,570)	1,306
Costs not deductible in previous years	(2,810)	(2,883)	73
Other differences	(1,701)	(1,734)	33
IAS deferred tax assets / liabilities	(245)	(195)	(50)
Total increase/decrease	30	(1,780)	1,810
Assessable income	(8,919)	(20,194)	11,275
IRES deferred tax assets on tax loss 24%	(2,141)	(4,847)	2,706
Effective IRES rate	23.92%	26.32%	-2.4%

The breakdown of current income taxes is illustrated below:

<i>Breakdown of current taxes for the year</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Ires surtax	2	0	2
IRAP	30	12	18
Prior year taxes	18	(352)	370
TOTAL	50	(340)	390

“Prior year taxes” essentially regards the reversal of amounts due from the tax authorities, for “energy upgrading” investments made by the Parent Company, for the non-deductible portion accruing to the year, taking account of the tax loss reported for the year.

26. Related party transactions

For the definition of “Related Parties”, reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.

Intercompany transactions are carried out within the scope of ordinary operations and at normal market conditions. Related party transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation. None of these have particular economic or strategic significance for the company as they do not account for a significant percentage of the total financial statement amounts.

The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the company with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.

Reference should be made to Note 26 of the Parent Company financial statements with regards to transactions with subsidiaries, while the following paragraph reports transactions with other related parties.

Related party transactions

In 2021, the Parent Company undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Autostrade spa: under the lease agreement valid until December 31, 2024 of land for parking use, the Parent Company recognised a leasing asset for a net value of Euro 232 thousand at December 31, 2021 (Euro 311 thousand at December 31, 2020) in addition to current leasing liabilities for Euro 70 thousand and non-current for Euro 142 thousand (respectively Euro 141 thousand and Euro 87 thousand at December 31, 2020). Depreciation costs on leased land for Euro 78 thousand is substantially unchanged on the previous year. The Parent Company finally recognised in previous years a provision for contractual charges of Euro 43 thousand for land restoration commitments on conclusion of the contract;
- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 82 thousand compared with Euro 55 thousand in 2020. Trade payables were recognised for Euro 45 thousand (Euro 17 thousand at December 31, 2020);
- Autostrade Tech: under the facilities maintenance contract mentioned in the previous point, the Parent Company incurred costs of Euro 16 thousand (Euro 15 thousand in 2020) and reported trade payables of Euro 4 thousand (Euro 2 thousand at December 31, 2020);
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, the Parent Company incurred costs of Euro 9 thousand and reported trade payables of Euro 11 thousand at December 31, 2020 (Euro 9 thousand at December 2020).

27. Commitments and risks

Environmental investment commitments

The Parent Company, through the Regional Agreement for a Low-Carbon Airport, signed with regional authorities in 2015 and updated in January 2020, has committed to perform work with a maximum total cost of Euro 9.3 million. These investments will be carried out over a period consistent with the timeframe for implementation of the airport Master Plan.

June 2021 saw the completion of the executive design of the wooded strip and bike path scheduled for completion to the north of the airport by the end of 2023. This is the main work of environmental compensation, consisting of a wooded area of about 40 hectares and a bike path of about 3.5KM in length that will connect the Bargellino area with the village of Lippo di Calderara di Reno.

Types and management of other risks

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 bis, reference should be made to the specific section of the Directors' Report, also with regards to the comment upon the other risks to which the Group is subject.

28. Law 124/2017 Article 1, paragraphs 125-129 - Transparency of public disbursements

In 2021, the Group utilised "State Aid", availing of the grants for economic operators as per Article 1, Legislative Decree No. 41/2021 ("Supports Decree") and of automatic grants as per Article 1, paragraphs 1-4 of Legislative Decree No. 73/2021 ("Supports Decree Bis") for a total of Euro 103 thousand, in addition to Euro 16.5 thousand as grant in the form of a tax credit on sanitising and PPE expenses, as per Article 32 of Legislative Decree No. 73/2021.

For further details and with regards to other "State Aid" received, reference should be made to the National Registry for State Aid website, as per Article 52 of Law No. 234 of December 24, 2012.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to year end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at December 31.

Reference should be made to the Directors' Report for further information on the business outlook.

The Chairperson of the Board of Directors
(Enrico Postacchini)

Bologna, March 14, 2022

Declaration on the consolidated financial statements as per Article 154-bis, paragraph 5, CFA

1. The undersigned Nazareno Ventola, as Chief Executive Officer, and Patrizia Muffato, as Executive Officer for Financial Reporting, of Aeroporto Guglielmo Marconi di Bologna S.p.A., declare, also in consideration of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998:
 - the accuracy of the information on company operations and
 - of the administrative and accounting procedures for the preparation of the consolidated financial statements for the year ended December 31, 2021.
2. The valuation of the adequacy of the accounting and administrative procedures for the preparation of the consolidated financial statements at December 31, 2021, is based on a process defined by Aeroporto Guglielmo Marconi di Bologna S.p.A., in accordance with the Internal Control Integrated Framework defined by the Committee of the Sponsoring Organisations of the Treadway Commission, which represents the benchmark standard generally accepted at international level.
3. We also declare that:
 - 3.1 - the Consolidated Financial Statements as at December 31, 2021:
 - a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
 - b) correspond to the underlying accounting documents and records;
 - c) provide a true and fair view of the financial position, financial performance and cash flow of the Issuer and of the other companies in the consolidation scope.
 - 3.2 The Directors' Report includes a reliable analysis on the performance and operating result as well as on the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Bologna, March 14, 2022

Chief Executive Officer

Nazareno Ventola



**Officer in charge of preparing
the corporate accounting documents**

Patrizia Muffato





Aeroporto Guglielmo Marconi di Bologna S.p.A.

Consolidated financial statements as at December 31, 2021

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated January 27, 2010, and
article 10 of EU Regulation n. 537/2014

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholders of
Aeroporto Guglielmo Marconi di Bologna S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. (the "Company") and its subsidiaries (the "Group" or "Aeroporto Guglielmo Marconi di Bologna Group"), which comprise the statement of financial position as at December 31, 2021, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Aeroporto Guglielmo Marconi di Bologna S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Response
<p>Impairment test following the impacts deriving from the Covid-19 pandemic on the Group's business</p> <p>The performance of the Aeroporto Guglielmo Marconi di Bologna Group for the 2021 fiscal year was heavily influenced by the restrictions on air traffic for the purpose of containing the Covid-19 pandemic. Overall passenger volume transiting through the Bologna airport during 2021 registered an increase of 63.7% with respect to 2020, but the decrease compared to 2019 pre-Covid is still significant (-56.4%). The reduction in traffic and the contraction in revenues of the Group as impacted by the restrictions imposed by the Covid-19 pandemic represent an indicator of impairment in accordance with IAS 36.</p> <p>In consideration of the significance of the impacts deriving from events described above, we considered that this aspect represents a key audit matter.</p> <p>The disclosures relating to the impairment test are included in note 1. "Intangible assets". The disclosures relating to Covid-19 impacts on the fiscal year 2021 are included in section "Accounting Standards adopted for the preparation of the Consolidated Financial Statements for the year ended December 31, 2021" under paragraph "Impacts of the Covid-19 pandemic and going concern".</p>	<p>Our audit procedures performed in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none"> • assessment of the valuation methodologies adopted by the Group; • analysis of the assumptions underlying the preparation the financial and economic plan made by the Group; • analysis of the consistency of the assumptions in the context of the macroeconomic environment; • discussions with management regarding the manner of construction of the impairment test model; • testing the consistency of the of the discount rate applied (WACC). <p>In performing our audit procedures, we also involved our valuation specialists who performed and independent calculation and carried out a sensitivity analysis of the key assumptions for the purpose of determining changes in assumptions that could significantly impact the determination of the recoverable amount.</p> <p>Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the Key Audit Matter.</p>
<p>Valuation of the provision for renewal of airport infrastructure</p> <p>The provision for renewal of airport infrastructure (the "Provision") accounted for in the consolidated financial statements as of December 31, 2021 amounts to Euro 11.8 million and includes accruals for non-recurring maintenance expenses, as well as estimated future costs for restoration and replacement of assets under concession that the Group plans to incur in accordance with the current concession agreements.</p>	<p>Our audit procedures performed in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none"> • assessment of the process and key internal controls implemented by the Group; • understanding of the concession agreement from which the obligation arises;

The processes and methodologies applied to evaluate and determine such estimated future costs are based on complex assumptions that, due to their nature, imply the use of management's judgment, in particular with reference to the nature, timing and amount of the maintenance costs, including the relevant financial component applied based on the timing of such maintenance services.

Considering the judgment required by management in order to evaluate the nature, timing and amount of such maintenance services, we believe that the valuation of the provision for renewal of airport infrastructure represents a key audit matter.

The disclosures relating to the valuation of the provision for renewal of airport infrastructure are included in section "Accounting policies" under paragraph "Provisions for risks and charges", as well as in notes 15. "Provision for renewal of airport infrastructure (non-current and current)".

- analysis of the supporting report prepared by the Group's technical departments;
- test of details on a sample of Provision's utilizations accounted for during the fiscal year;
- assessment of the key changes to the amount of the Provision as compared to the prior year;
- a critical analysis of the assumptions underlying the calculation of the Provision as well as the consistency of such with the 2022-2026 business plan approved by the Directors;
- testing the reasonableness of the discount rate used and the mathematical accuracy of the accrued Provision.

Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the Key Audit Matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing

(ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by international standards on auditing (ISA Italia), regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Aeroporto Guglielmo Marconi di Bologna S.p.A., in the general meeting held on May 20, 2015, engaged us to perform the audits of the financial statements and the consolidated financial statements for each of the years ending December 31, 2015 to December 31, 2023.

We declare that we have not provided prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the “Delegated Regulation”) to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation of the Directors’ Report and of the Report on Corporate Governance and Ownership Structure of Aeroporto Guglielmo Marconi di Bologna Group as at December 31, 2021, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Directors’ Report and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna Group as at December 31, 2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Directors' Report and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna Group as at December 31, 2021 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation on voluntary basis of the non-financial information pursuant to article 7 of Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information is subject to a separate compliance report signed by us.

Bologna, March 31, 2022

EY S.p.A.

Signed by: Alberto Rosa, Auditor

As disclosed by the Directors on page 2, the accompanying consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Financial Statements for the year ended December 31, 2021

Statement of Financial Position
Income Statement
Statement of Comprehensive Income
Cash Flow Statement
Statement of Changes in Shareholders' Equity

Statement of Financial Position

<i>in units of Euro</i>	Note	As at 31.12.2021	As at 31.12.2020
Concession rights		194,754,612	193,676,872
Other intangible assets		913,916	1,560,895
Intangible assets	1	195,668,528	195,237,767
Land, property, plant and equipment		10,985,216	12,321,496
Investment property		4,732,016	4,732,016
Tangible assets	2	15,717,232	17,053,512
Investments	3	3,189,098	3,189,098
Other non-current financial assets	4	12,259,914	11,915,476
Deferred tax assets	5	12,807,321	10,428,260
Other non-current assets	6	169,328	231,546
Other non-current assets		28,425,661	25,764,380
NON-CURRENT ASSETS		239,811,421	238,055,659
Inventories	7	694,423	649,213
Trade receivables	8	19,590,124	5,687,761
Other current assets	9	5,376,609	3,643,056
Current financial assets	10	0	274,630
Cash and cash equivalents	11	21,972,457	37,990,527
CURRENT ASSETS		47,633,613	48,245,187
TOTAL ASSETS		287,445,034	286,300,846

<i>in units of Euro</i>	Note	As at 31.12.2021	As at 31.12.2020
Share capital		90,314,162	90,314,162
Reserves		69,583,556	83,567,481
Loss for the year		(7,542,354)	(13,963,341)
TOTAL SHAREHOLDERS' EQUITY	12	152,355,364	159,918,302
Severance and other personnel provisions	13	3,474,412	3,863,789
Deferred tax liabilities	14	2,080,175	2,072,521
Provision for renewal of airport infrastructure	15	10,008,996	10,138,656
Provisions for risks and charges	16	1,390,231	1,239,889
Non-current financial liabilities	17	61,819,269	67,562,298
Other non-current liabilities		55,490	40,539
NON-CURRENT LIABILITIES		78,828,573	84,917,692
Trade payables	18	18,643,390	12,859,707
Other liabilities	19	28,671,560	23,054,503
Provision for renewal of airport infrastructure	15	1,556,266	1,538,000
Provisions for risks and charges		0	0
Current financial liabilities	17	7,389,881	4,012,642
CURRENT LIABILITIES		56,261,097	41,464,852
TOTAL LIABILITIES		135,089,670	126,382,544
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		287,445,034	286,300,846

Income Statement

<i>in units of Euro</i>	Note	for the year ended	for the year ended
		31.12.2021	31.12.2020
Revenues from aeronautical services		25,396,113	18,208,332
Revenues from non-aeronautical services		19,381,987	14,963,815
Revenues from construction services		8,050,779	29,376,924
Other operating revenues and income		736,054	1,185,135
Revenues	20	53,564,933	63,734,206
Consumables and goods		(878,500)	(915,196)
Service costs		(14,479,528)	(14,118,242)
Construction service costs		(7,667,409)	(27,978,023)
Leases, rentals and other costs		(4,491,232)	(3,345,619)
Other operating expenses		(3,096,288)	(2,898,095)
Personnel costs		(20,742,879)	(19,193,646)
Costs	21	(51,355,836)	(68,448,821)
Amortisation/impairment of Concession Rights		(7,255,273)	(6,497,873)
Amortisation of other intangible assets		(880,954)	(1,396,726)
Depreciation of tangible assets		(2,148,537)	(2,447,400)
Depreciation, amortisation and impairment	22	(10,284,764)	(10,341,999)
Provisions for doubtful accounts		(493,451)	(502,040)
Provision for renewal of airport infrastructure		(646,428)	(2,309,052)
Provisions for other risks and charges		(200,344)	(2,164)
Provisions for risks and charges	23	(1,340,223)	(2,813,256)
Total Costs		(62,980,823)	(81,604,076)
Operating result		(9,415,890)	(17,869,870)
Financial income	24	477,010	167,420
Financial expenses	24	(1,063,712)	(1,192,280)
Result before taxes		(10,002,592)	(18,894,730)
Taxes for the year	25	2,460,238	4,931,389
Loss for the year		(7,542,354)	(13,963,341)
Undiluted earnings/(loss) per share (in Euro)		(0.21)	(0.39)
Diluted earnings/(loss) per share (in Euro)		(0.21)	(0.39)

Comprehensive Income Statement

<i>in units of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020
Loss for the year (A)	(7,542,354)	(13,963,341)
<i>Other profits (losses) that will be reclassified in the net result for the year</i>	0	0
<i>Total other profits (losses) that will be reclassified in the net result for the year (B1)</i>	0	0
<i>Other profits (losses) that will not be reclassified in the net result for the year</i>		
Actuarial losses on severance and other personnel provisions	(26,118)	(59,980)
Tax impact on actuarial profits on severance and other personnel provisions	5,532	14,812
<i>Total other losses that will not be reclassified in the net result for the year (B2)</i>	(20,586)	(45,168)
Total other losses, net of taxes (B1 + B2) = B	(20,586)	(45,168)
Total losses, net of taxes (A + B)	(7,562,939)	(14,008,509)

Cash Flow Statement

<i>in units of Euro</i>	As at 31.12.2021	As at 31.12.2020
Core income-generating operations		
Result for the year before taxes	(10,002,592)	(18,894,730)
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(383,370)	(1,398,901)
+ Depreciation and amortisation	10,284,764	10,341,999
+ Provisions	1,340,223	2,813,256
+ Interest expense (income) on discounting and severance provisions	(438,180)	456,217
+/- Interest income and financial expenses	1,024,882	568,643
+/- Losses/gains and other non-monetary costs/revenues	506,937	(169,956)
+/- Severance provisions and other personnel costs	92,967	122,513
Cash flow generated/(absorbed) by operating activities before changes in working capital	2,425,631	(6,160,959)
Change in inventories	(45,210)	(63,564)
(Increase)/decrease in trade receivables	(14,543,204)	9,844,376
(Increase)/decrease in other receivables and current/non-current assets	(1,541,948)	2,128,782
Increase/(decrease) in trade payables	5,783,682	(5,190,698)
Increase/(decrease) in other liabilities, various and financial	6,065,451	(6,628,121)
Interest paid	(1,257,536)	(810,368)
Interest collected	1,925	76,827
Taxes paid	0	(2,231,466)
Severance and other personnel provisions paid	(527,832)	(232,947)
Use of provisions	(784,605)	(5,889,955)
Cash flow generated / (absorbed) by net operating activities	(4,423,645)	(15,158,093)
Purchase tangible assets	(418,639)	(857,800)
Payment from sale of tangible assets	0	0
Purchases of intangible assets/concession rights	(8,468,617)	(27,520,277)
Payment from sale of tangible assets	0	0
Purchase/capital increase of equity investments	0	0
Payment from sale of equity investments	0	0
Changes in current and non-current financial assets	273,980	(362,696)
Cash flow generated / (absorbed) by investment activities	(8,613,277)	(28,740,773)
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	0
Loans received	0	63,900,000
Loans repaid	(2,555,556)	(6,277,778)
Payments of leasing capital share	(425,592)	(341,897)
Cash flow generated / (absorbed) by financing activities	(2,981,148)	57,280,325
Final cash change	(16,018,070)	13,381,459
Cash and cash equivalents at beginning of year	37,990,527	24,609,068
Final cash change	(16,018,070)	13,381,459
Cash and cash equivalents at end of the year	21,972,457	37,990,527

Statement of changes in Shareholders' Equity

<i>in units of Euro</i>	<i>Share capital</i>	<i>Share Premium Reserve</i>	<i>Legal Reserve</i>	<i>Other Reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profit (losses) carried forward</i>	<i>Profit (loss) for the year</i>	<i>Shareholders' Equity</i>
Shareholders' Equity at 31.12.2019	90,314,162	25,683,134	7,030,673	32,970,465	(3,205,671)	(925,489)	1,991,758	20,067,779	173,926,812
Allocation of the 2019 financial year result	0	0	1,003,389	19,064,390	0	0	0	(20,067,779)	0
Share Capital Increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(45,168)	0	(13,963,341)	(14,008,509)
Shareholders' Equity at 31.12.2020	90,314,162	25,683,134	8,034,062	52,034,855	(3,205,671)	(970,657)	1,991,758	(13,963,341)	159,918,302
Allocation of the 2020 financial year result	0	0	0	0	0	0	(13,963,341)	13,963,341	0
Share Capital Increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(20,586)	0	(7,542,354)	(7,562,940)
Shareholders' Equity at 31.12.2021	90,314,162	25,683,134	8,034,062	52,034,855	(3,205,671)	(991,243)	(11,971,583)	(7,542,354)	152,355,364

Notes to the Financial Statements for the year ended December 31, 2021

Information on the Company's business

Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter "AdB" or the "Company") is full manager of Bologna airport under Full Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004 and expiry in December 2046 following the extension of two years in accordance with Law No. 77 of July 17, 2020, which converted Article 102, paragraph 1-bis of Law Decree No. 34 of May 19, (Relaunch Decree) in order to contain the economic effects of the COVID-19 emergency. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register.

Accounting Standards adopted for the preparation of the Financial Statements for the year ended December 31, 2021

Basis of preparation

These financial statements of the company concern the year ended December 31, 2021 and include the comparative figures for the year ended December 31, 2020 (hereafter "the financial statements of the company", "separate financial statements" or "financial statements").

The financial statements were prepared under the historic cost convention, except for financial assets held-for-sale, and Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle.

Impacts of the Covid-19 pandemic and going concern

As outlined in the Directors' Report, the Company's performance for the second consecutive year was heavily impacted by the crisis stemming from the multiple outbreaks of the COVID-19 pandemic; 2021 in fact began in a similar vein to the end of 2020, although the vaccination campaigns have been a key factor for a global recovery, together with the introduction of the Europe-wide Green Pass. The recovery in traffic volumes emerged in June. The second and third quarters in fact report over 1.6 million passengers more than the same period of 2020, although in December - due to the further infection wave from the Omicron variant and the consequent reinstatement of a number of movement restrictions - traffic slowed. Passenger traffic overall of Bologna airport was up 63.7% on 2020, although the decrease compared to 2019 pre-COVID was still very significant (-56.4%).

Given the recovery in traffic (although fluctuating), considering the Italian and European support measures, as outlined in greater detail below, and taking account of all information currently available regarding the future, the Company believes that there are no significant uncertainties (as defined in paragraph 25 of IAS 1) regarding its ability to continue as a going concern, as the measures already put in place and those being implemented will enable it to overcome this crisis in the medium term. Although the scale and impact of the crisis has been disruptive, it must in any event be considered exceptional and temporary in nature. The 2021 results, although reporting a loss, reflect the recovery in train, which is hoped shall not be compromised by the shadows being cast on the future by the conflict in Ukraine.

AdB based its going concern assessment on several elements set out in greater detail below and took into account the existing and reasonably anticipated effects of the epidemic on all business activities.

The information on the future at the date of approval of this document are:

- the 2022-2026 business plan, approved by the Company's Board of Directors on February 7, 2022, whose traffic growth forecasts over the time horizon are based on leading industry studies. AdB confirms the reasonableness of these estimates, based on traffic, revenue, cost and investment forecasts updated to the presentation date of these financial statements, sourced from the most recent information available;

- the post-COVID-19 infrastructure development strategy: the 2021-2030 Masterplan approved by ENAC in February 2021 provides for the phased introduction of a series of infrastructure development measures in line with traffic growth and full sustainability;
- sector support measures, such as exceptional wage subsidies for employees (Exceptional Temporary Lay-Off Scheme) from March 22 until December 26, 2021 and the introduction of the Extraordinary Temporary Lay-Off Scheme for a maximum period of 12 months (February 1, 2022 - January 30, 2023), on a flexible basis in view of the evolution of the pandemic and consequent air traffic movements;
- one of the most important sector support measures is undoubtedly the COVID-19 damage compensation fund (Article 128-bis of the 2021 Budget Law and Legislative Decree No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021) totalling Euro 800 million, of which Euro 735 million for airport operators and Euro 65 million for ground handling companies. At the end of July 2021, the European Commission approved this financial support in accordance with EU state aid rules, and on December 28, 2021 the Enacting Decree (Decree of the Ministry of Infrastructure and Sustainable Mobility of November 25, 2021) was published in the Official Gazette, setting a deadline of January 27, 2022 for the submission of applications for access to the fund. AdB submitted its application by the deadline;
- the signing on December 16, 2021 of an EIB loan (European Investment Bank) up to a maximum amount of Euro 90 million to support infrastructural development plans, in addition to the liquidity held at December 31, 2021 and the credit line available, which is currently unutilised, of Euro 5 million ensure the Company's financial solidity, also in view of the crisis situation and the highly restricted traffic numbers due to the COVID-19 pandemic also in the coming years, even if to a lesser extent;
- further action that can be taken to preserve liquidity (e.g. further investment plan adjustments).

In summary, the Company believes that measures outlined above, as well as its financial solidity will allow it to overcome the current crisis and meet Adb's existing financial, contractual and concession obligations.

For further information on risk factors, assumptions and uncertainties, please refer to the relevant paragraph in the Directors' Report.

The financial statements are presented in Euro, which is also the company functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

Compliance with IAS/IFRS and the enacting provisions of Article 9 of Legislative Decree 38/2005

These financial statements were prepared in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") endorsed by the European Union and in force at the preparation date of the financial statements, in addition to the provisions issued in enactment of Article 9 of Legislative Decree 38/2005 (Consob Motions No. 15519 and 15520 of July 27, 2006).

In 2014, the Company voluntarily opted to prepare the consolidated financial statements and the separate financial statements in accordance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The accounting standards and policies utilised are those adopted for the preparation of the annual financial statements at December 31, 2020 with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2021, applied for the first time by the Company at the obligatory effective date and summarised in this document in the paragraph “Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Company”.

The Company has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The publication of the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. for the year ended December 31, 2021 was approved by the Board of Directors on March 14, 2022.

Content and form of the Financial Statements

The company opted to apply the Separate and Comprehensive Income Statements, as permitted by IAS 1, considering such more representative of operations.

In particular, the Statement of Financial Position has been prepared by separating assets and liabilities into current and non-current categories.

An asset is current when:

- it is expected to be realised, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held principally for trading;
- it is expected to be realised within twelve months from the reporting date;
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from year-end.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it must be settled within twelve months of the closing date of the year or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of year-end.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Income Statement has been prepared by classifying income and expenses by their nature, whereas the Cash Flow Statement has been prepared using the indirect method, according to which cash flows are classified into operating, investing and financing categories.

Information upon investments in subsidiaries and associates

The information at December 31, 2021 and 2020 concerning the name, Share Capital and percentage holding in the subsidiaries is provided below:

in thousands of Euro	Currency	Share capital	% Held	
			As at 31.12.2021	As at 31.12.2020
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	Euro	316	100.00%	100.00%

Accounting policies

Business combinations and goodwill

Business combinations are recognised using the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For every business combination, the company decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

When the company acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any gain or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability must be recorded in the income statement or in the statement of comprehensive income. Where the potential payment is not within the scope of IAS 39, the amount is measured in accordance with the appropriate IFRS. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

The goodwill is initially recorded at cost represented by the excess of the total consideration paid and the amount recognised for the minority interest holdings compared to the net identifiable assets acquired and liabilities assumed by the company. If the fair value of the net assets acquired exceeds the total consideration paid, the company again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement.

After its initial recognition, goodwill is measured at cost net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination must be allocated, from the acquisition date, to each of the company's cash-generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units. If the goodwill is allocated to a cash generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Investments in subsidiaries, associates and joint ventures

A subsidiary is a company over which control may be exercised.

This occurs when and only when it has:

- power over the investment entity (or holds valid rights which confer it the current capacity to control the significant activities of the investment entity);
- exposure or rights to variable returns deriving from involvement with the investment entity;
- the capacity to exercise its power on the investment entity to affect its income streams.

When a company holds less than the majority of the voting rights (or similar rights) of an investee, it should consider all the facts and significant circumstances to establish whether control of the investment entity exists, including:

- Contractual agreements with other holders of voting rights;
- Rights deriving from contractual agreements;
- voting rights and potential voting rights.

The company reconsiders if it has control of an investee and if the facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control.

The investments of the company in subsidiaries are valued at cost, adjusted in the case of impairment.

An associated company is one in which the company exercises significant influence and is not classifiable as a subsidiary or joint venture.

The investments of the company in associates are valued at cost, adjusted in the case of impairment.

Conversion of accounts in foreign currencies

Transactions and balances

Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.

Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. The profits and losses deriving from the conversion are recorded in the income statement.

Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. The non-monetary accounts recorded at fair value in foreign currencies are converted using the exchange rate at the date the value was determined. The profit or loss deriving from the translation of non-monetary items is treated in line with the recognition of the profit or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes is recorded in the statement of comprehensive income or in the income statement are recorded, respectively in the statement of comprehensive income or in the income statement).

Intangible assets

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.

The useful life of the intangible assets is measured as finite or indefinite.

Intangible assets with a definite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.

The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.

The amortisation of definite intangible assets is recorded in the income statement.

The company has not identified intangible assets with indefinite useful lives.

The useful life of an intangible asset deriving from contractual rights or other legal rights is determined on the basis of the lower between the duration of the contractual or legal rights (concession duration) and the utilisation period of the asset. The recoverability of the carrying value less amortisation is verified annually adopting the impairment test criteria.

The gains and losses deriving from the elimination of an intangible asset are measured as the difference between the net sales proceeds and the book value of the intangible asset, and are recorded in the income statement in the year in which they are eliminated.

“Concession rights” refer to the amount recognised under intangible assets against the airport infrastructure assets held in relation to the concession rights acquired for the management of the infrastructures which permits the right to charge for the utilisation of such infrastructure, in execution of a public service, in accordance with the provisions of IFRIC 12 – Service Concession Arrangements.

The Concession under which the company operates meets the requirement that the concession holder must construct and operate the infrastructure on the grantor's behalf. Accordingly, the Group may not recognise it among tangible assets.

The Company contracts with third parties responsible for constructing and improving the infrastructure. Accordingly, the increases in “Concession rights” are at cost, equal to the fair value of the fees for the construction/improvement services rendered by the company and the fair value of the fees for the construction/improvement service rendered by third parties, plus a mark-up representative of the internal costs of planning and coordination of the work by a specific internal unit.

The external costs incurred to provide construction service are therefore recognised under the item “Construction service costs” of the income statement.

Together with these costs, the company also recognises an increase in the item “Concession rights” equal to the fair value of the service rendered, with a balancing entry to the item “Revenues from Construction services”.

The resulting concession rights are amortised on a straight-line basis over the term of the concession, starting when the asset constructed on the grantor's behalf becomes operational.

In accordance with Article 703 of the Navigation Code (Article 15-quinquies, paragraph 1, Legislative Decree No. 148 of October 16, 2017, converted with amendments by Law No. 172 of December 4, 2017), AdB, as an airport manager, shall receive on conclusion of the concession from the succeeding party, a fee equal to the residual value, where positive (Terminal Value) of the investments made on the concession areas, net of amortisation and depreciation, calculated according to the regulatory accounting rules. During 2019, the Parent Company undertook various analyses on the Terminal Value regulation both from a legal and accounting viewpoint, following which it applied this regulation from the 2019 annual financial statements.

The Receivables from Terminal Value is recorded for the portion of fees from construction/improvement services provided by the company regarding the investments which shall have a Terminal Value at concession conclusion, calculated according to the regulatory accounting rules. The Terminal Value is discounted and recognised to non-current financial assets. With regards to the concession rights recognised at December 31, 2018 and which shall have a Terminal Value on the expiry of the concession, this amount remains within the “concession rights” category of intangible assets, although does not enter into the amortisation schedule to coincide at December 31, 2046 with the residual book value of the concession rights.

The Terminal Value rule is applicable also to interventions on the provisions for renewal, while calculated according to the regulatory accounting rules. This Terminal Value is an integration to the performance obligation fee, as per IFRS 15, concerning the concession contract. Consequently, non-current financial assets are recorded, with counter-entry to Other revenues and income in the income statement. Subsequent to the initial recognition, the Terminal Value receivable is valued at amortised cost on the basis of a “Hold to Collect” business model. For further details, reference should be made to the accounting policies for financial assets. With regards to the Terminal Value receivable, this is subject to an impairment test as per IFRS 9, taking account of the default risk of the State counterparty.

“Software, licences and similar rights” primarily refers to the costs of implementing and customising management software and of purchasing software licences, amortised at a rate of 33%.

Tangible assets

Tangible assets are initially recognised at purchase price or construction cost and includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service.

Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life.

Tangible fixed assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life. Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

The depreciation rates used are as follows:

- Buildings and light construction: from 3% to 10%;
- Machinery, equipment and plant: from 10% to 31.5%;
- Furnishings, office machines and vehicles: from 12% to 25%.

The residual value of the asset, useful life and the methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

Losses in value are charged to the income statement under depreciation costs. Such losses are restated when the reasons for their write-down no longer exist.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale’s price and book value) is charged to the income statement in the year of its elimination.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Investment property

The company classifies land purchased for the execution of future real-estate investments to be defined as investment property.

Such land is initially recognised at purchase cost and then measured at cost.

The items of tangible assets in question are not subject to depreciation because they refer to land. The company uses technical appraisals to monitor the fair value of the property in question in order to determine whether it has become impaired.

Investment properties are eliminated from the financial statement when they are sold or when they are unusable on a long-term basis and no future economic benefits are expected from their sale. Any profits or losses due to the retirement or disposal an investment property are recognised in the income statement when the property is retired or disposed of.

Impairment of non-financial assets

The carrying amount of non-financial assets undergo an impairment test whenever there are signs internal or external to the entity which indicate the possibility of a loss in value of the assets or group of assets (defined as the Cash Generating Unit or CGU).

The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets.

If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Company at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset. In determining the fair value less selling costs, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.

At each reporting date, the company evaluates, in relation to the assets other than goodwill, the existence of indicators of a reduction in the loss of value previously recorded and, where these indicators exist, makes an estimate of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation profit.

The following criteria are utilised for the recording of impairments on specific categories of assets:

Concession rights

The company undertakes an impairment test on Concession rights annually at the year-end close or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value (whenever impairment indicators arise).

The loss in value on such intangible assets is determined through a valuation of the recoverable value of the cash generating unit (or group of units) to which they relate. When the recoverable value of the cash generating unit (or group of units) is lower than the carrying value of the cash generating unit (or group of cash-generating units) to which the intangible assets are allocated, a loss in value is recognised.

For impairment testing purposes, the company has identified a single CGU (cash generating unit), which coincides with the entity Aeroporto G. Marconi di Bologna S.p.A..

The impairment test compares the carrying amount of the asset or of the cash generating unit (CGU) with the recoverable value of the asset, arising from the higher between the fair value (net of selling costs) and the value of the net discounted cash flows which are expected to arise from the asset or from the CGU.

Each unit or Group of units to which the intangible asset is allocated represents the lowest level within the group to which the goodwill is monitored at internal management level.

The conditions and the methods for any write-back of an asset previously written down applied by the company, excluding in any case any recovery in the value of goodwill, are those as per IAS 36.

Financial assets

IFRS 9 provides for a single approach for the analysis and classification of all financial assets, including those contained in embedded derivatives. The classification and the relative measurement is made considering both the management model of the financial assets and the contractual characteristics of the cash flows from the asset.

The financial asset is measured using the amortised cost method where both of the following conditions are satisfied:

- the management model of the financial asset consists of holding the asset with the sole purpose of collecting the relative cash flows; and
- the financial asset generates, at pre-determined contractual dates, cash flows exclusively representative of the return from the financial asset and repayment of capital.

The financial asset is measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset in order to obtain the contractual cash flows or to sell the asset.

Finally, there is the residual category of financial assets measured at fair value with recognition of the effects through the income statement, which includes assets held for trading.

A financial asset which satisfies the requirements to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value, with recognition through the income statement, if this accounting treatment permits the elimination or significant reduction of the asymmetry in the measurement or recognition (so-called "accounting mismatch"), which would otherwise arise from the measurement of the asset or liability or from the recognition of the relative profits or losses on a different basis.

In addition, in the case of investments in equity instruments for which, therefore, it is not possible the recognition and measurement at amortised cost, where this concerns equity investments not held for trading purposes, but for strategic purposes, IFRS 9 provides that on initial recognition the entity may irrevocably choose to measure these at fair value, with recognition of any subsequent changes in the statement of comprehensive income without passing through profit or loss any gains or losses in the case of disposal.

Where the financial assets are only held for the company's temporary needs to invest liquidity in order to obtain the contractual cash flows these are classified in the category "Held to collect - HTC".

Where the financial assets meet the company's objective either to collect the contractual cash flows or the future sale these are classified in the category "Held to collect and sell – HTC&S".

The company does not hold and did not hold during the two-year period derivative financial instruments.

Loans and receivables

Loans, similar to trade receivables, are held until their collection at the contractual maturities and generate cash flows relating to the collection of the principal and interest. The company analysed the contractual cash flows of these instruments and concluded that they comply with the amortised cost measurement criteria in accordance with IFRS 9.

The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. Current trade receivables are not discounted as the effect of discounting the cash flows is immaterial. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is an impairment loss, also through the amortisation process.

Fair value

In the notes, the company discloses the fair value of financial instruments at amortised cost and non-financial assets, such as investment property.

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date.

Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

- (a) in the principal market of the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Company.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or of selling to another market operator that would utilise the asset to its maximum or best use.

The Company utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- ▶ Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- ▶ Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- ▶ Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same hierarchical level of the fair value in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements on a recurring basis, the company assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

Impairment of financial assets

IFRS 9 defines a new impairment model of financial assets, with the objective to provide useful information to the readers of the financial statements in relation to expected losses. In particular, the model requires verification and recognition of any expected losses at any time over the life of the instrument and the updating of the expected losses at each reporting date to reflect the changes in the credit risk of the instrument; therefore, it is no longer necessary that a particular event arises (“trigger event”) in order to verify and recognise losses on receivables.

The impairment test must be applied to all financial instruments, with the exception of those measured at fair value with recognition through the income statement.

The company applies the simplified Provision Matrix approach and recognises the expected losses on all trade receivables based on the residual duration, defining a matrix for the provision based on the historical experience relating to the losses on receivables, adjusted to take into account specific forecast factors relating to the creditors and the economic environment (Expected Credit Loss – ECL concept).

The book value of the asset is reduced through the use of a provision and the amount of the loss recognised in the income statement.

Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

Derecognition of financial assets

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the balance sheet) when:

- the rights to receive cash flows from the asset are extinguished, or
- the company has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Non-current assets held-for-sale and discontinued operations

Non-current assets classified as held-for-sale are measured at the lower of their carrying value and the fair value less selling costs. They are classified as such if the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions. Management must be committed to the sale, whose completion must be expected within one year from the date of the classification.

In the income statement and the previous year comparative period, the profits and losses of discontinued operations must be classified separately from profits and losses from continuing operations, shown after taxes, even when the company maintains a minority interest in the subsidiary after the sale. The resulting profit or loss, after income taxes, is shown separately in the income statement.

Plant, property and equipment and intangible assets once classified as held-for-sale are no longer amortised or depreciated.

Construction and service contracts work-in-progress

Construction contracts work-in-progress are measured on the basis of the contractual payments matured with reasonable certainty in relation to the advancement of work under the percentage of completion method, determined through the measurement of work completed, to be attributed to the revenues and economic result of the contract to each year in proportion to the advancement of work. The positive or negative difference between the value of the completed portion of the contracts and that of the advances received is recognised in the statement of financial position, as an asset or liability, respectively, while also taking account of any impairment losses recognised due to risks associated with non-payment for work done on behalf of clients.

The contract revenues, in addition to the contractual payments, include the variances, price revisions and any claims up to the amount it is probable that they represent effective revenues that can be determined reliably.

If a project is expected to yield a loss, this loss is immediately recognised in full, regardless of the progress on the project.

Construction services for the grantor relating to the concession agreement to which the Company is a party are also recognised in the income statement according to the state of progress, i.e. the assessment of progress towards complete fulfilment of the obligation over time. In particular, construction and/or improvement revenue – which represents the consideration due for the services rendered – is measured at fair value, determined on the basis of the total costs incurred, consisting primarily of the costs of external services and the costs of benefits for employees engaged in the activities concerned.

The balancing entry for such construction service revenue is to a financial asset or airport concession taken to concession rights among intangible assets, as discussed in the relevant section.

Inventories

Inventories are recorded at the lower of purchase or production cost and realisable value represented by the amount that the company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method.

Cash and cash equivalents

Cash and cash equivalents include those values which are available on demand at short notice, certain in nature and with no payment expenses.

Employee benefits

The benefits guaranteed to employees paid on the conclusion of employment (leaving indemnity) or other long-term benefits (e. g. non-competitive agreements, long-term incentive plans) are recognised in the period the right matures.

The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method.

The amount not only reflects the payables matured at the financial statement date but also the future salary increases and related statistical data.

Revaluations, which include actuarial profits and losses, changes in the effect of the limit on the assets, not including net interest (not applicable to the company) and the return on plan assets (not including net interest) are recognised immediately in the statement of financial position by debiting or crediting profits/(losses) carried forward through other comprehensive income in the year in which they occur. Revaluations are not reclassified to the income statement in subsequent years.

The cost of employee service in prior periods is recognised in the income statement on the later of the following dates:

- (a) the date on which the plan is changed or reduced; and
- (b) the date on which the company recognises the related restructuring costs.

Net interest on the net defined-benefit liabilities/assets are calculated by multiplying the net asset/liability by the discount rate. The company recognises the following changes in the net defined-benefit obligation in the cost of goods sold, administrative expenses and selling and distribution costs in the income statement (by nature):

- Costs of employee service, inclusive of costs of both current and prior employee service, profits and losses on non-routine curtailments and settlements;
- Net interest income or charges.

Following the amendments to severance benefits introduced by Law No. 296 of December 27, 2006 (Finance Law 2007) and subsequent Decrees and Regulations, the severance benefits of Italian companies with more than 50 employees matured from January 1, 2007, or from the option date chosen by the employee, is included under defined contribution plans, both in the case of supplementary pension options and in the case of allocation to the INPS Treasury Fund. The severance benefits accrued until December 31, 2006 have been treated as defined-benefit.

The contributions to be paid into a defined-contribution plan in exchange for the employee service in question are treated both as a liability (account payable) after having deducted any contributions already paid, and as a cost.

Provisions for risks and charges

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present financial statement date.

The provisions are recorded when:

- (i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event;
- (ii) it is probable that compliance with the obligation will result in a charge;
- (iii) the amount of the obligation can be estimated reliably.

Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the reporting date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".

If the liability relates to a tangible fixed asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.

The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

Provision for renewal of airport infrastructure

In accordance with the obligations assumed under current agreements, the provision for renewal of airport infrastructure includes accruals relating to extraordinary maintenance, refurbishment and replacement to be undertaken at a future point in time to ensure that airport infrastructure remains duly functional and secure. Accruals to this provision are recognised according to the degree of use of the infrastructure, indirectly reflected in the expected date of replacement/renewal. The values recorded in this line item also take due account of a financial component, to be applied according to the intervals between the various renewal cycles, intended to ensure that the provisions set aside are adequate. The estimate of the provision for renewal of airport infrastructure therefore requires complex professional technical judgement, in particular in relation to the nature of the costs to be incurred, their amount and the timing of the expected interventions.

Trade payables and other non-financial liabilities

Short-term trade payables, which mature within the normal commercial terms, are recognised at cost (their nominal value) and are not discounted as the discounting of cash flows is insignificant.

The other non-financial liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability. After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).

Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Financial guarantee liabilities

Financial guarantee liabilities issued by the company are contracts which require a specific payment to reimburse the holder of a debt security against a loss incurred following non-compliance of the debtor in the payment at the scheduled contractual maturity date. Financial guarantee contracts are initially recognised as a liability at fair value, increased by the directly attributable transaction costs to the issue of the guarantee. After initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised, less accumulated amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the underlying obligation of the liability is extinguished, settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

Recognition of revenues

Revenues are recognised for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer and are calculated on the basis of the following five phases:

1. identification of the contract;
2. identification of the performance obligations present in the contract;
3. Establishment of the sales price;
4. Allocation of the transaction price to each of the performance obligations identified;
5. Recognition of the revenues on the satisfaction of the performance obligation.

These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

The Company has identified the following revenue streams:

1. Airport fees
2. Commercial/non-comm. sublicense/lease
3. Parking
4. Construction Services
5. Others.

Revenues are recorded net of returns, discounts and premiums and promotional charges directly related to the sales revenue, in addition to direct sales taxes.

Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.

Royalties are recorded based on the accruals principle in accordance with the contracts in force and as per IFRS 15.

As per IFRS 16, operating lease income whereby the Company acts as lessee is recognised on a straight-line basis over the lease term, and is recognised as revenues to the income statement given its operating nature. The initial brokering costs are added to the carrying amount of the leased asset and recognised over the duration of the contract, on the same basis as lease income. Variable fees or rents are recognised as revenue in the period in which they mature.

Interest income is recognised in accordance with the accruals principle, which takes into account the effective yield of the assets to which it refers.

Dividends are recorded when the shareholders have the right to receive them.

Recognition of costs and expenses

Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Interest expense is recognised in accordance with the accruals principle, which takes into account the effective yield of the liabilities to which it refers. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which requires a lengthy period before availability for use shall be capitalised as part of the cost of that asset.

Taxes for the year

Current income taxes

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the operational financial statements. Current income taxes relating to items recorded directly in equity are charged directly to shareholders' equity and not to the income statement. The Directors periodically assess the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.

In 2021, the National Tax Consolidation was renewed for 2021-2023, pursuant to Articles 117 to 129 of Presidential Decree No. 917 of December 26, 1986 (CFA), in which all Group companies have participated and which allows for IRES taxation at Group level. As of December 31, 2021, the companies FFM and TAG have an IRES payable to AdB arising from the profit of the subsidiaries.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present financial statements. The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

- the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- the reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal losses carried forwards, except:

- when deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for the purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- in the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient tax profits will be available in the future, so that some or all of the asset may be used. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent of the probability that the tax profit is sufficient to permit such deferred tax assets to be recovered.

Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realised or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements.

Deferred taxes concerning items recognised outside of the income statement are also recognised outside of the income statement and therefore to net equity or to the comprehensive income statement, in line with the item to which they refer.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes due to the same tax authority.

The fiscal benefits acquired following a business combination, but which do not satisfy the criteria for separate recognition at the acquisition date, may be recognised subsequently, when updated information is received on the facts and on the circumstances. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), where this is recorded during the measurement period, or in the income statement, if recorded subsequently.

The rates utilised for the calculation of deferred taxes, which reflect the expected rates on the basis of national legislation in force, are the following:

- IRES 24%
- IRAP 4.2% (in force for airport management companies)

Indirect taxes

Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the financial statements as receivables or payables.

Earnings per share

Undiluted

The earnings/(loss) per share is calculated by dividing the result of the company by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.

Diluted

The diluted earnings/(loss) per share is calculated by dividing the result of the company by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted in respect of the dilution potential of ordinary shares, while the profit or loss of the company is adjusted to take into account the effects, net of income taxes, of the conversion.

Dividends and distribution of assets other than Cash and Cash Equivalents

The company records a liability against the distribution to its shareholders of available liquidity or assets other than available liquidity when the distribution is appropriately authorised and is no longer at the discretion of the company. Based on company law in Europe, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recorded directly in shareholders' equity.

The distribution of assets other than available liquidity is measured at fair value of the assets to be distributed; the remeasurement of the fair value is recorded directly in shareholders' equity.

On the payment of the dividend, any difference between the book value of the assets distributed and the book value of the dividend payable is recorded in the statement of comprehensive income.

Accounting standards, amendments and interpretations endorsed by the European Union adopted by the company

From January 1, 2021 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force, which have not impacted the Company's financial statements:

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform – Phase 2

On August 27, 2020, the IASB introduced amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 to take into account the consequences of effectively replacing existing interest rate benchmarks with alternative benchmark rates, substantially the Risk Free Rate (RFR). The changes include the following practical expedients:

- ✓ A practical expedient that allows contractual changes, or changes in cash flows that are directly required by the reform, to be treated as changes in a variable interest rate, equivalent to a movement of an interest rate in the market;
- ✓ Allow changes, required by IBOR reform, to be made to the documentation for the designation of the coverage report without the coverage report having to be discontinued;
- ✓ Provides temporary relief to entities in having to comply with separate identification requirements when an RFR is designated as a hedge of a risk component. These amendments do not have an impact on the Company's financial statements.

The Company intends to use such practical expedients in future periods in which they are applicable.

Amendments to IFRS 16: Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The IASB issued an amendment to this standard on March 31, 2021 that extends for one year the May 2020 amendment that clarified the circumstance that a lessee, as a practical expedient, may assess that specific rate reductions (as a direct result of COVID-19) may not be considered as contractual changes, and are therefore accounted for accordingly. A lessee that chooses to use this expedient accounts for these reductions as if the reductions were not contractual modifications within the scope of IFRS 16. The new amendment is applied from April 1, 2021.

Amendment to IFRS 4: Insurance Contracts deferral of IFRS 9.

On June 25, 2020, the IASB published an amendment to IFRS 4 deferring the application of IFRS 9 for insurance companies to January 1, 2023, aligning this date with the date of first-time application of IFRS 17. This standard is not applicable to the Company.

New accounting standards and amendments not yet effective and not adopted in advance by the company

The standards and interpretations which at the date of the preparation of this financial report were issued but not yet in force are reported below. The Company will adopt these standards when they enter into force, if applicable. No material impact to the Company is expected from these standards and amendments.

Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current

On January 23, 2020, the IASB issued an amendment to IAS 1 that seeks to clarify one of the criteria in IAS 1 for classifying a liability as non-current or the requirement that the entity must have the right to defer settlement of the liability for at least 12 months subsequent to the reporting date. The amendment includes:

- ✓ an indication that the right to defer settlement must exist at the reporting date;
- ✓ a clarification on the fact that the classification is not influenced by management's intentions or expectations regarding the possibility of using the right of deferral;
- ✓ a clarification on how the conditions of funding affect the classification and;
- ✓ a clarification of the requirements for the classification of liabilities that an entity intends to settle or could settle by issuing its own equity instruments.

The new amendment is applied from January 1, 2023 and must be applied retrospectively. The Company is currently assessing any impact from these amendments.

Amendment to IFRS 3 - "Business combinations", to IAS 16 – "Property, Plant and Equipment", to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Annual Improvements 2018-2020 Cycle

On May 14, 2020, the IASB published a package of amendments clarifying and making minor changes to the IFRS below, while the Annual Improvements 2018-2020 Cycle addresses IFRS 1, IFRS 9, IAS 41, and illustrative examples annexed to IFRS 16:

- ✓ IFRS 3: update of references to the Conceptual Framework of the IAS (no change in the accounting treatment of business combinations);
- ✓ IAS 16: the amendment clarifies the impossibility for a company to deduct from the cost of tangible fixed assets any income deriving from the sale of products in the period in which this activity is brought to the place or conditions necessary for it to be able to operate in the manner for which it was designed by management. In fact, revenues from the sale of such products, and their production costs, should be recognised separately to the income statement;
- ✓ IAS 37: the amendment provides clarification on the costs to be included in the valuation of the losses generated by a contract and, therefore, to assess whether the contract is to be considered as onerous or loss-making. The amendment calls for the application of the "directly related cost approach." Costs that relate directly to a contract to provide goods or services include both incremental costs and costs directly attributed to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the counterparty based on the contract.
- ✓ Annual Improvements 2018-2020 Cycle:
 - Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter". As part of the 2018-2020 Annual Improvements to IFRS process, the IASB issued an amendment to this standard that permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on amounts accounted for by the parent, considering the parent's date of transition to IFRS. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1;

- Amendment to IFRS 9 "Financial Instruments -Fees in the "10 per cent" test for derecognition of financial liabilities": the IASB published an amendment to IFRS 9 that clarifies the fees that an entity must include when determining whether the conditions of a new or amended financial liability are substantially different from the conditions of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or lender on behalf of others. An entity applies this amendment to the financial liabilities that are modified or exchanged subsequent to the date in the first year in which it is applied;
- IAS 41 Agriculture: the IASB published an amendment to this standard that removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxes when measuring the fair value of assets under IAS 41 where the Net Present Value method is applied. This standard is not applicable to the Company.

These amendments will be applied from January 1, 2022 or subsequently.

Amendment to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The IASB published an amendment to this standard on February 12, 2021 to support companies in choosing which accounting policies to disclose in their financial statements. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

Amendment to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB published an amendment to this standard on February 12, 2021, to introduce a new definition of an accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies, and errors. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

Amendment to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The IASB published an amendment to this standard on May 7, 2021, which requires companies to recognise deferred tax assets and liabilities on particular transactions that, upon initial recognition, give rise to equivalent (taxable and deductible) temporary differences - e.g. transactions related to leases. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

IFRS 17: Insurance Contracts

The IASB published the new standard on May 18, 2017, in addition to amendments on June 25, 2020, which replaces IFRS 4, issued in 2004. The new standard seeks to improve investors' understanding of, but not limited to, insurers' risk exposure, profitability and financial position. IFRS 17 will be applied from January 1, 2023; however, early application is permitted. This standard is not applicable to the Company.

Amendments to IFRS 17: Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information

The IASB published an amendment to this standard on December 9, 2021. The amendment is a transition option related to comparative disclosure on financial assets presented upon first-time application of IFRS 17. It is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the utility of comparative disclosure for users of financial statements. The amendment will be effective for fiscal years beginning January 1, 2023. This standard is not applicable to the Company.

Discretionary valuations and significant accounting estimates

The preparation of the financial statements requires the directors of the Company to undertake discretionary valuations, estimates and assumptions which impact upon the amount of revenue, costs, assets and liabilities and related disclosures, as well as potential liabilities. The uncertainty concerning these assumptions and estimates could result in significant changes in the book value of these assets and/or liabilities in the future.

IAS 8 Changes in accounting estimates and errors

Some elements in the financial statements may not be measured with precision and therefore are subject to estimates which depend on future and uncertain conditions of the company's operations. These estimates over time will incur revision to take into account data and information which is available subsequent to the initial estimates. The effect of the change of accounting estimates must be recorded prospectively in the year in which they occur, including them in the economic result of the year and of future years, where the change also affects this latter. The prospective recognition of the effects of the estimates means that the changes are applied to the transactions on the change in the estimate. The revision or change in the accounting estimate arises from new information or new developments in operating activities and for this reason they do not represent a correction of errors.

The errors of previous years are omissions and incorrect measurements of accounts in the financial statements of an entity for one or more years deriving from the non-utilisation or the erroneous utilisation of reliable information which was available when the financial statements were authorised for their publication and it is reasonable to consider that such information could have been obtained and utilised in the preparation and presentation of these financial statements. These errors include the effects of arithmetic errors, errors in the application of accounting policies, inaccuracies or distorted interpretations of facts, and fraud. The financial statements are not in accordance with IFRS if they contain significant errors or irrelevant if committed intentionally in order to obtain a specific presentation of the statement of financial position, of the economic result or of the cash flows of the entity. Potential errors of the current year, recorded in the same year, are corrected before the financial statements are authorised for publication. The errors uncovered in subsequent years, if considered significant and if the correction is considered feasible, must be corrected in the comparative disclosure presented in the financial statements for the following year, remeasuring the opening balances of assets, liabilities and shareholders' equity (restatement).

The restatement is not applied and the error is not recorded using the prospective method where the errors and the omissions are considered insignificant.

Omissions or incorrect measurements of accounts are recorded if, individually or overall, they may impact the economic decisions of the readers of the financial statements. The restatement depends on the size and nature of the omission or incorrect measurement assessed depending upon the circumstances.

Estimates and assumptions

The key assumptions undertaken by management and which have the most significant effect on the reported amounts or have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below. The company based its estimates and assumptions on information available at the preparation date of the separate financial statements. However, the current circumstances and assumptions on future developments may alter due to changes in the market and events outside of the Company's control, such as the worsening of the Covid-19 pandemic and the consequences of the war in Ukraine.

Compensation fund for damages suffered by operators due to COVID-19

The COVID-19 damage compensation fund (Article 128-bis of the 2021 Budget Law and Legislative Decree No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021) for airport managers and ground handling companies, had a long approval process, which was finalised on December 28, 2021 with the publication in the Official Gazette of the enacting Decree (Decree of the Minister for Infrastructure and Sustainable Mobility of November 25, 2021) that set a deadline of 30 days (January 27, 2022) for the presentation of applications for access to the fund.

The Company has examined the accounting treatment of this contribution, in accordance with IAS 20, deciding to recognise the contribution and the corresponding receivable in the 2022 financial statements when the approval process will be concluded through the acceptance/rejection of the applications by the General Direction of the Ministry of Sustainable Infrastructure and Mobility. The Company considers the process required by the standard to be material due mainly to the following considerations: the application to be filed January 27, 2022, was to include the report prepared by an independent expert in order to be admissible, and receipt of this report was out of the Company's control and took place on January 23, 2022. In the same way, receipt of the measure accepting the applications by the Directorate General of the Ministry of Infrastructure and Sustainable Mobility was out of the control of AdB and was not obtained until 2022. The request was submitted on January 26, 2022, accompanied by a report drawn up by an independent expert certifying the loss incurred by the Company in the period from March 1 to June 30, 2020.

On March 8, 2022, AdB received from ENAC the advance payment of 50% of the amount requested (Euro 20.9 million), equal to Euro 10.45 million, as a result of Enac's decision to proceed with the disbursement of three hundred million euros to the airport management companies, as an advance of 50% with respect to the requests for compensation, and we await definition of the preliminary investigations in order to face the arising financial challenges.

Impairment of non-financial assets

Reference should be made to that previously illustrated in the standard "impairment of non-financial assets" and that illustrated below in Note 1-Intangible Assets.

Fair value of investment property

The company records investment property at cost, which approximates the fair value of the investment properties given their particular nature (absence of a comparable active market).

Fair value of financial instruments

The company provides in the Notes the fair value of the financial instruments. When the fair value of a financial asset or financial liability may no longer be measured based on the prices on an active market, the fair value is determined utilising various valuation techniques, including the discounted cash flow model. The inputs inserted in this model are recorded from observable markets, where possible, but when this is not possible, a certain level of estimation is required to define the fair values. The estimates include considerations on variables such as the liquidity risk, the credit risk and volatility. The changes of the assumptions on these elements may have an impact on the fair value of the financial instrument recorded.

IAS 10_Subsequent events to the reporting date

The company in the analysis of subsequent events to the reporting date analyses the conditions on which it is necessary to make changes on the accounting data and relative disclosures, depending on whether this concerns events occurring after the reporting date:

- to operations existing at the reporting date for which an adjustment to the financial statements is necessary (adjusting events);
- to operations which arose after the reporting date and for which no adjustment to the financial statements is necessary (non-adjusting events).

ANALYSIS OF THE MAIN ITEMS ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

1. Intangible assets

The following table breaks down intangible assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Concession rights	194,755	193,677	1,078
Software, licences and similar rights	405	1,021	(616)
Other intangible assets	50	55	(5)
Other intangible assets in progress	459	486	(27)
TOTAL INTANGIBLE ASSETS	195,669	195,239	430

The table below shows the changes in intangible assets for the year ended December 31, 2021 compared to December 31, 2020, by intangible asset category.

Euro thousands	31.12.2020			Changes of the year				As at 31.12.2021		
	Historical cost	Accumulated amortisation	Book value	Increases / Acquisitions	Amortisation	Decreases/ Disposals/ Write-downs/ Reclassifications	Decrease provision	Historical cost	Accumulated amortisation	Book value
Concession rights	240,009	(46,332)	193,677	8,618	(6,956)	(584)	0	248,043	(53,288)	194,755
Software, licences and similar rights	14,037	(13,016)	1,021	260	(876)	0	0	14,297	(13,892)	405
Other intangible assets	100	(45)	55	0	(5)	0	0	100	(50)	50
Energy Certificates	0	0	0	130	0	(130)	0	0	0	0
Other intangible assets in progress	486	0	486	(27)	0	0	0	459	0	459
TOTAL INTANGIBLE ASSETS	254,632	(59,393)	195,239	8,981	(7,837)	(714)	0	262,899	(67,230)	195,669

At December 31, 2021, Concession rights increased by Euro 8.6 million, of which Euro 8.2 million (equal to the fair value of construction services provided in the period) principally due to construction work on a new cargo building and related annexes for a specialised operator, on a new apron, and on new de-icing system, as well as the reconstruction of the main storm water collection system and the upgrading, expansion, and modernisation of the offices at the check-in area.

The increases in Concession Rights include Euro 567 thousand of advances to suppliers for works.

Amortisation of concession rights amounted to Euro 6.9 million and was applied according to the residual duration of the concession, as well as write-downs of designs which can no longer be used for Euro 0.3 million.

Software, licenses and similar rights increased Euro 260 thousand, mainly due to the introduction of the SAP application system for both outgoing and incoming electronic invoicing.

Other intangible assets in progress include software development not concluded at December 31, 2021.

Test on the recoverability of assets and group of assets

The Concession Rights are tested for impairment at least once a year, when the financial statements are approved, as well as periodically when there are internal and external indicators of the reduction in value of such assets in order to identify any loss in value.

With regard to the full year 2021, the Company updated the impairment test in order to assess the existence of any impairment losses with reference to the amounts recorded under Concession Rights at December 31, 2021; a brief summary of the subject is provided below, with reference to Note 1 to the Consolidated Financial Statements for further details.

The test, as per IAS 36, compares the carrying value of the asset or group of assets of the cash generating unit (CGU) with the recoverable value, arising from the higher between the fair value (net of selling costs) and the discounted net cash flows which are expected to be produced from the asset or group of assets of the CGU (value in use).

For impairment testing purposes, the company has identified a single CGU which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group. The methodology and assumptions related to the impairment test were approved by the Board of Directors on February 21, 2022.

The test used the explicit operating and financial forecasts for the period 2022-2046 and the method applying the "Terminal Value" as the cash flow provided for in IAS 36, paragraph 39, letter c) for the disposal of assets at the end of the concession to which the Group is entitled under the regulations (Article 703 of the Navigation Code).

The method used is based on the presumption that the economic capital value of a company at a certain date (in the present case, December 31, 2021) is representative of the algebraic sum of the following elements:

- “operating’ value”, i.e. the present value of the cash flows from operating activities over a defined time period including the discounted cash flows of the Terminal Value receivable from the collection of the estimated Terminal Value receivable on conclusion of the concession (explicit projection period; in the present case this coincides with the end of the airport concession expected for 2046);
- value of the non-strategic surplus assets at the measurement date. It should be noted that there are no non-core or non-capital ancillary activities included in the projections.

These operating cash flow was discounted utilising the UDCF (Unlevered Discounted Cash Flow) at a rate equal to the weighted average cost of debt and own funds (WACC - Weighted Average Cost of Capital), equal to 6.20%.

The impairment test performed did not identify any impairment of the carrying amounts of the concession rights for the year ended December 31, 2021 and no impairment losses were therefore recognised on the assets concerned.

In relation to the option granted by Article 110 paragraphs 7, 8, 8bis of the so-called August Decree (No. 104/2020) to realign the higher book values of the concession rights with respect to the tax values present in the financial statements as at December 31, 2019 and generated as a result of the transition to IAS/IFRS accounting standards, the Company, pursuant to the provisions of law, intended to exercise the option in the tax return for 2020 to be submitted in 2021. For the utmost diligence and prudence, the Company filed an inquiry with the Italian Tax Administration, which replied that it was not possible to perform the realignment, pursuant to said law, of the intangible asset “Concessions” because, in the Administration’s view, it is not possible to determine the existence of any intangible asset to be realigned in accordance with IFRIC 12, even though beyond the scope of the law and based on reasoning with which we do not agree and, nonetheless, reiterated in conjunction with a recent circular issued by the Tax Administration (no. 6/E of March 1, 2022).

2. Tangible assets

The following table breaks down tangible assets at December 31, 2021 (compared with December 31, 2020).

Euro thousands	As at 31.12.2021	As at 31.12.2020	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,154	3,490	(336)
Machinery, equipment & plant	1,931	2,532	(601)
Furniture, EDP and transport	1,258	1,744	(486)
Tangible fixed assets in progress	487	347	140
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	14,325	15,608	(1,283)
Land in leasing	855	1,252	(397)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	388	7	381
Leased furniture, office machinery, transport equipment	149	186	(37)
TOTAL LEASED TANGIBLE ASSETS	1,392	1,445	(53)
TOTAL TANGIBLE ASSETS	15,717	17,053	(1,336)

The table below shows the changes in tangible assets for the year ended December 31, 2021 compared to December 31, 2020, by asset category.

<i>in thousands of Euro</i>	31.12.2020			Changes of the year				As at 31.12.2021		
	Historical cost	Accumulated depreciation	Book value	Increases/ Acquisitions	Depreciation	Decreases/ Disposals/ Reclassifications	Decrease provision	Historical cost	Accumulated depreciation	Book value
Land	2,763	0	2,763	0	0	0	0	2,763	0	2,763
Buildings, light constructions and improvements	8,562	(5,072)	3,490	44	(380)	0	0	8,606	(5,452)	3,154
Machinery, equipment & plant	15,002	(12,470)	2,532	113	(714)	0	0	15,115	(13,184)	1,931
Furniture, EDP and transport	9,973	(8,229)	1,744	101	(587)	0	0	10,074	(8,816)	1,258
Assets in progress and advances	347	0	347	158	0	(18)	0	487	0	487
Investment property	4,732	0	4,732	0	0	0	0	4,732	0	4,732
TOTAL TANGIBLE ASSETS	41,379	(25,771)	15,608	416	(1,681)	(18)	0	41,777	(27,452)	14,325
Land in leasing	1,957	(705)	1,252	(59)	(338)	0	0	1,898	(1,043)	855
Leased buildings and minor construction and improvements	0	0	0	0	0	0	0	0	0	0
Leased machinery, equipment & plant	23	(16)	7	395	(14)	0	0	418	(30)	388
Leased furniture, office machinery, transport equipment	375	(189)	186	60	(97)	0	0	435	(286)	149
TOTAL LEASED TANGIBLE ASSETS	2,355	(910)	1,445	396	(449)	0	0	2,751	(1,359)	1,392
TOTAL TANGIBLE ASSETS	43,734	(26,681)	17,053	812	(2,130)	(18)	0	44,528	(28,811)	15,717

At December 31, 2021, the overall increase in this category was Euro 812 thousand and mainly concerns the purchase of furniture, computers, security control systems in addition to investments in progress. This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Company recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles, De Icer plant and equipment. The amount recognised at December 31, 2021 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

Investment property includes the total value of land owned earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.

This land is not subject to depreciation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Company confirms that the recognition cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the financial statements, there were no impairment indicators on these assets.

3. Investments

The following table breaks down the investments at December 31, 2021 (compared with December 31, 2020). There were no movements in the year.

<i>in thousands of Euro</i>	As at 31.12.2020	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.12.2021
Investments in subsidiaries	3,147	0	0	0	3,147
Other investments	42	0	0	0	42
TOTAL INVESTMENTS	3,189	0	0	0	3,189

The following table breaks down investments in subsidiaries at the end of the two comparative years:

<i>in thousands of Euro</i>	Amount	As at 31.12.2021	As at 31.12.2020	Change
Fast Freight Marconi Spa	100%	597	597	0
Tag Bologna Srl	100%	2,550	2,550	0
TOTAL INVESTMENTS IN SUBSIDIARIES		3,147	3,147	0

Finally, the following table breaks down investments in other companies in the two comparative years:

<i>in thousands of Euro</i>	Amount	As at 31.12.2021	As at 31.12.2020	Change
Consorzio Energia Fiera District	7.14%	2	2	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	40	40	0
TOTAL OTHER INVESTMENTS		42	42	0

Investments held at December 31, 2021 are broken down below, with indication of the holding and the relative carrying amount.

<i>in thousands of Euro</i>	Registered Office	Currency	% Holding	Share capital as at 31.12.2021	Profit (loss) 2021	Net Equity 31.12.2021	Share Net Equity 31.12.2021	Book value	Difference
Fast Freight Marconi S.p.A.	Bologna	Euro	100%	520	273	5,989	5,989	597	5,392
Tag Bologna Srl	Bologna	Euro	100%	316	323	1,071	1,071	2,550	(1,479)
TOTAL INVESTMENTS IN SUBSIDIARIES								3,147	

<i>in thousands of Euro</i>	Registered Office	Currency	% Holding	Share capital as at 31.12.2021	Profit (loss) 2021	Net Equity 31.12.2021	Share Net Equity 31.12.2021	Book value	Difference
Consorzio Energia Fiera District	Bologna	Euro	7.14%	33	0	33	2	2	0
CAAF dell'Industria Spa	Bologna	Euro	0.07%	378	1	671	0	0	0
Bologna Welcome Srl	Bologna	Euro	10%	310	(313)	272	27	40	(13)
TOTAL OTHER INVESTMENTS								42	

The negative differences concerning the subsidiary TAG Bologna S.r.l. and the associate Bologna Welcome S.r.l. are not considered impairment losses.

The figures relating to the shareholders' equity and the profit of Bologna Welcome S.r.l. concern financial year 2020 (latest approved financial statements).

The figures relating to the shareholders' equity and the profit of CAAF dell'Industria S.p.A. relate to the financial year ending August 31, 2020.

4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the year ended December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2020	Increases/ Acquisitions	Decreases/ Reclass.	Write-downs	As at 31.12.2021
Receivables from Terminal Value	1,043	344	0	0	1,387
Equity Financial Instruments	10,873	0	0	0	10,873
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	11,916	344	0	0	12,260

At December 31, 2021 the account "Other non-current financial assets" mainly comprises:

- o Euro 1 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Company relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment, in addition to the interventions made on the provisions for renewal, both calculated according to the regulatory accounting rules.

- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the company's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring at fair value the Equity Financial Instrument, the subsequent valuations of this EFI are at cost as the best fair value estimate and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement. With regards to the valuation at December 31, 2021 of the Equity Financial Instrument, no change on December 31, 2020 was applied in view of the anti-crisis measures indicated by Marconi Express Spa as the update to the operating-financial plan, with the redefinition of the bank debt repayment plan and the extension of the Concession approved by the Municipality of Bologna for an additional three years. On the basis of these and other factors, AdB considers that no impairment losses on the value of the equity instrument exist at December 31, 2021.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the year ended December 31, 2021 compared with December 31, 2020.

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Util./adjustments	As at 31.12.2021
DEFERRED TAX ASSETS	10,428	3,266	(887)	12,807

The tables below outline the breakdown of the items resulting in the recognition of deferred tax assets, broken down between IRES and IRAP.

Specifically:

- "Other deferred deductible costs" mainly include maintenance costs as per Article 107 of the CFA, deductible in future years;
- "Fiscally deferred provisions" mainly includes other provisions for disputes and charges deductible in future years;
- "Provision for renewal of airport infrastructure" refers to the portion of the provision not deducted for IRES/IRAP purposes, in addition to the quota deductible for IRES purposes in future years;
- the item "Unlimited tax losses carried forwards", which represents the most significant increase in 2021, relates to deferred tax assets on the Company's IRES tax loss, for which there is reasonable certainty of future recovery in view of projected cash flows.

The recoverability of deferred tax assets is based on forecasts of taxable income derived from the 2022-2026 operating and financial forecasts approved by the Board of Directors on February 7, 2022

IRES	Assessable				Tax			
	in thousands of Euro	As at 31.12.2020	Increases	Uses	As at 31.12.2021	As at 31.12.2020	Increases	Uses
Other costs with deferred IRES deductibility	7,224	1,566	(2,256)	6,534	1,813	376	(619)	1,570
Provision for doubtful accounts	940	721	(145)	1,516	225	173	(35)	363
IRES deferred tax provisions	1,115	119		1,234	268	28		296
Provision for renewal of airport infrastructure	10,765	2,013	(475)	12,303	2,600	483	(131)	2,952
Amortisation concession rights from ENAC - ENAV Agreement	193		(13)	180	47		(4)	43
Disc. severance prov. plus other Long-term personnel costs	650	158	(189)	619	130	38	(48)	120
Unlimited tax losses carried forward	19,899	8,919	(1)	28,817	4,776	2,141	(1)	6,916
Total IRES	40,786	13,496	(3,079)	51,203	9,859	3,239	(838)	12,260

IRAP	Assessable				Tax			
	in thousands of Euro	As at 31.12.2020	Increases	Uses	As at 31.12.2021	As at 31.12.2020	Increases	Uses
IRAP deferred tax provisions	311	0	0	311	13	0	0	13
Provision for renewal of airport infrastructure	11,677	516	(628)	11,565	490	22	(26)	486
Amortisation concession rights from ENAC - ENAV Agreement	121	0	(13)	108	5	0	(1)	4
Discounting other long-term personnel costs	209	115	(100)	224	9	5	(4)	10
Total IRAP	12,318	631	(741)	12,208	517	27	(31)	513

The table below shows the reversal of amounts due from the tax authorities for the non-deductible portion accruing to the year, for “energy upgrading” investments made in previous years, taking account of the tax loss reported for 2021.

Other	Tax Receivables				
	in thousands of Euro	As at 31.12.2020	Increases	Util./adjustments	As at 31.12.2021
Other receivables		52	0	(18)	34
Total “other receivables”		52	0	(18)	34

6. Other non-current assets

The following table breaks down other non-current assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Security deposits	52	48	4
Accrued income and prepayments	50	89	(39)
Tax receivables	67	94	(27)
OTHER NON-CURRENT ASSETS	169	231	(62)

No significant changes occurred between the two years. Tax receivables include the tax receivable due beyond one year for new capital investments, as per Law No. 160/2019, Article 1, paragraphs 184 to 197, and Law No. 178/2020, Article 1, paragraphs 1051 to 1063.

7. Inventories

The following table breaks down inventories at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Inventories of raw materials, supplies and consumables	562	572	(10)
Inventories of Finished Products	133	77	56
INVENTORIES	695	649	46

Raw materials, ancillary and consumable mainly concern inventories held of workshop materials and consumables, such as stationary and printing, in addition to heating fuel and de-icing liquid for the runway, while inventories of finished goods refer to antifreeze liquid for de-icing the aircraft.

8. Trade receivables

The table below illustrates the trade receivables and the relative doubtful debt provision:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Trade receivables	21,190	6,647	14,543
Provisions for doubtful accounts	(1,600)	(960)	(640)
TRADE RECEIVABLES	19,590	5,687	13,903

At December 31, 2021, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 21.2 million, increasing Euro 14.5 million as a result of the higher traffic volumes and therefore of revenues, in addition to the slowing of payments from a number of primarily aviation sector clients. This principally refers to Alitalia which, as noted, discontinued flight operations in autumn 2021, without fully settling its payables to Adb.

The following tables provide an analysis of the aging of trade receivables of the company at December 31, 2021 and December 31, 2020:

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2021
Trade receivables for invoices/credit notes issued	6,939	13,776	20,715
Trade receivables for invoices/credit notes to be issued	475	0	475
TOTAL TRADE RECEIVABLES	7,413	13,776	21,190

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE RECEIVABLES	6,939	4,758	3,775	2,036	3,207	20,715

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2020
Trade receivables for invoices/credit notes issued	1,722	4,206	5,927
Trade receivables for invoices/credit notes to be issued	720	0	720
TOTAL TRADE RECEIVABLES	2,442	4,206	6,647

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE RECEIVABLES	1,722	743	917	338	2,208	5,927

As may be seen from a comparison with the table that shows the ageing of receivables at December 31, 2020, the ageing of receivables improved during the year, not in actual terms but in percentage terms, confirming the reduction in average collection period for trade receivables after the significant slowdown in 2020. In particular, receivables overdue by more than 90 days rose from 37% of total receivables at December 31, 2020 to 15% at December 31, 2021 and the total overdue receivables decreased from 71% to 67% in the current year.

Average payment days in fact decreased to 81 days from 99 days at December 31, 2020 (*2020 figure restated on the basis of only client items issued without invoices to be issued*), which is an improvement, although it is not comparable to the average collection days of the year prior to COVID (i.e. 44 days at December 31, 2019).

The provision for doubtful accounts saw increases both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute and to the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio (Provision Matrix). The provisions in the period total Euro 806 thousand, of which Euro 254 thousand recorded as a direct reduction of the relative revenues as concerning amounts invoiced during the year and no longer considered collectible.

In relation to that above, the movements in the provision for doubtful accounts in the year and in the previous year were as follows:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses	Releases	As at 31.12.2021
PROVISIONS FOR DOUBTFUL ACCOUNTS	(960)	(806)	107	59	(1,600)

<i>in thousands of Euro</i>	As at 31.12.2019	Provisions	Uses	Releases	As at 31.12.2020
PROVISIONS FOR DOUBTFUL ACCOUNTS	(1,785)	(637)	1,456	6	(960)

In the initial two months of 2022, the trade receivables existing at December 31, 2021 had been collected for over 57%.

9. Other current assets

The following table breaks down other current assets at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
VAT Receivable	0	1,090	(1,090)
Direct income tax receivables	45	10	35
Other tax assets	0	16	(16)
Tax consolidation receivables	225	131	94
Employee receivables	52	57	(5)
Other receivables	5,055	2,339	2,716
OTHER CURRENT ASSETS	5,377	3,643	1,734

The increase in this category is due to the zeroing of the VAT receivable as a result of the recovery in revenues and, as a result, of the significant increase in receivable for passenger boarding fee surtaxes within "other receivables", as outlined in the table below.

"Direct income tax receivables" relates to the short-term receivable for investments in capital goods pursuant to Law No. 160/2019 Article 1, paragraphs 184 to 197, and Law No. 178/2020 Article 1, paragraphs 1051 to 1063; the corresponding grant is recorded under "operating grants" in the category "other revenues and income".

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Receivables for passenger boarding fees surtax	5,279	2,444	2,835
IRESA receivables	341	156	185
Other current receivables provision for doubtful accounts	(1,584)	(1,062)	(522)
Prepayments and accrued income	676	430	246
Advances to suppliers	5	19	(14)
Pension and social security institutions	76	122	(46)
Other current receivables	262	230	32
TOTAL OTHER RECEIVABLES	5,055	2,339	2,716

The account "other current receivables provision for doubtful accounts" includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions/Increases	Uses	Releases	As at 31.12.2021
Municipal surtax/IRESA receivable provision	(1,062)	(564)	41	1	(1,584)
TOTAL PROVISIONS FOR OTHER DOUBTFUL RECEIVABLES	(1,062)	(564)	41	1	(1,584)

The item "Accrued income and prepayments" includes insurance premiums, data processing fees and other services invoiced in advance. This item includes Euro 384 thousand of SACE commissions on loans paid in advance.

10. Current Financial Assets

"Current financial assets" reduced to zero at December 31, 2021, as the capitalisation policy recognised at December 31, 2020 for Euro 274 thousand was collected on contractual maturity (May 2021).

11. Cash and cash equivalents

The following table breaks down cash and cash equivalents at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Bank and postal deposits	21,946	37,969	(16,023)
Cash in hand and similar	26	22	4
CASH AND CASH EQUIVALENTS	21,972	37,991	(16,019)

"Bank and postal deposits" represent the bank current account balances. For the comment on the absorption of liquidity in the period, reference should be made to Section 3.2 of the Directors' Report.

In addition to bank current accounts, the parent company has an unutilised credit line of Euro 5 million available.

Net financial position

The following table shows the breakdown of the net financial debt at December 31, 2021 and December 31, 2020, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 Recommendations of March 4, 2021:

	<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020
A	Cash	21,972	37,991
B	Other cash equivalents	0	0
C	Other current financial assets	0	275
D	Liquidity (A+B+C)	21,972	38,266
E	Current financial payables	(1,722)	(1,467)
F	Current portion of non-current bank payables	(5,669)	(2,545)
G	Current financial debt (E + F)	(7,391)	(4,012)
H	Net current financial debt (G - D)	14,581	34,254
I	Non-current financial payables	(60,874)	(66,536)
J	Debt instruments	0	0
K	Trade payables and other non-current payables	(945)	(1,026)
L	Non-current financial debt (I + J + K)	(61,819)	(67,562)
M	Total financial debt (H + L)	(47,238)	(33,308)

Account A is equal to the account "cash and cash equivalents"; reference should be made to note 11 for further details.

Account G is equal to the account “current financial liabilities”; reference should be made to note 17 for further details.

Account L is equal to the account “non-current financial liabilities”; reference should again be made to note 17 for further details.

For a detailed analysis on the movements in the net financial debt, reference should be made to the analysis in the Directors’ Report.

LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Share capital	90,314	90,314	0
Reserves	69,583	83,567	(13,984)
Loss for the year	(7,542)	(13,963)	6,421
SHAREHOLDERS' EQUITY	152,355	159,918	(7,563)

a. Share capital

The share capital of the Parent Company at December 31, 2021 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

The following table outlines the calculation of the basic and diluted earnings per share:

<i>in Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020
Group loss for the year (*)	(7,562,939)	(14,008,509)
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	(0.21)	(0.39)
Diluted earnings/(losses) per share	(0.21)	(0.39)

(*) from Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of AdB at December 31, 2021 and December 31, 2020 are the same due to the absence of potential dilutive instruments.

b. Reserves

The following table breaks down the Reserves at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,034	8,034	0
Extraordinary reserve	52,035	52,035	0
FTA Reserve	(3,206)	(3,206)	0
Profits (losses) carried forward	(11,972)	1,992	(13,964)
OCI reserve	(991)	(971)	(20)
TOTAL RESERVES	69,583	83,567	(13,984)

The share premium reserve comprises:

- Euro 14.35 million following the paid-in share capital increase approved by the Shareholders' Meeting of February 20, 2006;
- Euro 11.33 million following the public offering of shares in July 2015.

Pursuant to Article 2431 of the Civil Code this reserve is available but may not be distributed until the legal reserve has reached the limit established as per article 2430 of the Civil Code.

The extraordinary reserve is entirely made up of profits from previous years, while the reserves for retained earnings/losses were established, as for the FTA reserves, on the occasion of the transition to IAS/IFRS accounting standards. The latter item increased during the year by the value of the 2020 loss as approved by the Shareholders' Meeting on April 26, 2021.

The OCI reserve records the changes deriving from the discounting of the Severance and other personnel provisions (Note 13) in accordance with IAS 19 revised, net of the relative tax effect.

The following table breaks down the OCI reserve for the year ended December 31, 2021 and the comparative period:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Actuarial gains/losses as per IAS 19	(1,304)	(1,278)	(26)
Deferred taxes on actuarial gains/losses as per IAS 19	313	307	6
OCI RESERVE	(991)	(971)	(20)

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Severance	3,250	3,654	(404)
Other personnel provisions	225	210	15
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,475	3,864	(389)

The table below shows the movements in the provisions in the period:

<i>in thousands of Euro</i>	As at 31.12.2020	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 31.12.2021
Severance	3,654	0	19	(467)	44	3,250
Other personnel provisions	210	93	1	(61)	(18)	225
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,864	93	19	(528)	26	3,475

The actuarial valuation of severance provisions is carried out on the basis of the "benefits matured" with the support of actuarial experts.

The principal assumptions in the actuarial estimation process of the severance provisions for the years concerned are as follows:

- a) discount rate: 0.98% for the valuation at December 31, 2021 and 0.34% for the valuation at December 31, 2020;

- b) inflation rate: 1.75% for the valuation at December 31, 2021 and 0.80% for the valuation at December 31, 2020;
- c) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates. For invalidity, an INPS table based on age and gender was utilised;
- d) staff turnover rate: 1%.

As for any actuarial valuation the results depend on the technical bases adopted such as, among others, interest rate, inflation rate and expected turnover. The table below shows the sensitivity for each actuarial assumption at the end of the year, highlighting the effects of the changes of the actuarial assumptions reasonably possible at that date, in absolute terms.

in thousands of Euro	Valuation parameter					
	+1 % on turnover rate	-1 % on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	3,222	3,279	3,299	3,201	3,171	3,331

For completeness the following table also shows the expected disbursements of the plan over a 5-year period:

Years	Future estimated disbursements (in thousands of Euro)
1	102
2	162
3	181
4	202
5	181

The other personnel provisions at December 31, 2021 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager as governed by the Remuneration Policy commented upon in the Corporate Governance and Share Ownership Report, to which reference should be made.

The actuarial valuation at December 31, 2021 of the long-term incentive plan and the non-competition agreement of the CEO/GM was made with the support of actuarial experts utilising the “benefits matured” method based on IAS 19 (paragraphs 67-69) through the “Project Unit Credit” criterion. Under this method the valuation is based on the average present value of the obligations matured based on the employment service up to the time of the valuation.

The main valuation parameters were:

- a) discount rate: 0.98% for the valuation at December 31, 2021 (0.34% for the valuation at December 31, 2020) of the liability for the non-competition agreement equal to the yield on the comparable duration of the employment duration in the sector and -0.17% for the valuation at December 31, 2021 (-0.27% for the valuation at December 31, 2020) of the liabilities for the long-term incentive, yield in line with the three-year duration of the plans under consideration;

- b) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates.
- c) frequency voluntary resignations and dismissals by the company: 1%;
- d) probability of reaching objectives equal to 50-100% of the second cycle.

Finally, we report the sensitivity which highlights the effects on the other employee provisions, in particular on the provision relating to the non-competitive agreement, in the case of termination of employment with probability equal to 10%:

<i>in thousands of Euro</i>	<i>Service cost</i>
Other personnel provisions	45

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<i>As at 31.12.2020</i>	<i>Provisions</i>	<i>Uses</i>	<i>As at 31.12.2021</i>
DEFERRED TAX LIABILITIES	2,073	7	0	2,080

<i>IRES rate 24%</i> <i>in thousands of Euro</i>	<i>Assessable</i>				<i>Tax</i>			
	<i>As at 31.12.2020</i>	<i>Increases</i>	<i>Uses</i>	<i>As at 31.12.2021</i>	<i>As at 31.12.2020</i>	<i>Increases</i>	<i>Uses</i>	<i>As at 31.12.2021</i>
Amortisation of concession rights	7,448	32	0	7,480	1,788	7	0	1,795
Total IRES	7,448	32	0	7,480	1,788	7	0	1,795

<i>IRAP rate 4.2%</i> <i>in thousands of Euro</i>	<i>Assessable</i>				<i>Tax</i>			
	<i>As at 31.12.2020</i>	<i>Increases</i>	<i>Uses</i>	<i>As at 31.12.2021</i>	<i>As at 31.12.2020</i>	<i>Increases</i>	<i>Uses</i>	<i>As at 31.12.2021</i>
Amortisation of concession rights	0	0	0	0	285	0	0	285
Total IRAP	0	0	0	0	285	0	0	285
Total					2,073	7	0	2,080

The deferred tax liabilities were recorded on transition to IFRS following the application of IFRIC 12 “*Service concession arrangements*”, as illustrated in the note relating to the Transition to International Accounting Standards IFRS in the 2014 Financial Statements, a transition that resulted in the misalignment between statutory and tax values of concession rights for the mark-up on construction services and the redefinition of the amortization schedule based on the duration of the concession.

The increase in the assessable amount, exclusively for IRES purposes, which results in the recognition of the deferred tax liabilities, is attributable to the construction services margin (mark up) recognised on investments in progress concerning Concession rights without tax relevance.

15. Provision for renewal of airport infrastructure (non-current and current)

The provision for renewal of airport infrastructure include the provision allocated to cover the maintenance and renewal expenses of the airport infrastructure in the areas obtained under concession, which the company is required to return in a perfect operational state at the end of the concession.

The changes in the provision in the year ending December 31, 2021 are reported below, divided between non-current and current.

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses	Reclassifications	As at 31.12.2021
Provision for renewal of airport infrastructure (non-current)	10,139	516	0	(646)	10,009
Provision for renewal of airport infrastructure (current)	1,538	0	(628)	646	1,556
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	11,677	516	(628)	0	11,566

The movements during the year regard:

- ✓ the provision (of Euro 646 thousand) net of the update to the discount rate of cash flows, with a positive impact of Euro 130 thousand;
- ✓ the utilisations (Euro 628 thousand) for works, mainly regarding the restoration of lifts, refrigeration units, automatic doors and gates and the resurfacing of an operating hanger's flooring;

The reclassifications concern the periodic reclassification to current liabilities of the disbursements expected in the twelve months subsequent to period end.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provision for renewal of airport infrastructure at December 31, 2021:

<i>in thousands of Euro</i>	Financial income/(charges)	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provision for renewal of airport infrastructure	130	79	140

The discounting curve utilised for the valuation includes the country risk. In this specific case the input data utilised was the short, medium and long-term zero-coupon government bonds (from 3 months to 30 years), sourced from the information provider Bloomberg.

16. Provisions for risks and charges (non-current and current)

The following table presents the movements in the year ending December 31, 2021 in the provisions for risks and charges:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Util./Other decreases	As at 31.12.2021
Risk provision for disputes	969	53	(50)	972
Provisions for other risks and charges	270	148	0	418
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	1,239	201	(50)	1,390
Provisions for risks and charges	0	0	0	0
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	0	0	0	0
TOTAL PROVISIONS FOR RISKS AND CHARGES	1,239	201	(50)	1,390

“Provision for risks and future charges” were mainly impacted by the matter with the Municipality of Bologna concerning the request for a different cadastral classification of a number of buildings and the consequent impact on the property tax (IMU) for recent years.

In detail, this provision was established as a result of the notification of the invitation by the Municipality of Bologna, first received on November 28, 2018 and then reiterated with amendments, on February 10, 2020, to a different cadastral classification of some properties (procedure ex L.311/2004) compared to what has been registered with the Land Agency since 2007, given that the original classification had been done in coordination with the Land Registry and in compliance with Law 262/2006 and circulars 4/T 2006 and 4/T 2007, which remain valid.

On this point, it should be noted that, in the second half of 2021 and in early 2022, we reached the start of the concluding phase by way of a potential proposed settlement with the Municipality of Bologna with regard to IMU, following the official measure for the cadastral assignment, as communicated on December 13, 2021, by the Bologna provincial office of the Italian Tax Administration responsible for land registration, by official measure as per Law 311/04.

Adb will, therefore, reach an agreed settlement, without admitting fault, but with the sole purpose of avoiding potential disputes with the Party and in order to avoid a dispute whose continuation would, in any case, be excessively onerous and uneconomic for the Company, given the request for the disapplication of sanctions. This request appears legitimate in light of the provisions of Law 212/2000 (the Taxpayers Law).

Given the outcome of the proposed settlement with the Municipality of Bologna, this provision, which totalled Euro 73 thousand last year, was updated to the current level of expected risk for a net increase of Euro 148 thousand. Therefore, at year end, the provision totalled Euro 222 thousand, including charges for the period on the properties involved in the dispute for 2021 plus the estimated legal and technical-support expenses. The Company will continue to defend its opposition to the categorisation, but will pay IMU property taxes on said properties for 2021 and subsequent years until the definitive ruling on the dispute.

Contingent liabilities

With regard to the customs dispute that involved the subsidiary FFM in 2021 and outlined in the "Disputes" section of the Directors' Report, it should be noted that a risk has arisen for this company, which operates in the cargo sector. The Euro 5.8 million guarantee issued by a leading bank in favour of the Customs Authority as requested by FFM, for the suspension of the assessment notices issued to the Company, includes a co-obligation for AdB. The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes for passenger boarding fees. At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action (see the Directors' Report), the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, in view of the consideration that in this case the conditions in fact and in law for action by the creditor do not exist, although while at the same time continuing its defence.

17. Non-current and current financial liabilities

The following table breaks down non-current and current financial liabilities at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Bank loans – non-current	60,874	66,536	(5,662)
Non-current financial liabilities for leasing	945	1,026	(81)
NON-CURRENT FINANCIAL LIABILITIES	61,819	67,562	(5,743)
Bank loans - current	5,669	2,545	3,124
Current financial liabilities for leasing	592	541	51
Payables due for boarding fee surtaxes and Iresa	1,112	896	216
Other current financial debt	18	30	(12)
CURRENT FINANCIAL LIABILITIES	7,391	4,012	3,379
TOTAL FINANCIAL LIABILITIES	69,210	71,574	(2,364)

Total bank loans at December 31 amount to Euro 66.5 million, of which Euro 60.9 million non-current and Euro 5.7 million current.

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Bank loans – non-current	60,874	66,536	(5,662)
Bank loans - current	5,669	2,545	3,124
TOTAL LOANS	66,543	69,081	(2,538)

“Loans” include:

- loan with SACE guarantee, maturing in 2026, issued by Intesa Sanpaolo Spa in July 2020 for Euro 33.9 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, which establishes a grace period of 3 years, was classified for Euro 33.9 million to non-current financial liabilities;
- loan with SACE guarantee, maturing in 2026, issued by Unicredit Spa in July 2020 for Euro 25 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, with a grace period of 2 years, is classified for Euro 21.9 million to non-current financial liabilities and for Euro 3.1 million, equating to the principal to be repaid over the coming 12 months, to current loans;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 7.7 million at December 31, 2021 (Euro 10.2 million at December 31, 2020), issued by Banca Intesa to fund the infrastructure investment plan. This loan is classified for Euro 5.1 million under non-current loans and for Euro 2.5 million under current loans.

In order to guarantee the necessary liquidity to support the airport infrastructure investment and development plan, AdB signed a loan with the European Investment Bank (EIB). The loan agreement will provide the flexibility required for the progressive updated infrastructural development plan and funding requirements, with disbursement available up to 48 months from signing and in multiple tranches and in any case for a total amount not exceeding 50% of the total estimated project costs. This is alongside the flexibility of the option to choose between a fixed rate and a variable rate, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment. The last repayment date for each tranche shall fall no earlier than four years and no later than eighteen years from the relevant disbursement date, subject to the option for AdB to make voluntary early repayments. The contract includes negative pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of the Company is acquired.

The contractual conditions of the loans in place at December 31, 2021 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	Yes
Unicredit Spa Sace guarantee	Loan	Fixed rate of 0.77%	Quarterly	2026	Yes
Intesa San Paolo Spa - SACE-backed	Loan	Euribor variable 3 Months + spread 1.29%	Quarterly	2026	No

The annual nominal cost of the two bank loans with SACE guarantee granted in 2020, shown in the table above, is in addition to the cost of the SACE guarantee, which amounts to 0.5% in the first year, 1% in the second and third years and 2% from the fourth to sixth years of the guaranteed portion of the debt, equal to 90% of the loan.

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Company, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at December 31, 2021, AdB has not received any communication for application of cross default clauses by any of its lenders as the Company is in compliance with its existing contractual commitments.

With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July 2020 shall apply from the 2022 financial statements.

Credit Institution	Type of loan	Interest rate applied	in thousands of Euro			
			Balance 31.12.2021	Interest balance for year	Sensitivity Analysis (+0.5%)	Sensitivity Analysis: (-0.1%)
Intesa San Paolo Spa - SACE-backed	Banking	Euribor 3 months/360 + 1.29%	33,900	258	387	282

Non-current and current financial liabilities for leases at the end of the two fiscal years are as follows:

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Non-current lease liabilities	945	1,026	(81)
Current lease liabilities	592	541	51
TOTAL LEASE LIABILITIES	1,537	1,567	(30)

The Company has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.

“Non-current financial liabilities for leasing” of slightly less than Euro 1 million concern contractually due fees and with maturity beyond 12 months for the right to use third party assets recorded as fixed assets in application of IFRS 16 (note 2), while current financial liabilities for leases regard the current portion of the instalments due for the right to use third party assets recorded as fixed assets as of January 1, 2019 in application of IFRS 16.

We illustrate below the table required by IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:

<i>in thousands of Euro</i>	31/12/2020	Cash flows	New contracts	Interest/Other Reclassifications	31/12/2021
Loans - current portion	2,545	(2,555)	0	5,679	5,669
Lease liabilities - current portion	541	(426)	140	336	592
Loans - non-current portion	66,536	0	0	(5,662)	60,874
Lease liabilities - non-current portion	1,026	0	315	(396)	945
Total	70,648	(2,981)	455	(42)	68,080

Finally, also relating to current financial liabilities, the surtax on passenger boarding fees payable and for IRESA concerns the portion received by airlines and reversed to the authority body in January.

18. Trade payables

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
TRADE PAYABLES	18,643	12,859	5,784

Trade payables principally concern Italian suppliers and increased on December 31, 2021, in line with the recovery for the year.

The table below shows the breakdown of trade payables at December 31, 2021 and December 31, 2020 by due date:

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2021
Invoices/credit notes received	4,865	986	5,851
Invoices/credit notes to be received	12,793	0	12,793
TOTAL TRADE PAYABLES	17,658	986	18,643

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	4,865	511	109	95	271	5,851

<i>in thousands of Euro</i>	Not yet due	Overdue	Total at 31.12.2020
Invoices/credit notes received	3,914	2,668	6,582
Invoices/credit notes to be received	6,277	0	6,277
TOTAL TRADE PAYABLES	10,191	2,668	12,859

<i>in thousands of Euro</i>	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	3,914	1,570	558	106	434	6,582

The aging of trade payables show a lower past-due balance at December 31, 2021, compared to the previous year, when there were some suppliers blocked from payment pending certification of the regularity of their contributions. The average payment days are essentially in line with 2020: 53 days in 2021 and 48 in 2020 (2020 figure adjusted to only include vendor invoices received without invoices to be received).

19. Other Liabilities

The following table breaks down other liabilities at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Current tax payables	1,000	480	520
Employee payables and social security institutions	3,688	2,321	1,367
ENAC concession fee and other State payables	18,970	17,891	1,079
Other current liabilities, accrued liabilities and deferred income	5,012	2,362	2,650
Fiscal consolidation payables	2	2	0
OTHER LIABILITIES	28,672	23,056	5,616

The principal changes were as follows:

i. Current tax payables

The following table breaks down tax payables at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
VAT payables	133	0	133
Other tax payables	867	480	387
TOTAL CURRENT TAX PAYABLES	1,000	480	520

Other tax payables primarily relates to IRPEF payables for employed and self-employed staff, in which the former increased as a result of the increase in payroll costs.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Due to personnel remuneration	958	840	118
Employee deferred compensation	1,738	882	856
Social security payables	992	599	393
CURRENT EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	3,688	2,321	1,367

Employee payables and social security institution payables reported an increase at December 31, 2021, due to the increased personnel costs.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 17.1 million (Euro 15.6 million in 2020) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the chapter on Disputes in the Directors' Report;
- Euro 1.9 million as the variable airport concession fee payable regarding the second payment on account and the 2021 final settlement. The payable reduced on the previous year (Euro 2.2 million at December 31, 2020), despite the higher cost, as in the previous year ENAC extended the 2019 final settlement and the fee for the entire year of 2020, as a sector support measure, initially to January 31, 2021 and then to April 30, 2021.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income December 31, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2021	As at 31.12.2020	Change
Payables due for boarding fee surtaxes and Iresa	4,035	1,539	2,496
Other current liabilities	909	765	144
Current accrued liabilities and deferred income	68	58	10
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	5,012	2,362	2,650

The main account concerns the surtax for passenger boarding fees and, from January 1, 2020 for IRESA, relating to the receivables from carriers not yet received at December 31, 2021 for Euro 4 million. The portion of the passenger boarding fees payable and for IRESA relating to receivables collected from carriers, to be paid to the creditor entities on the other hand is classified under current financial liabilities (Note 17). The significant increase in this account is due to recovering aviation revenues after the collapse in traffic in 2020. "Other current payables" include deposits and advances received from customers in addition to deferred income and miscellaneous payables, while the item "other accrued liabilities and deferred income" has not changed significantly compared to the previous year.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

REVENUES

20. Revenues

The following table shows details of revenues by category for the years ended December 31, 2021 and 2020, and in relation to the performance reference should be made to the detailed comments in the Directors' Report.

Consolidated revenues totalled Euro 53.5 million, a decline of over Euro 10 million on 2020 (-16%), due to the reduction in revenues from construction services, which was partially offset by an increase in revenues from aeronautical and non-aeronautical services.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Revenues from aeronautical services	25,396	18,209	7,187
Revenues from non-aeronautical services	19,380	14,965	4,415
Revenues from construction services	8,051	29,377	(21,326)
Other operating revenues and income	736	1,184	(448)
REVENUES	53,563	63,735	(10,172)

The reclassification of Company revenues based on revenue streams defined by IFRS 15, i.e. those from contracts with customers, is shown in the following table:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Airport fees	24,718	17,476	7,242
Parking	6,988	4,584	2,404
Revenues from construction services	8,051	29,377	(21,326)
Others	2,852	3,462	(610)
TOTAL IFRS 15 REVENUE STREAMS	42,609	54,899	(12,290)

The reconciliation between IFRS 15 revenue streams and total revenues is shown in the following table:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Airport fees	24,718	17,476	7,242
Parking	6,988	4,584	2,404
Revenues from construction services	8,051	29,377	(21,326)
Other	2,852	3,462	(610)
TOTAL IFRS 15 REVENUE STREAMS	42,609	54,899	(12,290)
Commercial/non-comm. sub-licenses	10,911	8,760	2,151
TOTAL NON IFRS 15 REVENUE STREAMS	10,911	8,760	2,151
TOTAL NON IFRS 15 Revenues	43	76	(33)
TOTAL REVENUES	53,563	63,735	(10,172)

i. Revenues from aeronautical services

The table below shows revenues from aeronautical services in 2021 and 2020. This revenue category increased 39.5%, and comprised the following components:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Revenues from centralised infrastructure/other airport services	143	104	39
Exclusive use revenues	703	645	58
Airport fee revenues	36,149	22,858	13,291
PRM revenues	2,760	1,678	1,082
Air traffic development incentives	(14,334)	(7,164)	(7,170)
Other aeronautical revenues	(1)	88	(89)
Reduction in other revenues to Provision for doubtful accounts	(24)	0	(24)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	25,396	18,209	7,187

The breakdown of airport fee revenues is shown below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Passenger boarding fees	15,321	9,154	6,167
Landing, take-off and parking fees	13,444	9,162	4,282
Passenger security fees	4,977	2,987	1,990
Baggage stowage control fees	1,840	982	858
Cargo loading and unloading fees	777	692	85
Reduction FSC fees and miscellaneous	(210)	(119)	(91)
TOTAL AVIATION FEE REVENUES	36,149	22,858	13,291

The "reduction of provision for doubtful accounts and other receivables" mainly refers to the write-down of airport fees accrued in 2021 and considered uncollectible.

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in 2021 and 2020.

The growth of 29.5% was driven by parking (+52.4%) and by revenues from the sub-concession of spaces and commercial areas (+30.8%), with these latter due to the closure of businesses during the most acute phases in the first year of the pandemic. Other commercial revenues reported a contained decrease in 2020 (-5.9%) and due mainly to advertising income (-12.4%).

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Sub-licensing of areas and premises	9,363	7,160	2,203
Parking	6,988	4,584	2,404
Other commercial revenues	3,032	3,221	(189)
Sub-licensing of areas and premises	(3)	0	(3)
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	19,380	14,965	4,415

Other commercial revenues are broken down as follows:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Marconi Business Lounge	611	634	(23)
Advertising	948	1,082	(134)
Misc. commercial revenues	1,473	1,495	(22)
Reduction in other commercial revenues to FSC	0	10	(10)
TOTAL OTHER COMMERCIAL REVENUES	3,032	3,221	(189)

iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by Aeroporto Guglielmo Marconi di Bologna S.p.A. on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

These revenues amounted to Euro 8.1 million in 2021, compared to Euro 29.4 million in 2020, due to the greater investments (Euro 21.3 million) in airport infrastructure under concession; see the Directors' Report for further information.

iv. Other revenues and income

The table below shows other revenues and income in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Compensation, reimbursements and other income	704	829	(125)
Operating and plant grants	42	39	(3)
Revenues from Terminal Value on Provision for Renewal	0	316	(316)
Reduction Other revenues and income	(10)	0	(10)
TOTAL OTHER REVENUES AND INCOME	736	1,184	(448)

This category of revenues contracted 37.8%, mainly due to the absence of "Revenues from Terminal Value on provision for Renewal", compared to Euro 0.3 million in 2020. This item, which includes the balancing entry for the receivable from Terminal Value calculated on the work carried out during the year to utilise the provision for renewal, did not increase in 2021 due to the low level of the receivable from Terminal Value calculated on the work carried out in 2021, in comparison with the major work carried out in particular on the runway as part of the extraordinary maintenance during the days of closure in September 2020.

The decrease in "Indemnities, reimbursement and misc. income" is mainly due to lower sales of energy efficiency certificates.

The account "operating and plant grants" mainly concerns the grants to economic operators as per the "Support Decree and Supports Decree Bis" for Euro 16.5 thousand, the tax credit on sanitising and PPE expenses, as per Article 32 of Legislative Decree No. 73/2021, in addition to Euro 11.3 thousand for the use of the ACE (Economic Growth Support) tax credit as per Article 19, of Legislative Decree No. 73/2021 ("Support Decree Bis") by FFM. Finally, it includes the operating grants accruing in the year for new capital goods capex, as per Law No. 160/2019, Article 1, paragraphs 184 to 197 (Euro 9 thousand), and as per Law No. 178/2020, Article 1, paragraphs 1051 to 1063 (Euro 5 thousand).

COSTS

21. Costs

Total 2020 costs show a 25% decrease from Euro 68.4 million to Euro 51.4 million. Excluding the item "construction services" - down 2.6% due to lower investments in concession rights - total operating costs increased by 7.4% due mainly to the increase in the airport concession fee and in personnel costs.

i. Consumables and goods

The table below presents consumables and goods in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Consumables and goods	631	681	(50)
Maintenance materials	121	121	0
Fuel and gasoline	126	112	14
TOTAL CONSUMABLES AND GOODS	878	914	(36)

As shown in the table, this cost category did not show significant changes with respect to the previous year (down 3.9%). There were lower costs for consumable goods and lower consumption of aircraft de-icing fluid and a modest increase in fuel and diesel consumption.

ii. Service costs

The following table shows the breakdown of services costs for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Maintenance costs	4,125	4,120	5
Utilities	1,701	1,763	(62)
Cleaning and accessory services	1,682	1,530	152
Third-party services	4,041	3,684	357
MBL Services	113	105	8
Advertising, promotion and development	376	326	50
Insurance	740	766	(26)
Professional and consultancy services	1,132	1,364	(232)
Statutory board fees and expenses	513	480	33
Other service costs	57	(19)	76
TOTAL SERVICE COSTS	14,480	14,119	361

Service costs increased 2.6%, mainly due to increased costs for cleaning, security and public service charges for the management of the Temporary Storage Facility by the subsidiary (see related parties section), offset by savings in consultant fees and professional services and in transport costs due to the reduction in shuttle services to and from the parking areas.

The costs of utilities show a slight saving compared to 2020, despite the higher costs, particularly of electricity in the final months of 2021, thanks mainly to the fixing of the purchase price of electricity, as well as that of methane gas, at a period prior to the sharp increases that were a feature of the second half of the year. Added to this was the benefit of government aid (reduction of system charges and various electricity taxes) that have been periodically passed by the current government and which have taken immediate effect.

A further breakdown in maintenance expenses is provided below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Owned asset maintenance expenses	922	909	13
Airport infrastructure maintenance expenses	2,975	2,847	128
Third party asset maintenance expenses	228	364	(136)
TOTAL MAINTENANCE EXPENSES	4,125	4,120	5

The breakdown of services is illustrated below:

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Snow clearance	350	312	38
Porterage, transport third-party services	24	167	(143)
PRM assistance service	539	483	56
De-icing and other public service charges	626	528	98
Security service	1,576	1,158	418
Other outsourcing	926	1,036	(110)
TOTAL SERVICES	4,041	3,684	357

iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

iv. Leases, rentals and other costs

The following table shows the breakdown of this category of services costs for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Concession fees	2,842	1,684	1,158
Hire charges	162	111	51
Rental charges	4	23	(19)
EDP processing charges	1,484	1,524	(40)
Other rental & hire costs	0	4	(4)
TOTAL LEASES, RENTALS AND OTHER COSTS	4,492	3,346	1,146

The increase in this cost category (+34.2%) is mainly due to the higher traffic volumes, on whose basis the concession and security fees are calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Tax charges	1,146	1,113	33
Fire prevention service contribution	1,476	1,399	77
Capital losses	1	17	(16)
Other operating costs and expenses	473	369	104
TOTAL OTHER OPERATING EXPENSES	3,096	2,898	198

This category of costs rose by 6.8%, primarily due to expenses relating to the international conference on aviation and tourism, *Aviation Event*, organised in Bologna at the end of August 2021 by the Company, which partially recovered its costs thanks to reimbursements recognised to revenues.

vi. Personnel costs

The following table shows the breakdown of personnel costs for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Wages and salaries	13,796	12,897	899
Social security expenses	4,118	3,985	133
Severance provisions	1,167	1,233	(66)
Retirement pension and similar	92	188	(96)
Other personnel costs	1,479	889	590
TOTAL PERSONNEL COSTS	20,743	19,192	1,460

The main factors were the lesser use of the Temporary Lay-Off Scheme due to the partial recovery of operations, the reintroduction of the variable remuneration component (which was absent in the previous year) and increased leaving incentive costs.

The average workforce for the first nine months of 2021 is lower than in 2020 (by 27 employees) even though the Group's workforce at September 31 was greater than at September 31, 2020 (by 16 employees).

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Employee canteen	348	332	16
Personnel training and refresher courses	84	87	(3)
Personnel travel expenses	40	43	(3)
Other personnel provisions	915	122	793
Misc. personnel costs	92	305	(213)
TOTAL OTHER PERSONNEL COSTS	1,479	889	590

The average headcount by category in the two periods under consideration is shown below:

<i>Average workforce (number)</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Executives	9	9	0
White-collar	355	370	(15)
Blue-collar	79	84	(5)
TOTAL PERSONNEL	443	463	(20)

The headcount at the end of the two financial years under consideration was as follows:

<i>Workforce (number)</i>	As at 31.12.2021	As at 31.12.2020	Change
Executives	8	9	(1)
White-collar	355	355	0
Blue-collar	81	79	2
TOTAL PERSONNEL	444	443	1

22. Depreciation, amortisation and impairment

The table below shows Depreciation, amortisation and impairment in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Amortisation/write-downs Concession rights	7,255	6,498	757
Amortisation of other intangible assets	881	1,397	(516)
Depreciation/write-down of tangible assets	2,148	2,449	(301)
TOTAL DEPRECIATION AND AMORTISATION	10,284	10,344	(60)

The cost is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months (see Investment Chapter in the Directors' Report and notes 1 and 2) and includes Euro 299 thousand of write-downs of concession fees and Euro 18 thousand of write-downs of property, plant and machinery, due to the cancellation of designs that are no longer utilisable. The item "Depreciation of tangible assets", finally, includes Euro 449 thousand of depreciation on leased assets in accordance with IFRS 16.

23. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges in 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Provisions for doubtful accounts	493	502	(9)
Provision for renewal of airport infrastructure	646	2,309	(1,663)
Provisions for other risks and charges	200	2	198
TOTAL PROVISIONS	1,339	2,813	(1,474)

This category of costs decreased almost exclusively due to the lower provision for renewal of airport infrastructure, which represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The lower provision was due to the postponement of works not executed in the year and the consequent review of the ten-year restoration and replacement plan.

With regard to the provision for doubtful debts, the amount in the table consists of Euro 551 thousand in provisions, net of Euro 58 thousand in releases due to the cessation of risk on certain customer positions. The overall write-down of receivables during the year against the risk of non-collectability derives from the provision of Euro 493 thousand and the reduction of revenues accrued during the year for a further Euro 254 thousand.

24. Net financial income and expenses

The following table shows the breakdown of Financial income and financial expenses for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Income from securities	2	5	(3)
Other income	0	83	(83)
Discounting income on provisions	475	79	396
TOTAL FINANCIAL INCOME	477	167	310
Interest expenses and bank charges	(737)	(562)	(175)
Discounting charges on provisions	(36)	(529)	493
Interest charges for discounting of liabilities for leasing	0	(6)	6
Other financial expenses	(290)	(95)	(195)
TOTAL FINANCIAL EXPENSES	(1,063)	(1,192)	128
TOTAL FINANCIAL INCOME AND EXPENSES	(586)	(1,025)	439

The deterioration is due to the increase in the debt, with a consequent increase in interest expense and accessory costs, such as costs for the SACE guarantee. The improvement compared to the previous year is due, on the one hand, to the low charges for discounting provisions (Euro 36 thousand compared to Euro 529 thousand in 2020) and, on the other hand, to the growth of the item "discounting income on provisions" (from Euro 79 thousand to Euro 475 thousand).

25. Income taxes

The following table shows income taxes for the year for 2021 and 2020.

<i>in thousands of Euro</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Current income taxes	(76)	(467)	391
Deferred tax assets and liabilities	(2,384)	(4,464)	2,080
TOTAL INCOME TAXES FOR THE YEAR	(2,460)	(4,931)	2,471
% current taxes on results before taxes	n.a.	n.a.	/
% income taxes for the year on results before taxes	n.a.	n.a.	/

Income taxes in 2020 amounted to tax income of Euro 2.5 million compared to a tax charge of Euro 5 million in 2020 and reduce the statutory loss in the year, primarily due to the recognition of deferred tax assets on the IRES tax loss for the year of Euro 2.1 million compared to Euro 4.8 million of IRES in the previous year.

With reference to current taxes, the item "Income from tax consolidation" includes the benefits deriving from participation in the tax consolidation procedure, amounting to Euro 94 thousand, entirely corresponding to the IRES payable by the consolidated companies for 2021. Finally, it should be noted that there is no IRAP taxation for 2021 due to the tax loss carried forward from the previous year.

The breakdown of current income taxes is illustrated below:

<i>Breakdown of taxes for the year</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Income from tax consolidation	(94)	(129)	35
Prior year taxes	18	(338)	356
TOTAL	(76)	(467)	391

The reconciliation between the IRES effective and theoretical tax rate is illustrated below:

<i>IRES effective/theoretical Tax Rate Reconciliation</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Pre-tax result	(10,002)	(18,894)	8,892
Ordinary tax rate	24%	24%	0%
IRES surtax 3.5%	3.5%	3.5%	0%
Theoretical tax charge/(recovery) 24%	(2,400)	(4,535)	2,135

<i>Effect of increase or decrease to the IRES ordinary tax rate:</i>	for the year ended 31.12.2021	for the year ended 31.12.2020	Change
Taxed provisions deductible in subsequent financial years	986	783	203
Costs deductible in subsequent financial years	2,995	2,865	130
Other non-deductible costs	899	806	93
Use of provisions taxed in prior financial years	(201)	(1,534)	1,333
Costs not deductible in previous years	(2,744)	(2,840)	96
Other differences	(1,244)	(1,623)	379
Total increase/decrease	691	(1,543)	2,234
Assessable income	(9,311)	(20,437)	11,126
IRES deferred tax assets on tax loss 24%	(2,141)	(4,776)	2,635
Income from IRES tax consolidation	(94)	(129)	35
TOTAL	(2,235)	(4,905)	2,670
Effective tax rate	22.35%	25.96%	3.62%

26. Related party transactions

For the definition of “Related Parties”, reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.

Intercompany transactions are carried out within the scope of ordinary operations and at normal market conditions. Related party transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation. None of these have particular economic or strategic significance for the company as they do not account for a significant percentage of the total financial statement amounts.

The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the company with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.

The following related party transactions was carried out in the period:

Transactions with subsidiary companies

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the twenty-year sub-concession of the General Aviation traffic assistance infrastructure and the provision of administration and legal services, including the compensation, reversed to the employer Adb, of directors of the Parent Company and the secondment of personnel, for Euro 147 thousand (Euro 99 thousand in 2020).

Adb's contract liabilities to the subsidiary relate primarily to:

- the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees;
- in addition to the above, the new H24 contract awarded to the subsidiary on April 1, 2021 is considered.

the latter is the basis for the growth in costs to the subsidiary, which in 2021 amounted to Euro 386 thousand compared to Euro 174 thousand in 2020.

Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed on the basis of the Board of Directors’ motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and Tag Bologna Srl of February 22, 2021 (consolidated company) for the years 2021-2023;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.2 million.

Commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi S.p.A. concern the provision by AdB of the following services:

- sub-concession of offices, areas and operating rooms;
- management and staffing, including the following staff services: accounting, administration, finance, operating control, management reporting, personnel, legal, ICT, personnel secondment and directors’ competences and Supervisory Board;
- packages and goods x-ray controls.

Revenues in the year from the subsidiary amount to Euro 329 thousand compared to Euro 354 thousand in 2020.

The contract liabilities to FFM relate to the mandate to collect airport fees on board and the payment for the public service charge connected with management of the Temporary Storage Warehouse. The former was not activated in 2021 or in the comparative year, whilst for the latter, in 2021 contributions to cover the loss from management of the Temporary Storage Warehouse amounting to Euro 128 thousand accrued.

The non-commercial transactions with FFM include the tax consolidation contract renewed on the basis of the Board of Directors' motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and FFM of February 17, 2021 (consolidated company) for the years 2021-2023.

Related party transactions

In 2021, the parent company undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Autostrade spa: under the lease agreement valid until December 31, 2024 of land for parking use, the Parent Company recognised a leasing asset for a net value of Euro 232 thousand at December 31, 2021 (Euro 311 thousand at December 31, 2020) in addition to current leasing liabilities for Euro 70 thousand and non-current for Euro 142 thousand (respectively Euro 141 thousand and Euro 213 thousand at December 31, 2020). Depreciation costs on leased land for Euro 78 thousand is substantially unchanged on the previous year. The parent company finally recognised in previous years a provision for contractual charges of Euro 43 thousand for land restoration commitments on conclusion of the contract;
- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 82 thousand compared with Euro 55 thousand in 2020. Trade payables were recognised for Euro 45 thousand (Euro 17 thousand at December 31, 2020);
- Autostrade Tech: under the facilities maintenance contract mentioned in the previous point, the Parent Company incurred costs of Euro 16 thousand (Euro 15 thousand in 2020) and reported trade payables of Euro 4 thousand (Euro 2 thousand at December 31, 2020);
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, the Parent Company incurred costs of Euro 9 thousand and reported trade payables of Euro 11 thousand at December 31, 2020 (Euro 9 thousand at December 2020).

The following tables present the balances of related parties transactions contained in the financial statements balances.

<i>in thousands of Euro</i>	for the year ended 31.12.2021		for the year ended 31.12.2020	
	Total	of which related parties	Total	Total
Concession rights	194,755	0	193,677	0
Other intangible assets	914	0	1,562	0
Intangible assets	195,669	0	195,239	0
Land, property, plant and equipment	10,985	232	12,321	311
Investment property	4,732	0	4,732	0
Tangible assets	15,717	232	17,053	311
Investments	3,189	0	3,189	0
Other non-current financial assets	12,260	0	11,916	0
Deferred tax assets	12,807	0	10,428	0
Other non-current assets	169	0	231	0
Other non-current assets	28,425	0	25,764	0
NON-CURRENT ASSETS	239,811	232	238,056	0
Inventories	695	0	649	0
Trade receivables	19,590	597	5,687	361
Other current assets	5,377	251	3,643	146
Current financial assets	0	0	275	0
Cash and cash equivalents	21,972	0	37,991	0
CURRENT ASSETS	47,634	849	48,245	507
TOTAL ASSETS	287,445	1,081	286,301	818

<i>in thousands of Euro</i>	for the year ended 31.12.2021		for the year ended 31.12.2020	
	Total	of which related parties	Total	of which related parties
Share capital	90,314	0	90,314	0
Reserves	69,583	0	83,567	0
Loss for the year	(7,542)	0	(13,963)	0
TOTAL SHAREHOLDERS' EQUITY	152,355	0	159,918	0
Severance and other personnel provisions	3,475	0	3,864	0
Deferred tax liabilities	2,080	0	2,073	0
Provision for renewal of airport infrastructure	10,009	0	10,139	0
Provisions for risks and charges	1,390	43	1,239	43
Non-current financial liabilities	61,819	142	67,562	213
Other non-current liabilities	55	0	41	0
NON-CURRENT LIABILITIES	78,828	185	84,918	257
Trade payables	18,643	270	12,859	148
Other liabilities	28,672	3	23,056	(69)
Provision for renewal of airport infrastructure	1,556	0	1,538	0
Provisions for risks and charges	0	0	0	0
Current financial liabilities	7,391	70	4,012	141
CURRENT LIABILITIES	56,262	342	41,465	220
TOTAL LIABILITIES	135,090	528	126,383	477
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	287,445	528	286,301	477

<i>in thousands of Euro</i>	for the year ended 31.12.2021		for the year ended 31.12.2020	
	Total	of which related parties	Total	of which related parties
Revenues from aeronautical services	25,396	75	18,209	75
Revenues from non-aeronautical services	19,380	236	14,965	243
Revenues from construction services	8,051	0	29,377	0
Other operating revenues and income	736	163	1,184	135
Revenues	53,563	475	63,735	453
Consumables and goods	(878)	0	(914)	0
Service costs	(14,480)	(606)	(14,119)	(241)
Construction service costs	(7,667)	0	(27,978)	0
Leases, rentals and other costs	(4,492)	(9)	(3,346)	(9)
Other operating expenses	(3,096)	(4)	(2,898)	(2)
Personnel costs	(20,743)	(2)	(19,192)	(1)
Costs	(51,356)	(621)	(68,447)	(253)
Amortisation/impairment of Concession Rights	(7,255)	0	(6,498)	0
Amortisation of other intangible assets	(881)	0	(1,397)	0
Depreciation of tangible assets	(2,148)	(78)	(2,449)	(77)
Depreciation, amortisation and impairment	(10,284)	(78)	(10,344)	(77)
Provisions for doubtful accounts	(493)	0	(502)	0
Provision for renewal of airport infrastructure	(646)	0	(2,309)	0
Provisions for other risks and charges	(200)	0	(2)	0
Provisions for risks and charges	(1,339)	0	(2,813)	0
Total Costs	(62,979)	(699)	(81,604)	(330)
Operating result	(9,416)	0	(17,869)	0
Financial income	477	0	167	0
Financial expenses	(1,063)	0	(1,192)	0
Result before taxes	(10,002)	0	(18,894)	0
Taxes for the year	2,460	0	4,931	0
Loss for the year	(7,542)	0	(13,963)	0

The movements with regards to the individual related parties respectively in 2021 and 2020 are presented below.

2021											
<i>in thousands of Euro</i>	Land, Property, plant and equipment	Trade Receivables	Other current assets	Total Current assets	Total Assets	Non-current financial liabilities	Provisions for risks and charges	Trade payables	Other Liabilities	Current Financial Liabilities	Total liabilities
Tag Bologna Srl	0	277	47	324	324	0	0	82	2	0	85
Fast Freight Marconi S.p.A.	0	320	202	522	522	0	0	128	1	0	129
Autostrade Spa	232	0	0	0	232	142	43	0	0	70	255
Telepass Spa	0	0	0	0	0	0	0	45	0	0	45
Autostrade Tech	0	0	3	3	3	0	0	4	0	0	4
Infloblu Spa	0	0	0	0	0	0	0	11	0	0	11
Total	232	597	251	849	1,081	142	43	270	3	70	528

2020											
<i>in thousands of Euro</i>	Land, Property, plant and equipment	Trade Receivables	Other current assets	Total Current assets	Total Assets	Non-current financial liabilities	Provisions for risks and charges	Trade payables	Other Liabilities	Current Financial Liabilities	Total liabilities
Tag Bologna Srl	0	220	13	233	233	0	0	26	2	0	29
Fast Freight Marconi S.p.A.	0	141	131	272	272	0	0	7	1	0	8
Autostrade Spa	311	0	0	0	311	213	43	87	(71)	141	414
Telepass Spa	0	0	0	0	0	0	0	17	0	0	17
Autostrade Tech	0	0	3	3	3	0	0	2	0	0	2
Infloblu Spa	0	0	0	0	0	0	0	9	0	0	9
Total	311	361	147	508	818	213	43	148	(69)	141	477

2021										
<i>in thousands of Euro</i>	Revenues from aeronautical services	Revenues from non-aeronautical services	Other operating revenues and income	TOTAL REVENUES	Service costs	Leases, rentals and other costs	Other operating expenses	Personnel costs	TOTAL COSTS	Depreciation of tangible assets
Tag Bologna Srl	0	69	77	147	(379)	0	(4)	(2)	(386)	0
Fast Freight Marconi S.p.A.	75	167	86	329	(128)	0	0	0	(128)	0
Autostrade Spa	0	0	0	0	0	0	0	0	0	(78)
Telepass Spa	0	0	0	0	(82)	0	0	0	(82)	0
Autostrade Tech	0	0	0	0	(16)	0	0	0	(16)	0
Infloblu Spa	0	0	0	0	0	(9)	0	0	(9)	0
Total	75	236	163	475	(606)	(9)	(4)	(2)	(621)	(78)

2020										
<i>in thousands of Euro</i>	Revenues from aeronautical services	Revenues from non-aeronautical services	Other operating revenues and income	TOTAL REVENUES	Service costs	Leases, rentals and other costs	Other operating expenses	Personnel costs	TOTAL COSTS	Depreciation of tangible assets
Tag Bologna Srl	0	64	35	99	(171)	0	(2)	(1)	(174)	0
Fast Freight Marconi S.p.A.	75	179	100	354	0	0	0	0	0	0
Autostrade Spa	0	0	0	0	0	0	0	0	0	(77)
Telepass Spa	0	0	0	0	(55)	0	0	0	(55)	0
Autostrade Tech	0	0	0	0	(15)	0	0	0	(15)	0
Infloblu Spa	0	0	0	0	0	(9)	0	0	(9)	0
Total	75	243	135	453	(241)	(9)	(2)	(1)	(253)	(77)

All the related party transactions described above were undertaken during the course of ordinary operations and on an arm's length basis.

27. Commitments and risks

Environmental investment commitments

The Parent Company, through the Regional Agreement for a Low-Carbon Airport, signed with regional authorities in 2015 and updated in January 2020, has committed to perform work with a maximum total cost

of Euro 9.3 million. These investments will be carried out over a period consistent with the timeframe for implementation of the airport Master Plan.

June 2021 saw the completion of the executive design of the wooded strip and bike path scheduled for completion to the north of the airport by the end of 2023. This is the main work of environmental compensation, consisting of a wooded area of about 40 hectares and a bike path of about 3.5KM in length that will connect the Bargellino area with the village of Lippo di Calderara di Reno.

Guarantees granted

With regards to the guarantees provided, reference should be made to the summary table at December 31 presenting the two comparative years. These concern:

- sureties, the principal of which being Adb's co-obligation in the surety of Euro 5.8 million issued by UnipolSai in favour of the Customs Office at the request of the subsidiary, FFM, regarding the customs dispute in which it is involved (see the section on disputes in the Directors' Report), in addition to the surety in favour of ENAC provided for in the Full Management Agreement (Euro 1.6 million);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena) which at the end of the period amounted to Euro 2.2 million.

Euro thousands	31/12/2021	31/12/2020	Change	% Change
Sureties	7,669	5,733	1,936	34%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	2,231	2,751	(649)	-23%
Total guarantees provided	20,773	19,357	1,286	7%

Types and management of other risks

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 bis, reference should be made to the specific section of the Directors' Report, also with regards to the comment upon the other risks to which the company is subject.

28 Law 124/2017 Article 1, paragraphs 125-129 - Transparency of public disbursements

In 2021, AdB utilised "State Aid", availing of the grant in the form of a tax credit on sanitising and PPE expenses, as per Article 32 of Legislative Decree No. 73/2021 for Euro 16.5 thousand.

For further details and with regards to other "State Aid" received, reference should be made to the National Registry for State Aid website, as per Article 52 of Law No. 234 of December 24, 2012.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to year end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at December 31.

Reference should be made to the last chapter of the Directors' Report for comments on business outlook.

PROPOSAL FOR THE ALLOCATION OF THE RESULT FOR THE YEAR

Dear Shareholders,
the financial statements for 2021 of the company Aeroporto Guglielmo Marconi di Bologna Spa, which we present for your approval, report a loss of Euro 7,542,353.77, which the Board of Directors proposes to carrying forward to 2022.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, March 14, 2022

Declaration on the statutory financial statements as per Article 154-bis, paragraph 5, CFA

1. The undersigned Nazareno Ventola, as Chief Executive Officer, and Patrizia Muffato, as Executive Officer for Financial Reporting, of Aeroporto Guglielmo Marconi di Bologna S.p.A., declare, also in consideration of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998:
 - the accuracy of the information on company operations and
 - the effective application of the administrative and accounting procedures for the compilation of the financial statements at December 31, 2021.

2. The valuation of the adequacy of the accounting and administrative procedures for the preparation of the statutory financial statements at December 31, 2021, is based on a process defined by Aeroporto Guglielmo Marconi di Bologna S.p.A., in accordance with the Internal Control Integrated Framework defined by the Committee of the Sponsoring Organisations of the Treadway Commission, which represents the benchmark standard generally accepted at international level.

3. We also declare that:
 - 3.1 the Statutory Financial Statements at December 31, 2021:
 - a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
 - b) correspond to the underlying accounting documents and records;
 - c) provides a true and fair view of the financial position, financial performance and cash flow of the issuer.
 - 3.2 The Directors' Report includes a reliable analysis on the performance and as well as the issuer's situation, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, March 14, 2022

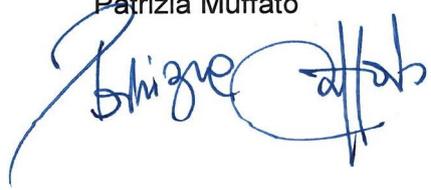
Amministratore Delegato

Nazareno Ventola



**Officer in charge of preparing
the corporate accounting documents**

Patrizia Muffato



Aeroporto Guglielmo Marconi di Bologna S.p.A.
Registered Office in Bologna
Share capital Euro 90,314,162 fully paid-in
Enrolled in the Bologna Companies Registry at
No. 03145140376
Bologna Economic & Administrative Register
No. - 268716

Report of the Board of Statutory Auditors to the Shareholders' Meeting

(in accordance with Article 153 of Legislative Decree 58/1998 and Article 2429, paragraph 2 of the Civil Code)

Dear Shareholders,

this report, drawn up as per Article 153 of Legislative Decree 58/1998 (hereafter "CFA") and Article 2429, paragraph 2 of the Civil Code, outlines the oversight activities carried out by the Board of Statutory Auditors during financial year 2021, in compliance with the indications of Consob Communication DEM/1025564 of April 6, 2001 and subsequent amendments and supplements.

During the year, the Board of Statutory Auditors performed its supervisory activities, as the chief body of the corporate controls system, as required by law, the "Rules of conduct for Boards of Statutory Auditors of listed companies" issued by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and the CONSOB provisions concerning corporate controls and activities of the Board of Statutory Auditors and the indications of the Self-Governance Code.

The Board of Statutory Auditors has verified annually that its members met the requirements of integrity and professionalism specified by Ministerial Decree No. 162 of March 30, 2000, that there were no reasons for removal from office or ineligibility pursuant to Article 148, paragraph 3 of the CFA and that they met the same independence requirements that apply to directors under the Self-Governance Code.

The execution of the accounting and statutory audits is assigned to the Independent Audit Firm EY S.p.A. (hereinafter the "Independent Audit Firm" or "EY"), following appointment for the financial years 2015-2023 by the Shareholders' Meeting of May 20, 2015.

The following is reported based on information obtained during meetings of the Board of Directors and Internal Committees to the Board (the Control, Risks and Sustainability Committee, the Remuneration Committee) and through meetings with corporate departments and as a result of audits performed.

Significant transactions

The Board of Statutory Auditors considers that sufficient information was obtained on significant economic, equity and financial transactions carried out by the company, as shown in the documents that comprise the consolidated and separate financial statements and in the Directors' Report. 2021, due to the continued COVID-19 pandemic, was the second year heavily impacted by the ongoing contraction in traffic due to the public health emergency, although to a lesser extent than 2020. Overall, passengers travelling through Bologna airport numbered 4,103,816, increasing 63.7% on 2020, although down 56.4% on 2019. Consequently, 2021 also closes with a loss, but an improvement over 2020, as discussed in detail in the Company's 2021 financial statements.

The significant transactions include:

- the signing in December 2021 of an EIB loan (European Investment Bank) up to a maximum amount of Euro 90 million to support infrastructural development plans and to ensure the Company's financial solidity, also in view of the crisis situation and the highly restricted traffic numbers due to the COVID-19 pandemic;
- the introduction of further sector support measures, such as exceptional wage subsidies for employees (Exceptional Temporary Lay-Off Scheme) from March 22 until December 26, 2021;
- the preliminary activities for the request for access to the COVID-19 damage compensation fund (Article 128-bis of the 2021 Budget Law and Decree-Law No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021), with resources totalling Euro 800 million, of which Euro 735 million for airport operators and Euro 65 million for ground handling companies. At the end of July 2021, the European Commission approved this financial support in accordance with EU state aid rules, and on December 28, 2021 the Enacting Decree (Decree of the Ministry of Infrastructure and Sustainable Mobility of November 25, 2021) was published in the Official Gazette, setting a deadline of January 27, 2022 for the submission of applications. The application was presented by the deadline and the company will recognise a revenue in the 2022 financial statements when the approval process is concluded through the acceptance/rejection of the applications by the General Direction of the Ministry of Sustainable Infrastructure and Mobility. In fact, the Company considers the process required by the regulations to be substantial and justifies this assessment in the 2021 Financial Statements.

Atypical or unusual transactions

No atypical or unusual transactions carried out in 2021 emerged from the information received from the Directors and from meetings with representatives of the Independent Audit Firm, including any inter-company or related party transactions. The Board did not receive communications from subsidiaries' Control Bodies or from the Independent Audit Firm, containing findings in this respect.

Related party or inter-company transactions

The characteristics of inter-company transactions carried out during the year, the parties involved and the corresponding financial effects are suitably reported in the Notes to the company's separate and consolidated financial statements, which also set out the related receivables/payables and cost/revenue transactions.

Related party transactions, implemented in compliance with the applicable "Related Party Transaction Policy" adopted by the Board of Directors in the meeting of April 13, 2015, are of an ordinary nature and principally concern commercial and financial transactions, in addition to participation in the tax consolidation. These transactions are also listed in the Notes to the company's separate and consolidated financial statements, which also set out the related receivables/payables and cost/revenue transactions, and the fact that these transactions will be carried out at normal market conditions.

Supervisory Activities of the Board of Statutory Auditors

In exercising its functions pursuant to Article 2403 of the Civil Code and Article 149 of the CFA, the Board of Statutory Auditors:

- verified compliance with law and the company's By-Laws;
- continuously obtained information from Directors on the activities performed, the general operating performance and its outlook, in addition to significant economic, equity and financial transactions carried out by the company, including through its subsidiaries, and in relation to such can reasonably assure that approved and executed transactions are in conformity with law and the by-laws of the company and were not manifestly imprudent, risk-related, in conflict of interest or contrary to the motions passed by the Shareholders' Meeting, or such as to compromise the integrity of company assets;
- in particular, it received sufficient information concerning:
 - the initiatives adopted to ensure implementation of Regulation EU No. 679/2016 (General Data Protection Regulation "GDPR"), in terms of executing appropriate organisational process changes;
 - the contribution intended for the fund indicated in Article 1, paragraph 1328 of Law No. 296 of December 27, 2006, established to finance the fire prevention service at national airports, with the company filing in 2012 specific legal proceedings at the Civil Court of Rome, before which the statement of conclusions was heard on 28.10.2020. Subsequently, on February 8, 2022, the Rome Court issued its ruling No. 2012/2022 clarifying the jurisdiction of the tax court. The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court will present the cases currently before the Rome Court (RG No. 22375/12).
- verified compliance with the principles of correct administration;
- oversaw the adequacy of the indications to the subsidiaries as per Article 114, paragraph 2 of the CFA, ensuring that subsidiaries' coordination activities (Fast Freight Marconi S.p.A and TAG Bologna S.r.l.) are also carried out through the presence of Parent Company executives on the corporate boards;

- exchanged information with subsidiaries' corresponding boards pursuant to Art. 151, paragraph 2 of the CFA;
- held periodic meetings with the Independent Audit Firm, also in accordance with the provisions of Article 19, paragraph 1 of Legislative Decree No. 39/2010 and Article 150, paragraph 3 of the CFA, in order to supervise the financial disclosure process and its suitability and integrity, as well as compliance with legal provisions concerning the formation of financial statements, their layout and structure;
- verified the suitability of the administrative and accounting system and its capacity to accurately reflect operating events by obtaining information from managers of the respective departments and analysing the results of work carried out by the Independent Audit Firm. The certification as per Article 154-bis, paragraph 5 of the CFA, signed by the Chief Executive Officer and the Executive Officer for financial reporting, on the adequacy of the administrative and accounting procedures for the drafting of the statutory financial statements and the consolidated financial statements are annexed to these documents;
- acquired information and supervised the suitability of the company's organisational structure and the internal control system, including through participation in the meetings of the Control, Risks and Sustainability Committee. The Board of Statutory Auditors examined the assessment expressed by the Board of Directors in the meeting of March 14, 2022, on the basis of the preliminary report undertaken by the Control and Risks Committee, which considered AdB's internal control and risk management system to be generally suitable with respect to the characteristics of the company and the risk profile assumed;
- verified the internal audit manager's activity, taking note of his observations during periodic audits and examining the content of the drafted annual report for 2021, which highlights that no matters emerged to indicate that AdB's internal control and risk management system is not generally suitable to guarantee sound and correct business conduct in line with pre-set objectives;
- examined the annual disclosure report of the Supervisory Board relating to the updating of the Model, control on the functioning and compliance of the Model pursuant to Legislative Decree No. 231/2001, from which no significant events emerged;
- reviewed the report of the Ethics and Anticorruption Committee (a collective body which replaces the position of Prevention, Transparency and Anticorruption Manager (RPCT)), which has been assigned the duty to monitor and verify the effective implementation of the “Anticorruption Policy” and reviewed the activities carried out;
- did not receive any statements pursuant to Article 2408 of the Civil Code, nor any petitions from third parties;

- verified the correct application of assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members and has no observations to make in this regard;
- supervised compliance with the corporate governance rules laid down by the Corporate Governance Code of listed companies, issued by Borsa Italiana and approved by the Corporate Governance Committee, to which the company declared and confirmed its compliance. The governance system adopted by the company is described in detail in the Corporate Governance and Ownership Structure Report for the year 2021, approved by the Board of Directors in the meeting of March 14, 2022.

The Board of Statutory Auditors also supervised the independence of the Independent Audit Firm EY S.p.A., pursuant to Article 19 of Legislative Decree 39/2010 and, in its concomitant capacity of Internal Control and Audit Committee, ascertained the compatibility of services, other than the statutory audit provided to the company, with the limitations envisaged by Article 5 of EU Regulation No. 537/2014. In 2021, the company paid Euro 95,103 in fees to EY S.p.A. for assignments involving audit services and the auditing of regulatory accounts, while subsidiaries (Fast Freight Marconi S.p.A and TAG Bologna S.r.l.) paid Euro 19,067 for auditing services. In addition, the following non-audit services assignments were conferred by the Parent Company to EY S.p.A.: the review of the requirements concerning the Non-Financial Information Report (Euro 23,126) and the certifications for the purposes of Legislative Decree No. 118 of June 23, 2011 (Euro 6,000). The Independent Audit Firm issued the "Statement of Independence" certifying that no situations were in place that may compromise their independence nor were there grounds for incompatibility in respect of AdB. Considering the above statement, it should be noted that no critical aspects emerged that could have compromised the Independent Audit Firm's independence.

The current Board of Directors was appointed by the Shareholders' Meeting of April 29, 2019 and will remain in office until the approval of the Financial Statements as at December 31, 2021.

The Board of Directors shall comprise nine members.

Eight directors are non-executive, while five of these are independent as envisaged by Article 147-ter, paragraph 4, of the CFA and the Self-Governance Code,

During 2021, the Board of Statutory Auditors attended:

- the Shareholders' Meeting of April 26, 2021;
- 10 Board of Directors' meetings;
- 7 Control, Risks and Sustainability Committee meetings;
- 5 Remuneration Committee meetings;

In all the above meetings, the undersigned Board of Statutory Auditors always received sufficient information on activities performed and the nature of transactions carried out. In 2021, the undersigned Board of Statutory Auditors held 6 meetings and in 2022 (until the date of this report), the Board of Statutory Auditors met on 1 occasion.

During the supervisory activities carried out and on the basis of the information obtained from the Independent Audit Firm, at the periodic meetings, as per Article 150, paragraph 3 of the CFA, no significant data and information were noted that would need to be highlighted in this report, nor were there omissions and/or citable events and/or irregularities or, in any case, significant matters meriting mention in this report.

Non-Financial Information Report

As per Article 3, paragraph 7 of Legs. Decree No. 254 of December 30, 2016, it is confirmed that, with regards to the voluntary Non-Financial Information Report, prepared as per Articles 4 and 7 of the decree, the Board of Statutory Auditors oversaw, to the extent of its remit, compliance with the provisions set out in the stated decree. The company appointed EY S.p.A. as the auditor, and to also undertake the tasks as per Article 3, paragraph 10 of the decree. The Independent Audit Firm issued a certification upon the consistency of the information provided in the voluntary Non-Financial Information Report against that required by Articles 3 and 4 of the decree and the reporting standard adopted.

Separate and Consolidated Financial Statements

The Board of Statutory Auditors carried out the necessary audits on compliance with the rules concerning the compilation of the statutory financial statements and Group consolidated financial statements as at December 31, 2021, approved by the Board of Directors on March 14, 2022. In particular, it acknowledges that the separate and consolidated financial statements were drawn up in compliance with International Financial Reporting Standards adopted by the European Union and that the company applied the format of financial statements and company information as established by CONSOB. Compliance with regulations relating to the preparation of the Directors' Report was verified and, in this regard, there are no particular matters to report. With reference to its content, we point out that this Directors' Report sufficiently illustrates the operating result, cash flows, financial position and operating performance during the year and provides significant data concerning the company within the scope of consolidation, also providing information on the principal risks and uncertainties which the company is exposed to.

The Independent Audit Firm EY S.p.A. issued on March 31, 2022 the reports as per Article 14 of Legislative Decree No. 39 of January 27, 2010 and Article 10 of Regulation (EU) No. 537/2014, in which it declared that the separate and consolidated financial statements at December 31, 2021, provide a true and fair view of the statement of financial position, the result and cash flows of the company and the Group and that the Directors' Report and information contained in the Corporate Governance and Ownership Structure Report indicated in Article 123-bis, paragraph 4 of the CFA, are consistent with the company's statutory financial statements and Group consolidated financial statements.

The Independent Audit Firm also produced the Additional Report indicated in Article 11 of Regulation (EU) No. 537/2014 which denotes that there were no significant deficiencies in the internal control system or in the administrative and accounting system of the company.

Conclusion

The Board of Statutory Auditors concludes this Report on auditing activities carried out during 2021 by expressing a positive opinion on the activity performed by the company, its organisation, the effectiveness of the internal control system and the administrative and accounting system, compliance with the principles of correct administration and compliance with law and the By-Laws and, also in view of the results of the activity performed by the Independent Audit Firm appointed for the financial audit, expresses a favourable opinion on the approval of the financial statements at December 31, 2021 as drafted and approved by the Board of Directors on March 14, 2022, and are in agreement with the proposal to carry forward the loss for the year.

Bologna, March 31, 2022

The Board of Statutory Auditors

Mr. Pietro VOGLI, Chairperson

Ms. Samantha GARDIN

Mr. Alessandro BONURA



Aeroporto Guglielmo Marconi di Bologna S.p.A.

Financial statements as at December 31, 2021

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated January 27, 2010, and
article 10 of EU Regulation n. 537/2014

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholders of
Aeroporto Guglielmo Marconi di Bologna S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2021, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Response
<p>Impairment test following the impacts deriving from the Covid-19 pandemic on the Company's business</p> <p>The performance of the Company for the 2021 fiscal year was heavily influenced by the restrictions on air traffic for the purpose of containing the Covid-19 pandemic. Overall passenger volume transiting through the Bologna airport during 2021 registered an increase of 63.7% with respect to 2020, but the decrease compared to 2019 pre-Covid is still significant (-56.4%).</p> <p>The reduction in traffic and the contraction in revenues of the Company as impacted by the restrictions imposed by the Covid-19 pandemic represent an indicator of impairment in accordance with IAS 36.</p> <p>In consideration of the significance of the impacts deriving from events described above, we considered that this aspect represents a key audit matter.</p> <p>The disclosures relating to the impairment test are included in note 1. "Intangible assets". The disclosures relating to Covid-19 impacts on the fiscal year 2021 are included in section "Accounting Standards adopted for the preparation of the Financial Statements for the year ended December 31, 2021" under paragraph "Impacts of the Covid-19 pandemic and going concern".</p>	<p>Our audit procedures performed in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none"> • assessment of the valuation methodologies adopted by the Company; • analysis of the assumptions underlying the preparation the financial and economic plan made by the Company; • analysis of the consistency of the assumptions in the context of the macroeconomic environment; • discussions with management regarding the manner of construction of the impairment test model; • testing the consistency of the of the discount rate applied (WACC). <p>In performing our audit procedures, we also involved our valuation specialists who performed and independent calculation and carried out a sensitivity analysis of the key assumptions for the purpose of determining changes in assumptions that could significantly impact the determination of the recoverable amount.</p> <p>Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the Key Audit Matter.</p>
<p>Valuation of the provision for renewal of airport infrastructure</p> <p>The provision for renewal of airport infrastructure (the "Provision") accounted for in the financial statements as of December 31, 2021 amounts to Euro 11.6 million and includes accruals for non-recurring maintenance expenses, as well as estimated future costs for restoration and replacement of assets under concession that the Company plans to incur in accordance with the current concession agreements.</p>	<p>Our audit procedures performed in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none"> • assessment of the process and key internal controls implemented by the Company; • understanding of the concession agreement from which the obligation arises; • analysis of the supporting report prepared by the Company's technical departments;

The processes and methodologies applied to evaluate and determine such estimated future costs are based on complex assumptions that, due to their nature, imply the use of management's judgment, in particular with reference to the nature, timing and amount of the maintenance costs, including the relevant financial component applied based on the timing of such maintenance services.

Considering the judgment required by management in order to evaluate the nature, timing and amount of such maintenance services, we believe that the valuation of the provision for renewal of airport infrastructure represents a key audit matter.

The disclosures relating to the valuation of the provision for renewal of airport infrastructure are included in section "Accounting policies" under paragraph "Provisions for risks and charges", as well as in note 15. "Provision for renewal of airport infrastructure (non-current and current)".

- test of details on a sample of Provision's utilizations accounted for during the fiscal year;
- assessment of the key changes to the amount of the Provision as compared to the prior year;
- a critical analysis of the assumptions underlying the calculation of the Provision as well as the consistency of such with the 2022-2026 business plan approved by the Directors;
- testing the reasonableness of the discount rate used and the mathematical accuracy of the accrued Provision.

Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the Key Audit Matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by international standards on auditing (ISA Italia), regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Aeroporto Guglielmo Marconi di Bologna S.p.A., in the general meeting held on May 20, 2015, engaged us to perform the audits of the financial statements and the consolidated financial statements for each of the years ending December 31, 2015 to December 31, 2023.

We declare that we have not provided prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the “Delegated Regulation”) to the financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation of the Directors' Report and of the Report on Corporate Governance and Ownership Structure of Aeroporto Guglielmo Marconi di Bologna S.p.A. as at December 31, 2021, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Directors' Report and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. as at December 31, 2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Directors' Report and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. as at December 31, 2021 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.



Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation on voluntary basis of the non-financial information pursuant to article 7 of Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information is subject to a separate compliance report signed by us.

Bologna, March 31, 2022

EY S.p.A.

Signed by: Alberto Rosa, Auditor

As disclosed by the Directors on page 2, the accompanying financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



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